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## Corporate Governance Guidelines

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The following Corporate Governance Guidelines (the "Guidelines") were adopted by the Board of Directors (the "Board") of Quidel Corporation (the "Company") to assist the Board in the exercise of its duties and responsibilities. The Board's mission is to represent and protect the interests of the Company's stockholders in seeking to increase the Company's value. The Guidelines reflect the Board's commitments to ensure that the Company has in place a high-performing management team, to oversee the effectiveness of policy and decision making at the Board and management level, and to align the interests of the Company's directors and management with the interests of the Company's stockholders.

The Nominating and Corporate Governance Committee of the Board periodically reviews these Guidelines and other aspects of the Company's corporate governance. These Guidelines are subject to future refinement or changes as the Board may deem necessary or advisable.

### BOARD DUTIES AND COMPOSITION

#### 1. General Description of Board Duties.

The Board is the ultimate decision-making body of the Company except with respect to those matters reserved to its stockholders. The Board approves the selection of the executive management team, which is charged with conducting the Company's business. The duties of the Board are largely defined by Delaware corporate law, federal securities laws and regulations (notably those of the Securities and Exchange Commission) and The Nasdaq Stock Market ("Nasdaq") rules and listing standards. The Board focuses its priorities on the following core responsibilities:

- selecting, evaluating, fixing the compensation of, and, where appropriate, replacing the CEO and executive officers;
- advising and counseling management regarding significant issues facing the Company;
- succession planning and management development;
- overseeing the Company's integrity and ethics and compliance with laws and financial reporting;
- evaluating and approving the Company's strategic direction and initiatives and monitoring its implementation and results;
- monitoring the Company's operating results and financial condition;
- reviewing and approving major corporate plans and actions;
- understanding and assessing risks to the Company and overseeing the management of those risks; and
- performing such other functions as the Board believes appropriate or necessary, or as otherwise prescribed by rules or regulations.



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**2. Size of the Board.**

The Board periodically evaluates its size and whether a larger or smaller number of directors would more effectively and efficiently operate as a collegial body in light of the Company's needs.

**3. Selection of Board Members.**

Board members are elected annually by the Company's stockholders, except as noted below with respect to resignations, new appointments and vacancies. Each year, the Board nominates a slate of directors for election by the stockholders. The Board's nominations are based on the recommendations of and the information provided by the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee assists the Board in the nomination process by identifying qualified individuals to serve as directors and evaluating whether a prospective nominee has the appropriate skills and characteristics necessary to become a collegial Board member in light of the then current make-up and needs of the Board. The Board may fill vacancies in existing positions or appoint new director positions in accordance with the Company's bylaws.

**4. Board Membership Criteria.**

The Board and the Nominating and Corporate Governance Committee work together on at least an annual basis to determine the appropriate characteristics, skills and experience necessary for the Board as a whole and for its individual members. In evaluating the suitability of individual Board members, the Board considers a number of factors, including: experience at a policy-making level; strategic thinking; depth of understanding of the Company's industry, including relevant technology; leadership; objectivity; and a general understanding of marketing, finance and other disciplines relevant to the success of a publicly-traded company and sound principles of corporate governance in today's business environment. The Board evaluates each individual in the context of Board functions as a whole and in light of the then current needs of the Board at that point in time, taking into account diversity of background and experience, with the objective of providing independent, diversified and effective representation of the interests of the Company's stockholders.

**5. Extending an Invitation to Join the Board.**

The invitation to join the Board is extended on behalf of the Board by the Chair of the Board (the "Chair"), together with others on the Board or in management as the Chair deems appropriate.

**6. Selection of the Chair of the Board.**

The Board elects the Chair. The Board makes this selection by utilizing criteria it deems best serves the Company's interests. The Board retains flexibility in allocating the responsibilities of the offices of the Chair and the Chief Executive Officer to determine whether the positions should be held by one or two individual(s), and if two, whether the Chair should be independent, as such term is defined below.



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**7. Selection of Executive Officers.**

The Board appoints the President, the Chief Executive Officer, the Chief Financial Officer and the Secretary of the Company. The Board makes these selections by utilizing criteria it deems best serves the Company's interests.

**8. Management and Independent Directors.**

A majority of the Board shall be composed of "independent directors," as defined below. While a majority of directors should be independent, the Board believes it is in the best interests of the Company and its stockholders for both management and independent directors to serve on the Board.

**9. Independence.**

The Board determines each director's independence on an annual basis in accordance with applicable Securities and Exchange Commission rules and Nasdaq listing standards, and the Nominating and Corporate Governance Committee monitors the independence of each member of the Board and its committee members. An "independent director" is a person free from any relationship that would interfere with the exercise of independent judgment as a member of the Board and who is independent in accordance with The Nasdaq Stock Market rules and listing standards.

**10. Orientation.**

The Board and the Company shall provide an appropriate orientation process for new directors that includes background material and meetings with senior management.

**11. Continuing Education.**

The Company encourages its directors to participate in continuing education programs to assist them in performing their responsibilities.

**12. Term Limits.**

The Board does not believe that it is in the best interests of the Company or its stockholders to limit the number of terms for which an individual may serve as a director. Directors who have served on the Board for an extended period of time may provide valuable insight into the operations and future of the Company based on their experiences with and understanding of the Company's history, policies and objectives.

As an alternative to term limits, the Board seeks to ensure that it continues to evolve and adopt new viewpoints through the annual evaluation and nomination processes described in these Guidelines. The annual evaluation and nomination process also allows each director an opportunity to conveniently confirm his or her willingness and ability to meet the standards and commitments required of a member of the Board.



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**13. Changes in Directors' Primary Responsibilities and Outside Commitments.**

Any director who leaves his or her present employment, or who materially changes his or her position, should notify the Board. The Board, with the assistance of the Nominating and Corporate Governance Committee, will then evaluate whether the Board should request the director to resign based on a review of whether the individual continues to satisfy the Board's membership criteria in light of his or her new occupational status.

**14. No Specific Limitation on Other Board Service.**

Board members are not prohibited from serving on boards and/or committees of other organizations, and the Board has not adopted any formal guidelines limiting such activities. Nonetheless, the Nominating and Corporate Governance Committee and the Board consider the nature of, and time involved in, a director's service on other boards when evaluating the suitability of individual directors and making recommendations to the Company's stockholders for membership on the Board. In addition, service on boards and/or committees of other organizations should be consistent with the Company's conflict of interest policies. Every director, prior to accepting an invitation to serve on another organization's board and/or committee (other than not-for-profit organizations), should consult with the Nominating and Corporate Governance Committee to confirm the absence of any actual or potential conflicts.

**15. The Board's Interaction with Investors, the Press and Customers.**

As a general matter, management speaks for the Company. Individual directors may, from time to time at the request of management, meet or otherwise communicate with various constituencies, but, absent highly unusual circumstances, non-management directors should not discuss Company business with the media. If comments from the Board are appropriate, in most circumstances, they should come from the Chair.

**BOARD COMMITTEES**

**16. Number and Structure.**

The Board has three standing committees: Audit, Compensation and Nominating and Corporate Governance. The Board may add new committees or, subject to applicable law, disband existing committees as it deems advisable in the fulfillment of its primary responsibilities, including establishing special or ad hoc committees to address particular issues or circumstances as needs arise. The charter (or authorizing Board resolutions) of each committee is reviewed on an annual basis by each committee. The Board reviews and approves each committee's charter (or authorizing Board resolutions) and any amendments thereto. Each committee performs its duties as assigned by the Board in compliance with the Company's bylaws and the respective committee's charter (or authorizing Board resolutions). The Audit, Compensation, and Nominating and Corporate Governance Committee should consist of entirely independent directors in accordance with applicable Nasdaq Stock Market rules and listing standards. The current charter of each of the Audit, Compensation and Nominating and Corporate Governance Committee is accessible via the Company's website at [quidel.com](http://quidel.com).



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**17. Assignment and Rotation of Committee Members and Chairs.**

The Board appoints committee members and committee chairs according to criteria that it determines to be in the best interests of the Company and its stockholders and based on the review by and recommendations of the Nominating and Corporate Governance Committee. Fixed rotation of committee members and/or committee chairs is not mandated because, at any given point in time, reasons may exist to maintain continuity.

**BOARD MEETINGS**

**18. Agenda.**

The Chair and the Chief Executive Officer, taking into consideration suggestions from other Board members, create the agenda for each Board meeting and, to the extent practicable, distribute the agenda in advance to each director.

**19. Advance Distribution of Materials.**

Relevant information to the Board's understanding of matters to be discussed at an upcoming Board meeting should, whenever feasible and appropriate, be distributed in writing or electronically to all directors in sufficient time to enable the Board's prior study and review. This distribution helps facilitate the efficient use of meeting time. In preparing the information contained in the materials, management should endeavor to make the materials as concise as possible, yet give directors sufficient information to make informed decisions. The Board acknowledges that certain items to be discussed at Board meetings are of an extremely sensitive nature, and the distribution of materials pertaining to such items prior to the meeting is not appropriate.

To fulfill its core responsibilities, directors are expected to attend and fully participate in all Board and committee meetings, either in person or telephonically, and to review materials in advance of the meetings.

**20. Access to Employees and Others.**

The Board has complete access to Company management, key Company personnel, the outside auditors retained by the Audit Committee, the Company's outside legal counsel and any other independent advisor retained by the Board. In addition, the Board may invite Company personnel to any Board meeting at which the employee's presence and expertise may help the Board have clearer insight into the strategic or operational matters being discussed and considered.

**21. Executive Sessions of the Independent Directors.**

Independent directors meet regularly in executive session (without the presence of management) at least twice a year and as often as deemed necessary or advisable. At these meetings, independent directors may consider issues deemed important to address without management present. To the extent appropriate, following an executive session, a designated director may discuss with the CEO matters that were addressed in, or arose from, such executive session.



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## **EVALUATION PROCEDURES AND COMPENSATION**

### **22. Annual Evaluation of the Chief Executive Officer and Other Executive Officers.**

The Board or the Compensation Committee reviews and establishes the corporate goals and objectives relevant to the compensation of the CEO and other executive officers and thereafter evaluates the CEO's and other executive 'officers' performance in light of those goals and objectives. The Board or the Compensation Committee determines the CEO's compensation level based on this evaluation while meeting in executive session. In addition, the Compensation Committee is charged with reviewing and approving (or recommending to the Board for approval) the evaluation process, compensation structure and the compensation for the Company's other executive officers.

### **23. Succession Planning.**

In connection with annual officer evaluations, the Nominating and Corporate Governance Committee works with the Board relating to the Company's succession plans of the Company's CEO and other executive officers to develop plans for interim succession in the event of an unexpected departure as well as planned and orderly permanent successions. In addition, succession planning may be reviewed more frequently by the whole Board as it deems warranted.

### **24. Evaluation of the Board and Board Committees.**

On an annual basis and as a matter of Board review and discussion, each director reviews and provides comments to the full Board as to the performance of the Board and any standing committee of which he or she is a member, including an assessment of the Board and the committee's strengths, weaknesses and areas for potential improvement. The full Board then reviews and discusses, on an annual basis, such comments and further assesses and reviews its own functioning and that of its standing committees, in considering areas of potential improvement in overall effectiveness.

### **25. Director Compensation.**

The Compensation Committee, with the input and advice of independent consultants and advisors as engaged from time to time as deemed appropriate, should report to the Board on an annual basis as to how the Company's director compensation practices compare with those of other corporations similar to the Company. The Board makes alterations in its director compensation practices upon the recommendation of the Compensation Committee, and following discussion and concurrence by the Board.

### **26. Equity Ownership.**

In order to align the interests of directors and executive officers with those of the Company's stockholders, directors and executive officers should hold a meaningful equity interest in the Company. The Board has adopted specific stock ownership guidelines in this regard, and it periodically reviews these guidelines from time to time.



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## MISCELLANEOUS

### **27. Conflicts of Interest.**

If an actual or potential conflict of interest develops because of a change in the business operations of the Company or a subsidiary, or in a director's circumstances, the director should report the matter immediately to the Chair and the Nominating and Corporate Governance Committee for evaluation and appropriate resolution. If a director has a personal interest in a matter before the Board, the director shall disclose the interest to the whole Board, excuse himself or herself from participation in the discussion, and decline to vote on the matter.

### **28. Code of Business Conduct and Ethics.**

All directors shall comply in all respects with the Company's Code of Business Conduct and Ethics. This includes maintaining the confidentiality of all Company confidential information that may be learned as a result of serving as a director.

### **29. Disclosure Regarding Corporate Governance, Director Compensation and the Availability of these Guidelines.**

The Company provides disclosure in its annual proxy statement relating to stock ownership of its directors and executive officers, director and executive officer compensation and corporate governance matters, including a description of the functions of the various Board Committees and disclosure that the Board Committee charters and a copy of these Guidelines are accessible via the Company's website at [quidel.com](http://quidel.com).

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