

BIO RAD LABORATORIES INC
Form DEF 14A
April 01, 2015
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 ss.240.14a-12

BIO-RAD LABORATORIES, 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.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

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

Bio-Rad Laboratories, Inc.

*1000 Alfred Nobel Drive
Hercules, California 94547*

Notice of Annual Meeting of Stockholders

Tuesday, April 28, 2015

4:00 p.m. Pacific Daylight Time

1000 Alfred Nobel Drive, Hercules, California 94547

TO THE STOCKHOLDERS OF BIO-RAD LABORATORIES, INC.:

The annual meeting of the stockholders of Bio-Rad Laboratories, Inc. will be held at our corporate offices, 1000 Alfred Nobel Drive, Hercules, California 94547 on Tuesday, April 28, 2015 at 4:00 p.m., Pacific Daylight Time, to consider and vote on:

1. The election of two directors by the holders of outstanding Class A Common Stock and four directors by the holders of outstanding Class B Common Stock;
2. A proposal to ratify the selection of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2015; and
3. Such other matters as may properly come before the meeting and at any adjournments or postponements thereof.

Our Board of Directors has fixed the close of business on March 2, 2015 as the record date for the determination of stockholders entitled to notice of and to vote at this annual meeting and at any adjournments or postponements thereof. Our stock transfer books will not be closed.

All stockholders are invited to attend the annual meeting in person, but those who are unable to do so are urged to execute and return promptly the enclosed proxy card(s) in the provided postage-paid envelope. Since the holders of a majority of the outstanding shares of each class of our common stock must be present or represented at the annual meeting to elect directors and the holders of a majority of our Voting Power must be present or represented at the annual meeting to conduct the other business matters referred to above, your promptness in returning the enclosed proxy card(s) will be greatly appreciated. Your proxy is revocable and will not affect your right to vote in person in the event you attend the meeting and revoke your proxy.

All stockholders who attend the annual meeting are invited to join us for a reception immediately following the meeting.

This proxy statement and the accompanying proxy card(s) are first being distributed to stockholders of record on or about April 1, 2015.

Hercules, California

April 1, 2015

By order of the Board of Directors

BIO-RAD LABORATORIES, INC.

Shawn M. Soderberg

Secretary

Important Notice Regarding the Internet Availability of Proxy Materials for our 2015 Annual Meeting of Stockholders to be held on April 28, 2015: The proxy statement and annual report of Bio-Rad Laboratories, Inc. are available at www.bio-radproxy.com.

Table of Contents

<u>PROXY SUMMARY</u>	<u>3</u>
<u>PROXY STATEMENT</u>	<u>4</u>
<u>2015 ANNUAL MEETING</u>	<u>4</u>
<u>GENERAL INFORMATION ABOUT THE MEETING AND VOTING</u>	<u>4</u>
<u>ITEM 1. ELECTION OF DIRECTORS</u>	<u>7</u>
<u>DIRECTOR COMPENSATION</u>	<u>9</u>
<u>INFORMATION ABOUT THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE</u>	<u>10</u>
<u>ITEM 2. RATIFICATION OF SELECTION OF INDEPENDENT AUDITORS</u>	<u>14</u>
<u>REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS</u>	<u>14</u>
<u>EXECUTIVE OFFICERS</u>	<u>16</u>
<u>PRINCIPAL AND MANAGEMENT STOCKHOLDERS</u>	<u>18</u>
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	<u>19</u>
<u>COMPENSATION COMMITTEE REPORT</u>	<u>19</u>
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	<u>20</u>
<u>COMPENSATION PROGRAM OBJECTIVES AND PHILOSOPHY</u>	<u>20</u>
<u>STOCKHOLDER SAY-ON-PAY VOTE</u>	<u>20</u>
<u>THE COMPONENTS OF OUR EXECUTIVE COMPENSATION PROGRAM</u>	<u>21</u>
<u>OUR PROCESS FOR SETTING EXECUTIVE COMPENSATION</u>	<u>21</u>
<u>COMPENSATION TABLES</u>	<u>25</u>
<u>SUMMARY COMPENSATION TABLE</u>	<u>25</u>
<u>GRANTS OF PLAN-BASED AWARDS TABLE</u>	<u>26</u>
<u>OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END</u>	<u>27</u>
<u>OPTION EXERCISES AND STOCK VESTED TABLE</u>	<u>28</u>
<u>PENSION BENEFITS</u>	<u>29</u>
<u>NONQUALIFIED DEFINED CONTRIBUTION AND OTHER NONQUALIFIED DEFERRED</u>	<u>29</u>
<u>COMPENSATION PLANS</u>	<u>29</u>
<u>POTENTIAL PAYMENTS ON TERMINATION OR CHANGE IN CONTROL</u>	<u>29</u>
<u>STOCKHOLDER PROPOSALS</u>	<u>30</u>
<u>OTHER MATTERS</u>	<u>30</u>
<u>ANNUAL REPORT</u>	<u>30</u>

[Back to Contents](#)

Proxy Summary

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting. Page references are supplied to help you find further information in this proxy statement.

Bio-Rad 2015 Annual Meeting of Stockholders

- Date and Time: Tuesday, April 28, 2015 at 4 p.m. Pacific Daylight Time
- Location: 1000 Alfred Nobel Drive, Hercules, California 94547
- Record Date: March 2, 2015

Eligibility to Vote (page 4)

You can vote if you are a holder of our Class A Common Stock or Class B Common Stock at the close of business on March 2, 2015.

How to Cast Your Vote (page 5)

You can vote by any of the following methods:

- Promptly completing, signing and returning your proxy card(s) by mail; or
- In person, at the annual meeting.

If a bank, broker or other nominee is the record holder of your stock on March 2, 2015, you will be able to vote by following the instructions on the voting instruction form or notice that you receive from your bank, broker or other

nominee.

Voting Matters (pages 7 and 14)

Item	Board Vote Recommendation	Page Reference (for more detail)
1. Election of Directors	FOR each Director Nominee	7
2. Ratification of Auditors	FOR	14

Board Nominees (page 7)

Name	Age	Director since	Occupation	Independent	Committee Memberships	Other Public Company Boards
Louis Drapeau	71	2007	Vice President and Chief Financial Officer of InSite Vision	Yes	<ul style="list-style-type: none"> • Audit (Chair) • Compensation 	• AmpliPhi Biosciences
Robert M. Malchione	57	2014	Independent Strategic Advisor	Yes	<ul style="list-style-type: none"> • Audit 	
Joel McComb	50	2014	Founder and Chief Executive Officer of BioSpyder Technologies	Yes		
Deborah J. Neff	62	2011	Chief Operating Officer of Complete Genomics	Yes	<ul style="list-style-type: none"> • Audit • Compensation 	
Alice N. Schwartz	88	1967	Co-Founder and Director of Bio-Rad	No		
Norman Schwartz	65	1995	President, Chief Executive Officer and Chairman of the Board of Bio-Rad	No		

Auditors (page 14)

We are asking our stockholders to ratify the appointment of KPMG LLP as our independent registered public accounting firm. Set forth below is summary information with respect to the aggregate fees billed for professional services rendered for the fiscal years ended December 31, 2014 and 2013 by KPMG LLP.

	2014	2013
Audit Fees	\$ 6,125,000	\$ 5,818,000
Audit-Related Fees	12,000	0

Tax Fees	16,000	369,000
All Other Fees	1,088,000	661,000

BIO-RAD LABORATORIES, INC. - 2015 Proxy Statement 3

[Back to Contents](#)

Proxy Statement

2015 ANNUAL MEETING

Our Board of Directors is soliciting the enclosed proxy in connection with our 2015 annual meeting of stockholders (the “Annual Meeting”) to be held at our corporate offices, 1000 Alfred Nobel Drive, Hercules, California 94547 on Tuesday, April 28, 2015 at 4:00 p.m., Pacific Daylight Time, and at any adjournments or postponements thereof. Copies of this proxy statement and the accompanying notice and proxy card(s) are first being mailed on or about April 1, 2015 to all stockholders entitled to vote.

We refer to Bio-Rad Laboratories, Inc. in this proxy statement as “we,” “our,” the “Company” or “Bio-Rad”.

General Information About the Meeting and Voting

What items of business will be voted on at the Annual Meeting?

The items of business scheduled to be voted on at the Annual Meeting are:

- The election of two directors by the holders of outstanding Class A Common Stock and four directors by the holders of outstanding Class B Common Stock;
- A proposal to ratify the selection of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2015; and
- Such other matters as may properly come before the meeting and at any adjournments or postponements thereof.

What is included in the proxy materials?

The proxy materials include:

Our proxy statement for the Annual Meeting;
Our 2014 Annual Report to Stockholders, which consists of our Annual Report on Form 10-K for the fiscal year ended December 31, 2014;
Our Corporate Brochure; and
Proxy card(s) for the Annual Meeting.

What shares can I vote?

Our securities entitled to vote at the meeting consist of Class A Common Stock and Class B Common Stock (collectively, “Common Stock”). As of the close of business on March 2, 2015 (the “Record Date”), we had 23,983,726 shares of Class A Common Stock and 5,117,908 shares of Class B Common Stock issued and outstanding.

How many votes am I entitled to per share?

For all matters where the holders of Class A Common Stock and Class B Common Stock vote together as a class, each share of Class A Common Stock is entitled to one-tenth of a vote and each share of Class B Common Stock is entitled to one vote. For all matters where the holders of Class A Common Stock and Class B Common Stock vote separately, including the election of directors, each share of Class A Common Stock and each share of Class B Common Stock is entitled to one vote. The sum of one-tenth the number of outstanding shares of Class A Common Stock and the number of outstanding shares of Class B Common Stock constitutes our “Voting Power.”

What constitutes a quorum for the Annual Meeting?

The presence, in person or by proxy, of the holders of a majority of our Voting Power, as defined above, will constitute a quorum for the transaction of business; provided, however, that the election of the Class A and Class B directors shall require the presence, in person or by proxy, of the holders of a majority of the outstanding shares of each respective class.

[Back to Contents](#)

How many votes are needed to approve each item of business?

Six directors are to be elected at the meeting. The holders of Class A Common Stock, voting as a separate class, are entitled to elect two directors. The holders of Class B Common Stock, also voting as a separate class, are entitled to elect the other four directors. Our stockholders do not have any right to vote cumulatively in any election of directors. Directors elected by each class shall be elected by a majority of the votes cast in the respective class.

The proposal to ratify the appointment of our independent auditors must receive the affirmative vote of a majority of our Voting Power present in person or represented by proxy at the meeting and entitled to vote on the matter in order for the proposal to be approved.

What effect do broker non-votes and abstentions have on the items of business?

The term “broker non-votes” refers to shares held by a brokerage firm or other nominee (for the benefit of its client) that are represented at the meeting, but with respect to which such broker or nominee is not instructed to vote by the beneficial holder on a particular proposal and does not have discretionary authority to vote on that proposal. Brokers and nominees do not have discretionary voting authority on certain non-routine matters, including the election of directors, and accordingly, may not vote on such matters absent instructions from the beneficial holder. Broker non-votes will not be counted in determining the number of votes cast on these non-routine matters. Brokers have discretionary authority to vote on the ratification of the Company’s independent auditors.

For purposes of determining the presence of a quorum, broker non-votes, as well as abstentions, will be counted as shares that are present and entitled to vote. With respect to the election of directors, broker non-votes and abstentions will not affect the outcome of a director’s election. With respect to the proposal to ratify the appointment of our independent auditors, there will be no broker non-votes in connection with this proposal because brokers have discretionary authority to vote on the ratification of the Company’s independent auditors, and abstentions will have the same effect as a vote against this proposal.

How do I vote?

If you are the record holder of your stock as of the Record Date, you may submit a proxy by executing and returning the enclosed proxy card(s) in the provided postage-paid envelope. You may also attend the Annual Meeting and vote in person.

If a bank, broker or other nominee is the record holder of your stock on the Record Date, you will be able to vote by following the instructions on the voting instruction form or notice that you receive from your bank, broker or other nominee.

What happens if I do not provide instructions on how to vote or if other matters are presented for determination at the Annual Meeting?

Shares for which a properly executed proxy in the enclosed form is returned will be voted at the Annual Meeting in accordance with the directions on such proxy. If no voting instructions are indicated with respect to one or more of the proposals, the proxy will be voted in favor of the proposal(s), and to approve those other matters that may properly come before the Annual Meeting at the discretion of the person named in the proxy. The Board of Directors is not aware of any matters that might come before the meeting other than those mentioned in this proxy statement. If, however, any other matters properly come before the Annual Meeting, it is intended that the proxies will be voted in accordance with the judgment of the person or persons voting such proxies.

May I change my vote?

Yes. Any proxy may be revoked by the record owner of the shares at any time prior to its exercise by filing with our Secretary a written revocation or duly executed proxy bearing a later date or by attending the meeting in person and announcing such revocation or voting in person at the meeting. Attendance at the Annual Meeting will not, by itself, constitute revocation of a proxy. For shares held through a broker, the directions received from the broker must be followed in order to revoke a proxy, change a vote or to vote at the Annual Meeting. In order for a stockholder whose shares are held through a broker to vote such shares in person at the Annual Meeting, a valid proxy from the broker authorizing such stockholder to vote the shares at the Annual Meeting will be required.

What rights do I have if I dissent on an item of business?

There are no statutory or contractual rights of appraisal or similar remedies available to those stockholders who dissent from any matter to be acted upon at the meeting.

[Back to Contents](#)

Who will bear the cost of soliciting votes for the Annual Meeting?

We will pay the cost of this proxy solicitation. In addition to solicitation by use of the mails, proxies may be solicited from our stockholders by our directors, officers and employees in person or by telephone, telegram or other means of communication. These directors, officers and employees will not be additionally compensated, but may be reimbursed for reasonable out-of-pocket expenses in connection with such solicitation. Arrangements will be made with brokerage houses, custodians, nominees and fiduciaries for forwarding of proxy materials to beneficial owners of shares held of record by such brokerage houses, custodians, nominees and fiduciaries and for reimbursement of their reasonable expenses incurred in connection therewith.

BIO-RAD LABORATORIES, INC. - 2015 Proxy Statement 6

[Back to Contents](#)

Item 1. Election of Directors

The Board of Directors recommends that you vote FOR the director nominees named below for the class or classes of Common Stock that you hold.

Our Board of Directors currently has six members. The term of each of our current directors expires as of the date of the annual meeting of stockholders or on election and qualification of his or her successor. All of our current directors are standing for re-election. The six persons nominated are listed in the following table as the candidates nominated for the respective classes of Common Stock indicated. Norman Schwartz is the son of Alice N. Schwartz. No other family relationships exist among our current and nominated directors or executive officers.

The directors elected at this meeting will serve until the next annual meeting of stockholders or until their respective successors are elected and qualified. Although it is not contemplated that any nominee will decline or be unable to serve as a director, in the event that at the meeting or any adjournments or postponements thereof any nominee declines or is unable to serve, the persons named in the enclosed proxy will, in their discretion, vote the shares subject to such proxy for another person selected by the Board.

LOUIS DRAPEAU

Vice President and Chief Financial Officer of InSite Vision

Director Since: 2007

Age: 71

Class of Common Stock to Elect: Class A

Mr. Drapeau is currently Vice President and Chief Financial Officer of InSite Vision and was Chief Executive Officer of InSite Vision from 2008 to 2010. From 2006 to 2007, he was Senior Vice President and Chief Financial Officer of Nektar Therapeutics. From 2004 to 2005 he was Acting Chief Executive Officer, and from 2002 to 2005 Senior Vice President and Chief Financial Officer, of BioMarin Pharmaceutical. From 1971 to 2002 he was with Arthur Andersen, where he was a Partner from 1983 to 2002 and Managing Partner from 1985 to 1997. He is also a Board member of AmpliPhi Biosciences Corp., and was a Board member of Inflazyme Pharmaceuticals Ltd. from 2006 to 2008, Bionovo, Inc. from 2007 to 2012 and Intermune, Inc. from 2007 to 2014. We believe that Mr. Drapeau's financial and business expertise gained through his many years as an accountant, executive and director of various public

companies give him the qualifications and skills to serve as a director.

ROBERT M. MALCHIONE

Independent Strategic Advisor

Director Since: 2014

Age: 57

Class of Common Stock to Elect: Class A

Mr. Malchione is currently an independent strategic advisor. From 2000 to 2011 he held multiple positions at Avery Dennison Corporation, the last of which was Senior Vice President, Corporate Strategy and Technology. From 1983 to 2000, he held multiple positions at Boston Consulting Group, the last of which was Officer, Director and Partner. We believe that Mr. Malchione's strategic and operational expertise gained through his many years working with large, global organizations give him the qualifications and skills to serve as a director.

[Back to Contents](#)

JOEL McCOMB

Founder and Chief Executive Officer of BioSpyder Technologies

Director Since: 2014

Age: 50

Class of Common Stock to Elect: Class B

Mr. McComb has founded three technology companies in the life science and diagnostics markets since mid-2010, including BioSpyder Technologies, of which he is currently Chief Executive Officer. In 2010 he was Chief Operating Officer of Synthetic Genomics Inc., and from 2008 to 2010, he was Senior Vice President and General Manager of Illumina, Inc.'s Life Science Business Unit. From 2004 through 2008 he worked at General Electric, serving as President, GE Healthcare Life Sciences-Discovery Systems, and later as President, GE Healthcare, Interventional Medicine. From 2001 through 2004 he was President and Chief Executive Officer of Innovadyne Technologies, Inc. Prior to this, he held a series of executive, product development, business and sales positions at Beckman Coulter, Inc. We believe that Mr. McComb's broad experience for over 25 years in the life science and diagnostics business gives him the qualifications and skills to serve as a director.

DEBORAH J. NEFF

Chief Operating Officer at Complete Genomics Inc.

Director Since: 2011

Age: 62

Class of Common Stock to Elect: Class B

Ms. Neff is currently Chief Operating Officer at Complete Genomics Inc., a life science company in genome sequencing. In 2013 she was an executive advisor in the health care industry. From 2006 to 2012, she was President, and Chief Executive Officer of Pathwork Diagnostics, Inc. From 2003 to 2006, she was the Chief Executive Officer of

Predicant Biosciences. From 1988 to 2003, she served in various positions at BD Biosciences, including as worldwide President from 1995 to 2003. We believe that Ms. Neff's management experience in the healthcare and life sciences industries for over 25 years gives her the qualifications and skills to serve as a director.

ALICE N. SCHWARTZ

Retired Research Associate at the University of California

Director Since: 1967

Age: 88

Class of Common Stock to Elect: Class B

Mrs. Schwartz has been retired since 1979. From 1972 to 1978 she was a Research Associate at the University of California. As a co-founder of our Company, Mrs. Schwartz has a unique and invaluable understanding of our Company's business practices and core values. We believe that Mrs. Schwartz's technical and business expertise gained through her many years as a researcher and as a director of our Company give her the qualifications and skills to serve as a director.

NORMAN SCHWARTZ

President and Chief Executive Officer

Director Since: 1995

Age: 65

Class of Common Stock to Elect: Class B

Mr. Schwartz has been our President and Chief Executive Officer since 2003 and our Chairman of the Board since 2012. He was our Vice President from 1989 to 2002, our Group Manager, Life Science, from 1997 to 2002 and our Group Manager, Clinical Diagnostics, from 1993 to 1997. We believe Mr. Schwartz's financial and business expertise gained through over 40 years of service with our Company, including as our President and Chief Executive Officer for over 12 years, give him the qualifications and skills to serve as a director.

BIO-RAD LABORATORIES, INC. - *2015 Proxy Statement* 8

[Back to Contents](#)

Director Compensation

Our Board of Directors compensation is established by the Chairman of the Board. In 2014 our Human Resources Department provided the Chairman of the Board with information on board of directors pay from our peer group (our method of determining our peer group is described in the section titled “Our Process for Setting Executive Compensation” below).

Employee Directors receive no additional compensation for Board service. During 2014, non-employee Directors who did not serve on the Audit Committee received a cash payment of \$7,038 per month, non-employee Directors who served on the Audit Committee received a cash payment of \$7,917 per month and the Audit Committee Chairman received \$8,750 per month. If the full Board of Directors meets (either in person or by telephone) more than 16 times per year, non-employee Directors receive an additional cash payment of \$100 per meeting for each meeting in excess of 16. We pay no other types of meeting fees or committee service retainers to Board members. We also reimburse Board members for travel expenses relating to Board meetings. Our Directors received no benefits in fiscal 2014 under defined pension or defined contribution plans. We do not award equity to non-employee Directors.

The following table provides information about Director compensation during 2014 for those Directors who are not named executive officers.

Name	Fees Earned or Paid in Cash (\$)	Total (\$)
Louis Drapeau	105,000	105,022
Albert J. Hillman ⁽¹⁾	34,166	34,166
Robert M. Malchione	92,499	92,893
Joel McComb	42,500	42,500
Deborah J. Neff	96,668	96,668
Alice N. Schwartz	84,996	84,996

(1) Mr. Hillman did not stand for re-election last year.

[Back to Contents](#)

Information About the Board of Directors and Corporate Governance

CONTROLLED COMPANY

Because the Schwartz family holds more than 50% of our Voting Power and the votes necessary to elect a majority of our Board of Directors through its ownership of our Class B Common Stock, we are a “controlled company” for purposes of the New York Stock Exchange listing standards.

INDEPENDENT DIRECTORS

Louis Drapeau, Joel McComb, Deborah J. Neff and Robert M. Malchione are “independent” directors, as determined in accordance with the independence standards set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended, and Section 303A.02 of the New York Stock Exchange Listed Company Manual.

COMMITTEES OF THE BOARD OF DIRECTORS

Our Board of Directors has an Audit Committee and a Compensation Committee. Because we are a “controlled company,” as explained above, our Board of Directors has no nominating committee or other committees performing similar functions.

Director	Audit Committee	Compensation Committee
Louis Drapeau	X*	X
Robert M. Malchione	X	
Deborah J. Neff	X	X

**Chair*

AUDIT COMMITTEE

During 2014 our Audit Committee was composed of Louis Drapeau, Deborah J. Neff and Robert M. Malchione, who joined in April 2014. In addition, Albert J. Hillman served on the Audit Committee from January to April 2014. All three current Audit Committee members are “independent” directors as stated above, and each is able to read and understand fundamental financial statements, including a company’s balance sheet, income statement and cash flow statement. Our Board of Directors has determined that Mr. Drapeau is a financial expert.

Our Board of Directors adopted a new Audit Committee Charter on March 11, 2004 and amended it on July 22, 2009, March 28, 2012 and March 19, 2014, a copy of which is available at the Corporate Governance section of our Web site, www.bio-rad.com. As set forth in the Audit Committee Charter, the purpose of our Audit Committee is to assist our Board of Directors with its oversight responsibilities regarding: (i) the integrity of our financial statements; (ii) our compliance with legal and regulatory requirements; (iii) our independent auditor’s qualifications and independence; and (iv) the performance of our internal audit function and independent auditor.

Our Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of any independent auditor we engage, including resolution of any disagreements between our management and the independent auditor regarding financial reporting, and is responsible for reviewing and evaluating our accounting policies and system of internal accounting controls. In addition, our Audit Committee reviews the scope of our independent auditor’s audit of our financial statements, reviews and discusses our audited financial statements with management, prepares the annual Audit Committee reports that are included in our proxy statements and annually reviews the Audit Committee’s performance and the Audit Committee Charter, among other responsibilities. Our Audit Committee has the authority to obtain advice and assistance from, and receive appropriate funding from us for, any independent counsel, experts or advisors that the Audit Committee believes to be necessary or appropriate in order to enable it to carry out its duties. Our Audit Committee Charter and Corporate Governance Guidelines provide that the members of the Audit Committee may not serve on the audit committees of the boards of directors of more than

[Back to Contents](#)

two other companies at the same time as they are serving on our Audit Committee unless our Board of Directors determines that such simultaneous service would not impair the ability of such member to effectively serve on our Audit Committee. Our Audit Committee met 12 times in 2014. A more complete discussion is provided in the “Report of the Audit Committee of the Board of Directors” of this proxy statement.

COMPENSATION COMMITTEE

In 2014 our Compensation Committee was composed of Louis Drapeau and Deborah J. Neff, who joined in April 2014. In addition, Albert J. Hillman served on the Compensation Committee from January to April 2014. The Compensation Committee met four times to determine compensation for 2014. Mr. Drapeau and Ms. Neff are both “independent” directors, as stated above, and meet the definitions of an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code and a “non-employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended. Our Board of Directors adopted a Compensation Committee charter on July 24, 2013. The Compensation Committee has overall responsibility for evaluating and approving certain elements of the compensation of our executives. A discussion of the Compensation Committee’s duties and functions is provided in the “Compensation Discussion and Analysis” section of this proxy statement.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

No member of our Compensation Committee was at any time during 2014 or at any other time an officer or employee of the Company, and no member had any relationship with the Company requiring disclosure under Item 404 of Regulation S-K promulgated by the Securities and Exchange Commission.

None of our executive officers has served on the board of directors or compensation committee of any other entity that has or has had an executive officer who served as a member of our Board of Directors or Compensation Committee during 2014.

NOMINATING COMMITTEE FUNCTIONS

Our Board of Directors does not have a standing nominating committee or a committee performing similar functions. Because we are a “controlled company” as stated above, we are not required to have a standing nominating committee

comprised solely of independent directors. Our Board of Directors believes that it is appropriate for us not to have a standing nominating committee because we are controlled by the Schwartz family. Notwithstanding this, each member of our Board of Directors participates in the consideration of director nominees. Joel McComb, Louis Drapeau, Deborah J. Neff and Robert M. Malchione are all “independent” directors, as stated above; Alice N. Schwartz and Norman Schwartz are not.

Our Board of Directors has not adopted a charter governing the director nomination process. However, it is the policy of our Board of Directors to consider stockholder nominations for candidates for membership on our Board of Directors that are properly submitted as set forth below under the caption “Communications with the Board of Directors” and the section titled “Stockholder Proposals.” The stockholder must submit a detailed resume of the candidate together with a written explanation of the reasons why the stockholder believes that the candidate is qualified to serve on our Board of Directors. In addition, the stockholder must include the written consent of the candidate, provide any additional information about the candidate that is required to be included in a proxy statement pursuant to the rules and regulations of the Securities and Exchange Commission, and must also describe any arrangements or undertakings between the stockholder and the candidate regarding the nomination.

[Back to Contents](#)

DIRECTOR QUALIFICATIONS

The director qualifications our Board of Directors has developed to date focus on what our Board of Directors believes to be those competencies that are essential for effective service on our Board of Directors. Qualifications for Directors include technical, operational and/or economic knowledge of our business and industries; experience in operational, financial and/or administrative management; financial and risk management acumen and experience in or familiarity with international business, markets and cultures, technological trends and developments, and corporate securities and tax laws. While a candidate may not possess every one of these qualifications, his or her background should reflect many of these qualifications. In addition, a candidate should possess integrity and commitment according to the highest ethical standards; be consistently available and committed to attending meetings; be able to challenge and share ideas in a positive and constructively critical manner; and be responsive to our needs and fit in with other Board members from a business culture perspective.

Our Board of Directors identifies director nominees by first evaluating the current members of our Board of Directors who are willing to continue in service. Current members with qualifications and skills that are consistent with our Board of Directors' criteria for Board service are re-nominated. As to new candidates, our Board of Directors generally polls its members and members of our management for their recommendations. Our Board of Directors may also review the composition and qualification of the boards of our competitors, and may seek input from industry experts or analysts. During 2014, our Board of Directors engaged a search firm to assist it in identifying qualified independent director candidates, and we succeeded in appointing two new independent directors, Robert M. Malchione and Joel McComb. Our Board of Directors reviews the qualifications, experience and background of the candidates, and as discussed below, considers diversity in these areas among all the Board members. In making its determinations, our Board of Directors evaluates each individual in the context of the Board as a whole, with the objective of assembling a group that can best perpetuate our success and represent stockholder interests through the exercise of sound judgment. Any recommendations properly submitted by stockholders will be processed and are subject to the same criteria as any other candidates.

Each of the nominees included in the enclosed proxy card(s) was recommended for inclusion by all of the other members of our Board of Directors.

DIVERSITY