

HAEMONETICS CORP
Form DEF 14A
June 18, 2012

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
(Rule 14a-101)
Information Required in Proxy Statement

Schedule 14A Information
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

HAEMONETICS CORPORATION
(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):

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(3) Filing Party:

(4) Date Filed:

HAEMONETICS CORPORATION

Notice of Annual Meeting of Stockholders

July 27, 2012

To the Stockholders:

The Annual Meeting of our Stockholders will be held on Friday, July 27, 2012 at 10:00 a.m. at our Corporate Offices located at 400 Wood Road, Braintree, Massachusetts for the following purposes:

1. To amend the Haemonetics Corporation By-laws to allow a maximum of 12 members of the Board of Directors
2. To elect three Directors and, subject to shareholder approval of the By-law amendment it Item 1, a fourth Director, as more fully described in the accompanying Proxy Statement.
3. To consider and act upon an advisory vote regarding the compensation of our named executive officers.
4. To ratify the selection of Ernst & Young LLP as independent registered public accountants for fiscal year 2013.
5. To consider and act upon any other business which may properly come before the meeting.

The Board of Directors has fixed the close of business on June 8, 2012 as the record date for the meeting. All stockholders of record on that date are entitled to notice of and to vote at the meeting.

Whether or not you plan to attend the meeting, please complete and return the enclosed proxy in the envelope provided or vote by telephone or the Internet pursuant to instructions provided with the proxy.

By Order of the Board of Direct

Sandra Jesse

Secretary

Braintree, Massachusetts

June 15, 2012

HAEMONETICS CORPORATION
PROXY STATEMENT
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GENERAL INFORMATION

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Haemonetics Corporation (the "Company") for use at the Annual Meeting of Stockholders (the "Meeting") to be held on Friday, July 27, 2012 at the time and place set forth in the Notice of Meeting, and at any adjournment thereof.

On approximately June 15, 2012, the Company began mailing to stockholders either this Proxy Statement or a Notice of Internet Availability of Proxy Materials containing instructions on how to access proxy materials via the Internet and how to vote online at <http://www.cfpproxy.com/5091/>. Stockholders who have received a Notice of Internet Availability can request a paper copy of the proxy materials by contacting our transfer agent, Registrar and Transfer Company, at 10 Commerce Drive, Cranford, New Jersey 07016. There is no charge to you for requesting a copy.

Voting

If a proxy is properly delivered, it will be voted in the manner directed by the stockholder. This year, stockholders have the ability to choose from four means of voting: (1) mailing of a proxy card, (2) via telephone, by calling 1-877-806-1510, (3) via Internet, by using <http://www.cfpproxy.com/5091/>, or (4) in person at the Meeting. If no instructions are specified with respect to any particular matter to be acted upon, the proxy will be voted in favor of the election of directors as set forth in this Proxy Statement and FOR Items 1, 3 and 4 listed in the Notice of the Meeting. For both Internet and telephone voting you will have the ability to confirm that your vote has been properly recorded. Any person delivering a proxy has the power to revoke it by voting in person at the Meeting or by giving written notice of revocation to the Secretary of the Company at any time before the proxy is exercised. Alternatively, any person wishing to revoke a vote submitted by telephone or Internet may (a) simply re-vote in the same manner, and the last received vote cast will be recorded in the final tally or (b) vote in person at the Meeting.

Directions to the Meeting may be obtained by contacting Investor Relations. If calling from within the United States, please call (800) 225-5242 extension 9402. International callers, please use (781) 356-9402.

To contact us in writing:

Haemonetics Corporation
Attn: Investor Relations
400 Wood Road
Braintree, MA 02184

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on July 27, 2012

The Company's 2012 Annual Report, this Proxy Statement, and a form of proxy are available at <http://www.cfpproxy.com/5091/>.

Quorum

A majority of the votes entitled to be cast on the matter must be present in person or be represented by proxy at the Meeting in order to constitute a quorum for the election of any director or for the consideration of any question.

Approval of the amendment to our By-laws, which is Item 1 in this Proxy Statement, requires the affirmative vote of a majority of the shares represented and entitled to vote at the Annual Meeting.

The election of the nominees for director, which is Item 2 in this Proxy Statement, will be decided by plurality vote.

To approve all other Items listed in the Notice of Meeting, it is necessary that the votes cast favoring the action exceed the votes cast opposing the action.

Abstentions and "non-votes" are counted as present in determining whether the quorum requirement is satisfied. A "non-vote" occurs when a nominee holding shares for a beneficial owner is present or represented at the Meeting but does not vote on a particular matter. Abstentions and broker non-votes will not be taken into account in determining the outcome of any Item, except for Item 1, for which they will have the same effect as voting against the proposal. If you are a beneficial owner whose shares are held of record by a broker, your broker has discretionary voting authority under New York Stock Exchange rules to vote your shares only on Item 4, the ratification of the appointment of Ernst & Young LLP as the Company's independent auditors. However, New York Stock Exchange rules do not permit brokers to vote on the election of directors or any other matter which relates to executive compensation without instructions from you, in which case a broker non-vote will occur and your shares will not be voted on these matters. Accordingly, it is particularly important that

beneficial owners instruct their brokers how they wish to vote their shares.

However, under a policy adopted by the Board of Directors, in an uncontested election, any nominee for director who does not receive the favorable vote of at least a majority of the votes cast with respect to such director is required to tender his or her resignation to the Board of Directors. For purposes of the policy, a majority of votes cast means that the number of shares voted “for” a director’s election exceeds 50% of the number of votes cast with respect to that director’s election. Votes cast include votes to withhold authority and exclude abstentions with respect to that director’s election.

The Nominating and Governance Committee will make a recommendation to the Board as to whether to accept or reject the resignation, or whether other action should be taken. The Board will act on the committee’s recommendation and publicly disclose its decision, and the rationale behind it, within 90 days from the date of the certification of the election results. The director who tenders his or her resignation will not participate in the committee’s recommendation or in the Board’s decision.

If a majority of the members of the committee fail to receive a “majority vote” in the same election, then the independent directors on the full Board of Directors shall appoint a committee from among themselves to consider the resignations and recommend to the Board whether to accept them.

If a director’s resignation is not accepted by the Board of Directors, the director shall continue to serve for the balance of the term for which he or she was elected and until his or her successor is duly elected, or his or her earlier resignation or removal.

If a director’s resignation is accepted by the Board of Directors, then the Board of Directors may fill any resulting vacancy pursuant to the By-laws of the Company or may decrease the size of the Board of Directors pursuant to the By-laws of the Company.

Solicitation of Proxies

The Company will bear the cost of this solicitation. Regular employees, none of whom will receive any extra compensation for their activities, or directors of the Company may also solicit proxies by telephone, e-mail or in person and arrange for brokerage houses and their custodians, nominees and fiduciaries to send proxies and proxy materials to their principals at the expense of the Company. The Company’s principal executive offices are located at 400 Wood Road, Braintree, Massachusetts, USA 02184-9114, telephone number (781) 848-7100.

Record Date and Voting

Only stockholders of record at the close of business on June 8, 2012 are entitled to attend and vote at the meeting. On that date, the Company had outstanding and entitled to vote 25,560,036 shares of common stock with a par value of \$.01 per share. Each outstanding share entitles the record holder to one vote on each of the director nominees and one vote on each other matter.

CORPORATE GOVERNANCE

Structure of the Board of Directors

The Board of Directors oversees, directs and counsels executive management in conducting the business in the long-term interests of the Company and the stockholders. The Board's responsibilities include:

• Reviewing and approving the Company's financial and strategic objectives, operating plans and significant actions, including acquisitions;

• Overseeing the conduct of the business and compliance with applicable laws and ethical standards;

• Overseeing the processes which maintain the integrity of our financial statements and public disclosures;

• Selecting, evaluating and determining the compensation of senior management, including the Chief Executive Officer; and

• Developing succession plans for position of Chief Executive Officer and the Board, in addition to oversight of similar planning for senior management.

The Board of Directors currently has nine members, comprised of eight independent directors and Chief Executive Officer, Brian Concannon. The independent directors are organized into three standing committees: the Audit Committee, the Compensation Committee, and the Governance and Nominating Committee. This past year, leadership was provided by the Chairman of the Board, Richard J. Meelia, an independent Director.

The Board's Role in Risk Management. The Board is responsible for oversight of the Company's Enterprise Risk Management ("ERM") program. The Board focuses on the quality and scope of the Company's risk management strategies, considers the most significant areas of risk inherent in the Company's business strategies and operations, and ensures that appropriate risk mitigation programs are implemented by management. The Board reviews with management (a) the Company's development and implementation of programs and policies with respect to risk identification, assessment and mitigation, (b) its system of monitoring and reviewing the effectiveness of these programs and policies and (c) the Company's compliance with legal and regulatory requirements. The Board is also apprised of risk in connection with its general oversight of corporate matters and in its consideration of major business strategies and Board decisions.

In addition to the full Board's oversight of the Company's ERM program, Board committees consider discrete categories of risk relating to their respective areas of responsibility. All committees report to the full Board as appropriate, including when a matter rises to the level of a material or enterprise level risk.

The Board also holds executive management responsible for day-to-day risk management. The Chief Executive Officer has overall responsibility for development and maintenance of management's ERM program. Management responsibility for discrete areas of material risk is also assigned to relevant executives. The Legal, Compliance, Quality, Regulatory, and Finance functions support the ERM program through administration of programs and policies. This responsibility also includes identifying, evaluating, and addressing potential risks that may exist at the enterprise, strategic, financial, operational, compliance and reporting levels. The Company's internal audit function, which reports directly to the Audit Committee of the Board, serves as the primary monitoring and testing function for compliance with company-wide policies and procedures.

The Company believes that the division of risk management responsibilities described above constitutes an effective program for addressing the risks inherent in the operation of the Company and the achievement of its business vision.

Meetings. The Board of Directors typically meets four times per year in regular meetings to address the following areas in addition to routine or special business: spring meeting, which focuses on the Company's Annual Operating Plan; a summer meeting, which focuses on corporation governance, a fall meeting, focused on the Company's Strategic Plan; and a winter meeting, which focuses on succession planning. During the last fiscal year, there were a total of three (3) regular meetings of the full Board of Directors of the Company, with the fourth regular spring meeting falling in Fiscal Year 2013. All of the directors attended at least 75% of the aggregate of (i) the total number of meetings of the full Board of Directors held while he or she was a director, and (ii) the total number of meetings held by Committees of the Board of Directors on which they served. All directors are strongly encouraged to attend the Annual Meeting of Stockholders.

Executive Sessions. Executive sessions of the non-management directors are generally held at the beginning and end of each board meeting. During fiscal year 2012, the Chairman of the Board of Directors, Richard J. Meelia, presided over all such executive sessions with the exception of the July 2011 meeting, when Mr. Granadillo presided.

Committees of the Board

Compensation—The Board of Directors has a Compensation Committee composed entirely of independent directors. Currently, the members of the Compensation Committee are Pedro Granadillo, Chairman, Susan Bartlett Foote, Ronald Merriman, and Paul Black. The Compensation Committee has overall responsibility for evaluating and approving the compensation plans, policies and programs of the Company related to the chief executive officer and his direct reports and administers the Company's 2005 Long-term Incentive Plan. During the last fiscal year, there were a total of four (4) meetings of the Compensation Committee, which included three (3) regular meetings and one (1) conference call.

The Committee specifically:

- determines the Company's compensation philosophy and policy for the chief executive officer and other senior management;
- ensures that the Board annually reviews and approves corporate goals and objectives relevant to the chief executive officer's compensation;
- annually reviews and approves the relevant peer groups to be used for compensation comparison purposes and regularly reviews the competitive standing of all components of executive compensation;
- reviews and approves compensation of the chief executive officer and his direct reports;
- reviews and approves senior management employment agreements, severance arrangements, and change in control agreements/provisions, in each case as, when and if appropriate, along with any executive benefits beyond those provided to other employees;
- obtains and reviews market data for all components of director compensation, and provides such market data and its recommendations as input to the Nominating & Governance Committee's decision on director compensation;
- approves the grant of equity awards to officers, employees and directors under the Company's incentive compensation plans and agreements—the Committee determines eligibility, the number and type of awards available for grant, and the terms and conditions of such grants;
- reviews and approves statements to stockholders on compensation matters which are required by the Securities and Exchange Commission, including the review of the Compensation Discussion and Analysis included in this proxy statement; and
- has the sole authority to retain and terminate any consultant to be used to assist in the evaluation of executive and director compensation and has the sole authority to approve the consultant's fees and other retention terms—the Compensation Committee also has the authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

Audit—The Board of Directors has an Audit Committee composed entirely of independent directors. Currently, the members of the Audit Committee are Ronald Merriman, Chairman, Lawrence Best, Ronald Gelbman, and Paul Black. The Board has determined that service by Ronald Merriman on the audit committees of three other public companies while he is serving on our Audit Committee does not impair Mr. Merriman's ability to effectively serve on our Audit Committee. During the last fiscal year, there were a total of six (6) meetings of the Audit Committee, which included three (3) regular meetings and three (3) conference calls.

The Audit Committee:

- provides general oversight of the Company's financial reporting and disclosure practices, system of internal controls, and processes for monitoring compliance by the Company with Company policies;
- is directly responsible for the appointment (subject to stockholder ratification), termination, and compensation of the independent registered public accounting firm;
- reviews with the Company's independent registered public accounting firm the scope of the audit for the year and the results of the audit when completed;
- reviews with the Company's independent registered public accounting firm and internal finance function various matters relating to internal accounting controls; and
- reviews with the Company's corporate control and analysis function, which has responsibility for internal audit, various matters relating to risk assessment and remediation.

Governance—The Board of Directors has a Nominating and Governance Committee composed entirely of independent directors. Currently, the members of the Nominating and Governance Committee are Ronald Gelbman, Chairman, Pedro Granadillo, Mark Kroll, and Susan Bartlett Foote. The Nominating and Governance Committee recommends nominees for election as directors to the full Board of Directors. During the last fiscal year, there were a total of four (4) meetings of the Nominating and Governance Committee, which included three (3) regular meetings and one (1) conference call.

The Nominating and Governance Committee:

- considers recommendations for nominees for directorships submitted by stockholders, directors and members of management;

recommends to the Board a set of corporate governance principles applicable to the Company;
periodically reviews the Company's corporate governance practices and recommends appropriate changes as applicable; and
in collaboration with the Compensation Committee, recommends changes to board compensation based on outside market data and independent consultant recommendations.

Board Composition and the Director Nomination Process

The Nominating and Governance Committee is responsible for reviewing and assessing the appropriate skills, experience, and background required for the Company's Board of Directors. Because our business operates in regulated healthcare markets around the globe and encompasses research, manufacturing, and marketing functions which are subject to technological and market changes, the skills, experience, and background which are needed are diverse.

While the priority and emphasis of each factor change to take into account the needs of the Company, changes to the business and external trends, an assessment of Board members includes factors such as independence, experience in key business disciplines, industry background, age, gender and ethnic diversity. We do not expect directors to have the same skills and experience. The aim is to have diverse portfolio of talents and backgrounds which match those needed by the Company. The committee and the Board review and assess the importance of these factors as part of the Board's annual self-assessment process to ensure they continue to advance the Company's goal of creating and sustaining a Board of Directors which can support and effectively oversee the Company's business.

The Nominating and Governance Committee reviews and evaluates all director nominations in the same manner. Stockholders who wish to submit candidates for consideration as nominees may submit an appropriate letter and resume to the Secretary of the Company at the Company's executive offices in Braintree, Massachusetts.

Although the Board has not adopted any absolute prerequisites for nomination of directors, the Nominating and Governance Committee considers the following minimum criteria when identifying director nominees:

- the nominee's reputation, integrity, independence of thought and judgment, financial sophistication, leadership and independence, as defined by the New York Stock Exchange and Securities and Exchange Commission;
- the nominee's skills and business, personal and professional accomplishments, government or other professional experience and acumen, bearing in mind the composition of the Board, the current state of the Company and the markets in which the Company is active at the time;
- the number of other public companies for which the nominee serves as a director;
- the extent to which the nominee is prepared to participate fully in Board activities, including at least one Board committee and attendance at, and active participation in, meetings of the Board and the committee(s) of which he or she is a member, and not have other commitments that would, in the judgment of the Committee, interfere with or limit his or her ability to do so;
- the extent to which the nominee helps the Board reflect the diversity and interests of the Company's stockholders, employees, customers and communities;
- the willingness of the nominee to meet the Company's stock ownership requirements for directors;
- the nominee's knowledge of one or more segments of the Company's business; and
- the nominee's commitment to increasing stockholder value in the Company.

In the case of current directors being considered for re-nomination, the Nominating and Governance Committee will also take into consideration the director's history of attendance at Board and committee meetings, tenure as a member of the Board, and preparation for and participation in such meetings.

The Company's nomination process for new Board members is as follows:

• The Nominating and Governance Committee or other Board member identifies a need to add a new Board member who meets specific criteria or to fill a vacancy on the Board.

- The Nominating and Governance Committee initiates a search seeking input from Board members and senior management and hiring a search firm, if necessary.

• The Nominating and Governance Committee considers recommendations for nominees for directorships submitted by stockholders.

An initial list of candidates that will satisfy specific criteria and otherwise qualify for membership on the Board, is identified and presented to the Nominating and Governance Committee, or its delegate, which evaluates the candidates.

The Chairman of the Board, the Chairman of the Nominating and Governance Committee, the Chief Executive Officer, and at least one other member of the Nominating and Governance Committee interview top candidates.

The full Board is kept informed of progress.

- The Nominating and Governance Committee may offer other Board members the opportunity to interview the candidates and then meets to consider and approve the final candidates.
- The Nominating and Governance Committee seeks full Board endorsement of the final candidates.
- The final candidates are nominated by the Board or appointed to fill a vacancy.

Communications with the Board of Directors

Interested parties and stockholders may communicate with the Board of Directors, or the non-management directors as a group, or any individual director by sending communications to the attention of the Secretary of the Company, Sandra Jesse, who will forward such communications to the Chairman. Communications may also be sent via the Company's website: <http://phx.corporate-ir.net/phoenix.zhtml?c=72118&p=irol-infreq>.

Corporate Governance Principles and Board Matters

The Company's Code of Business Conduct, Governance Principles and the Charters of the Audit, the Compensation, and the Nominating and Governance committees may be viewed on the Company's website at <http://phx.corporate-ir.net/phoenix.zhtml?c=72118&p=irol-gov> Highlights and printed copies can be obtained by contacting the Secretary at the Company's headquarters.

Board Independence

The Board has determined that each of the directors who has served since the beginning of fiscal year 2012, with the exception of Mr. Concannon, has no material relationship with the Company and is independent within the meaning of the Securities and Exchange Commission and the New York Stock Exchange director independence standards in effect.

ITEM 1— AMENDMENT TO BYLAWS

Article VIII of our By-laws currently provides that our Board of Directors shall consist of not fewer than three nor more than nine directors, the exact number to be determined from time to time by resolution adopted by a vote of a majority of the entire Board.

The Board believes that it is desirable for our By-Laws to be amended to permit up to a total of twelve directors. This change will provide the Board with the flexibility to expand the size of the Board in order to obtain a broader array of skills and backgrounds on the Board. As noted previously under “Corporate Governance - Board Composition and the Director Nomination Process”, because our business operates in regulated healthcare markets around the globe and encompasses research, manufacturing, and marketing functions which are subject to technological and market changes, the skills, experience, and background needed on our Board have become increasingly diverse.

As discussed below under “Item 2 - Election of Directors”, the Board has identified Ellen Zane as an individual who would add valuable expertise to our Board and has therefore nominated her for election as a director. However, as she would be the tenth director, her election can occur only if the proposed amendment to our By-Laws is approved. The Board has no current plans to nominate or appoint directors to fill the two other additional positions that would be authorized by the amendment, although it believes that it is in the best interests of the Company to have the flexibility to do so in the future without having to seek an additional amendment to the By-Laws.

We are therefore asking our stockholders to approve the following resolution to amend our By-Laws:

RESOLVED, that the maximum size of the Board of Directors of this Corporation be increased from nine to twelve directors by deleting the number “nine (9)” in the first sentence of Article VIII of the Corporation's By-Laws and inserting the number “twelve (12)” in its place.

In order for this amendment to be approved under Massachusetts law and our By-Laws, it must receive the affirmative vote of the holders of a majority of the shares represented and entitled to vote at the Annual Meeting.

The Board of Directors recommends that the stockholders vote FOR approval of the proposed amendment to the Company's By-Laws.

ITEM 2— ELECTION OF DIRECTORS

Pursuant to the Articles of Organization of the Company, the Board of Directors is divided into three classes, with each class being as nearly equal in number as possible. One class of directors is elected each year for a term of three years and until their successors shall be duly elected and qualified or until their death, resignation or removal. The terms of Ronald G. Gelbman, Paul M. Black and Richard J. Meelia are expiring at this annual meeting.

In addition, as noted above under “Item 1 - Amendment to By-Laws”, the Board of Directors has also nominated Ellen Zane for election to a three-year term as director, subject to approval by the stockholders of an amendment to our By-Laws that would increase the maximum number of directors of the Company from nine to twelve. If the amendment is approved, the number of directors for the ensuing year will be fixed at ten, and Ms. Zane will be eligible for election to the Board. If the amendment is not approved, Ms. Zane will not be eligible for election. The persons named in the accompanying proxy will vote, unless authority is withheld, for the election of the nominees named below. If any such nominees should become unavailable for election, which is not anticipated, the persons named in the accompanying proxy will vote for such substitutes as the Board of Directors may recommend. Should the Board of Directors not recommend a substitute for any nominee, the proxy will be voted for the election of the

remaining nominees. The nominees are not related to each other or to any executive officer of the Company or its subsidiaries.

The Board of Directors believes election of Ronald G. Gelbman, Paul M. Black, Richard J. Meelia, and Ellen Zane as Directors of the Company for the ensuing 3 years is in the best interests of the Company and its stockholders and recommends a vote FOR such nominees.

Nominees for terms ending in 2015

Name, Age, and Board Data

Ronald G. Gelbman

Age 64

First elected Director in 2000

Serving a term ending in 2012

Position, Principal Occupation, Business Experience and Directorships

- 1998 to his retirement in 2000, Johnson & Johnson Worldwide Chairman of the Health Systems and Diagnostics Group and member of the Executive Committee.
- 1994 to 1998, Johnson & Johnson Worldwide Chairman, Pharmaceuticals and Diagnostics and member of the Executive Committee.
- 1972 to 1994, various senior level positions throughout the Johnson and Johnson organization.
- Currently Vice Chairman of the Board of Directors of UNATION, a private internet networking company, Sarasota Memorial Healthcare Foundation, and the SunTrust Southwest Florida Board of Advisors; Trustee at Rollins College, and Out-of-Door Academy College Preparatory School.
- Mr. Gelbman brings to the Board years of international executive leadership, operations management experience in global healthcare markets, strategic planning skills and marketing expertise.

Paul M. Black

Age 54

First elected Director in 2011

Serving a term ending in 2012

Since January 2011, Operating Executive of Genstar Capital, LLC, a San Francisco based private equity firm.

- 2007 to present, Senior Advisor at New Mountain Capital, LLC, a New York based private equity and public equity capital management firm.
- 1994 to 2007, Chief Operating Officer, Cerner Corporation, a public health care information technology company.
- Currently, Board Chairman and member of the audit and compensation committees at Aris Teleradiology, a private company, a member of the Board at ; Saepio Technologies, Inc., a private marketing asset management technology company ; Netsmart Technologies, a private software and services provider for health and human services organization and Biotronic Neural Network. Board chair of Truman Medical Centers. Since May 2012, Board member of Allscripts Healthcare Solutions, Inc., a publicly traded healthcare solutions company.
- Formerly a Board member of Perceptive Software, Inmar, Inc., Connexions and Overland Solutions.
- Mr. Black brings to the Board deep expertise in deploying and leveraging information technologies in healthcare delivery applications.

Richard J. Meelia

Age 63

Served as Director 2005 - 2008

Appointed Director in 2011

Serving a term ending in 2012

- Since July 2007 to his retirement in July 2011, Chairman, President, and Chief Executive Officer of Covidien plc, a global healthcare products company.
- 1995 to July 2007, President of Tyco Healthcare, the healthcare business which was spun off from its parent company, Tyco

- International, to form Covidien plc in July 2007.
- 1991 to 1995, Group President of Kendall Healthcare Products Company, a \$450 million healthcare business, which was an early component of the Tyco Healthcare business.
- 1987 to 1990, President of Infusaid, Inc., a division of Pfizer.
- 1973 to 1987, in several different roles including Vice President of Sales and Marketing at American Hospital Supply Corporation/Kendall McGaw.
- Currently, member of the Board of Directors of Triangle, Inc., a career empowerment network for people with disabilities, member of the Board of Governors of Tufts Medical Center, and member of the Board of Trustees of St. Anselm College and Massachusetts Hospital School.
- 2008 - 2012 Chairman of the Board of Directors of Covidien, plc.
- Mr. Meelia provides the Board many years of leadership experience in the global healthcare industry, including expertise in strategic planning, market development, and international operations.

Name, Age, and Board Data
Ellen Zane
Age 60
First Nomination As Director

Position, Principal Occupation, Business Experience and Directorships

- Tufts Medical Center & Floating Hospital for Children
2011 to Present - Vice Chairman, Board of Trustees
2004 to 2011 - President and CEO
- 2004 to Present - Assistant Professor - Tuft University School of
Medicine
- 1994-2004 - Network President, Partners Healthcare System
- 2006 to Present - Member of the Board of Directors at Parexel
International Corporation, a publicly traded clinical research organization
- 2012 Member of the Board of Directors of Brooks Automation, a
world-wide publicly traded technologies solutions company
- Ms. Zane provides the Board with extensive functional and leadership
experience in the delivery of healthcare and hospital administration in the
United States.

Continuing Board Members

Name, Age, and Board Data

Position, Principal Occupation, Business Experience and Directorships

Susan Bartlett Foote
 Age 65
 First elected Director in 2004
 Serving a term ending in 2013

- 2009 to Present, Professor Emeritus, Division of Health Policy and Management for the School of Public Health, University of Minnesota
- 1999 to 2009, Professor, Division of Health Policy and Management, School of Public Health, University of Minnesota. 1999 to 2006, Associate Professor and from 1999 to 2005 Division Head.
- 1996 to 1999, President, Public Policy Partners, a health policy consulting firm.
- 1995 a Partner in the law firm of Dorsey & Whitney.
- 1991 to 1994, a Senior Health Policy Analyst for the United States Senate.
- 1982 to 1993, Associate Professor of Business & Public Policy at the University of California at Berkeley.
- Currently, member of the California State Bar Association; board of Directors of Banner Health.
- Professor Foote brings to the Board policy expertise in both health care and corporate responsibility, as well as experience with our hospital customers from her background in public service, academia and hospital board of director service.

Pedro P. Granadillo
 Age 65
 First elected Director in 2004
 Serving a term ending in 2013

- Currently Chairman of the Board at AuraBiosciences, a private biotechnology company. 2008 to 2010, Chairman of the Board, Tigris Pharmaceuticals, Inc., a biotechnology company.
- 1998 to his retirement in 2004, Senior Vice President of Eli Lilly & Company with responsibility for manufacturing, quality and human resources and member of the Executive Committee.
- 1993 to 1998, Vice President, Human Resources at Eli Lilly & Company.
- 1970 to 1998 various senior positions at Eli Lilly & Company in manufacturing including thirteen years in Europe.
- Currently, member of the Board of Directors of Nile Therapeutics, a pharmaceutical company, Dendreon Corporation, a biotechnology company, and NPS Pharmaceuticals, a biotechnology company.
- Mr. Granadillo's experience as a global human resources, manufacturing and quality executive and private company board chairman provides the Company with operational expertise, international experience and skills in evaluating organizational capability and succession plans.

Mark W. Kroll, Ph.D.
 Age 59
 First elected Director in 2006
 Serving a term ending in 2013

- 1995 to his retirement in 2005, with St. Jude Medical, Inc.; senior level positions including 2001 to 2005 as Chief Technology Officer of the Cardiac Rhythm Management Division and 1999 to 2001 as Senior Vice President for Technology and Design.
- Adjunct Full Professor of Biomedical Engineering at the California Polytechnic State University (emeritus), and Adjunct Full Professor of Biomedical Engineering at the University of Minnesota. Awarded 2010 Career Achievement Award in Biomedical Engineering which is the highest international award in biomedical engineering.

Currently, serves on the Board of Directors for TASER International, Inc., a safety technologies company.

- Dr. Kroll provides the Board with deep knowledge in the areas of medical innovation and technology, in addition to his public company board experience.

Name, Age, and Board Data

Lawrence C. Best
 Age 62
 First elected Director in 2003
 Serving a term ending in 2014

Position, Principal Occupation, Business Experience and Directorships

- Current Chairman of OXO Capital LLC.
- Between 1992 and 2007, Mr. Best served as Executive Vice President and CFO for Boston Scientific, a worldwide medical device manufacturer.
- Previously partner at Ernst & Young, accounting firm specializing in serving multinational companies in the high technology and life sciences fields.
- 1979 to 1981, two year fellowship at the Securities and Exchange Commission and one-year term as White House-appointed Presidential Exchange Executive.
- Currently serves as a member of the Board of Directors of Myriad Genetics, Inc., a public molecular diagnostic company, and on the President's Council of Massachusetts General Hospital in Boston.
- Previously served as a member of the Board of Directors of Biogen Idec, Inc
- Mr. Best's experience as a public company chief financial officer provides expertise in corporate leadership, financial management, business development transactions and strategic planning.

Brian Concannon
 Age 54
 First elected Director in 2009
 Serving a term ending in 2014

- 2009 to present, President and Chief Executive Officer of the Company.
- 2007 to 2009, Chief Operating Officer of the Company.
- 2006 to 2007, President of Global Markets for the Company.
- 2003 to 2006, President, Patient Division for the Company.
- 1998 to 2003, increasingly responsible positions at Cardinal Health Medical Products and Services, including President, Northeast Region.
- 1985 to 1998, increasingly responsible positions in sales, marketing, and operations at American Hospital Supply Corporation, Baxter Healthcare Corp. and Allegiance Healthcare.
- Mr. Concannon's role as President and Chief Executive Officer provides the Board with a deep understanding of the Company's business and products, while his sales, marketing, and operations experience provides insight into the Company's products, strategic planning process and operational effectiveness.

Ronald L. Merriman
 Age 67
 First elected Director in 2005

- Retired Vice Chair of KPMG where his role was leader of the health care and life sciences business as well as he held various positions including membership on the Executive Management Committee, managing partner

Serving a term ending in 2014

of the firm's Global Health Care Business, Board Member, and Senior Partner.

2003 to 2010, managing partner of Merriman Partners, a business consulting firm.

- 2000 to 2003, Managing Director of O'Melveny & Myers LLP.
- 1999 to 2000, Executive Vice President of Carlson Wagonlit Travel.
- 1997 to 1999, Executive Vice President of Ambassador International, Inc.

Currently a member of the Board of Directors and chair of the Audit Committee and member of the Nominating and Governance Committee of Aircastle Limited, a publicly traded aircraft leasing company; Member of the Board of Directors and chair of the Audit Committee and member of

- the International Committee of Pentair, Inc., a publicly traded global diversified industrial company member of the Board, Governance and Nominating Committee, Strategic Planning Committee and Audit Committee of Realty Income Corporation, a publicly traded real estate investment trust.

Previously served as a director of Cardio Dynamics International from July

- 2003 to July 2005 and as a director of Corautus Genetics, Inc. from April 2004 to May 2005.

Mr. Merriman's experience on public company audit committees and as an executive at a major audit firm provides the board with expertise in

- financial management, enterprise risk management and operational controls and effectiveness.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS, DIRECTORS, AND MANAGEMENT

The following table sets forth, as of May 18, 2012, certain information with respect to beneficial ownership of the Company's common stock by: (i) each person known by the Company to own beneficially more than five percent of the Company's common stock; (ii) each of the Company's directors and nominees and each of the executive officers named in the Summary Compensation Table in this Proxy Statement; and (iii) all directors and executive officers as a group.

Ownership Table

Name of Beneficial Owner	Title of Class	Amount & Nature Beneficial Ownership	Percent of Class	
Brian P. Concannon(1)	Common Stock	266,807	1.1	%
Christopher Lindop(2)	Common Stock	130,993	0.5	%
Michael Kelly(3)	Common Stock	8,363	—	