

**Cepheid****CPHD NASDAQ****Advanced Medical Equipment**

Market Capitalization USD:

\$2,434.81 mm**CONCERN LEVEL: LOW**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less. 
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: John L. Bishop**Age: 67****CEO Since: 2002**

	2009	2010	2011
Base Salary	\$500,000	\$537,500	\$566,827
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$217,500	\$330,000	\$500,250
Benefits and Perquisites	\$50,347	\$58,399	\$69,634
TOTAL ANNUAL COMPENSATION	\$767,847	\$925,899	\$1,136,711
Increase in Post-Retirement Benefits	\$0	\$0	\$0
Stock Option Awards	\$546,744	\$1,694,543	\$2,652,390
Stock Awards	\$0	\$409,400	\$787,125
TOTAL COMPENSATION	\$1,314,591	\$3,029,842	\$4,576,226
Median of Other Named Executive Officers Total Compensation	\$1,053,117	\$1,135,576	\$1,331,315
Value Realized on Exercise of Stock Option	\$0	\$0	\$8,736,371
Value Realized on Vesting of Stock	\$0	\$0	\$256,113
TOTAL REALIZED EQUITY COMPENSATION	\$0	\$0	\$8,992,484

Proxy Date: 15 Mar 2012

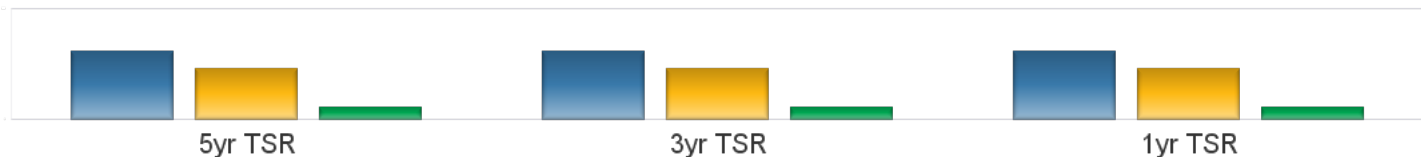
Annual Meeting Date: 24 Apr 2012

Equity Reserves: 24.41%

Stock Option Run Rate: 2.37%

Performance Comparison

■ vs S&P500 ■ vs Industry ■ CPHD



Peer Comparisons (TRBC) =Advanced Medical Equipment

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
CPHD	Cepheid	\$1,314,591	\$3,029,842	\$4,576,226	\$2,434,810,143
WAT	Waters Corporation	\$1,010,393	\$2,442,165		\$6,896,369,926
VAR	Varian Medical Systems, Inc.	\$5,355,518	\$7,702,873	\$2,178,078	\$6,112,327,715
ILMN	Illumina, Inc.	\$5,695,858	\$6,608,974		\$5,038,561,440
RMD	ResMed Inc.	\$3,437,719	\$4,829,178		\$4,281,173,880
HOLX	Hologic, Inc.	\$8,176,095	\$6,544,151	\$6,038,299	\$3,987,105,351
SIRO	Sirona Dental Systems, Inc.	\$1,579,758	\$3,080,258	\$4,021,411	\$2,383,771,992

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Abaxis, Immucor, Affymetrix, Luminex, Caliper Life Sciences, Meridian Biosciences, Celera Group, Myriad Genetics, Gen-Probe, Quidel, Genomic Health, TECHNE, Genoptix

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Dean O. Morton	Chairman	79	Male	15	Outside
Hollinas C. Renton	Member	66	Male	12	Outside
Robert J. Easton	Member	67	Male	10	Outside