

ORASURE TECHNOLOGIES INC
Form DEF 14A
March 29, 2018
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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

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

OraSure Technologies, 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):

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(4) Date Filed:

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Proxy Statement

Notice of Annual Meeting of Shareholders

Tuesday, May 8, 2018 10:00 a.m. (Eastern Time)

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Letter to the Stockholders

Douglas A. Michels

March 29, 2018

President and

Chief Executive Officer

Dear Fellow Stockholders:

You are cordially invited to attend the 2018 Annual Meeting of Stockholders (the Annual Meeting) to be held on **Tuesday, May 8, 2018 at 10:00 a.m. Eastern Time**. Consistent with past practice, this year's Annual Meeting will be a completely virtual meeting of stockholders, conducted as a live webcast. You will be able to attend the Annual Meeting online, vote your shares electronically if you wish, and submit your questions during the meeting by visiting www.virtualshareholdermeeting.com/OSUR2018.

Pursuant to the Securities and Exchange Commission rule allowing companies to furnish proxy materials to their stockholders over the internet, a Notice of Internet Availability of Proxy Materials (the Notice) was sent to stockholders on or about March 29, 2018. The Notice contains information on how to access copies of the proxy materials and vote your shares.

At the Annual Meeting, you will be asked to (i) elect two Class III Directors to serve on the Board of Directors until the Annual Meeting of Stockholders in 2021; (ii) ratify the appointment of KPMG LLP as our independent registered public accounting firm for the 2018 fiscal year; (iii) approve, by an advisory (non-binding) vote, the compensation of the Company's named executive officers as disclosed in the proxy materials and (iv) transact such other business as may properly come before the meeting, and any adjournment(s) or postponement(s) thereof.

The Board of Directors has approved the nominees for Director and recommends that you vote **FOR** their election to the Board. In addition, the Board of Directors recommends that you vote **FOR** the ratification of KPMG LLP's appointment, and **FOR** the approval of the Company's executive compensation.

Your vote is very important, regardless of the number of shares you own. Whether or not you plan to attend the Annual Meeting online, we urge you to submit your vote as soon as possible. You will have the option to vote by telephone, via the internet, or by completing, signing, dating and returning a paper Proxy Card. Additional details on these options can be found in the Notice sent to you and in the other proxy materials. You may, of course, attend the Annual Meeting online and vote your shares during the meeting regardless of whether you have previously voted by phone, the internet or mail.

Before I close, I would like to offer a few additional comments with my retirement so close at hand. It has been a true pleasure to be OraSure's President and CEO for the past 14 years. I am very grateful for the opportunity to serve in that role and for all of the support I have received from the Board of Directors, my many colleagues at the Company and from you, our stockholders.

We have enjoyed many successes, especially in recent years, and the Company has never been in better shape. Our momentum is strong and our prospects are high. The Board has made a great decision to bring Steve Tang on as the new President and CEO. Steve is a person of high integrity and has excellent experience and leadership skills. I have no doubt that he is the right person for the job. I look forward, as I am sure you do as well, to watching the Company's exciting future unfold under Steve's leadership.

So with that, I thank you again for your cooperation, and for your ongoing support of, and continued interest in, OraSure Technologies, Inc.

Sincerely yours,

Douglas A. Michels

President and Chief Executive Officer

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**NOTICE OF 2018 ANNUAL MEETING OF STOCKHOLDERS
OF ORASURE TECHNOLOGIES, INC.**

DATE AND TIME

Tuesday May 8, 2018

10:00 a.m. (Eastern Time)

To be held virtually by visiting

www.virtualshareholdermeeting.com/OSUR2018

ITEMS OF BUSINESS

The 2018 Annual Meeting of Stockholders will be held for the following purposes:

To elect two (2) Class III Directors, each to serve for a term expiring at the Company's Annual Meeting of Stockholders in 2021;

To ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the year ending December 31, 2018;

To approve, by an advisory (non-binding) vote, the compensation of the Company's named executive officers as disclosed in the Proxy Statement accompanying this Notice; and

HOW TO VOTE

Via the Internet. Go to www.proxyvote.com to vote your shares online prior to the Annual Meeting. Have the control number that is printed in your Notice of Internet Availability of Proxy Materials or Proxy Card and follow the instructions. You may also vote online during the Annual Meeting by going to www.virtualshareholdermeeting.com/OSUR2018 and following the instructions.

By Phone. Call the toll-free number on your Notice of Internet Availability of Proxy Materials or Proxy Card and follow the prompts.

By Mail. You can vote by mail by requesting a paper copy of the materials, which will include a Proxy Card. Please review your Notice of Internet Availability of Proxy Materials for instructions on how to request a paper copy of the materials. Mark, sign and date your Proxy Card and return it as indicated on the Proxy Card.

To consider such other business as may properly come before the meeting, and any adjournment(s) or postponement(s) thereof.

Who Can Vote: Only holders of shares of the Company's Common Stock of record at the close of business on March 15, 2018 will be entitled to vote at the Annual Meeting of Stockholders and any adjournment(s) or postponement(s) thereof. Additional information is included in the Proxy Statement accompanying this Notice.

By Order of the Board of Directors,

Jack E. Jerrett

Secretary

March 29, 2018

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PROXY STATEMENT SUMMARY

We are providing these Proxy Materials to stockholders of OraSure Technologies, Inc., a Delaware corporation (as used herein, we, us, our or the Company), in connection with the Company's solicitation of proxies (each, a Proxy) to be used at the Annual Meeting of Stockholders to be held on May 8, 2018, at 10:00 a.m. Eastern Time, and at any adjournment(s) or postponement(s) thereof (the Annual Meeting).

As a stockholder, you are invited to attend the Annual Meeting and are requested to vote on the matters described in this Proxy Statement. The Annual Meeting will be conducted in a completely virtual manner through

a live webcast that you can access online by going to www.virtualshareholdermeeting.com/OSUR2018. The webcast will not include a presentation by management. A question and answer session will be provided at the Annual Meeting only for questions that are germane to the matters being discussed and voted on at the meeting.

This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider. **You should read the entire Proxy Statement carefully before voting.**

2018 ANNUAL MEETING INFORMATION

Date and Time: Tuesday, May 8, 2018 at 10:00 a.m. (ET)

Location: Online by visiting www.virtualshareholdermeeting.com/OSUR2018

Record Date: March 15, 2018

2017 BUSINESS HIGHLIGHTS

• Record consolidated net revenues of \$167.1 million - 30% growth over 2016.

- Ö Consolidated net product revenues of \$162 million - a 51% increase over 2016.
- Ö Consolidated net income of \$30.9 million (\$0.51 per share) - an \$11.2 million (\$0.16 per share) improvement over 2016.
- Ö Third consecutive year of record performance and profitable operations.
- Ö Total stockholder return of 114.8% for 2017.
- Ö \$28.2 million in cash generated from operations - a \$3.6 million improvement over 2016.
- Ö Over \$176.6 million in cash and investments at year-end.
- Ö Record molecular collection systems revenues of \$75.1 million - 133% growth over 2016.
- Ö International HCV product sales increased 156% over 2016.
- Ö International OraQuick® HIV sales increased 115% over 2016.

We achieved record revenues and full-year profitability for the third consecutive year in 2017, with strong contributions from our molecular collections systems business and OraQuick® HIV Self-Test and HCV products.

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CORPORATE GOVERNANCE HIGHLIGHTS

- Ö By-Laws recently amended to adopt majority voting for uncontested election of Directors.
- Ö Comprehensive Code of Business Conduct and Ethics applies to Board of Directors (the Board) and Management.
- Ö Board Chairman and CEO positions held by different individuals and Board Chairman is independent of management.
- Ö More than a majority (67%) of Board members (Directors) are independent as defined by the Securities and Exchange Commission (SEC) and the NASDAQ Stock Market (NASDAQ).
- Ö Corporate Governance Principles in place to address Director independence, meetings and other important governance matters.
- Ö All committees of the Board consist solely of independent Directors.
- Ö Regular executive sessions of independent Directors.
- Ö Regular stockholder engagement through meetings, conferences and annual outreach.
- Ö Board and Committee members attended more than 75% of meetings during 2017.
- Ö All Directors attended 2017 Annual Meeting of Stockholders.
- Ö Strong stock ownership and retention guidelines for executive officers and non-employee Directors.
- Ö Policy prohibiting short sales, hedging and pledging of our Common Stock.
- Ö Compensation recoupment or clawback policy.
- Ö Policy to prevent improper insider trading of our stock by non-employee Directors and employees.

Ö Oversight of risk management by Directors.

Ö Strong pay-for-performance compensation philosophy.

PROPOSALS FOR STOCKHOLDER CONSIDERATION

Proposals	Board Recommendation	Page Reference for More Detail
1.) Election of two Class III Directors	FOR EACH NOMINEE	67
2.) Ratification of Appointment of Independent Registered Public Accounting Firm for 2018	FOR	73
3.) Advisory (Non-Binding) Vote to Approve Executive Compensation	FOR	73

Proposal No. 1 Election of Directors

The table below provides summary information about each of our nominees for Class III Directors, whose new terms would expire at the 2021 Annual Meeting of Stockholders. The Board is recommending that stockholders vote for each Director nominee.

Name and Principal Occupation	Age	Director Since	Independent	Committee Memberships ¹			Other Public Boards
				AC	CC	GC	

Michael Celano ²						
Chief Operating Officer of Recro Pharma, Inc.	59	2006	Yes	C	Ö	No

Charles W. Patrick						
Principal, Patrick Consulting	63	2006	Yes	Ö	C	No

¹ AC = Audit Committee; CC = Compensation Committee; NCGC = Nominating & Corporate Governance Committee; C = Chairman; Ö = Member.

² Mr. Celano has been appointed as Chairman of the Board effective April 1, 2018. Mr. Celano will replace Stephen S. Tang, Ph.D., who will resign as Chairman of the Board and become the Company's President and CEO on that date.

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Proposal No. 2 Ratification of Appointment of Independent Registered Public Accounting Firm

Our Board and its Audit Committee have selected KPMG LLP (KPMG) to be our independent registered public accounting firm for the 2018 fiscal year. The Board believes KPMG is well qualified to serve in this capacity and is recommending that the engagement of KPMG be ratified by our stockholders.

Proposal No. 3 Advisory(Non-Binding) Vote to Approve Executive Compensation

Our business is diverse and we operate in extremely competitive markets around the world.

It takes commitment from all of the talented people throughout our Company, and especially our executive team, to manage the many facets of our business. We have designed our compensation program to enable us to attract, retain and motivate our executives and reward them for achieving our objectives and delivering value to stockholders over the long-term. Therefore, we are asking our stockholders to approve, by an advisory (non-binding) vote, the compensation of our named executive officers (NEOs) as described in this Proxy Statement.

Our compensation program is designed to focus and reward our executives for balancing both short and long-term priorities. To fulfill this mission, we have adopted a pay-for-performance philosophy that forms the foundation for executive compensation decisions made by our Board and the Compensation Committee of the Board (the Compensation Committee). In addition, our compensation decisions are designed to align the interests of our executives with the interests of our stockholders and incorporate strong corporate governance principles.

The Compensation Discussion and Analysis portion of this Proxy Statement (the CD&A) contains a detailed description of our executive compensation philosophy and program, the compensation decisions the Board and Compensation Committee have made under that program and the factors considered in making those decisions, focusing on the compensation of our NEOs for the year ended December 31, 2017, who were:

Douglas A. Michels, President and Chief Executive Officer

Ronald H. Spair, Chief Financial Officer and Chief Operating Officer

Anthony Zezzo, II, Executive Vice President, Business Unit Leader, Infectious Disease

Brian Smith, Executive Vice President, Business Unit Leader, Molecular Solutions

Jack E. Jerrett, Senior Vice President, General Counsel and Secretary

At our 2017 Annual Meeting, 96.6% of the votes cast approved the compensation paid to our NEOs for the 2016 fiscal year, as disclosed in our 2017 Proxy Statement. The Board and Compensation Committee take seriously the results of each say-on-pay (SOP) vote and the views of our stockholders regarding executive compensation. Accordingly, as has been our practice following each SOP vote, we conducted an outreach effort to contact our stockholders in order to obtain their views on the reasons for the vote and to solicit their input on our compensation practices. As part of that effort, after the 2017 Annual Meeting we contacted stockholders who, in the aggregate, beneficially owned in excess of 50% of our outstanding Common Stock to discuss our compensation practices. The stockholders we contacted generally indicated that there was no need to meet with them at this time. We believe this reaction, coupled with the strong positive SOP vote at the 2017 Annual Meeting, confirms that the structure of our compensation program, including changes made in recent years, such as the adoption of performance-vested restricted units for 50% of annual equity awards to our executives, are generally supported by our stockholders. The CD&A provides further information on our outreach effort, which we intend to continue. The Board is recommending that stockholders vote in favor of our executive compensation.

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COMPENSATION COMPONENTS

We believe that all components of our executive compensation program are strongly tied to performance of both the Company and our executives and are aligned with the best interests of our stockholders. These components consist of the following:

Base Salary	Salaries are based on position relative to market and individual performance and contribution.
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Annual Cash Incentive Plan Bonuses	Annual incentive cash bonuses reflect market-based targets and are contingent upon (i) achievement of corporate financial objectives, which are used to determine overall bonus pool funding, and (ii) the executive's individual performance against pre-determined objectives, which are used to determine individual bonus payouts.
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Equity Awards under the Long-Term Incentive Policy (LTIP)	Long-term incentive equity compensation reflects market-based targets with the value of individual awards contingent upon the executive's individual performance against pre-determined objectives during the fiscal year prior to award.
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PERFORMANCE HIGHLIGHTS

We believe that compensation awarded to executives for 2017 was closely aligned with our strong performance for the year. The Company's financial results for 2017 represented a significant improvement over 2016. These results substantially exceeded our targets for the year.

Consolidated net revenues in 2017 were \$167.1 million (30% growth over 2016), and consolidated net income was \$30.9 million, or \$0.51 per share (compared to \$19.7 million, or \$0.35 per share in 2016). Both represent record financial performance and 2017 was the third consecutive year of profitability. Total stockholder return for 2017 was 114.8%.

Our molecular collection systems business continued its strong performance in 2017 with revenues 133% higher than in 2016. Our international HIV revenues rose 115% in 2017 compared to the prior year, primarily as a result of the substantial growth in sales of our OraQuick® HIV Self-Test. We also reported strong growth in HCV sales, largely as a result of a 156% increase in international HCV sales compared to the prior year.

We generated \$28.2 million in cash from operations in 2017 (a \$3.6 million improvement over 2016) and we ended 2017 with over \$176 million in cash on our balance sheet, which we can use for our future growth.

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KEY FEATURES OF OUR EXECUTIVE COMPENSATION PROGRAM

Key features of our compensation program illustrate our commitment to pay-for-performance, the strong alignment of our executives' interests with those of our stockholders and strong corporate governance. The more significant of these features are summarized below:

Compensation is market driven and performance-based.

Regular stockholder outreach on compensation/governance matters.

Total compensation targeted at 50th percentile of peer group.

Use of a third-party compensation consultant to provide independent advice on compensation matters.

Balanced mix of cash/equity, fixed/variable, short-term/long-term compensation components.

Strong stock ownership/retention requirements for executives.

Threshold financial performance objectives for annual bonus pool funding are set at levels that meet or exceed actual financial performance for the prior fiscal year.

Use of peer company benchmarking and tally sheets.

The Board's discretionary ability to adjust annual incentive bonus pool funding limited to +/- 10% of pool amount.

Compensation recoupment policy.

Long-term equity incentive awards include 50% performance-vested restricted units that vest only if (i) a three-year compound average growth rate for product revenues and/or a one-year earnings per share (EPS) target is met and (ii) a three-year service period is satisfied.

No hedging or pledging of our Common Stock.

No excise tax gross-up for all NEO employment agreements and double trigger change in-control severance in our CEO's employment agreement.

The 2017 compensation for Mr. Michels, our President and Chief Executive Officer (CEO), and Mr. Spair, our Chief Financial Officer and Chief Operating Officer (CFO/COO), increased consistent with our 2017 financial performance, reflecting our commitment to a pay-for-performance philosophy.

¹ Awards in 2018 used a one-year pre-tax income target instead of EPS due to uncertainty about the impact of the recently enacted Federal tax reform legislation on our financial performance for 2018.

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QUESTIONS AND ANSWERS ABOUT THE 2018 ANNUAL MEETING AND VOTING

1. WHY DID I RECEIVE THESE PROXY MATERIALS?

Our Board is furnishing Proxy Materials, including this Proxy Statement, a Proxy Card and the Company's Annual Report to Stockholders for the year ended December 31, 2017 (2017 Annual Report), to our stockholders in order to solicit proxies to be voted at the Annual Meeting (each, a Proxy). Each stockholder can access these documents on the internet in accordance with the rules and regulations of the SEC. On or about March 29, 2018, we mailed a Notice of Internet Availability of Proxy Materials (the Notice) to each stockholder at the holder's address of record, indicating that this Proxy Statement is now available to our stockholders of record entitled to vote at the Annual Meeting.

SEC rules permit us to deliver only one copy of the Notice or a single set of Proxy Materials to multiple stockholders sharing the same address. Upon written or oral request, we will deliver separate Notices and/or copies of our 2017 Annual Report and/or this Proxy Statement to any stockholder at a shared address to

which a single copy of the Notice was delivered. Stockholders may notify the Company of their requests by calling or writing us at OraSure Technologies, Inc., 220 East First Street, Bethlehem, Pennsylvania 18015, Attention: Corporate Secretary; (610) 882-1820.

All stockholders and beneficial holders have the ability to access a copy of our Proxy Materials on the internet at the website referred to in the Notice. **Stockholders will not receive printed copies of the Proxy Materials unless they request those copies.** The Notice also instructs stockholders as to how to submit a Proxy through the internet. If you would like to receive a paper or e-mail copy of your Proxy Materials, you should follow the instructions for requesting such materials included in the Notice. We will pay the entire cost of preparing, assembling, printing, mailing and distributing these Proxy Materials and soliciting votes. If you choose to access the Proxy Materials and/or vote over the internet, you are responsible for any internet access charges you may incur.

2. WHAT IS A PROXY?

A Proxy is your legal designation of another person to vote the shares of Common Stock you own. That other person is called a proxy. If you designate someone as your proxy in a written document, that document also is called a Proxy

or a Proxy Card.

Jack E. Jerrett and Mark L. Kuna, each of whom are officers of the Company, have been designated as proxies by the Board of Directors for the Annual Meeting.

3. WHAT IS THE RECORD DATE AND WHAT DOES IT MEAN?

The record date for the Annual Meeting is March 15, 2018 (the record date). The record date is established by the Board as required by Delaware law. Only stockholders of record at the close of business on the record date are entitled to:

(a) receive notice of the Annual Meeting; and

(b) vote at the meeting and any adjournment(s) or postponement(s) of the meeting.

Each stockholder of record on the record date is entitled to one vote for each share of Common Stock

held. On the record date, there were 61,494,102 shares of our Common Stock outstanding and entitled to vote at the Annual Meeting.

A list of stockholders will be open for examination by any stockholder for any purpose germane to the Annual Meeting for a period of 10 days prior to the meeting at our principal executive offices at 220 East First Street, Bethlehem, PA 18015, and electronically during the Annual Meeting at www.virtualshareholdermeeting.com/OSUR2018 when you enter the control number provided in the Notice sent to you.

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4. WHAT IS THE DIFFERENCE BETWEEN A STOCKHOLDER OF RECORD AND A STOCKHOLDER WHO HOLDS STOCK IN STREET NAME?

If your shares of stock are registered in your name on the books and records of our transfer agent, Computershare, Inc., you are a stockholder of record.

If your shares of stock are held for you in the name of your broker, bank or other nominee, your shares are held in street name. The answer to Question 7 describes brokers' discretionary voting authority and

when your broker, bank or other nominee is permitted to vote your shares of stock without instructions from you.

It is important that you vote your shares if you are a stockholder of record and, if you hold shares in street name, that you provide appropriate voting instructions to your broker, bank or other nominee as discussed in the answer to Question 7.

5. HOW CAN I VOTE MY SHARES FOR THE ANNUAL MEETING?

All stockholders have a choice of voting via the internet, over the telephone or by completing and mailing a paper Proxy Card, as described below.

Voting via the Internet or by Telephone. Stockholders of record desiring to vote online via the internet or by telephone prior to the Annual Meeting, should go to www.proxyvote.com or call the toll free number indicated on the Proxy Card or Notice. You may vote via the internet or by telephone provided you do so by 11:59 p.m. Eastern Time (8:59 p.m. Pacific Time) on May 7, 2018. Stockholders who attend the Annual Meeting via the internet may vote their shares at that time up to and during the Annual Meeting by following the instructions at www.virtualshareholdermeeting.com/OSUR2018.

Street name holders may vote via the internet or by telephone if their brokers, banks or other nominees make those methods available. If that is the case, each broker, bank or nominee will include instructions with the Notice or Proxy Statement.

The telephone and internet voting procedures, including the use of control numbers, are designed to authenticate your identity, to allow you to give your

voting instructions and to confirm that your instructions have been recorded properly.

If you vote via the internet, you should understand that you will be responsible for any costs associated with this method of voting, such as usage charges from internet access providers and telephone companies.

Voting by Mail. If you desire to vote prior to the Annual Meeting by using a paper Proxy Card instead of by telephone or via the internet, you will need to either print a copy of the Proxy Card from the website indicated in your Notice or follow the instructions in your Notice to request that a paper copy be sent to you. You will then need to complete, sign, date and return the Proxy Card, as described on the Proxy Card. Street name holders should complete and return the voting card provided by their broker, bank or nominee.

Voting at the Annual Meeting. All stockholders of record may vote online during the Annual Meeting, as described above. Submitting a Proxy via the internet, over the telephone or by mail will not affect your right to withdraw your Proxy and vote during the Annual Meeting.

6. HOW WILL MY SHARES BE VOTED IF I SEND IN A PROXY?

If you are represented by a properly executed Proxy, whether delivered by phone, the internet or mail, your shares will be voted in accordance with your instructions.

If you do not provide instructions with your Proxy, your shares will be voted according to the recommendations of our Board as stated on the Proxy.

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7. WILL MY SHARES BE VOTED IF I DO NOT PROVIDE MY PROXY?

Stockholders of Record: If you are a stockholder of record, your shares will not be voted if you do not provide your Proxy, unless you vote online during the Annual Meeting. **It is, therefore, important that you vote your shares.**

Street Name Holders: If your shares are held in street name and you do not provide your signed and dated voting instruction form to your bank, broker or other nominee, your shares may be voted by your broker, bank or other nominee but only under certain circumstances. Specifically, under NASDAQ rules, shares held in the name of your broker, bank or other nominee may be voted by your broker, bank or other nominee on certain routine matters if you do not provide voting instructions.

At the upcoming Annual Meeting, only the ratification of the selection of KPMG LLP as the Company's independent registered public accounting firm is considered a routine matter for which brokers, banks or other nominees may vote uninstructed shares. The other proposals to be voted on at our Annual Meeting (specifically, the election of Director nominees and the advisory vote to approve the compensation of the Company's NEOs) are not considered routine under NASDAQ rules, so the broker, bank or other nominee cannot vote your shares on any of these proposals unless you provide to the broker, bank or other nominee voting instructions for each of these matters. If you do not provide voting instructions on these matters, your shares will not be voted on the matter, which is referred to as a broker non-vote. **It is, therefore, important that you vote your shares.**

8. HOW MANY SHARES MUST BE PRESENT TO HOLD THE ANNUAL MEETING?

Your shares are counted as present at the meeting if you attend the meeting and vote online or if you properly return a Proxy by internet, telephone or mail. In order for us to conduct our Annual Meeting, a majority of our outstanding shares of Common Stock as of the

March 15, 2018 record date, must be present online or by Proxy at the meeting. This is referred to as a quorum. Broker non-votes, votes withheld and abstentions are included in determining whether there are a sufficient number of shares present to constitute a quorum.

9. HOW CAN I REVOKE A PROXY?

You can revoke a Proxy before the completion of voting at the Annual Meeting by:

- (a) Giving written notice to the Corporate Secretary of the Company to revoke your Proxy; or
- (b) Delivering a later-dated Proxy that indicates the change in your vote; or
- (c) Logging on to www.proxyvote.com in the same manner you would to submit your Proxy electronically or calling the telephone number indicated in your Notice, and in each case, following the instructions to revoke or change your vote; or
- (d) Attending the Annual Meeting online and voting, which will automatically cancel any Proxy previously given. Attendance alone will not revoke any Proxy that you have given previously.

If you choose any of the first three methods, you must take the described action no later than 11:59 p.m. Eastern Time (8:59 p.m. Pacific Time) on May 7, 2018. Once voting on a particular matter is completed at the Annual Meeting, you will not be able to revoke your Proxy or change your vote. If your shares are held in street name by a broker or other nominee, you must contact that institution to change or revoke your vote.

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10. WHAT ITEMS WILL BE VOTED ON AT THE ANNUAL MEETING?

At the Annual Meeting, action will be taken on the matters set forth in the accompanying Notice and described in this Proxy Statement. The Board knows of no other matters to be presented for action at the Annual Meeting.

If any other matters do properly come before the Annual Meeting, the persons named in the Proxy Card will have discretionary authority to vote on those matters in accordance with their best judgment.

11. WHO WILL PAY THE COST OF THIS PROXY SOLICITATION?

Solicitation of Proxies is made on behalf of the Board. The cost of soliciting Proxies will be borne by the Company. In addition to solicitations by e-proxy and/or by mail, certain of our Directors, officers and regular employees may solicit Proxies personally or by telephone or other means without additional compensation.

We have also engaged Morrow Sodali LLC, 470 West Ave., Stamford, CT 06902, to provide proxy solicitation services at an estimated fee of \$7,500 plus expenses. Arrangements will be made with brokerage firms and other custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of stock held of record by such persons, and we will, upon request, reimburse them for their reasonable expenses in so doing.

12. HOW CAN I PARTICIPATE IN THE ANNUAL MEETING?

This year's Annual Meeting will be a completely virtual meeting of stockholders, and will be conducted via live webcast on the Internet. You are entitled to participate in the Annual Meeting only if you were a stockholder of the Company as of the close of business on March 15, 2018, the record date for the meeting, or if you hold a valid Proxy for the Annual Meeting.

You will be able to participate in the Annual Meeting online and submit your questions during the meeting by visiting www.virtualshareholdermeeting.com/OSUR2018. To participate in the Annual Meeting, you will need the control number that is included on your Notice, on our proxy card or on the instructions that accompanied your proxy materials. The Annual Meeting will begin promptly at 10:00 a.m. Eastern Time, and you should allow ample time to complete the online check-in procedures.

13. ARE VOTES CONFIDENTIAL?

We will continue our long-standing practice of holding the votes of each stockholder in confidence from Directors, officers and employees, except: (a) as necessary to meet applicable legal requirements and to assert or defend claims for or against the Company;

(b) in the case of a contested proxy solicitation; (c) if a stockholder makes a written comment on the Proxy Card or otherwise communicates his or her vote to the Company; or (d) as needed to allow the independent inspectors of election to certify the results of the vote.

14. WHO COUNTS THE VOTES?

We will continue, as we have for many years, to retain an independent inspector of election to receive and tabulate the Proxies and certify the results. These activities will be handled electronically.

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15. MAY STOCKHOLDERS ASK QUESTIONS AT THE ANNUAL MEETING?

Yes. The Chairman of the Board will answer stockholders' questions during the question and answer period of the meeting. Stockholders must confine their questions to matters that relate directly to

the business of the meeting. The Chairman will determine which questions are appropriate to answer during the meeting.

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The following table sets forth information, as of March 15, 2018, regarding the beneficial ownership of the Company's Common Stock by (a) each person who is known by us to be the beneficial owner of more than five percent of the Common Stock outstanding; (b) each Director and nominee for election as Director; (c) each of our executive officers named in the Summary Compensation Table in this Proxy Statement; and (d) all of our Directors and executive officers as a group. Unless otherwise indicated, the address of each person identified below is c/o OraSure Technologies, Inc., 220 East First Street, Bethlehem, Pennsylvania 18015.

Pursuant to Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act), shares of Common Stock which a person has a right to acquire pursuant to the exercise of stock options held by that person that are exercisable within 60 days of March 15, 2018 are deemed to be outstanding for the purpose of computing the ownership percentage of that person, but are not deemed outstanding for computing the ownership percentage of any other person.

Name and Address of Beneficial Owner	Amount and Nature of the Beneficial Ownership ^{1,2}	Percent of Class
Black Rock, Inc. ³ 40 East 52 nd Street New York, NY 10022	7,729,515	12.6%
The Vanguard Group ⁴ 100 Vanguard Blvd. Malvern, PA 19355	5,252,092	8.5%
Renaissance Technologies, LLC ⁵ 800 Third Avenue New York, NY 10022	4,003,100	6.5%
	3,286,266	5.3%

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Wellington Management Group, LLP⁶

280 Congress Street

Boston, MA 02210

	825,303	1.3%
Douglas A. Michels		
	307,664	*
Ronald H. Spair ⁷		
	261,882	*
Anthony Zezzo II		
	63,500	*
Jack E. Jerrett		
	58,182	*
Charles W. Patrick		
	54,711	*
Eamonn P. Hobbs		
	43,083	*
Stephen S. Tang, Ph.D.		
	41,128	*
Michael Celano		
	24,640	*
Brian Smith		
	21,666	*
Mara Aspinall		
	6,295	*
Ronny B. Lancaster		
	5,000	*
Aradhana Sarin, M.D.		
All Directors and executive officers as a group (14 people)	1,804,131	2.9%

*Less than 1%

¹Subject to community property laws where applicable, beneficial ownership consists of sole voting and investment power except as otherwise indicated.

²Includes shares subject to options exercisable within 60 days of March 15, 2018, as follows: Mr. Michels, 108,364 shares; Mr. Spair, 31,372 shares; Mr. Zezzo, 113,499 shares; Mr. Jerrett, 13,232 shares; Mr. Hobbs, 40,000 shares; Dr. Tang, 6,667 shares; Mr. Smith, 6,565 shares;

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Ms. Aspinall, 16,666 shares; Dr. Sarin, 5,000 shares and all Directors and executive officers as a group, 351,308 shares. Also includes unvested restricted stock, as follows: Mr. Michels, 128,241 shares; Mr. Spair, 64,183 shares; Mr. Zezzo, 35,159 shares; Mr. Jerrett, 26,720 shares; Mr. Patrick, 6,295 shares; Mr. Hobbs, 6,295 shares; Dr. Tang, 7,952 shares; Mr. Celano, 6,295 shares; Mr. Smith, 12,782 shares; Mr. Lancaster, 6,295 shares; and all Directors and executive officers as a group, 346,653 shares. Does not include unvested performance-vested restricted units.

³Based on information contained in a Schedule 13G/A filed January 19, 2018. The filing person has sole voting power with respect to 7,621,532 shares and sole dispositive power with respect to 7,729,515 shares.

⁴Based on information contained in a Schedule 13G/A filed February 9, 2018. The filing person has sole voting power with respect to 109,507 shares, shared voting power with respect to 4,900 shares, sole dispositive power with respect to 5,142,385 shares and shared dispositive power with respect to 109,707 shares.

⁵Based on information contained in a Schedule 13G/A filed February 14, 2018. The filing persons have sole voting power and sole dispositive power with respect to the indicated shares.

⁶Based on information contained in a Schedule 13G filed February 8, 2018. The filing persons have shared voting power with respect to 2,976,004 shares and shared dispositive power with respect to 3,286,266 shares.

⁷Includes 166,402 restricted shares contributed to the OraSure Technologies, Inc. Deferred Compensation Plan, by Mr. Spair.

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CORPORATE GOVERNANCE

BOARD RESPONSIBILITIES, OPERATION AND COMPOSITION

The primary responsibility of the Board of Directors is to promote the long-term success of the Company. In fulfilling this role, each Director must exhibit good faith business judgment as to what is in the best interests of the Company. The Board is responsible for establishing broad corporate policies, setting strategic direction and overseeing management. The Company's management is responsible for the day-to-day operations of the Company.

The Board is divided into three classes with each class consisting of one-third of the total number of Directors on the Board. At each Annual Meeting of Stockholders, the nominees for the class of Directors whose term is expiring at that annual meeting are elected for a three-year term. A Director holds office until the Annual Meeting of Stockholders for the year in which his or her term expires or until his or her successor is elected and duly qualified, subject to prior death, resignation, retirement, disqualification or removal. Each nominee for election at the Annual Meeting currently serves as a Director.

The Board typically holds regular meetings in February, May, August and November of each year, with special meetings held as needed. The Board's organizational meeting follows the Annual Meeting of Stockholders. The Board meets in executive session at all regularly scheduled meetings. The Board held 12 meetings and acted by written consent on two (2) occasions during the fiscal year ended

Directors attended greater than 75% of all Board and Committee meetings during 2017.

December 31, 2017. Each member of the Board attended more than 75 percent of the combined total of meetings of the Board and of the Committees of the Board on which such member served during the period in the year in which he or she served as a Director.

GOVERNANCE GUIDELINES AND CODE OF CONDUCT

The Board has adopted Corporate Governance Principles which, along with the Charters for each of its Committees and the Company's Code of Business Conduct and Ethics, provide a framework for the governance of the Company. The Company's Corporate Governance Principles address matters such as the responsibilities and composition of the Board, Director independence and the conduct of Board and Committee meetings. The Company's Code of Business Conduct and Ethics sets forth guiding principles of business ethics and certain legal requirements applicable to all Company employees and non-employee Directors. Copies of the current Corporate Governance Principles and Code of Business Conduct and Ethics are available on the Company's website, www.orasure.com.

We operate under a Code of Business Conduct and Ethics and Corporate Governance Principles, which apply to all employees and non-employee Board Members.

INDEPENDENT BOARD CHAIRMAN

The positions of Chairman of the Board and CEO of the Company are held by different individuals, with the Chairman being independent of management.

Currently, the Company's Chief Executive Officer does not hold the position of Chairman of the Board as the Company believes it is appropriate for the Board to be led by an individual who is independent of management. Stephen S. Tang, Ph.D. was appointed as Chairman of the Board in November 2016 and has been a Director since 2011. As previously announced, Dr. Tang will become the Company's new President and CEO on April 1, 2018 following the retirement of Douglas A. Michels on March 31, 2018. Concurrently with his new appointment, Dr. Tang will resign as Chairman of the Board and Michael Celano, who has been a Director since 2006 and is currently Chairman of the Audit Committee, will become our new Board Chairman.

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The Board has carefully considered its leadership structure and believes at this time that the Company and its stockholders are best served by having the positions of Chairman and Chief Executive Officer filled by different individuals. This allows the Chief Executive Officer to, among other things, focus on the Company's day-to-day business, while allowing the Chairman to lead the Board in its fundamental role of providing advice and oversight of management. In the future, however, the Board may reconsider whether its Chief Executive Officer should also serve as Board Chairman.

DIRECTOR INDEPENDENCE

Our Corporate Governance Guidelines require, among other things, that a majority of the members of the Board meet the independence requirements of the SEC and NASDAQ, on which our Common Stock is listed. Each year our Board, with assistance from the Nominating and Corporate Governance Committee, conducts a review of Director independence. The most

A majority of our Directors are independent as required under applicable SEC and NASDAQ rules.