

**CHARTER OF THE
COMPENSATION AND ORGANIZATIONAL DEVELOPMENT COMMITTEE
OF THE BOARD OF DIRECTORS OF
CEPHEID**

(Adopted by the Board of Directors of Cepheid on July 27, 2004 and
amended February 16, 2006, October 31, 2006, December 10, 2012, July
23, 2013, February 11, 2014 and July 28, 2014)

I. Purpose and Authority

The purpose of the Compensation and Organizational Development Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of Cepheid (the “*Company*”) is to discharge the Board’s responsibilities with respect to all forms of compensation of the Company’s executive officers, to administer the Company’s equity-based compensation and other employee benefit plans, to review with management the compensation discussion and analysis (defined below) and whether to recommend to the Board to include this discussion and analysis in the Company’s 10-K or proxy statement, as applicable, and to provide oversight of organizational and management development for executive officers and other employees. This Charter sets forth the authority and responsibility of the Committee for approving and evaluating executive officer compensation arrangements, plans, policies and programs of the Company, and for administering the Company’s equity-based compensation plans for employees, whether adopted prior to or after the date of adoption of this charter.

II. Membership

The Committee will consist of not fewer than two members of the Board, with the exact number being determined by the Board. Each member of the Committee will meet all of the following criteria:

- an “independent director” as defined under the applicable rules and regulations of The NASDAQ Stock Market, as amended from time to time (the “*Rules*”), except as may otherwise be permitted by such Rules;
- “independent” as defined in any other rules and regulations (“*Commission Rules*”) promulgated by the Securities and Exchange Commission (the “*Commission*”) under Section 10C of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), except as may otherwise be permitted by the Commission Rules;
- a “non-employee director,” as defined in Rule 16b-3 under Section 16 of the Exchange Act; and
- an “outside director” under Regulation Section 1.162-27 promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended (the “*Internal Revenue Code*”).

No member of the Committee may accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or any subsidiary thereof; provided that such prohibition shall not include: (i) fees received as a member of the Committee, the Board or any other Board committee; or (ii) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company (provided that such compensation is not contingent in any way on continued service). Further, in connection with appointing or continuing the membership of each director serving on the Committee, when affirmatively determining the independence of such

member, the Board will consider whether the director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company to determine whether such affiliation would impair the director's judgment as a member of the Committee.

All members of the Committee will be appointed by, and shall serve at the discretion of, the Board. The Board will select members of the Committee who will be approved by a majority vote of a quorum of the Board. Committee members will serve during their respective term as a director, subject to earlier resignation or removal by a majority vote of a quorum of the Board. Unless a Chairperson is elected by the Board, the members of the Committee may designate a Chairperson by majority vote of the Committee membership.

III. Responsibilities and Duties

The principal duties of the Committee in carrying out its responsibilities are set forth below. These duties are set forth as a guide with the understanding that the Committee may supplement them as appropriate and may establish policies and procedures from time to time that it deems necessary or advisable in fulfilling its responsibilities.

1. The Committee will have the authority to determine and approve the form and amount of compensation to be paid or awarded to all employees of the Company, including the Company's executive officers, as defined under Section 16 of the Exchange Act and the rules promulgated thereunder ("*Executive Officers*"). The Committee may delegate authority to subcommittees of the Committee or to Executive Officers with respect to compensation determinations for persons who are not Executive Officers.

2. The Committee will annually review and approve the corporate goals and objectives relevant to the compensation of the Chief Executive Officer ("*CEO*") and the Company's Executive Officers, and evaluate the performance of the CEO and Executive Officers in light of these goals and objectives. Based on this evaluation, including an evaluation of the Company's performance and shareholder returns, the Committee shall have the sole authority to make decisions respecting (i) CEO and Executive Officer employment and severance contracts and arrangements, (ii) salary paid to the CEO and Executive Officers, (iii) the grant of all cash-based bonuses and equity-based compensation to the CEO and Executive Officers, (iv) the entering into or amendment or extension of any employment contract or similar arrangement with the CEO and Executive Officers, (v) any CEO and Executive Officers severance or change in control arrangement, and (vi) any other CEO and Executive Officers compensation matters as from time to time directed by the Board; provided that the Committee shall take account of the recommendations of the Board with respect to CEO and Executive Officer employment contracts. The Committee shall take account of the recommendations of the Company's CEO for other Executive Officers with respect to each of the foregoing items. The CEO may not be present during voting or deliberations regarding the CEO's compensation.

3. The Committee will annually review and make recommendations to the Board with respect to adoption and approval of, or amendments to, all cash-based and equity-based incentive compensation plans and arrangements, and the amounts and shares reserved thereunder after taking into consideration the Company's strategies with respect to short and long-term cash and equity-based compensation.

4. The Committee will: (i) approve grants of stock, stock options, stock purchase rights or other equity-based incentives to individuals eligible for such grants (including grants in compliance with Rule 16b-3 promulgated under the Exchange Act to Executive Officers); (ii) interpret the equity-based compensation plans and agreements thereunder; and (iii) determine acceptable forms of consideration for

stock and equity rights acquired pursuant to the equity-based incentive compensation plans. The Committee may delegate to certain of the Company's directors the authority to approve equity-based incentives to employees of the Company or of any subsidiary of the Company who are not directors of the Company or to "Insiders" (as defined in the Company's 2006 Equity Incentive Plan), provided that the number of equity-based incentives granted to any such employee in any one year period shall not exceed that number of equity-based incentives as may be determined from time to time by the Committee that are applicable to such employee's respective salary grade structure, provided further, that the price per share is no less than the fair market value of the Company's common stock on the date of grant.

5. The Committee will meet with the CEO within a reasonable amount of time after the commencement of each fiscal year to discuss the incentive compensation programs to be in effect for the Company's Executive Officers for such fiscal year and the corporate goals and objectives relevant to those programs.

6. The Committee will periodically review the Company's procedures with respect to employee loans, and will not approve any arrangement in which the Company, directly or indirectly, extends or maintains credit, arranges for the extension of credit or renews an extension of credit, in the form of a personal loan to or for any director of the Company or any Executive Officer (or equivalent thereof) of the Company. The Committee will assist the Board and management of the Company in complying with this prohibition.

7. The Committee will review and discuss with the Company's management the Compensation Discussion and Analysis (the "CD&A") as required by Regulation S-K, Item 402, promulgated by the Commission, as well as any narrative disclosure related to compensation to consultants in determining or recommending the amount or form of executive and director compensation whose work has raised any conflict of interest in response to the requirement of Item 407(e)(3)(iv) of Regulation S-K. Based on the review of the CD&A with the Company's management, the Committee will recommend to the Board whether the CD&A and narrative disclosure regarding compensation to consultants should be included in the Company's annual report on Form 10-K, proxy statement, information statement or other similar document. The Committee will also review and report on the Company's compensation policies and practices to determine areas of resulting risk, and any actions that should be taken to mitigate inappropriate risks, if any.

8. The Committee will have oversight responsibility for the review of all of the Company's employee benefit plans, including any Internal Revenue Code Section 401(k) savings plan, any Internal Revenue Code Section 125 cafeteria benefit plan, any medical plan, any profit-sharing program and any pension or other deferred compensation plan, and will approve, or delegate its authority to the appropriate administrative committee to approve, any and all changes to such plans, including termination when appropriate. The administration of such plans shall be performed by management of the Company, including as constituted in any benefit or pension plan administrative committee.

9. The Committee may consider adoption of a Company policy regarding the recovery of incentive-based compensation that is based on financial information required to be reported under the Exchange Act or similar laws following a restatement of such financial information.

10. The Committee will recommend to the Board, for determination by the Board, the form and amount of cash- and equity-based compensation to be paid or awarded to the Company's non-employee directors, including for service on committees of the Board.

11. The Committee will oversee succession planning, including emergency contingency planning, and senior leadership development and review them with the Board on a periodic basis. The Board will retain jurisdiction for executive officer succession decisions.

12. The Committee will monitor progress on the Company's organizational development activities, including, among other things, management depth and strength assessment, leadership development and company-wide organization and talent assessment.

13. The Committee will review this Charter annually and recommend to the Board any changes it determines are appropriate.

14. The Committee will have the sole authority to utilize the services of compensation consultants, legal counsel and other advisors of the Company, in order to fulfill its responsibilities. In connection with the retention of such advisors (other than in-house legal counsel), the Committee shall consider the factors related to the independence of such advisers, including with respect to each such adviser (or the adviser's employer): (a) the provision of other services to the Company by such adviser (or their employer); (b) the amount of fees received from the Company, as a percentage of the total revenue of such adviser (or their employer); (c) the policies and procedures of such adviser (or their employer) that are designed to prevent conflicts of interest; (d) any business or personal relationship of such advisor (or their employer) with a member of the Committee or an Executive Officer; (e) any shares of Company capital stock or other Company securities owned by such adviser (or their employer); and (f) such other factors as the Committee deems relevant or may be required from time to time by the Rules or the Commission Rules; provided, that, nothing herein requires that compensation advisors must be independent – rather that the enumerated independence factors be considered before selecting or otherwise receiving advice from such an advisor. The Committee will also have the ability, at the reasonable expense of the Company, to retain and terminate compensation consultants, legal counsel and other advisors of its choosing to assist the Committee in connection with its functions, and shall have direct oversight of the work performed by such advisors. The Committee shall have the sole authority to approve the fees and other retention terms of such consultants and advisors retained by the Committee pursuant to this Charter and the Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any such consultants and advisors retained by the Committee pursuant to this Charter or for the commission of any necessary studies or surveys concerning the levels of executive compensation payable in the industries in which the Company is engaged and in other related industries and to obtain recommendations from outside consultants concerning compatible pay programs, as appropriate. Irrespective of the retention of compensation and other consultants, legal counsel, accountants, experts and advisers to assist the Committee, the Committee shall exercise its own judgment in fulfillment of its functions.

15. The Committee and any stock option or other equity-based incentive committee constituted under the delegated authority of Section 4 hereof, will make regular reports to the Board.

16. The Committee will perform any other activities required by applicable law, rules or regulations, including the rules of the Commission and any exchange or market on which the Company's capital stock is traded, and perform other activities that are consistent with this Charter, the Company's articles of incorporation and bylaws, and applicable laws, rules or regulations as the Committee, any other committee of the Board or the Board deems necessary or appropriate.

IV. Meetings

Meetings of the Committee will be held from time to time, but no less than quarterly, in response to the needs of the Board or as otherwise determined by the Chairperson of the Committee. The

Committee shall report to the Board from time to time, as requested by the Board and at such other times as determined by the Committee to be appropriate. In accordance with the bylaws of the Company and in lieu of a meeting, the Committee may also act by unanimous written consent.

V. Minutes

The Committee will maintain written minutes of its meetings, and will file such minutes with the minutes of the meetings of the Board.