

CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “**Board**”) of **Seattle Genetics, Inc.** (the “**Company**”) has adopted the following Corporate Governance Guidelines (the “**Guidelines**”) to assist the Board in exercising its responsibilities. These Guidelines reflect the Board’s commitment to building long-term stockholder value with an emphasis on corporate governance. These Guidelines are not intended to change any Federal or state law or regulation applicable to the Company, including the Delaware General Corporation Law, the Certificate of Incorporation or Bylaws of the Company or any rule or regulation of any stock exchange. The Board reserves the right to modify these Guidelines from time to time as it deems necessary or advisable.

BOARD COMPOSITION

1. Selection of Chair of the Board and Chief Executive Officer

The Board is free to choose its Chair in any manner that is in the best interests of the Company at the time. The roles of the Chief Executive Officer and Chair of the Board may be separate. When the Chair of the Board also serves as the Chief Executive Officer or as another executive officer of the Company, the Board may designate an independent director who acts as a Lead Independent Director. If the Chair of the Board position is held by an independent director, then the Board shall not designate a Lead Independent Director.

2. Size of the Board

The Board shall review its own size from time to time and determine the size that is most effective toward future operations.

3. Selection of New Directors

The Nominating and Corporate Governance Committee is responsible for identifying, screening and nominating candidates for Board membership. When considering nominations, the Nominating and Corporate Governance Committee shall also consider the recommendations of the stockholders of the Company.

4. Board Membership Criteria

The Nominating and Corporate Governance Committee is responsible for assessing the appropriate balance of experience, skills and characteristics required of the Board.

Nominees for director shall be selected on the basis of professional background, depth and breadth of experience, wisdom, sound business judgment, integrity, collegiality, ability to make independent analytical inquiries, understanding of the Company’s business environment and familiarity with the biotechnology industry, the willingness of the candidate to devote adequate time to Board duties, the interplay of the candidate’s experience and skills with those of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board. Nominees are sought with a broad diversity of experience, professions, skills, geographic representation and backgrounds, without applying any specific weight to particular criteria.

No director may serve on more than a total of six (6) boards of directors of public companies (including service on the Board) unless approved in advance by the Board.

5. Percentage of Independent Directors on Board

Independent directors shall constitute at least a majority of the Board, and all the members of the Company's Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee shall be independent.

6. Board Definition of Director Independence

Independent director means a person who does not have a relationship, which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and who are otherwise independent directors under Nasdaq rules. Members of the Audit Committee shall also satisfy the requirements of SEC Rule 10A-3.

7. Lead Independent Director

If the Board designates a Lead Independent Director, such person shall be responsible for coordinating the activities of the independent directors. The specific responsibilities of the Lead Independent Director shall include the following:

- Providing leadership to the Board complementary to the Chair of the Board;
- Working with the Chair of the Board and Corporate Secretary to set the agenda for Board meetings;
- Chairing regular meetings of independent directors without management present; and
- Chairing Board meetings if the Chair of the Board is not in attendance.

8. Directors Who Change Their Present Job Responsibility or Join New Boards

Non-employee directors who retire from their executive positions at outside companies, change the position they held when they became a member of the Board or join the board of directors of a private or public company should notify the Nominating and Corporate Governance Committee of such changes. Upon being notified of any such changes in position, the Nominating and Corporate Governance Committee will review the appropriateness of continued Board membership under the circumstances and the affected director will be expected to act in accordance with the Nominating and Corporate Governance Committee's recommendation.

9. Term Limits

The Board has not established term limits for Board members. In connection with each director nomination recommendation, the Nominating and Corporate Governance Committee will consider the issue of continuing director tenure and take appropriate steps to ensure that the

Board maintains an openness to new ideas and a willingness to critically re-examine the status quo. An individual director's re-nomination is dependent upon such director's performance as evaluated by the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee will conduct a suitability review near the end of each director's three-year term.

10. Board Compensation and Stock Ownership Guidelines

The Company's executive officers shall not receive additional compensation for their service as directors. Compensation for non-employee directors should encourage increased ownership of the Company's stock and allow the Company to recruit and retain qualified directors with the background and skills necessary for membership on the Board. The Compensation Committee shall from time to time review the principles for setting the form and amount of such compensation and shall make recommendations to the Board with respect thereto.

In order to align the interests of the Company's directors, its Chief Executive Officer, and its other officers (within the meaning of Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended, or the Exchange Act) (the "**Section 16 Officers**") with the Company's other stockholders, the Board believes that such individuals should have a significant financial stake in the Company. Accordingly, and subject to potential extension as provided below, all directors of the Board should not later than December 31st of the year during which an individual achieves his or her fifth (5th) anniversary as a director of the Board, or in the case of the Chief Executive Officer, not later than December 31st of the year during which such individual achieves his or her fifth (5th) anniversary as the Chief Executive Officer, or in the case of a Section 16 Officer, not later than December 31st of the fifth (5th) year following the year during which such individual becomes subject to these ownership guidelines (each such December 31st, the "**Initial Compliance Deadline**"), own a number of shares of the Company's common stock with a value not less than three times (3x) the annual cash retainer paid by the Company to such director for his or her service as a Board member only (and not for service on any applicable committees), or in the case of the Chief Executive Officer, not less than five times (5x) the annual base salary of the Chief Executive Officer, or in the case of a Section 16 Officer, not less than one and a half times (1.5x) the annual base salary of the Section 16 Officer. The annual cash retainer or base salary that shall be used to calculate each individual's minimum ownership levels shall be the one in effect on the Initial Compliance Deadline or the Annual Compliance Deadline (as defined below), as applicable.

Compliance will first be assessed on each individual's Initial Compliance Deadline and then reassessed on December 31st of each year thereafter (the "**Annual Compliance Deadline**"). Notwithstanding the foregoing, an individual's Initial Compliance Deadline and Annual Compliance Deadline shall be extended by a period of three (3) years in the event of either (i) a significant increase in an individual's applicable annual cash retainer or annual base salary, as determined by the Compensation Committee in its discretion, or (ii) a decrease of greater than 30% in the 90-Day Stock Price (as defined below) as of any December 31st, as compared to the 90-Day Stock Price (as defined below) as of the prior December 31st (each, a "**Deadline Extension Trigger**") during, or any time after, the two-year period ending on (and including) the Initial Compliance Deadline. If a Deadline Extension Trigger occurs during any such period (including during any extended three-year period started by a Deadline Extension Trigger), there

shall be no Initial Compliance Deadline or Annual Compliance Deadline until December 31st of the third (3rd) year following such Deadline Extension Trigger.

The price per share used to determine compliance with these minimum ownership levels as of December 31st of any year shall be the average of the daily closing sales prices of the Company's common stock for the last ninety (90) trading days during such year (the "**90-Day Stock Price**"). For purposes of determining such minimum ownership levels, the Compensation Committee will take into account the following shares of the Company's common stock: (i) shares owned directly by the individual (or jointly with the individual's spouse) and by members of his or her immediate family (as defined in Rule 16a-1(e) under the Exchange Act) residing in the same household, (ii) shares held in trust for the benefit of the individual and/or members of his or her immediate family residing in the same household, (iii) shares subject to outstanding stock options held by the individual (but only to the extent of 50% of the unexercised and vested portion of any such stock option with an exercise price not greater than the fair market value of the Company's common stock as of the applicable December 31st, as determined under the terms of such stock option), (iv) shares subject to any other outstanding equity awards held by the individual (but only to the extent vested), and (v) shares held by a partnership, limited liability company or corporation of which a director is a partner or corporate officer.

At its discretion, the Compensation Committee may evaluate whether these ownership guidelines should be waived, or an Initial Compliance Deadline or Annual Compliance Deadline extended, in the case of any individual, who, because of his or her personal circumstances, would incur a hardship by complying with these ownership guidelines.

11. Director Resignation Policy

It is the Company's policy that any nominee for director in an uncontested election who receives a greater number of votes "withheld" from his or her election than votes "for" such election shall submit his or her offer of resignation for consideration by the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee shall consider all of the relevant facts and circumstances and recommend to the Board the action to be taken with respect to such offer of resignation. The Board will then act on the Nominating and Corporate Governance Committee's recommendation. Promptly following the Board's decision, the Company will disclose that decision and an explanation of such decision in a filing with the Securities and Exchange Commission or a press release.

FUNCTIONING OF THE BOARD

12. Frequency of Meetings

There will be at least four (4) regularly scheduled meetings of the Board each year. At least one of these meetings will include budgeting and long-term strategic planning.

Each director is expected to attend no fewer than seventy five percent (75%) of the total of all Board meetings and meetings of committees on which he or she serves.

Unless required by illness or other extenuating circumstances, each director is expected to participate at regular Board meetings in person.

13. Regularly Scheduled Executive Sessions

The Board will schedule regular executive sessions in which the non-management directors will meet without management participation.

14. Selection of Agenda Items for Board Meetings; Meeting Materials

In advance of each Board meeting, an agenda for such meeting will be sent to each director together with written materials pertaining to the matters to be presented for Board discussion at such meeting. In addition, before each regularly scheduled Board meeting, draft minutes of the most recent Board meeting will be sent to each director. Also, at such regularly scheduled Board meetings where quarterly financial performance of the Company is to be discussed, summary financial information needed to understand the performance of the Company will be sent to each director. Written materials should be designed to provide a foundation for the Board's discussion of key issues and allow the Board to make the most efficient use of its meeting time. Each director is expected to review and understand the materials provided in advance of meetings and any other materials provided to the Board from time to time. Each Board member shall be free to suggest additional agenda items for a Board meeting or to raise at any Board meeting subjects that are not specifically on the agenda for consideration at subsequent meetings.

15. Board Evaluation

The Board shall conduct an annual evaluation of the performance of the Board. The Nominating and Corporate Governance Committee is responsible for establishing the evaluation criteria and overseeing the evaluations.

16. Board Contact with Senior Management

Board members shall have direct access to management. Board members shall use sound business judgment to ensure that such contact does not distract management from performing its duties.

Furthermore, the Board encourages the Chief Executive Officer, from time to time, to bring managers into Board meetings who: (a) can provide additional insight concerning the items being discussed because of personal involvement in these areas, and/or (b) represent managers with future potential that the Chief Executive Officer believes should be given exposure to the Board.

17. Board Access to Independent Advisors

The Board has authority to retain and terminate such independent consultants, counselors or advisors to the Board as it shall deem necessary or appropriate, at the expense of the Company, including determining the fees and other terms of such retentions or terminations.

COMMITTEE MATTERS

18. Number and Names of Board Committees

The Company shall have standing committees as it determines, but shall at all times have at least three (3): the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. The duties of these committees shall be set forth in their charters in compliance with the requirements of Nasdaq rules or, with respect to a committee other than the three described above, either in their charter or in a resolution of the Board. The Board may consider or form a new committee or disband a current committee, other than the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee, depending on circumstances and good business practices.

19. Independence of Board Committees

All standing Board committees shall be chaired by independent directors. The Audit Committee, Nominating and Corporate Governance Committee and Compensation Committee shall be composed entirely of independent directors. In addition, the Audit Committee shall be composed of independent directors that possess such accounting and financial expertise as are required by Nasdaq rules and who satisfy the additional eligibility requirements of SEC Rule 10A-3, and Compensation Committee members must satisfy the additional eligibility requirements imposed by Nasdaq rules.

20. Assignment and Rotation of Committee Members

The Nominating and Corporate Governance Committee shall be responsible for making recommendations to the Board with respect to the assignment of Board members to various committees. After reviewing the Nominating and Corporate Governance Committee's recommendations, the Board shall be responsible for appointing the Chairs and members to the committees on an annual basis.

The Nominating and Corporate Governance Committee shall review committee assignments from time to time and shall consider the rotation of Chairs and members with a view toward balancing the benefits derived from the diversity of experience and viewpoints of the various directors.

21. Codes of Ethics and Conduct

The Nominating and Corporate Governance Committee shall cause to be prepared and recommend to the Board the adoption of appropriate codes of ethics and/or conduct and review and recommend changes from time to time.

SUCCESSION AND LEADERSHIP DEVELOPMENT

22. Succession Planning

The Board shall on a regular basis as necessary and appropriate consider the Company's succession planning for the Chief Executive Officer, including a temporary delegation of

authority to certain officers of the Company if the Chief Executive Officer should unexpectedly become unable to perform his or her duties. Such temporary delegation shall be in effect until the Board has the opportunity to consider the situation and take action, when necessary. In the event of retirement of the Chief Executive Officer, the Board shall nominate and evaluate potential successors.

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