

ORASURE TECHNOLOGIES INC
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April 08, 2005

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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):

- 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:

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.. 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:

ORASURE TECHNOLOGIES, INC.

220 East First Street

Bethlehem, Pennsylvania 18015

April 8, 2005

Dear Stockholder:

You are cordially invited to attend the 2005 Annual Meeting of Stockholders to be held on **Tuesday, May 17, 2005**, at the Historic Hotel Bethlehem, 437 Main Street, Bethlehem, Pennsylvania 18018, at 10:00 a.m. Eastern Time. Your Board of Directors and Executive Management Team look forward to personally greeting those present. If you cannot attend in person, we are pleased to offer a live webcast of the Annual Meeting, which you can access by going to our web site, www.orasure.com.

At the meeting, you will be asked to (i) elect two Class II Directors to serve on the Board of Directors until the Annual Meeting of Stockholders in 2008, (ii) ratify the appointment of KPMG LLP as our independent registered public accounting firm to audit and report upon our financial statements and internal controls over financial reporting for the period January 1, 2005 through December 31, 2005, and (iii) transact such other business as may properly come before the meeting or any adjournments thereof.

Your Board of Directors has approved the nominees for Director and recommends that you vote **FOR** their election to the Board. In addition, your Board of Directors recommends that you vote **FOR** the ratification of KPMG's appointment.

Your vote is very important, regardless of the number of shares you own. Whether or not you plan to attend the Annual Meeting in person, 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 mailing the enclosed Proxy Card in the accompanying postage prepaid envelope. Additional details on these options can be found in the attached Proxy Statement and Proxy Card. You may, of course, attend the Annual Meeting and vote in person regardless of whether you have previously voted by phone, the Internet or mail.

We look forward to seeing you at the meeting.

Sincerely yours,

Douglas A. Michels

President and Chief Executive Officer

ORASURE TECHNOLOGIES, INC.

220 East First Street

Bethlehem, Pennsylvania 18015

Notice of Annual Meeting of Stockholders

to be held May 17, 2005

To the Stockholders of OraSure Technologies, Inc.:

The Annual Meeting of Stockholders of OraSure Technologies, Inc., a Delaware corporation, will be held at the Historic Hotel Bethlehem, 437 Main Street, Bethlehem, Pennsylvania 18018, on **Tuesday, May 17, 2005**, at 10:00 a.m. Eastern Time for the following purposes:

1. To elect two Class II Directors;
2. To ratify the appointment of KPMG LLP, as our independent registered public accounting firm, to audit and report upon the Company's financial statements and internal controls over financial reporting for the period January 1, 2005 through December 31, 2005; and
3. To consider such other business as may properly come before the meeting or any adjournments thereof.

Additional information is included in the Proxy Statement accompanying this Notice. Only holders of Common Stock of record at the close of business on March 28, 2005, will be entitled to vote at the Annual Meeting of Stockholders and any adjournments thereof.

By Order of the Board of Directors,

Jack E. Jerrett

Secretary

April 8, 2005

Bethlehem, Pennsylvania

YOUR VOTE IS IMPORTANT. Whether or not you plan to attend the Annual Meeting, you are urged to vote your shares as promptly as possible by telephone, via the Internet, or by completing, signing, dating and returning the enclosed Proxy Card, as described in the attached Proxy Statement. Voting by phone, the Internet or mail does not deprive you of your right to attend the Meeting and to vote your shares in person.

ORASURE TECHNOLOGIES, INC.

220 East First Street

Bethlehem, Pennsylvania 18015

Proxy Statement

This Proxy Statement is being mailed on or about April 8, 2005, to stockholders of OraSure Technologies, Inc., a Delaware corporation (the Company), in connection with the Company's solicitation of proxies (each, a Proxy) for use at the Annual Meeting of Stockholders to be held on May 17, 2005, at 10:00 a.m. Eastern Time, at the Historic Hotel Bethlehem, 437 Main Street, Bethlehem, Pennsylvania 18018, and at any adjournments thereof (the Annual Meeting).

Proxies

If represented by a properly executed Proxy, whether delivered by phone, the Internet or mail, as described below, your shares will be voted in accordance with your instructions. If you do not provide a Proxy with instructions, your shares will be voted according to the recommendations of our Board of Directors (the Board) as stated on the Proxy. You may revoke the authority granted by your Proxy at any time before the Annual Meeting by notice in writing delivered to the Secretary of the Company, by delivering a subsequently dated Proxy, or by attending the Annual Meeting, withdrawing the Proxy, and voting in person.

At the Annual Meeting, action will be taken on the matters set forth in the accompanying Notice of Annual Meeting of Stockholders 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 will have discretionary authority to vote on those matters in accordance with their best judgment.

The cost of soliciting Proxies will be borne by us. In addition to solicitations by mail, certain of our directors, officers and regular employees may solicit Proxies personally or by telephone or other means without additional compensation.

Arrangements will also be made with brokerage firms and other custodians, nominees, and fiduciaries to forward solicitation material 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.

Voting Procedures

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You will have a choice of voting over the phone, via the Internet or by completing and mailing a traditional paper Proxy Card, as described below. Please check your Proxy Card or the information forwarded by your bank, broker or other holder of record to determine which options are available to you.

Voting by Mail. If you desire to vote by using the paper Proxy Card included with this Proxy Statement instead of by telephone or the Internet, you may do so by completing, signing, dating and returning the Proxy Card in the enclosed, pre-addressed envelope. Postage need not be affixed to the envelope if mailed in the United States.

Voting by Phone or Internet. Instead of voting by use of the paper Proxy Card, you may be able to vote by phone or the Internet. Whether you may do so will depend on how your shares are held.

If your shares are registered in your name with Mellon Investor Services LLC, our transfer agent, you may vote those shares by telephone by calling Mellon Investor Services LLC at 1-866-540-5760 (toll free in the United States or Canada only) or via the Internet at the following web site: www.proxyvoting.com/osur. You may vote by telephone or the Internet by doing so by 11:59 pm Eastern Time (8:59 pm Pacific Time) on May 16, 2005. Additional instructions can be found on the paper Proxy Card accompanying this Proxy Statement.

If your shares are registered in the name of a broker, bank or other registered holder, you may be able to vote by phone or the Internet if the broker, bank or other record holder has procedures for telephone or Internet voting. If you desire to use either of these voting options, please follow the procedures provided to you by your broker, bank or other record holder.

The telephone and Internet voting procedures 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 there may be costs associated with this method of voting, such as usage charges from Internet access providers and telephone companies and printing costs, that you must pay.

Submitting a Proxy by mail, the phone or the Internet will not affect your right to vote in person at the Annual Meeting.

Electronic Access to Proxy Materials and Annual Report. The Notice of Annual Meeting, the Proxy Statement and our 2004 Annual Report are available on our web site at <http://www.orasure.com>. If you are a stockholder of record and would like to view future proxy statements and annual reports over the Internet instead of receiving copies in the mail, please follow the instructions on the paper Proxy Card if you vote by mail or follow the instructions provided when you vote by phone or over the Internet. If you hold your shares through a bank, broker or other holder, check the information provided by that entity for instructions on how to elect to view future proxy statements and annual reports over the Internet. Opting to receive your proxy materials and annual report online will save us the cost of producing these materials and mailing them to you in the future.

Voting Securities

On March 28, 2005, the record date for determining stockholders entitled to vote at the Annual Meeting, we had outstanding and entitled to vote at the meeting 45,408,176 shares of common stock, par value \$.000001 per share (Common Stock). Each share of Common Stock is entitled to one vote on any matter brought before the Annual Meeting. A majority of the shares of Common Stock outstanding as of the record date, represented in person or by Proxy at the Annual Meeting, will constitute a quorum for the transaction of business.

Principal Stockholders

The following table sets forth information as of March 28, 2005, 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 under Executive Compensation, 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 and warrants held by that person that are exercisable within 60 days of March 28, 2005 are deemed to be outstanding for the purpose of computing the percentage ownership of that person, but are not deemed outstanding for computing the percentage ownership of any other person.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)(2)	Percent of Class
Strong Capital Management, Inc.(3) 100 Heritage Reserve Menomonee Falls, WI 53051	3,095,986	6.8%
AXA Financial, Inc.(4) 1290 Avenue of the Americas New York, NY 10104	2,780,211	6.1%
Michael J. Gausling(5)	1,235,638	2.7%
Douglas A. Michels	428,750	*
Ronald H. Spair	359,519	*
P. Michael Formica	265,043	*
Roger L. Pringle(6)	248,843	*
Joseph E. Zack	166,458	*
Douglas G. Watson	140,000	*
Frank G. Hausmann	136,666	*
Jack E. Jerrett	132,708	*
Gregory B. Lawless	106,666	*
Carter H. Eckert	86,666	*
Ronny B. Lancaster	66,666	*
All directors and executive officers as a group (12 people)	2,220,692	4.7%

* Less than 1%

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

- (2) Includes shares subject to options exercisable within 60 days of March 28, 2005, as follows: Mr. Eckert, 86,666 shares; Mr. Formica, 198,793 shares; Mr. Gausling, 267,916 shares; Mr. Hausmann, 136,666 shares; Mr. Jerrett, 115,208 shares; Mr. Lancaster, 66,666 shares; Mr. Lawless, 21,666 shares; Mr. Pringle, 212,218 shares; Mr. Spair, 268,019 shares; Mr. Watson, 140,000 shares; Mr. Zack, 125,208 shares; and all directors

and executive officers as a group, 1,440,692 shares. Also includes 428,750, 91,500, 66,250, 17,500 and 41,250 restricted shares held by Mr. Michels, Mr. Spair, Mr. Formica, Mr. Jerrett and Mr. Zack, respectively.

- (3) Based on information contained in a Form 13G/A filed February 11, 2005 by Strong Capital Management, Inc., on which such entity reported that it has sole investment and voting power with respect to 3,095,986 shares.
- (4) Based on information contained on a Form 13G/A filed February 14, 2005 by AXA Financial, Inc. (AXF) on behalf of its subsidiaries, including Alliance Capital Management L.P. (Alliance) and AXA Equitable Life Insurance Company (Equitable). AXF is a wholly-owned subsidiary of AXA, a French holding company, which is controlled by the Mutuelles AXA, as a group. Alliance has sole voting power with respect to 1,325,800 shares, shared voting power with respect to 997,321 shares, and sole investment power with respect to 2,494,361 shares. Alliance s shares are held by unaffiliated third-party client accounts and managed by Alliance, as investment advisor. Equitable has sole voting power with respect to 285,850 shares, and sole investment power with respect to 285,850 shares.
- (5) Includes 397,801 shares held by The Michael J. Gausling Grantor Retained Annuity Trust, Dated April 28, 2000, of which Mr. Gausling is the trustee.
- (6) Includes 1,500 shares owned by Mr. Pringle s spouse.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires that our executive officers and directors and persons who own more than ten percent of our Common Stock (collectively, Reporting Persons) file reports of ownership and changes in ownership with the Securities and Exchange Commission (the Commission). Reporting Persons are required by the Commission s regulations to furnish us with copies of all Section 16(a) forms they file.

As a matter of practice, our administrative staff assists each of the Reporting Persons in preparing initial reports of ownership and reports of changes in beneficial ownership and filing such reports with the Commission and the NASDAQ Stock Market. Based solely on a review of the copies of such forms and written representations from each of the Reporting Persons, we believe that all Reporting Persons complied with all applicable filing requirements with respect to the year 2004.

Election of Directors

At the Annual Meeting, you will be asked to vote on the election of two Class II Directors. Based on the recommendation of the Nominating and Corporate Governance Committee of the Board, a majority of the independent Directors have nominated Ronny B. Lancaster and Roger L. Pringle for election as Class II Directors, for terms expiring at the Annual Meeting of Stockholders in 2008. The nominees for election as Directors are presently members of our Board, and Mr. Pringle currently serves as Chairman of the Compensation Committee of the Board.

In the absence of instructions to the contrary, shares of Common Stock represented by properly executed Proxies will be voted for the two nominees, each of whom has consented to be named and to serve if elected. If a quorum is present, each nominee will be elected if he receives a plurality of the votes cast by shares present in person or by Proxy and entitled to vote at the Annual Meeting. Abstentions and shares as to which a broker or other nominee has indicated on a duly executed and returned Proxy or otherwise advised us that it lacks voting authority will have no

effect on the required vote. **Your Board recommends that you vote FOR the election of the Director nominees.**

We do not know of anything that would preclude any nominee from serving. However, should any nominee for any reason become unable or unwilling to serve as a Director, the persons named in the enclosed Proxy will vote the shares represented by each Proxy for such substitute nominee as the Board may approve.

Any vacancy that occurs on the Board that results from an increase in the number of Directors may be filled by the affirmative vote of a majority of the Directors then in office, and any other vacancy on the Board may be filled by the affirmative vote of a majority of the Directors then in office, even though less than a quorum of the Board, or by a sole remaining Director.

Certain information with respect to each person nominated for election as a Director and each person whose term of office as a Director will continue after the Annual Meeting is set forth below. Messrs. Hausmann and Pringle became Directors of the Company in connection with the merger (the Merger) of STC Technologies, Inc. (STC) and Epitepe, Inc. (Epitepe) into the Company on September 29, 2000, and served on the board of Epitepe prior to the Merger.

<u>Name</u>	<u>Principal Occupation</u>	<u>Age</u>	<u>Director Since</u>
<i>Class I (Directors Whose Terms of Office Expire in 2007):</i>			
Douglas G. Watson	Chief Executive Officer of Pittencrieff Glen Associates	60	2002
Frank G. Hausmann	Former President and Chief Executive Officer of CenterSpan Communications Corporation	47	2000
Carter H. Eckert	Former Chairman and Chief Executive Officer of IMPATH Inc.	62	2001
<i>Class II (Nominees for Terms of Office Expiring in 2008):</i>			
Ronny B. Lancaster	Senior Vice President and Chief Operating Officer of Morehouse School of Medicine	53	2003
Roger L. Pringle	President of The Pringle Company	64	2000
<i>Class III (Directors Whose Terms of Office Expire in 2006):</i>			
Douglas A. Michels	President and Chief Executive Officer of the Company	48	2004
Gregory B. Lawless	Managing Partner of Collins Mabry & Co.	65	2001

Douglas G. Watson became a member of the Board in May 2002 and became Chairman of the Board in March 2003. Since July 1999, Mr. Watson has been Chief Executive Officer of Pittencrieff Glen Associates, a leadership and management consulting firm, which he founded. Prior to that, Mr. Watson served as President and Chief Executive Officer of Novartis Corporation, the U.S. subsidiary of Novartis A.G., President and Chief Executive Officer of Ciba-Geigy Corporation, President of the Ciba Pharmaceuticals Division and Senior Vice President of Planning and Business Development of Ciba's U.S. Pharmaceuticals Division. Mr. Watson holds an M.A. degree in pure mathematics from Churchill College, Cambridge University, and is a member of the Chartered Institute of Management Accountants. Mr. Watson also serves on the Boards of Engelhard Corporation, Dendreon Corporation, Genta Inc. and InforMedix Inc.

Frank G. Hausmann had been a member of the Board of Directors of Epitepe since December 1999. Since October 2003, Mr. Hausmann has been President of Capricorn Advisors, a strategic and financial consulting firm which he founded. From October 1999 until October 2003, Mr. Hausmann served as President and Chief Executive Officer and Chairman of the Board of CenterSpan Communications Corporation, an early stage developer of Internet connection, collaboration, securities and content delivery network solutions and services. Prior to that, Mr. Hausmann served as Vice President, Finance and Administration and Chief Financial Officer of

ThrustMaster, Inc., a developer of PC games, Vice President, Finance and Chief Financial Officer of Atlas Telecom, Inc., a developer of enhanced facsimile and voice-mail solutions, and Vice President, Corporate Development and General Counsel of Diamond Multimedia Systems, Inc., a designer and marketer of computer video cards, modems and other peripherals. Mr. Hausmann received B.S. degrees in Economics and Political Science from Willamette University and a J.D. degree from the University of Oregon. He is a member of the Oregon State Bar.

Carter H. Eckert became a member of the Board in December 2001. From February 2003 until March 2004, Mr. Eckert served as Chairman of the Board and Chief Executive Officer of IMPATH Inc., a cancer information company. In September 2003, IMPATH filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code and, in March 2004, IMPATH's assets were sold to Genzyme Corporation and U.S. Oncology Inc. From 1995 to 2001, Mr. Eckert served as President of Knoll Pharmaceutical Company and as President of the Americas for Knoll's parent company, BASF Pharma. During that period, Mr. Eckert also was a member of BASF Pharma's Pharmaceutical Board, where he was responsible for global therapeutic franchises and corporate transactions. Prior to joining Knoll and BASF Pharma, Mr. Eckert was President and Chief Executive Officer of Boots Pharmaceuticals, Inc., a pharmaceutical company, and President of the Pharmaceutical Products Division of Baxter Travenol Laboratories. Mr. Eckert currently serves as a director of Algorx, Inc., Andrx Corporation and IMPATH, Inc., a trustee of Caldwell College and the Morristown Memorial Health Foundation, and an operating partner of the Athena Group. Mr. Eckert received his B.S. in Chemical Engineering from the Illinois Institute of Technology and his M.B.A. from Northwestern University.

Ronny B. Lancaster became a member of the Board in May 2003. Mr. Lancaster has served as Chief Operating Officer of the Morehouse School of Medicine in Atlanta, Georgia since 2003, as Senior Vice President for Management Policy from 1996 to 2003 and as Vice President for Health and Social Policy from 1993 to 1996. Prior to that, Mr. Lancaster was Executive Assistant to the Secretary and Principal Deputy Assistant Secretary for Planning and Evaluation at the U.S. Department of Health and Human Services (HHS), where his responsibilities included a wide range of policy, program and management matters. Prior to serving at HHS, Mr. Lancaster was General Counsel of Hamilton Enterprises, Inc., Senior Washington Representative for Blue Cross/Blue Shield Association, Chief of the Division of Fee-For-Service Plans at the U.S. Office of Personnel Management, and Executive Assistant to the Chairman at the National Institute for Advanced Studies. Mr. Lancaster received his B.A. in Economics from the Catholic University of America, his M.B.A. from the Wharton School of the University of Pennsylvania, and his J.D. degree from The Georgetown University Law Center. He is also admitted to the Bars of Pennsylvania and the District of Columbia and serves as a Board member for the Morehouse College Research Institute and as President for the Minority Health Professions Foundation.

Roger L. Pringle had been Chairman of the Board and a member of the Board of Directors of Epitepe, and was a director of Agritope, Inc., a plant genetics subsidiary of Epitepe, since 1990. Mr. Pringle is President and founder of The Pringle Company, a strategy and executive consulting firm in Portland, Oregon. Mr. Pringle is a director of Metro One Telecommunications, Inc. and is also active in funding and advising start-up and emerging companies.

Douglas A. Michels has been the Company's President and Chief Executive Officer since June 2004. Prior to that, Mr. Michels served as Group Vice President, Global Marketing of Ortho-Clinical Diagnostics from January 2004 to June 2004, President of Ortho-Clinical Diagnostics International from January 2002 to December 2003, President of Johnson & Johnson Healthcare Systems, Inc. from January 2000 to December 2001, and Vice President Sales & Marketing of Johnson & Johnson Healthcare Systems, Inc. from June 1997 to December 1999. Earlier in his career, Mr. Michels held various positions of increasing responsibility within the Johnson & Johnson family of companies, including Vice President, Sales & Marketing, Vice President/General Manager Immunocytometry Business, Executive Director Sales & Marketing, Director of Marketing, Director of Sales and Regional Sales Manager for Ortho Diagnostic Systems, Inc. Prior to joining Johnson & Johnson, Mr. Michels worked for the Diagnostics Division of Abbott Laboratories in various sales and product

management positions. Mr. Michels received a B.S. degree in Public Health Administration from the University of Illinois and an M.B.A. from Rutgers University.

Gregory B. Lawless became a member of the Board in April 2001. Since 1998, Mr. Lawless has been the Managing Partner of Collins Mabry & Co., a strategic advisory firm for the life sciences industry, which he co-founded. Prior to that, Mr. Lawless served as President and Chief Executive Officer of Cygnus, Inc., a medical diagnostics company, and President and Chief Operating Officer of Chiron Corporation, also a medical diagnostics company. Mr. Lawless received his B.S. in Pharmacy from Fordham University, his M.S. in Analytical Chemistry from St. John's University, and his Ph.D. in Physical Organic Chemistry from Temple University.

Board of Directors

The Board of Directors is comprised of a majority of independent directors. The Board has determined that each member of the Board, except for Mr. Michels, is independent, as that term is defined in the applicable rules of The NASDAQ Stock Market, Inc.

The Board held eleven meetings and acted by written consent on two occasions during the year ended December 31, 2004. 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 served as a Director.

The Board has approved a process for security holders to send communications to members of the Board and a policy concerning Board members' attendance at our annual meetings of stockholders. All members of the Board attended our 2004 Annual Meeting of Stockholders held on May 18, 2004. Descriptions of the process for security holders to send communications to the Board and the Board's policy on annual meeting attendance are provided on our website, at www.orasure.com.

Committees of the Board

The Board currently has three standing committees—the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. The Strategic Planning Committee of the Board was dissolved in December 2004. The Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee are each composed entirely of independent Directors.

Audit Committee. The Audit Committee oversees the Company's accounting and financial reporting process, internal controls and audits, and consults with management and the independent auditors on, among other items, matters related to the annual audit, the published financial statements and the accounting principles applied. As part of its duties, the Audit Committee appoints, evaluates and retains the Company's independent registered public accounting firm. It also maintains direct responsibility for the compensation, termination and oversight of the Company's independent registered public accounting firm and evaluates the independent registered public accounting firm's qualifications, performance and independence. The Audit Committee approves all services provided to the Company by the independent registered public accounting firm. The Audit Committee has established procedures for the receipt, retention and treatment, on a confidential basis, of complaints received by the Company, regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters. The Audit Committee operates pursuant to a written Charter, a copy of which is attached as Appendix A to this Proxy Statement and is available on our website at www.orasure.com.

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Members of the Audit Committee are Frank G. Hausmann, Chairman, Carter H. Eckert, Ronny B. Lancaster and Roger L. Pringle. Each member of the Audit Committee is independent, as defined in the Exchange Act and applicable rules of The NASDAQ Stock Market, Inc. The Board has determined that Mr. Hausmann is an

audit committee financial expert, as that term is defined by applicable rules of the Commission. The Audit Committee met seven times during the year ended December 31, 2004.

Compensation Committee. The Compensation Committee of the Board determines and, in the case of the Chief Executive Officer recommends for Board approval, the compensation and benefits for our executive officers, and administers our stock award plan. The Compensation Committee operates pursuant to a written charter, a copy of which is available on our website at www.orasure.com. Members of the Compensation Committee are Roger L. Pringle, Chairman, Gregory B. Lawless and Douglas G. Watson. Each member of the Compensation Committee is independent, as defined in the applicable rules of The NASDAQ Stock Market, Inc. The Compensation Committee met twelve times and acted by written consent on five occasions during the year ended December 31, 2004.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee of the Board identifies, evaluates and recommends to the Board candidates for election or re-election to the Board. In addition, this Committee is responsible for developing, recommending for Board approval and administering a set of corporate governance guidelines and an annual process of self-evaluation by the Board and its committees. The Nominating and Corporate Governance Committee operates pursuant to a written charter, a copy of which is available on our website at www.orasure.com. Members of the Nominating and Corporate Governance Committee are Carter H. Eckert, Chairman, Ronny B. Lancaster and Gregory B. Lawless. Each member of the Nominating and Corporate Governance Committee is independent, as defined in the applicable rules of The NASDAQ Stock Market, Inc. The Nominating and Corporate Governance Committee meet two times during the year ended December 31, 2004.

In evaluating and recommending candidates for the Board, the Nominating and Corporate Governance Committee will consider candidates recommended by members of the Committee or the Board of Directors, officers or employees of the Company, the Company's security holders and other business contacts. Candidates recommended by security holders will be considered by the Nominating and Corporate Governance Committee in the same manner as candidates recommended by other sources, but only if the security holder makes its recommendation in accordance with the advance notification provisions set forth in the Company's By-laws. For a description of these provisions, see the Section entitled, Nomination of Directors.

In evaluating new candidates for Board nomination, the Nominating and Corporate Governance Committee shall consider one or more of the following factors, as well as any other factors determined by the Committee: independence, integrity, knowledge, judgment, character, leadership skills, education, experience, financial literacy, technical background, and standing in the community. In evaluating incumbent directors for re-election, the Nominating and Corporate Governance Committee shall consider that director's overall service to the Company, including the number of meetings attended, level of participation, quality of performance and other factors deemed relevant by the Committee.

Report of the Audit Committee

The following report of the Audit Committee of the Board shall not be deemed to be soliciting material or to be incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing by the Company under either the Securities Act of 1933, as amended (the Securities Act), or the Exchange Act, except to the extent that the Company specifically incorporates this information by reference. The following report shall not otherwise be deemed filed under such Acts.

The role of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities to oversee management's conduct of the Company's financial reporting process, including monitoring (1) the participation of management and the outside independent registered public accounting firm in the financial reporting process, (2) the Company's systems of internal accounting and financial controls, (3) the annual independent audit of the Company's financial statements and (4) the qualifications, independence and performance of the outside

independent registered public accounting firm. The Committee selects the Company's outside independent registered public accounting firm, and once selected, the outside independent registered public accounting firm reports directly to the Committee. The Committee is responsible for approving both audit and non-audit services to be provided by the outside independent registered public accounting firm. The Committee operates pursuant to a Charter that was last amended and restated by the Board on May 18, 2004, which is attached as Exhibit A to this proxy statement.

Management of the Company is responsible for the preparation, presentation and integrity of the Company's financial statements, the Company's accounting and financial reporting principles and internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The independent registered public accounting firm is responsible for auditing the Company's financial statements and expressing an opinion as to their conformity with U.S. generally accepted accounting principles. The Committee's responsibility is to monitor and review these processes. It is not the Committee's duty or responsibility to conduct auditing or accounting reviews.

In the performance of its oversight function, the Committee has considered and discussed the audited financial statements with management, which included a discussion of the quality, and not just the acceptability, of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements. The Committee met with the independent registered public accounting firm, with and without management, to discuss the results of their examination and their judgments regarding the Company's accounting policies. The Committee has also discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees, as currently in effect. Finally, the Committee has received the written disclosures and the letter from the independent registered public accounting firm required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, as currently in effect, has considered whether the provision of non-audit services by the independent registered public accounting firm to the Company is compatible with maintaining the firm's independence and has discussed with the independent registered public accounting firm the firm's independence.

Based upon the reports and discussions described in this report, and subject to the limitations on the role and responsibilities of the Committee referred to above and in the Committee's Charter, the Committee recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2004 for filing with the Securities and Exchange Commission and selected KPMG LLP as the independent registered public accounting firm for fiscal year 2005. The Board is recommending that stockholders ratify that selection at the Annual Meeting.

SUBMITTED BY THE AUDIT COMMITTEE

OF THE COMPANY'S BOARD OF DIRECTORS

Frank G. Hausmann, Chairman

Carter H. Eckert

Ronny B. Lancaster

Roger L. Pringle

March 9, 2005

Nomination of Directors

Our Bylaws provide that nominations for election to the Board may be made by the Board or by any stockholder entitled to vote for the election of Directors at the Annual Meeting. A stockholder's notice of nomination must be made in writing to the Company's Secretary and must be delivered to or received at our

principal executive offices not less than ninety (90) days nor more than one hundred twenty (120) days prior to the meeting. However, in the event that less than one hundred (100) days notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be received no later than the close of business on the tenth (10th) day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made, whichever first occurs. The notice to the Secretary must set forth, with respect to the nominee, the name, age, business address, residence address, and principal occupation or employment of the person, the class and number of shares of capital stock of the Company which are beneficially owned by the person, and any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to Regulation 14A under the Exchange Act. The notice must also include the name and record address of the stockholder making the nomination and the class and number of shares of capital stock of the Company that are beneficially owned by the stockholder. We may require any proposed nominee to furnish such other information as we may reasonably require to determine the eligibility of the proposed nominee to serve as a Director of the Company.

Executive Officers

The table below provides information about the executive officers of the Company as of March 28, 2005. Officers of the Company hold office at the discretion of the Board.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Douglas A. Michels	48	President and Chief Executive Officer
Ronald H. Spair	49	Executive Vice President and Chief Financial Officer
P. Michael Formica	54	Executive Vice President, Operations
Joseph E. Zack	53	Executive Vice President, Marketing and Sales
Jack E. Jerrett	46	Senior Vice President, General Counsel and Secretary
Mark L. Kuna	41	Vice President, Controller and Assistant Secretary

For biographical information on Mr. Michels, see the Section entitled, Election of Directors, in this Proxy Statement.

Ronald H. Spair joined the Company as Executive Vice President and Chief Financial Officer in November 2001. Prior to that time, Mr. Spair was Vice President, Chief Financial Officer and Secretary of Delsys Pharmaceutical Corporation, a pharmaceutical manufacturing system development company, from January 2001 to September 2001. Prior to joining Delsys, he was Senior Vice President, Chief Financial Officer and Secretary of SuperGen, Inc., a pharmaceutical company, from August 1999. Prior to joining SuperGen, Mr. Spair was Senior Vice President, Chief Financial Officer and Secretary of Sparta Pharmaceuticals, Inc., a development stage pharmaceutical company. Mr. Spair received his B.S. in Accounting and M.B.A. from Rider College. He is also a licensed Certified Public Accountant and is a member of the New Jersey Society of Certified Public Accountants and the American Institute of Certified Public Accountants.

P. Michael Formica has served as Executive Vice President, Operations for the Company since November 2002 and as Senior Vice President, Operations for the Company and STC since May 2000. Prior to that time, Mr. Formica was Division Manager, Mobil Measurement Technologies for Dräger Sicherheitstechnik GmbH (now called Dräger Safety AG & Co. KGaA), in Lünebeck, Germany, for eight years with worldwide responsibility, and Director Sales and Marketing, National Draeger, Inc. (USA) for two years. Dräger is a world leader in chemical detection systems for the industrial safety market, and breath alcohol detection instrumentation. Mr. Formica received his B.S. in Electrical Engineering from West Virginia University and his M.B.A. from the Graduate School of Industrial Administration, Carnegie Mellon University.

Joseph E. Zack has served as the Company's Executive Vice President, Marketing and Sales since September 2002. Prior to that time, Mr. Zack served as Vice President, Marketing and Sales for OraPharma, Inc., a specialty pharmaceutical company focused on oral healthcare, since 1998. Prior to joining OraPharma, Mr. Zack held executive level marketing and sales positions with Advanced Tissue Sciences, Inc. and the CIBA-GEIGY Pharmaceutical Division. Mr. Zack received his B.A. in Biology from Colgate University and his M.B.A. from St. John's University.

Jack E. Jerrett has served as the Company's Senior Vice President and General Counsel since February 2003 and as Vice President and General Counsel since November 2000. He has also served as the Company's Secretary since February 2001. Prior to joining the Company, Mr. Jerrett served in the positions of Associate General Counsel and Senior Counsel at PPL Electric Utilities Corporation, and acted as general counsel to PPL Gas Utilities Corporation, since July 1998. Prior to that, Mr. Jerrett was Senior Corporate Attorney of Union Pacific Corporation and an Associate with Morgan, Lewis & Bockius. Mr. Jerrett received his B.S. in Accounting from Villanova University and his J.D. from the Villanova University School of Law. He is a member of the Pennsylvania Bar and the American and Pennsylvania Bar Associations.

Mark L. Kuna has served as the Company's Vice President and Controller since February 2003 and as Controller since February 2001. He also provided accounting and financial analysis support since joining the Company in October 2000. Prior to that time, Mr. Kuna served as Director of Financial Planning and Analysis for the greater Philadelphia region of XO Communications, Inc., and Vice President and Principal Accounting Officer of Wedco Technology, Inc. Prior to joining Wedco Technology, he was an accountant with Deloitte and Touche. Mr. Kuna received his B.S. in Accounting from the University of Scranton, is a licensed Certified Public Accountant, and is a member of the Pennsylvania and American Institutes of Certified Public Accountants.

Certain Relationships and Related Transactions

In October 2002, we entered into a commercial lease (the Lease) with Tech III Partners, LLC (Tech Partners), for a 48,000 square foot facility on land adjacent to our Bethlehem, Pennsylvania facilities, and the lease of that facility to us. Tech Partners is owned and controlled by Michael J. Gausling, the Company's former President and Chief Executive Officer, and Dr. R. Sam Niedbala, the Company's former Executive Vice President and Chief Science Officer. Mr. Gausling and Dr. Niedbala both resigned from the Company in 2004. The facility is currently our corporate headquarters and houses manufacturing and administrative operations.

The Lease, as amended, has an initial ten-year term ending in October 2012 and a base rent starting at \$780,000 per year and increasing to \$858,240 per year over that term. The base rental rate may be increased after the fifth year of the initial term in order to reflect changes in the interest rate on debt incurred by Tech Partners to finance construction of the leased facilities. We have not guaranteed any debt incurred by Tech Partners. We also have an option to renew the Lease for an additional five years at a rental rate of \$975,360 per year, and to purchase the facility at any time during the initial ten-year term based on a formula set forth in the Lease.

Prior to deciding to enter into the Lease and an amendment increasing the base rent to reflect certain tenant fit-out costs, our Board of Directors retained Imperial Realty Appraisal LLC, an independent commercial real estate appraisal firm, to evaluate the proposed base rental rate. Imperial Realty issued opinions indicating that the annual base rent set forth in the Lease, as amended, is below the market rental rate we could otherwise expect to pay to lease a comparable commercial property in the same general geographic market. The terms of the Lease are otherwise substantially similar to a commercial lease we entered into with a third party for our other Bethlehem, Pennsylvania facilities.

Information regarding employment and severance agreements between the named executive officers and the Company is set forth in the Section entitled, Employment and Transition Agreements, in this Proxy Statement.

Executive Compensation

Summary Compensation Table

The following table summarizes the compensation of our Chief Executive Officer and the four other most highly compensated executive officers of the Company (collectively, including the Chief Executive Officer, the Named Executive Officers), as well as Michael J. Gausling, the Company's former President and Chief Executive Officer, for the year ended December 31, 2004:

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation Awards		
		Salary	Bonus	Other Annual Compensation	Restricted Stock Awards	Securities Underlying Options(1)	All Other Compensation(2)
Douglas A. Michels President and Chief Executive Officer	2004 2003 2002	\$ 206,154	\$ 200,000		\$ 3,158,750(3)(5)	467,500	\$ 4,000
Ronald H. Spair Executive Vice President and Chief Financial Officer	2004 2003 2002	281,758 224,264 205,903	157,336 60,000 20,000	\$ 5,250(7) 9,000(7) 37,203(7)	405,600(4)(5) 260,265(6)	27,000 100,000 90,000	4,000 4,000 45,713(8)
P. Michael Formica Executive Vice President, Operations	2004 2003 2002	245,242 210,264 179,644	125,404 50,000 18,000	5,250(7) 9,000(7) 9,000(7)	223,400(4)(5) 260,265(6)	22,500 100,000 75,000	4,000 4,000 4,000
Joseph E. Zack Executive Vice President, Marketing and Sales	2004 2003 2002	229,985 202,187 54,072	114,831 50,000	5,250 9,000 2,625			