

HAEMONETICS CORP

Form DEF 14A

June 13, 2014

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):

- No fee required.
 - Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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(1) Title of each class of securities to which transaction applies:

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(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):

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(3) Filing Party:

(4) Date Filed:

HAEMONETICS CORPORATION

Notice of Annual Meeting of Stockholders

July 23, 2014

To the Stockholders:

Our Annual Meeting of Stockholders will be held on Wednesday, July 23, 2014 at 8:00 AM at the Boston Quincy Marriott located at 1000 Marriott Drive, Quincy, Massachusetts, 02169 for the following purposes:

1. To elect three (3) directors as more fully described in the accompanying Proxy Statement.
2. To approve amendments to the Haemonetics Corporation 2005 Long-Term Incentive Compensation Plan to (i) increase the number of shares issuable under the Plan by 4,800,000 shares, (ii) extend the term of the Plan, and (iii) alter the rate at which certain awards are counted toward Plan limits.
3. To consider and act upon an advisory vote regarding the compensation of our named executive officers.
4. To ratify Ernst & Young LLP as independent registered public accounting firm to audit the consolidated financial statements of the Company and its subsidiaries for the fiscal year ended March 28, 2015.
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 6, 2014 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 Directors

Sandra Jesse
Secretary
Braintree, Massachusetts
June 13, 2014

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 Wednesday, July 23, 2014 at the time and place set forth in the Notice of Meeting, and at any adjournment thereof. On approximately June 13, 2014, 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 <https://www.rtcoproxy.com/hae>.

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 Corporation 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 1-855-635-6589, (3) via Internet, by using <https://www.rtcoproxy.com/hae>, 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 2, 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 Meeting

The Company's 2014 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. The election of the nominees for director, which is Item 1 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.

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 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.

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 has engaged The Proxy Advisory Group, LLC, to assist in the solicitation of proxies and provide related advice and informational support, for a services fee, plus customary disbursements, which are not expected to exceed \$15,000 in total. The Company will bear these costs.

In addition, 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 6, 2014 are entitled to attend and vote at the meeting. On that date, the Company had outstanding and entitled to vote 51,483,247 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 ten members, comprised of nine independent directors and the President and Chief Executive Officer, Brian Concannon. The independent directors are organized into three standing committees: the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee. This past year, leadership was provided by the Chairman of the Board, Richard J. Meelia, an independent Director. We believe that having separate individuals serving in the roles of Chairman and Chief Executive Officer is appropriate for the Company at this time in recognition of the different responsibilities of each position and to foster independent leadership of our Board. This structure allows the Chief Executive Officer to focus on the day-to-day leadership of the Company and its operations and the Chairman to focus on leadership of the Board, while both individuals provide direction and guidance on strategic initiatives.

The Board's Role in Risk Management

The Board is responsible for oversight of the Company's risk management, while the Company's management is responsible for risk management on a day-to-day basis. 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.

In addition to the full Board's oversight of the Company's risk management, 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 requires executive management to be responsible for day-to-day risk management. The President and Chief Executive Officer has overall responsibility for the Company's risk management approach. 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 of the Board of Directors

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: a spring meeting, which focuses on the Company's Annual Operating Plan; a summer meeting, which focuses on the Company's governance, a fall meeting, which focuses on the Company's Strategic Plan; and a winter meeting, which focuses on the Company's succession planning. During the last fiscal year, there were a total of seven (7) meetings of the full Board of Directors of the Company, four (4) regular meetings and three (3) special meetings. 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.

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Executive Sessions

Executive sessions of the non-management directors are generally held at the beginning and end of each board meeting. During fiscal 2014, the Chairman of the Board of Directors, Richard J. Meelia, presided over all such executive sessions.

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) regular meetings of the Compensation Committee.

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 and 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;

- 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; and

- in selecting any consultant, counsel or advisor, considers all factors relevant to that person's independence from management in accordance with applicable New York Stock Exchange and Securities and Exchange Commission standards.

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, Paul Black and

Ellen Zane. 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 seven (7) meetings of the Audit Committee, which included four (4) 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 five (5) meetings, four (4) regular meetings and one (1) conference call of the Nominating and Governance Committee.

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 changes from time to time to take into account the current needs of the Company, and business and external trends, an assessment of Board members includes factors such as independence, experience in key business disciplines, and industry background. We strive to achieve diversity with respect to age, gender and ethnicity. We do not expect all 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 and in accordance with the Company's bylaws. 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 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 nominee's reputation, integrity, independence of thought and judgment, financial sophistication and leadership;

independence from management, as defined by the New York Stock Exchange and Securities and Exchange Commission;

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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 the absence of 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.

All other Board members are 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 the entire Board's 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-inforeq>.

Code of Conduct, Corporate Governance Principles and Board Matters

The Company's Code of Business Conduct requires that all of our directors, officers and employees avoid conflicts of interest, comply with all laws and other legal requirements, conduct business in an honest and ethical manner and otherwise act

with integrity and in the best interest of the Company. 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-govhighlights> 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 during fiscal 2014, 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. In making this determination, the Board considered information provided by each director and by the Company with regard to each director's business and personal activities as they may relate to the Company and its management.

ITEM 1— 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 Brian Concannon, Lawrence Best and Ronald Merriman are expiring at this annual meeting. After serving on the Board since 2003, Lawrence Best has decided to retire from the Board and will not stand for re-election at the end of his term this July. The Board has nominated Charles Dockendorff for election to a three-year term as Director. Mr. Dockendorff's biography is listed below and contains information regarding his business experience, public company director positions currently held or held at any time during the last five years, and experience, qualifications and attributes that caused the Nominating and Governance Committee and the Board to recommend his nomination as a Director.

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 Brian Concannon, Ronald Merriman and Charles Dockendorff, 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 2017

Brian P. Concannon
Director since 2009
Management

President and Chief Executive Officer, Haemonetics Corporation

As President and Chief Executive Officer of the Company, Mr. Concannon provides the Board with an intensive understanding of the Company's business and products. Mr. Concannon brings to the Board extensive sales, marketing and operations experience in the healthcare industry and provides leadership and insights into the Company's products, strategic planning process and operational effectiveness.

Mr. Concannon, 56, is the President and Chief Executive Officer of the Company. He joined Haemonetics in 2003 as the President, Patient Division and was promoted to President, Global Markets in 2006. In 2007, Mr. Concannon was promoted to Chief Operating Officer and in April 2009, Mr. Concannon was promoted to President and Chief Executive Officer, and elected to the Haemonetics Board of Directors. Immediately prior to joining the Company, Mr. Concannon was the President, Northeast Region, for Cardinal Health Medical Products and Services where he was employed since 1998. From 1985 to 1998, he was employed by American Hospital Supply Corporation, Baxter Healthcare Corp and Allegiance Healthcare in a series of sales and operations management positions of increasing responsibility. He has served in leadership roles within the healthcare industry for more than 25 years. Mr. Concannon is, a member of the board of directors of South Shore Health & Educational Corporation since January 2014, and is the Chairman of the Board of My Brother's Keeper. Mr. Concannon is a 1979 graduate of West Point.

Other Public Company Board Service: Director, CONMED Corporation (NASDAQ: CNMD since July 2013)

Ronald L. Merriman
Director since 2005
Independent

Retired Vice Chair and Partner of KPMG; Member Board of Directors, Aircastle Limited, Pentair Ltd., and Realty Income Corporation.

Having served as Vice Chair and Partner of KPMG, a global accounting and consulting firm, Mr. Merriman brings the Board extensive expertise in financial management, enterprise risk management and operational controls and effectiveness as well as extensive public company audit committee experience.

Mr. Merriman, 69, joined the Board of Directors in 2005 and is Chairman of the Audit Committee and member of the Compensation Committee. He is currently a member of the Board of Directors, Chair of the Audit Committee and Member of the Compensation Committee of Aircastle Limited, a public aircraft leasing company. He also serves as member of the Board of Directors and Chair of the Audit Committee of Pentair Ltd., a public global diversified industrial company, and is Chairman of the Audit Committee and member of both the Nominating and Governance and Strategic Planning Committees of Realty Income Corporation, a public real estate investment trust.

More recently, Mr. Merriman was the Managing Director of Merriman Partners, a management advisory firm he founded. From 1967 to 1997 Mr. Merriman served at KPMG where he was Vice Chair, Senior Partner for its global healthcare and life sciences practice and Chief Operating Officer of its Health Care and Life Sciences Business Segment. From 1997 to 1999, he served as Executive Vice President of Ambassador International, Inc., a publicly traded travel services business. He has also held leadership positions at various other firms including Managing Director of O'Melveny & Myers and Executive Vice President of Carlson Wagonlit Travel.

Other Public Company Board Service: Aircastle Limited; Pentair Ltd., formerly Pentair, Inc.; Realty Income Corporation

Charles J. Dockendorff
First Nomination as Director
Independent

Executive Vice President and Chief Financial Officer (CFO) at Covidien plc.

Mr. Dockendorff is a highly-respected healthcare industry leader with extensive experience in finance and corporate management. As a global executive of one of the world's largest healthcare products companies, Mr. Dockendorff brings to the Board, many years of leadership experience in financial management and planning.

Mr. Dockendorff, 59, is currently Executive Vice President and Chief Financial Officer (CFO) of Covidien plc, a leading \$10 billion global healthcare products company. The business, formerly known as Tyco Healthcare, separated from parent company Tyco International on June 29, 2007.

From 1995 until 2006, Mr. Dockendorff served as Vice President and Chief Financial Officer of Covidien. Mr. Dockendorff joined the Kendall Healthcare Products Company, the foundation of the Tyco Healthcare business, in 1989 as Controller and was named Vice President and Controller five years later. He was appointed CFO of Tyco Healthcare in 1995, and helped the Company grow from \$600 million in 1995 to \$10 billion as Covidien in 2007. Before joining Kendall/Tyco Healthcare, Mr. Dockendorff was the CFO, Vice President of Finance and Treasurer of Epsco, Inc. and Infrared Industries, Inc. In addition, Mr. Dockendorff worked as an accountant for Arthur Young & Company and the General Motors Corporation.

Other Public Company Board Service: None

Continuing Board Members

Paul M. Black
Director since 2011
Independent

President, Chief Executive Officer and Director, Allscripts Healthcare Solutions, Inc.

Mr. Black brings to the Board his distinct expertise in deploying and leveraging information technologies in healthcare delivery applications.

Mr. Black, 56, joined the Board of Directors in 2011 and is a member of both the Audit Committee and Compensation Committee. Mr. Black is currently President, Chief Executive Officer and Director of Allscripts Healthcare Solutions, Inc., a public healthcare solutions company. Mr. Black also currently serves as a member of the Board of Directors of Truman Medical Centers, a non-profit hospital system based in Kansas City.

From 2007 until 2011, Mr. Black served as Senior Advisor at New Mountain Finance Capital, LLC, a New York based capital management firm and spent more than 13 years with Cerner Corporation in various executive positions, retiring as Cerner's Chief Operating Officer in 2007. Prior to Cerner, Mr. Black spent 12 years with IBM Corporation in a variety of leadership positions in sales, product marketing and professional services.

Other Public Company Board Service: Allscripts Healthcare Solutions, Inc., (2012 to present).

Susan Bartlett Foote
Director since 2004
Independent

Professor Emeritus, Division of Health Policy and Management, School of Public Health, University of Minnesota;
Member Board of Directors, Banner Health System.

Professor Foote is a widely known and respected expert on health policy and brings to the Board extensive policy expertise in both healthcare and corporate responsibility, as well as experience with our hospital customers from her background in public service, academia and hospital board of director service.

Professor Foote, 67, joined the Board of Directors in 2004 and is a member of both the Compensation Committee and Nominating and Governance Committee. Professor Foote is currently a member of the Board of Directors of Banner Health System, a nationally recognized nonprofit healthcare system, and Professor Emeritus, Division of Health Policy and Management, School of Public Health, at the University of Minnesota. She is a member of the California State Bar Association.

From 1999 until 2009, Professor Foote held various leadership positions at the University of Minnesota, serving as Professor, Associate Professor and Division Head of the Division of Health Policy and Management, School of Public Health. In 1996, she founded and led Public Policy Partners, Inc., a health policy consulting firm and was a Partner at the law firm of Dorsey & Whitney LLP. Professor Foote also served as Senior Health Policy Analyst in the United States Senate from 1991 to 1994 and was Professor Business & Public Policy at the University of California at Berkeley from 1982 until 1993.

Other Public Company Board Service: None

Ronald G. Gelbman
Director since 2000
Independent

Retired Worldwide Chairman of the Health Systems and Diagnostics Group at Johnson & Johnson.

Having served as Worldwide Chairman for Health Systems and Diagnostics for one of the world's largest global healthcare products manufacturers, Mr. Gelbman brings to the Board many years of international executive leadership and management experience in the global healthcare markets, strategic planning skills and marketing expertise.

Mr. Gelbman, 66, joined the Board of Directors in 2000 and serves on the Audit Committee and is Chairman of the Nominating and Governance Committee. He is currently a member of several Boards including Sarasota Memorial Healthcare Foundation, a not for profit public health organization, and SunTrust Southwest Florida Board of Advisors. He is a member of the Board of Trustees at Rollins College and the Out-of-Door Academy College Preparatory School.

Mr. Gelbman retired from Johnson & Johnson in April 2000, after serving as Worldwide Chairman of the Health Systems and Diagnostics Group. He was also a member of the executive committee of Johnson & Johnson. Mr. Gelbman began his career with Johnson & Johnson in 1972, serving in various senior level positions throughout the company.

Other Public Company Board Service: None

Pedro P. Granadillo

Director since 2004

Independent

Member of the Board of Directors of NPS Pharmaceuticals, Inc., and Co-Founder of Umbria Pharmaceuticals; Retired Senior Vice President Global Manufacturing and Human Resources, Eli Lilly and Company.

Mr. Granadillo is a highly-respected pharmaceutical industry leader with extensive experience in corporate management. Having served as a global executive of one of the world's largest pharmaceutical companies, Mr. Granadillo brings to the Board, many years of leadership experience in manufacturing operations, quality and human resources.

Mr. Granadillo, 67, joined the Board of Directors in 2004 and serves as Chairman of the Compensation Committee and is a member of the Nominating and Governance Committee. Mr. Granadillo is a member of the Board and serves as Chairman of the Compensation Committee of NPS Pharmaceuticals, Inc., a public biotechnology company and co-founded and is a director of Umbria Pharmaceuticals, a private pharmaceutical company.

Mr. Granadillo resigned as director of Nile Therapeutics, a public pharmaceutical company in December, 2013 and from Dendreon Corporation, a public biotechnology company in March 2014. He is the former Senior Vice President of Eli Lilly and Company with world-wide responsibility for manufacturing, quality and human resources. Mr. Granadillo retired from Eli Lilly and Company in 2004 after 34 years of dedicated service. He was a member of Eli Lilly's Executive Committee and held various senior level positions during his tenure there including 13 years in Europe.

Other Public Company Board Service: NPS Pharmaceuticals, Inc.

Mark W. Kroll, PhD
Director since 2006
Independent

Member, Board of Directors of TASER International; Adjunct Full Professor of Biomedical Engineering, University of Minnesota

Dr. Kroll, a well-known pioneer in the field of electrical medical devices and distinguished technology expert throughout the global medical device industry, provides the Board with extensive expertise in the areas of medical innovation and technology. In 2010, Dr. Kroll was awarded the Career Achievement Award in Biomedical Engineering, the highest international award in biomedical engineering.

Dr. Kroll, 61, joined the Board of Directors in 2006 and serves on the Nominating and Governance Committee. He is currently a member of the Board of Directors of TASER International, Inc., a public safety technologies company and is an Adjunct Full Professor of Biomedical Engineering at the University of Minnesota.

Dr. Kroll served as the Senior Vice President and Chief Technology Officer for the Cardiac Rhythm Management division of St. Jude Medical Inc. He also served as Vice President of the Tachycardia Business division and in various senior executive roles within St. Jude from 1995 through his retirement in 2005. Dr. Kroll also served as an Adjunct Full Professor of Biomedical Engineering and Lecturer on Cardiovascular Physiology at California Polytechnic University. He has more than 25 years' experience with cardiovascular devices and instrumentation and is the named inventor of more than 350 U.S. patents as well as numerous international patents.

Other Public Company Board Service: TASER International, Inc.

Richard J. Meelia
Chairman since 2011
Independent

Principal, Meelia Ventures, Inc.; Retired Chairman, President and Chief Executive Officer, Covidien plc.

Having served as President and CEO of one of the world's largest global healthcare products companies and having a long and decorated career in the healthcare industry, 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.

Mr. Meelia, 65, joined the Board of Directors and assumed the role of Chairman in 2011. He is currently a member of several charitable Boards including Tufts Medical Center and Triangle, Inc., a career empowerment network for people with disabilities. Mr. Meelia also currently serves as the Chairman of the Board of Apollo Endosurgery, Inc., a private company focused on the development of devices that advance therapeutic endoscopy.

From July 2007 until his retirement in July 2011, Mr. Meelia served as Chairman, President, and Chief Executive Officer of Covidien plc following its separation from Tyco International in June, 2007. From January 2006 through the separation, Mr. Meelia was the Chief Executive Officer of Tyco Healthcare and from 1995 through the separation, Mr. Meelia was also the President of Tyco Healthcare. Mr. Meelia joined Kendall Healthcare Products Company, the foundation of both the Tyco Healthcare Business and Covidien, as Group President in 1991. He became President of Tyco Healthcare in 1995. Mr. Meelia formerly served on the Haemonetics Board from 2005-2009. He resigned to focus on his CEO responsibilities at Covidien. Early in his career, Mr. Meelia was promoted through a series of sales and marketing positions at the Pharmaseal and McGaw divisions of American Hospital Supply, where he ultimately became Vice President of Sales and Marketing. Following his career at American Hospital Supply, and before joining Kendall Healthcare, Mr. Meelia was President of Infusaid, Inc. a \$30 million division of Pfizer that marketed

implantable infusion pumps and ports.

Other Public Company Board Service: None

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Ellen M. Zane
Director since 2012
Independent

CEO Emeritus, Vice Chair Board of Trustees and Retired President and Chief Executive Officer at Tufts Medical Center & Floating Hospital for Children; Member Board of Directors, Brooks Automation, Parexel International Corporation.

Ms. Zane, a nationally renowned health care leader provides the Board with extensive functional and leadership experience in the delivery of healthcare and hospital administration in the United States.

Ms. Zane, 62, joined the Board of Directors in 2012 and is a member of the Audit Committee. She is currently Vice Chair of the Board of Trustees at Tufts Medical Center and Floating Hospital for Children. She also serves as Assistant Professor, Department of Medicine, Division of Clinical Care Research at Tufts University School of Medicine and Adjunct Assistant Professor of Public Health and Community Medicine at the Harvard School of Public Health. Ms. Zane is currently a member of the Board of Directors at Brooks Automation, a public worldwide provider of automation, vacuum and instrumentation solutions for multiple markets, Parexel International Corporation, a public clinical research organization, and Century Capital Management, LLC, a private mutual fund company. She serves on the Executive Committee of Fiduciary Trust Company, a privately owned wealth management company.

Ms. Zane retired from her role as President and Chief Executive Officer of Tufts Medical Center and Floating Hospital for Children in 2011 after 8 years of dedicated service. From 1994 to 2004, Ms. Zane served as Network President at Partners Healthcare System, a physician network sponsored by the Massachusetts General Hospital and Brigham and Women's Hospital. Prior to 1994, Ms. Zane served as Chief Executive Officer of Quincy Hospital in Quincy, Massachusetts.

Other Public Company Board Service: Brooks Automation, Parexel International Corporation

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS, DIRECTORS, AND MANAGEMENT

The following table sets forth, as of May 18, 2014, 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 | 711,634 | 1.4 | % |
| Christopher Lindop(2) | Common Stock | 166,656 | 0.3 | % |
| Peter Allen (3) | Common Stock | 165,865 | 0.3 | % |
| Kathleen McDaniel(4) | Common Stock | 6,662 | — | % |
| Jonathan White(5) | Common Stock | 136,047 | 0.3 | % |
| Lawrence C. Best (6) | Common Stock | 64,516 | 0.1 | % |
| Paul Black (7) | Common Stock | 34,650 | 0.1 | % |
| Charles J. Dockendorff | Common Stock | — | — | % |
| Susan Bartlett Foote(8) | Common Stock | 64,454 | 0.1 | % |
| Ronald G. Gelbman(9) | Common Stock | 93,688 | 0.2 | % |
| Pedro P. Granadillo(10) | Common Stock | 71,906 | 0.1 | % |
| Mark W. Kroll(11) | Common Stock | 55,332 | 0.1 | % |
| Richard Meelia(12) | Common Stock | 40,782 | 0.1 | % |
| Ronald L. Merriman(13) | Common Stock | 57,316 | 0.1 | % |
| Ellen Zane(14) | Common Stock | 13,676 | — | % |
| Neuberger Berman, LLC(15) | Common Stock | 5,724,923 | 11.1 | % |
| BlackRock, Inc.(16) | Common Stock | 4,486,112 | 8.7 | % |
| The Vanguard Group (17) | Common Stock | 3,399,584 | 6.6 | % |
| All executive officers and directors as a group (19 persons)(18) | Common Stock | 1,792,412 | 3.5 | % |

(1) Includes 645,737 shares which Mr. Concannon has the right to acquire upon the exercise of options currently exercisable or exercisable within 60 days of May 18, 2014. 3,286 shares are subject to a shared power to vote and dispose.

(2) Includes 146,902 shares which Mr. Lindop has the right to acquire upon the exercise of options currently exercisable or exercisable within 60 days of May 18, 2014.

(3) Includes 144,758 shares which Mr. Allen has the right to acquire upon the exercise of options currently exercisable or exercisable within 60 days of May 18, 2014.

(4) Includes 6,256 shares which Ms. McDaniel has the right to acquire upon the exercise of options currently exercisable or exercisable within 60 days of May 18, 2014.

(5) Includes 122,432 shares which Mr. White has the right to acquire upon the exercise of options currently exercisable or exercisable within 60 days of May 18, 2014.

(6) Includes 56,164 shares which Mr. Best has the right to acquire upon the exercise of options currently exercisable or exercisable within 60 days of May 18, 2014.

- (7) Includes 27,318 shares which Mr. Black has the right to acquire upon the exercise of options currently exercisable or exercisable within 60 days of May 18, 2014.
- (8) Includes 56,164 shares which Ms. Foote has the right to acquire upon the exercise of options currently exercisable or exercisable within 60 days of May 18, 2014.
- (9) Includes 56,164 shares which Mr. Gelbman has the right to acquire upon the exercise of options currently exercisable or exercisable within 60 days of May 18, 2014.
- (10) Includes 58,654 shares which Mr. Granadillo has the right to acquire upon the exercise of options currently exercisable or exercisable within 60 days of May 18, 2014.
- (11) Includes 46,980 shares which Dr. Kroll has the right to acquire upon the exercise of options currently exercisable or exercisable within 60 days of May 18, 2014.
- (12) Includes 32,282 shares which Mr. Meelia has the right to acquire upon the exercise of options currently exercisable or exercisable within 60 days of May 18, 2014.
- (13) Includes 46,980 shares which Mr. Merriman has the right to acquire upon the exercise of options currently exercisable or exercisable within 60 days of May 18, 2014.
- (14) Includes 10,928 shares which Ms. Zane has the right to acquire upon the exercise of options currently exercisable or exercisable within 60 days of May 18, 2014.
- (15) This information has been derived from a Schedule 13G filed with the Securities and Exchange Commission on February 12, 2014 reporting aggregate ownership of and sole voting power over 0 shares. It has shared voting power over 5,713,723 shares and shared dispositive power over 5,724,923 shares. The reporting entity's address is 605 Third Avenue, New York, NY 10158.
- (16) This information has been derived from a Schedule 13G filed with the Securities and Exchange Commission on January 29, 2014 reporting aggregate ownership of and sole dispositive power over 4,486,112 shares and sole voting power over 4,339,081 shares. The reporting entity's address is 40 East 52nd Street, New York, NY 10022.
- (17) This information has been derived from Schedule 13G filed with the Securities and Exchange Commission on February 11, 2014 reporting sole voting power over 72,200 shares and shared voting power over 0 shares. It has sole dispositive power over 3,330,984 shares and shared dispositive power over 68,600 shares. The reporting entity's address is 100 Vanguard Boulevard, Malvern, PA 19355.
- (18) Includes 1,546,687 which executive officers and directors have the right to acquire upon the exercise of options currently exercisable or exercisable within 60 days of May 18, 2014.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 (the "Act") requires the Company's directors, officers and persons who own more than 10% of the Company's common stock to file with the Securities and Exchange Commission and the New York Stock Exchange reports concerning their ownership of the Company's common stock and changes in such ownership. Copies of such reports are required to be furnished to the Company. To the Company's knowledge, based solely on a review of copies of such reports furnished to the Company during or with respect to the Company's most recent fiscal year, all Section 16(a) filings required by persons who were, during the most recent fiscal year, officers or directors of the Company or greater than 10% beneficial owners of its common stock were made on a timely basis with the exception of the filing of an initial report on Form 3 with respect to Kathleen McDaniel and a Form 4 with respect to her July 2013 equity grant. The Company filed the necessary Form 3 and Form 4 on April 11, 2014.

TRANSACTIONS WITH RELATED PERSONS

The Board has adopted a policy and procedures for the disclosure, review, approval or ratification of any transaction in which the Company or one of its subsidiaries is a participant and in which any “related person” (director, executive officer or their immediate family members, or stockholders owning 5% or more of the Company’s outstanding stock) has a direct or indirect material interest. The policy requires that transactions involving a related person be reviewed and approved in advance. The Board of Directors reviews the transaction in light of the best interests of the Company and determines whether or not to approve the transaction. The policy requires that executive officers and directors of the Company report proposed related party transactions to the Company’s Chief Legal Officer, who will bring the proposed transaction to the attention of the Board of Directors. The Company is not aware of any transaction required to be reported under Item 404(a) of Regulation S-K promulgated by the Securities and Exchange Commission since the beginning of fiscal 2014, nor is the Company aware of any instances during the period in which the foregoing policies and procedures required review, approval or ratification of such transaction but for which such policies and procedures were not followed.

COMPENSATION RISK STATEMENT

As stated in the Company's compensation philosophy, risk is a key consideration of the Compensation Committee in the development and design of compensation programs and policies. In the fourth quarter of fiscal 2014, with the assistance of management, the Compensation Committee reviewed the potential for the Company's compensation programs and policies to have a material adverse effect on the Company. An assessment process was completed to assess the potential risks and mitigating factors in the Company's compensation plans, including the following considerations:

• **Market Perspective:** The competitiveness of compensation levels, mix and provisions with market norms, as well as the quality of peer group selection;

• **Performance Metrics:** The type and combination of various financial and non-financial performance metrics used in incentive plans;

• **Pay Mix:** The mix of pay elements, including short-term vs. long-term, fixed vs. variable, and cash vs. equity;

• **Leverage:** The payout curve of incentive plans, including slope and caps

• **Checks and Balances:** Factors that balance compensation risk through oversight, design, and policies
In the process of our compensation risk assessment, multiple factors were identified that mitigate potential unnecessary risk-taking, including:

• Target compensation levels are set at approximately the median of the competitive market;

• The fiscal 2014 Peer Group is representative of the Company in key size parameters;

• Balanced metrics in our incentive plans promote both top line and bottom line growth;

Annual non-sales bonus payouts are (i) based upon a plan design and performance targets for revenue and operating income which are pre-approved by the Compensation Committee of the Board of Directors at the beginning of every year, (ii) capped, and (iii) do not guarantee a minimum bonus payout;

A recapture policy in our annual bonus plans would recoup any payouts made as a result of material non-compliance with any financial reporting requirement that requires a restatement or if an employee's actions violate the Haemonetics Code of Business Conduct;

• A significant portion of compensation for our executives and other senior management is in the form of long-term incentives;

• Equity awards are granted to executives and senior management annually and vest over four years with overlapping vesting periods, which foster a continuous long-term perspective;

• Share ownership guidelines require meaningful levels of equity ownership for senior management; and

• Change-in-control agreements are competitive with market norms for severance amounts and are only payable in the case of both a change-in-control and the employee's termination other than for cause.

The Compensation Committee will continue to be proactive in monitoring compensation risk, and to assess the potential risks of compensation programs and policies during the design and approval process. In addition, the Committee will conduct an annual compensation risk assessment to monitor ongoing compensation plans.

COMPENSATION DISCUSSION and ANALYSIS

Executive Summary

At Haemonetics, our mission is to be the global leader in blood management solutions, leveraging our innovative products and services to improve medical outcomes for patients worldwide, while maximizing return for our investors. To realize our mission, we must recruit, retain and motivate exceptional leaders with the ability to deliver superior results. Our executive compensation program is instrumental in achieving these objectives.

Over the past three years, our stockholders have been overwhelmingly supportive of our executive compensation programs, with at least 98% of voted shares supporting our advisory "say-on-pay" vote. We believe this reflects our commitment to programs which reflect business performance and motivate achievement of superior results.

In fiscal 2014, we continued to deliver on that commitment in a challenging environment. As we intended, compensation for our senior executives was directly affected by our business and stock price performance. Consistent with the Company's strategic goals, we designed and implemented a performance-based award which aligns equity compensation with outstanding returns to our shareholders over several years.

Fiscal 2014 Business Performance

In fiscal 2014, we continued our multi-year strategic plan to improve Haemonetics' competitiveness on several fronts while growing revenue in key businesses. However, due to a fiscal 2014 environment characterized by mounting pressure in the United States' hospital and blood center markets, we also fell short of our goals in several areas.

Three elements of our business - Plasma, diagnostics and emerging markets - combined to represent 53% of our disposables revenue and grew 13% on a constant currency basis.* On a constant currency basis, our Plasma business grew 11%, the TEG analyzer product line saw 21% growth, and grew that product line 20% in emerging markets, such as China and Russia. These are key growth drivers for the business and are areas where we have made significant investments.

However, about 20% of our business supports blood collections in the United States. With American hospitals increasingly implementing blood management techniques to decrease the frequency of transfusions, blood center revenue in this market is lower due to rapid declines in the demand for blood products and the prices hospitals pay for blood components. This is driving increased competition among blood centers, leading to changes which our U.S. blood center customers had not contemplated until recently. In addition to the secular decline in demand, we have made price concessions to the U.S. blood center purchasing organization, HemeXcel Purchasing Alliance LLC, in order to win a single source tender.

As a result of these headwinds, our revenue growth in our identified growth areas of plasma, diagnostics and emerging markets was offset, and the end result was a 5% increase in revenue and 10% growth in adjusted net earnings.

At the beginning of fiscal 2014, we announced a multi-year plan to pursue strategic opportunities referred to as Value Creation and Capture ("VCC"). The VCC opportunities include investment in product line extensions and next generation products, enhancement of commercial capabilities and a transformation of our manufacturing network to best support these commercial strategies while optimizing expense levels. Collectively, these are opportunities to position us for optimal growth and increased competitiveness.

During fiscal 2014, we took some important steps in the VCC process:

• We announced we are discontinuing manufacturing activities at our Braintree, Massachusetts and Ascoli-Piceno, Italy locations;

• We began expanding our current facility in Tijuana, Mexico;

• We engaged Sanmina Corporation as a contract manufacturer for our medical devices;

*This is a non-GAAP measure which excludes restructuring, transformation, deal-related amortization, and other costs (such as asset write downs related to restructuring activities and in-process research and development charges) for both the targets established and the actual results achieved. This is the same presentation as the adjusted net income

provided with our April 28, 2014 press release announcing our fiscal 2014 earnings.

• We broke ground on a new manufacturing facility in Penang, Malaysia; and
• We introduced Donor Doc Phlebotomy, a software solution which captures information during the blood collection process.

During fiscal 2014 we saw some notable successes as well as some areas where we fell short of our goals.

Among our notable successes this year:

• Total revenue of \$938.5 million - an increase of 5%;
• Adjusted net income was \$114.4 million, up 10%, and adjusted earnings per share were \$2.19, up 10%*;
• Plasma, diagnostics and emerging market revenue, three areas identified and supported as growth drivers, grew 13%;
and
• We entered into a multi-year agreement to exclusively supply the HemeXcel Purchasing Alliance LLC with certain whole blood collection components.

Where we fell short of our goals:

• We did not meet our own goals for revenue and operating income;
• A large decline in value of the Japanese Yen and sudden changes in blood management practices undermined revenues;
• Loss of a tender to exclusively supply the American Red Cross with certain whole blood collection products; and
• Total shareholder return in fiscal 2014 was negative 23%, versus a 17% gain in the S&P 500.

In particular, we saw a decline in our share price late in our fiscal year:

Fiscal 2013 Haemonetics share price performance.

*This is a non-GAAP measure which excludes restructuring, transformation, deal-related amortization, and other costs (such as asset write downs related to restructuring activities and in-process research and development charges) for both the targets established and the actual results achieved. This is the same presentation as the adjusted net income provided with our April 28, 2014 press release announcing our fiscal 2014 earnings.

2014 Pay and Performance Alignment

Fiscal 2014 Payments

During this challenging year, the relationship between performance and actual compensation realized was evident. As discussed in greater detail in the section titled "Pay for Performance", we set target pay opportunity at the market median and then allow performance to dictate actual compensation realized. Annually, we provide our senior executives, including the named executives, with three basic pay elements: base salary, short-term incentive pay, and long-term incentive pay consisting of equity compensation in the form of stock options and restricted stock.

Our Chief Executive Officer, Brian Concannon, did not receive a fiscal 2014 annual incentive payment because we did not reach our revenue or operating income goals. However, our planned targets for the year did not reflect a rapid change in demand due to a business environment characterized by intense pressure in the U.S. hospital and blood center markets. In recognition of this change and recognizing the performance of the management team in executing our strategic plan and key VCC projects, the Board of Directors provided our other named executive officers with an annual incentive payment at 25% of their target. At his request, Mr. Concannon did not receive this payment. In addition, and consistent with our annual incentive program, Peter Allen, our President Global Plasma, was paid 24% of his total annual incentive target for achievements within the Global Plasma business unit. As a result, Mr. Allen received a total annual incentive payment equal to 49% of his annual incentive target.

This year we recognized our Chief Financial Officer and Executive Vice President Business Development Christopher Lindop for his leadership in the acquisition and integration of the whole blood business, the largest and most complex deal in the history of the Company, and his leadership in identifying further growth opportunities with a cash award of \$250,000 in July 2013.

In fiscal 2013 we recognized Mr. Allen for his significant contributions in the leadership of the Global Plasma business. Mr. Allen successfully worked with our customers on contract extensions which enabled us to continue the growth of this successful business. After receiving \$100,000 installment of a cash award in fiscal 2013, Mr. Allen received the second and final installment of \$150,000 in fiscal 2014.

As usual, annual equity grants were made in October and were consistent with total compensation packages equal to median of our peer group. As in years past, our equity program emphasizes pay for performance by balancing stock options and restricted stock units. Made before our stock price declined in March, the stock option grants from October 2013 now have exercise prices significantly above the current market price.

Due to the strong connection between our compensation programs and shareholder returns, our executives also saw declines this year in the value of their equity and realized compensation. Our shareholders realized total returns for the fiscal year of negative 23%, under-performing both the S&P 500 and S&P Healthcare Equipment Select indices, which returned 17% and 25% over the same period, respectively. As a consequence, our executives saw significant decreases to their previously granted long-term incentive award grant values.

Multi-Year Performance Market Stock Units

In fiscal 2014, we implemented an award directly tied to the price of our stock being above \$50 per share in March 2017. We believe these multi-year performance based grants will incentivize excellent execution of the strategic plan, our VCC opportunities and the delivery of superior long-term returns to shareholders. The market stock units are designed to issue shares to executives based on the average price of the Company's common stock in March 2017. These awards will not deliver any value unless the stock price is above \$50 per share in March 2017. We believe these grants reflect both our commitment to pay for performance and alignment of our senior executives' incentives to our multi-year strategic goals.

Our executive team is accountable for, and takes ownership of, the short-term and long-term performance of the Company within a culture that requires ethical behavior and transparency. The following is a summary of key executive compensation plans and policies aligned with best practice that are discussed in greater detail in this Compensation Discussion and Analysis:

Compensation Philosophy-The Compensation Committee developed a compensation philosophy which guides the design of all compensation programs, emphasizing employee recruitment and commitment, a performance-based culture, and cost effectiveness.

• **Pay for Performance**-Our pay programs are designed to support our pay for performance philosophy, emphasizing and rewarding execution of our business strategy and achievement of corporate objectives.

• **Share Ownership Guidelines**-To align our executives with the long-term interests of our stockholders and promote Company ownership, our executives are required to hold a meaningful value of Haemonetics stock for the duration of their employment.

• **Executive Benefits and Perquisites**-Executives are provided a competitive benefits program that consists of health, disability, and life insurance and our 401(k) retirement plan on the same basis as our non-executive employees. In addition, certain of our US-based senior executives, including all named executive officers, are able to participate in a non-qualified deferred compensation program that allows them to defer certain elements of their pay over the 401(k) limit. To maintain comparable savings opportunities for all employees, the Company has not made any contributions to the deferred compensation plan.

• **Benchmarking and Peer Group Analysis**- We target the market and peer group medians when setting total executive compensation.

• **Employment Agreements**- In general, we do not offer our senior executives employment agreements other than to the extent they are common local practice. None of our named executive officers was covered by an employment agreement in fiscal 2014.

• **Change in Control Agreements**-We employ change in control agreements for a very limited number of key executives to retain our leadership in the event of a change in control and also to provide them with financial security in case of a loss of employment. Our agreements only provide benefits to participants if there is both a change in control of the Company and termination of employment other than for cause.

• **Recapture Policy**-Our annual incentive program contains a provision that allows us to recoup any payouts made as a result of material non-compliance with any financial reporting requirement that requires a restatement under the securities laws as result of misconduct or if an employee's actions violate the Haemonetics Code of Business Conduct.

• **Hedging**-Our Code of Conduct prohibits our executives from hedging our securities.

• **Compensation Risk**- The Compensation Committee considers risk when designing our compensation plans. The Committee also conducts a comprehensive annual review of compensation risk in the fourth quarter to assess the presence of any risks that may have a material adverse effect on the Company.

• **Independent Compensation Committee**- Our Compensation Committee is comprised of only independent members of Board of Directors.

• **Independent Consultant**- The consultant to the Compensation Committee provides no other services to the Company or management.

Compensation Philosophy and Key Elements

The Compensation Committee maintains a documented compensation philosophy statement as a guideline for developing, reviewing and administering executive compensation programs. The statement is reviewed annually for continued appropriateness and updated accordingly. Our compensation philosophy is to provide compensation opportunities that drive three major objectives:

-

Attract motivate and retain key executives-Our goals of increasing stockholder value and achieving our long-term strategic aims are dependent on our ability to retain our current management team and to hire new executives with diverse and complementary experience. To achieve these goals we strive to provide competitive compensation programs that require continued service and performance.

Pay for performance-We strive to achieve an appropriate mix between fixed and performance-based compensation to motivate management to achieve predetermined financial, operational and strategic objectives over both the short and long-term and to align the interests of management with the interests of stockholders. Programs are designed to pay above the market median for performance above target and below the market median for performance below target.

Display a clear correlation between the cost of compensation and the value to the employee and to the Company -The cost of compensation is evaluated annually against an “afford to spend” model and balanced against the value each element of compensation provides. Our goal is to provide competitive total compensation opportunities through programs with efficient, effective, and competitive cost while enhancing stockholder value.

Components of Haemonetics’ Executive Compensation Program

Our executive total rewards program is divided among four major elements including base salary, short-term incentives, long-term incentives, and benefits. A brief description of each element and their purpose at Haemonetics is described below:

| Compensation Element | Description | Purpose |
|----------------------|---|--|
| Base Salary | Fixed cash compensation based on role, job scope, experience, qualification, and performance | To compensate for individual technical and leadership competencies required for a specific position and to provide economic security |
| Short-Term Incentive | Annual cash incentive opportunity payable based on achievement of corporate, business unit, and individual objectives | To incentivize management to meet and exceed annual performance metrics and deliver on commitments to stockholders |
| Long-Term Incentive | Annual equity award comprised of Stock Options and Restricted Stock Units | To incentivize management to increase stockholder value, reward long-term corporate performance, and promote employee commitment through stock ownership |
| | Multi-year performance based grant of Market Stock Units | To connect management compensation to achievement of our multi-year strategic plan and related Value Creation and Capture opportunities |
| Benefits | Competitive health, life insurance, disability, and retirement benefits | To promote health and wellness in the workforce and to provide competitive retirement planning and saving opportunities |

Pay Mix

When determining compensation levels, we target all elements of compensation at the market median. Through at-risk pay components, our pay program is designed to reward exceptional corporate and individual performance with actual pay above the market median. At the same time, performance below expectations will result in actual pay levels below the market median.

The following chart illustrates the allocation of target total direct compensation for the Chief Executive Officer and for other named executive officers among base salary, short term and long term compensation, including the annualized value of the multi-year market stock units granted in fiscal 2014. All elements of compensation are considered to be at-risk with the exception of base salary, particularly the market stock units which have no value if our stock price is below \$50 per share in March 2017.

Total compensation is defined as fiscal 2014 base salary, target annual incentive payment, and the target grant date value of equity awards as disclosed in Summary Executive Compensation Table.

For our executives, the amounts and mix attributed to base salary, short-term incentives and long-term incentives are determined in reference to market norms combined with our desire to align pay with the goals of our compensation philosophy. While we evaluate our executive pay mix on an annual basis, we do not adhere to a rigid formula when determining the actual mix of compensation elements. Rather, our current policy is to balance the short and long-term focus of our compensation elements in order to reward short-term performance while emphasizing long-term value creation. These objectives are achieved by placing considerable weight on long-term, equity based compensation while also offering enough cash and short-term compensation to attract and retain executive talent.

We take a modified approach to our Chief Executive Officer compensation. Mr. Concannon's pay mix includes more in equity compensation and annual incentive opportunities and less in base salary than his peers and other Haemonetics executives. We believe this places a greater emphasis on rewarding performance and ensures the Chief Executive Officer, in particular, is closely aligned with stockholders.

Pay for Performance

One of the primary objectives of our compensation philosophy is to design and support pay opportunities that align with strong business performance and long-term value creation for our stockholders. Our executive compensation plans in particular are designed with specific emphasis on accountability for our financial results in the short-term and stockholder return over the longer-term. We create this alignment through several interacting mechanisms:

| | | |
|----------------------------|--|---|
| Pay Mechanic | Haemonetics Methodology | |
| Pay Positioning | All components of executive compensation are targeted at the market's 50th percentile | |
| Performance Target Setting | We set ambitious but achievable goals for ourselves and for the Company aligned with our commitments to stockholders | |
| | Base Salary | Sets baseline pay level |
| | Annual Incentive Program | Annual incentive payment which rewards performance relative to annual financial goals |
| Compensation Vehicles | Stock Options | Long-term incentive with seven year term that has no intrinsic value unless value is created for shareholders |
| | Restricted Stock Units | Long-term incentive with four year vesting schedule |
| | Market Stock Units | A multi-year award vesting in March 2017 which has no intrinsic value unless the Company's common stock reaches at least \$50 per share immediately prior to vesting. |
| Compensation Mix | Our compensation mix is weighted towards variable pay elements and long-term incentive pay elements | |

The combined effect of these mechanisms is that our named executive officers are compensated at the market median when we meet our performance targets, deliver on the expectations we communicate to our investors, and drive stock price appreciation. Should our performance exceed expectations, then our executives will be compensated above target, and vice versa. The significant weighting of long-term incentives ensures that our executives' primary focus is sustained long-term performance, while our short-term incentive motivates consistent annual achievement.

Fiscal 2014 Compensation

Base Salary

Program Mechanics

Base salary is provided to compensate for individual technical and leadership competencies required for a specific position and to provide economic security. The target base salary level will vary based on the field in which each executive operates, the scope of each position, the market for similar executives, the experience and qualifications needed for the role, the executive's performance, their experience and qualifications, and an assessment of internal equity among their peers. Base salaries can increase through the merit process as discussed under the section titled "Evaluating Executive Performance."

2014 Base Salary

Following a review of compensation levels, the Committee concluded Mr. Concannon's current total target cash compensation is significantly below our peer group's chief executives. Mr. Concannon's target annual incentive payment is at the median for the peer group and target total cash compensation fell well below the median for the peer group. As a result of this finding, Mr. Concannon was given a merit increase of 3.45% for fiscal 2014. Mr. Concannon's total compensation still has a significantly higher percentage of variable compensation than the median of the peer group. For the remainder of the named executive officers, the Committee approved salary increases of approximately 4.0% to bring them into parity with the peer group. Salary levels and merit increases for fiscal years 2013 and 2014 are noted below:

| Executive | Title | FY 2013 Base Salary | Increase % | FY 2014 Base Salary |
|--------------------|------------------------------------|------------------------|---------------|------------------------|
| Brian Concannon | President & CEO | \$580,000 | 3.45% | \$600,000 |
| Christopher Lindop | CFO & VP, Business Development | \$450,000 | 4% | \$468,000 |
| Kathleen McDaniel | EVP, Global Human Resources | N/A | N.A | \$340,000 |
| Peter Allen | President, Global Plasma | \$422,000 | 4.00% | \$438,900 |
| Jonathan White | Chief Science & Technology Officer | \$424,000 | 4.01% | \$441,000 |

Annual Incentive Program Program Mechanics

The annual incentive program is a short-term cash incentive payment designed to motivate and reward employees for executing and delivering on the key performance metrics for any given fiscal year. One of the primary objectives of the program is to make our executives accountable for meeting or exceeding their annual commitments to stockholders. All of our named executive officers participate in the annual incentive program.

Performance metrics for each participant are divided among corporate, business unit, and individual objectives with varying weight depending on job level and job scope. Executives directly responsible for a sales organization are aligned with a business unit component, while those who are not directly responsible for a sales organization are aligned with individual objectives. As a result of this goal weighting, the size of payments made to senior executives is largely determined by overall Company financial performance. The chart below outlines the alignment of objectives for our named executive officers:

| Executive | Business Unit Responsibility | Annual Incentive Weighting | | |
|--------------------|---------------------------------|----------------------------|----------------------------|-------------------------|
| | | Corporate Component | Business Unit Component | Individual Component |
| Brian Concannon | No | 100% | —% | —% |
| Christopher Lindop | No | 80% | —% | 20% |
| Kathleen McDaniel | No | 80% | —% | 20% |
| Peter Allen | Global Plasma | 80% | 20% | —% |
| Jonathan White | No | 80% | —% | 20% |

The number and type of performance metrics and specific performance targets for each metric are determined annually at the beginning of the fiscal year. To reinforce profitability, the ratio of revenue to operating income is weighted more heavily toward operating income. For fiscal 2014, the weighting of performance metrics within each incentive component were as follows:

| Corporate Component | Business Unit Component | Individual Component |
|--------------------------------|------------------------------------|-----------------------------|
| 40% Corporate Revenue | 40% Business Unit Revenue | Operating Income Funding |
| 60% Corporate Operating Income | 60% Business Unit Operating Income | Individual Goals Multiplier |

Payments related to the Corporate and Business Unit components of the program are calculated using a payout scale which aligns increased payouts with higher achievement levels. The Committee has the ability to pay participants in the plan should Company performance fall short of threshold expectations.

We plan on funding the Individual Component at a minimum of 25% of its target value regardless of Company performance, however, the Committee has the ability to lower or eliminate this minimum funding. Depending on operating income performance, the Individual Component can be funded up to 200% of its target value. Any payments are dependent on achievement of individual goals. The level of individual achievement is measured on a percentage basis which is then multiplied by the funded amount to determine the payment.

The table below details the target and actual performance levels as well as actual payout percentages for the annual incentive plan.

| | | | | | |
|--------------------------------|-----------------------|--------------------|---------------------|--------------------|-------------------|
| FY 2014 Revenue Targets | Threshold Performance | Target Performance | Maximum Performance | Actual Performance | Payout Percentage |
| Performance Achievement | 95% | 100% | 110% | —% | —% |
| Payout as Percentage of Target | 25% | 100% | 200% | —% | —% |
| Corporate (\$ in millions) | \$950.00 | \$1,000.00 | \$1,100.00 | 93.9% | —% |
| Global Plasma (\$ in millions) | \$283.70 | \$298.60 | \$328.50 | 101.9% | 106% |
| FY 2014 Operating | Threshold Performance | Target Performance | Maximum Performance | Actual Performance | Payout Percentage |
| Income Targets (1) | 90% | 100% | 110% | —% | —% |
| Performance Achievement | 90% | 100% | 110% | —% | —% |
| Payout as Percentage of Target | 25% | 100% | 200% | —% | —% |
| Corporate (\$ in millions) | \$181.60 | \$201.80 | \$222.00 | 84% | —% |
| Global Plasma | \$108.60 | \$120.70 | \$132.80 | 104.1% | 130% |

This is a non-GAAP measure which excludes transformation, restructuring and deal closing costs, and asset (1) impairments for both the targets established and the actual results achieved. This is the same presentation as the adjusted net income provided with our April 28, 2014 press release announcing our fiscal 2014 earnings.

2014 Payments

In 2014, our named executive officers were paid consistent with our overall executive compensation program. Target annual incentive levels are expressed as a percentage of base salary, and are set by the Committee at the July 2013 meeting. Consistent with all elements of our compensation program, targets are aligned within a range of the market median.

| | FY 2013 Target (% Salary) | FY 2013 Target (\$) | FY 2014 Target (% Salary) | FY 2014 Target (\$) |
|-----------------------|---------------------------|---------------------|---------------------------|---------------------|
| Executive | | | | |
| Brian Concannon | 100% | \$580,000 | 100% | \$600,000 |
| Christopher Lindop | 55% | \$247,500 | 60% | \$280,800 |
| Kathleen McDaniel (1) | — | — | 45% | \$153,000 |
| Peter Allen | 45% | \$189,900 | 45% | \$197,505 |
| Jonathan White | 45% | \$190,800 | 45% | \$198,450 |

(1) Ms. McDaniel started on March 25, 2013 and was not eligible for an annual incentive payment in Fiscal 2013. In deciding whether to make annual incentive payments to Mr. Concannon and the other executive officers, the Committee considered the Company's overall performance and results in relationship to the performance goals set in July 2013.

Based on these three components, total fiscal 2014 annual incentive payments are calculated below:

| Executive | FY 2014 Target | Corporate Component Payout | Business Unit Component Payout | Individual Component Payout | Supplemental Performance Payout | Total FY 2014 Payout | Total FY 2014 Payout (% of Target) |
|--------------------|----------------|----------------------------|--------------------------------|-----------------------------|---------------------------------|----------------------|------------------------------------|
| Brian Concannon | \$600,000 | — | + — | + — | + — | = — | —% |
| Christopher Lindop | \$280,800 | — | + — | + — | + \$70,200 | = \$70,200 | 25% |
| Kathleen McDaniel | \$153,000 | — | + — | + — | + — | = \$76,500 | 50% |
| Peter Allen | \$197,505 | — | + \$47,559 | + — | + \$49,376 | = \$96,935 | 49% |
| Jonathan White | \$198,450 | — | + — | + — | + \$49,613 | = \$49,613 | 25% |

As part of the provisions of Ms. McDaniel's new hire agreement and consistent with how other newly hired Executive Council members are handled, she will be receiving a guaranteed prorated annual incentive payment of \$76,500 which represents half of her \$153,000 target payment. At his request, Mr. Concannon did not receive the supplemental annual incentive payment.

Cash Awards

This year we recognized our Chief Financial Officer and Executive Vice President Business Development Christopher Lindop for his leadership in the acquisition and integration of the whole blood business, the largest and most complex deal in the history of the Company, and his leadership in identifying further growth opportunities in other elements of our business which led to our VCC program, which is now accelerating business opportunities across our portfolio. As a result, Mr. Lindop received a cash award of \$250,000 in July 2013.

In fiscal 2013 we recognized Peter Allen, our President Global Plasma, for his significant contributions in the leadership of the Global Plasma business. Mr. Allen successfully worked with our customers on contract extensions which enabled us to continue the growth of this successful business. He obtained new business or contract extensions with all of our major Plasma customers placing 80% of our Plasma business under contract through December 2018.

In fiscal 2014, Mr. Allen received the second and final installment of a \$150,000 cash grant.

2014 Long-Term Incentive Program

Program Mechanics

The Company's long-term incentive program provides incentives to grow stockholder value, rewards long-term corporate performance, and promotes employee commitment through stock ownership while also managing compensation expense and dilution. At the executive level, where individual performance is most closely aligned with the financial performance of the business, the objectives of this program are:

- Drive long-term growth of the business in conjunction with our strategic plan;

• Ensure that any value delivered to executives is aligned with an increase in stockholder value; and

• Retain high performing individuals.

Historically, we have issued stock options and time-vested restricted stock units, each having its own role in the total compensation offered. We use stock options for their emphasis on stock price appreciation. Value is only earned when the stock price increases above the exercise price, encouraging behavior that will increase stockholder value. Awards vest over four years, providing a long-term performance period. Restricted stock units encourage executive commitment through value preservation and long-term vesting. Because the value of restricted stock units is not solely dependent upon stock price appreciation, they provide an incentive to remain with the Company regardless of stock price fluctuation while also closely aligning executives with stockholders who primarily own shares, not options.

Grant values for our named executive officers were determined using a value-based model that takes into account market competitiveness, specific roles, individual performance and potential and the resulting compensation expense. We target the median of the market in determining the value of long-term incentive grants. Grant values are translated into a number of stock options and restricted stock units based on the stock price and Black Scholes value on the date of grant. Executives typically receive a mix of 70% stock options and 30% restricted stock units.

Employee stock option and restricted stock unit awards generally vest 25% per year over four years. Stock options must be exercised within seven years of the date of grant, after which they are forfeited. The exercise price of all stock options is the grant date fair market value, which is the average of the high and low trading price of Haemonetics stock on the date of grant.

In support of our pay for performance philosophy, long-term cash or equity awards that vest over time have also been used to recognize and reward the performance of specific individuals and the importance of their role to the long-term strategy of the business.

2014 Multi-Year Performance Grant

In fiscal 2014, we provided an award directly tied to the price of our stock being above \$50 per share in March 2017. With target award values based on expected results from our strategic plan, we believe these multi-year market stock units are an important performance-based method of providing long-term incentives to executives. Tied to our multi-year strategic plan and related VCC opportunities, the value of these market stock units is based solely on the average price of the Company's common stock in March 2017 and will not deliver any value unless the stock price is above \$50 per share at that time. By design market stock units could deliver significant value to executives or as little as no value depending on stock price performance. As a result, the grants align the Company's strategic goals and executive pay with long-term increases in stockholder value.

Holders of market stock units are eligible to receive a share of Company stock for each market stock unit. The number of market stock units, and therefore the number of shares payable, ultimately depends on the Company's stock price. If the Company's stock is below a minimum threshold price during the relevant measurement period, the holders receive no market stock units - and no compensation from this award. Conversely, if the Company's stock achieves certain price levels, the holders are eligible to receive up to three times the "target" amount of market Stock units.

The market stock units granted in fiscal 2014 will vest, if at all, on the maturity date of March 31, 2017. Their quantity, and the number of shares payable, is based upon the Company's average closing stock price for the last 30 trading days prior to the maturity date in accordance with the following schedule:

| | Company Stock Price at Maturity Date | Share Payout as a Percentage of Target Award |
|---|---|--|
| ≤ | \$50.00 | 0% |
| | \$50.01 | 10% |
| | \$55.00 | 55% |
| | \$60.00 | 100% |
| | \$65.00 | 140% |
| | \$70.00 | 180% |
| | \$75.00 | 220% |
| | \$80.00 | 260% |
| ≥ | \$85.00 | 300% |

If Company stock price performance is in between two stock prices adjacent to each other in the above schedule, the share payout will be interpolated linearly.

To receive shares, the holder of a market stock unit award must be an employee on the maturity date except in the cases of death, disability, a qualifying retirement, or a change of control. Executives who die, suffer a qualifying disability, or retire at 55 years of age or older after 5 years of service prior to the maturity date will receive a prorated portion of the share payout based upon Company stock price performance. A change of control of the Company, as defined in the grant agreement, prior to the maturity date will result in an acceleration of the vesting and a payout based

on the Company's stock price as of the change in control. The grants are subject to recovery, or claw back, in accordance with applicable law or Company policy.

In July 2013, we granted a "target" number of 300,000 performance-based market stock units to 13 of our senior executives under the Company's 2005 Long-Term Incentive Compensation Plan, including a "target" number of 50,000 market stock units to Mr. Concannon and a "target" number of 25,000 market stock units to each of the other named executive officers. The total value of these awards as of the grant date is listed below for each named executive. These values represent an estimated value. The executives will receive no shares or value unless the stock price is above \$50 a share in March 2017:

| Executive | Market Stock Awards Granted | Grant Date Target Value | Annualized Target Value |
|--------------------|--------------------------------|----------------------------|-------------------------|
| Brian Concannon | 50,000 | \$1,871,000 | \$505,676 |
| Christopher Lindop | 25,000 | \$935,500 | \$252,838 |
| Kathleen McDaniel | 25,000 | \$935,500 | \$252,838 |
| Peter Allen | 25,000 | \$935,500 | \$252,838 |
| Jonathan White | 25,000 | \$935,500 | \$252,838 |

"Grant Date Value" is based on the value disclosed in the Summary Executive Compensation Table. "Annualized Target Value" is the Grant Date Value divided by the 3.7 years term of the multi-year market stock awards.

The following table represents the pay mix of Mr. Concannon including the total grant date value of the market stock awards as compared to the annualized target value. As the table shows, Mr. Concannon's compensation is heavily weighted toward equity awards which are aligned with stock price performance.

Pay Mix with Market Stock Units
Chief Executive Officer

Named Executive Officers

2014 Annual Grants

Consistent with our past practice, in October 2013 the Committee approved grants of stock options and restricted stock units under the Company's 2005 Long-Term Incentive Compensation Plan to each of the named executive officers. These equity grants were made consistent with our equity compensation policies and reflect the Committee's consideration of individual achievement, the market for executives of similar experience and responsibility, the size of past grants, and expense and dilution considerations. The grant details for each executive are as follows:

| Executive | Grant Date Value | Stock Options Granted | Restricted Stock Units Granted |
|--------------------|------------------|--------------------------|-----------------------------------|
| Brian Concannon | \$3,500,000 | 234,899 | 25,204 |
| Christopher Lindop | \$700,000 | 46,979 | 5,040 |
| Kathleen McDaniel | \$775,000 | 53,548 | 5,665 |
| Peter Allen | \$450,000 | 30,201 | 3,240 |
| Jonathan White | \$425,000 | 28,523 | 3,060 |

As noted above, these awards vest over four years in increments of 25% per year.

In addition, we granted a long-term incentive award to Ms. McDaniel outside of the annual grant process. Ms. McDaniel was hired on March 25, 2013 and as an incentive to join the Company the Committee granted Ms. McDaniel a new-hire grant valued at \$350,000 on April 9, 2013. The award was comprised of 70% stock options and 30% restricted stock units and vests over four years in increments of 25% per year. In addition, she received an annual grant valued at \$425,000 in October 2013. This award was also comprised of 70% stock options and 30% restricted stock units and vests over 4 years in 25% increments per year.

2014 Executive Benefits and Perquisites

Executives are provided a competitive benefits program that consists of health, disability, and life insurance on the same basis as non-executive employees. Currently, there are no benefit programs or special perquisites set up for the exclusive use of our executives.

Retirement Benefits

To be competitive in attracting and retaining executives, we maintain a Non-Qualified Deferred Compensation Plan and tax qualified 401(k) savings plan to allow executives to accumulate value on a tax-deferred basis. The Non-Qualified Deferred Compensation Plan allows the named executive officers to elect to contribute up to 75% of their annual base salary and annual incentive plan to a plan account. While the plan allows us to make discretionary contributions to those plan accounts, we have not made any and have no immediate plans to do so. All named executive officers are eligible to participate in a non-qualified deferred compensation plan.

Change in Control Benefits

We have agreements with a limited number of executives, including all named executive officers, for the sole purpose of retaining their services during a change in control of the Company and to provide them with financial protection in case of loss of employment after such an event. Our change in control agreements provide:

If the executive's employment is either terminated or if he or she suffers a material diminution of compensation or responsibilities after a change in control, the covered employee will be entitled to 2.0 times their then base salary and target annual incentive payment (2.99 times base salary and target annual incentive payment in the case of the Chief Executive Officer).

The vesting of equity awards granted prior to July 27, 2009 will be accelerated upon a change in control pursuant to the original terms of the awards.

The vesting of equity awards granted on or after July 27, 2009 will accelerate only if the conditions for severance payment are met or if the successor corporation refuses to assume or continue the equity awards or to substitute similar equity awards for those outstanding immediately prior to the change in control.

If the executive is eligible for severance, then the executive will also be entitled to receive a payment equal to the cost of providing for their medical, dental, life and disability insurance coverage for a period of 2.0 years (2.99 years in the case of the Chief Executive Officer), and outplacement services.

Should any excise taxes be due by the employee under the IRS Section 280(g) limitations, the agreements provide for either reducing the benefits to the Section 280(g) cap or paying the benefits in full, whichever provides the better after-tax position for the employee.

For purposes of the agreements, a change in control is defined as a person or group acquiring 35% or more of the Company's stock, a sale of substantially all the assets of the Company to an unrelated person, and certain mergers, reorganizations, consolidations and share exchanges.

Compensation Process

Determining Compensation

The Committee evaluates several different factors when establishing and maintaining the Company's executive compensation programs and making executive compensation decisions:

- Market competitiveness
- Individual performance and potential
- Performance relative to financial, strategic, corporate, and individual goals
- Internal equity
- Compensation cost

Legal and regulatory requirements

Base salaries, merit increases and target annual incentive payments are evaluated and approved by the Committee at the July Committee meeting. Annual long-term incentive awards are typically determined and granted by the Committee at the October Committee meeting. The Committee reviews all other executive compensation and benefits on an ongoing basis as determined by business changes, internal feedback, and external market trends.

Role of the Compensation Committee

The Compensation Committee is appointed by the Board of Directors to discharge the Board's responsibilities relating to compensation of the Company's senior management as outlined in the Committee Charter, which is posted in the Investor Relations section of the Company's website. The Committee has overall responsibility for evaluating and approving the Company's compensation philosophy, plans, policies and programs related to the Chief Executive Officer and direct reports to this position, which include all named executive officers. The Committee's responsibilities include setting base salaries, target annual incentive opportunities, long-term incentive award values, executive benefits, executive perquisites (of which we currently have none), and any other form of compensation.

Role of the Compensation Consultant

In fiscal 2014, the Compensation Committee engaged Pearl Meyer & Partners LLC and Frederic W. Cook & Co., Inc. for executive compensation consulting services. Pearl Meyer served as the Committee's consultant at the beginning of the fiscal year. Cook & Co. became the Committee's consultant in July 2013. The consultants provided the Committee with competitive market data and benchmarking for executive positions, regulatory and market trend updates, and special reports and analyses. Pearl Meyer and Cook & Co. regularly attended Committee meetings to provide input and independent guidance on executive compensation matters, including competitive analyses, short-term and long-term incentive strategy, and trends and best practices. Each was engaged directly by the Committee to work exclusively on Committee authorized projects. Neither provided any other services to the Company or to management.

Role of Management

Management supplies the Committee with information necessary to fulfill its responsibilities, including financial targets and results, achievement of corporate objectives, executive performance and succession ratings, and leadership competencies. Management implements and communicates decisions related to executive compensation and keeps the Committee informed of issues and concerns relative to the Company's ability to attract, motivate and retain the executive talent required to grow the business. It also shares analyses on compensation costs, performance metrics and other information which the Committee may request in order to carry out its role.

With respect to determining specific compensation levels, the Chief Executive Officer formulates and presents compensation recommendations for other members of the executive team to the Committee for review and approval. Neither the Chief Executive Officer nor management makes compensation recommendations for the Chief Executive Officer.

Peer Group and Benchmarking

The Committee conducts an annual executive compensation competitive assessment at the July Committee meeting. The market data provided by the Committee's compensation consultant gives us important information on the competitiveness of our executive compensation in relation to similar companies and is used by the Committee to assist in determining an appropriate range for executive pay. The market data supplied by the Committee's compensation consultant reflect an average of two data sources, where available:

• The Peer Group-A group of similarly sized companies from the medical device, biotechnology, and healthcare software industries

• Compensation Surveys-Survey data from several sources consisting of a broader group of companies appropriate in terms of size, industry, and executive role

With assistance from its independent consultant, the Committee annually reviews our peer group for continued appropriateness in advance of the annual executive compensation competitive assessment. When reviewing the peer group and suggesting potential replacement firms, the Committee considers the similarity of the firm's products and services,

while screening for revenues of approximately one-half to two times ours and a market capitalization of approximately one-third to three times ours.

As a result of the assessment at the beginning of fiscal 2014, the Committee approved the addition of Bio-Rad Laboratories, Inc., PAREXEL International, PerkinElmer Inc., and Wright Medical Group to the peer group and the removal of Gen-Probe, Inc., TECHNE Corp, and Zoll Medical. While Zoll Medical was acquired by Asahi Kasei Corp., the other changes were made in response to our increase in revenue after the acquisition of the whole blood business.

The peer group approved by the Compensation Committee for fiscal 2014 compensation decisions is listed below:

| | | |
|---------------------------------------|-------------------------------|-----------------------|
| Allscripts Healthcare Solutions, Inc. | IDEXX Labs, Inc. | PAREXEL International |
| Bio-Rad Laboratories, Inc. | Integra Lifesciences Holdings | PerkinElmer Inc. |
| Bruker Corp. | Masimo Corp. | ResMed, Inc. |
| CONMED Corp. | MedAssets, Inc. | STERIS Corp. |
| Hologic, Inc. | Myriad Genetics, Inc. | Thoratec Corp. |
| Wright Medical Group, Inc. | | |

This peer group differs from the peer group used in the corporate performance graph contained in our annual report on Form 10-K. The Committee believes that the S&P 500 Index and the S&P Health Care Equipment Index contain many companies which are significantly different from our size and scope. The inclusion of these companies could have the effect of distorting the Committee's understanding of the market for executive talent. As a result, the Committee has used a more targeted sampling of companies that are closer to our size and scope.

Evaluating Executive Performance

Consistent with the annual review period of the broader organization, executive performance is reviewed by the Compensation Committee in July. The Chief Executive Officer provides a performance rating to the Committee for each executive, other than himself, and a merit increase recommendation, where appropriate. For the Chief Executive Officer, the Board's Chairman gathers input from all Board members and completes an assessment of the Chief Executive Officer's performance and makes recommendations for the Committee's consideration relative to Chief Executive Officer's compensation.

In either case, the performance analysis includes an assessment of (i) achievement of individual and Company objectives; (ii) contribution to the Company's short and long-term performance; and (iii) performance against ten corporate leadership competencies:

| | | |
|--------------------|---------------------------|---------------------|
| Change Management | Business Maturity | Strategic Agility |
| Decisiveness | People / Self Development | Interpersonal Savvy |
| Managerial Courage | Global Mindset | Business Acumen |

Results Orientation / Proactive

Haemonetics Share Ownership Program

To strengthen the alignment between the long-term interests of executives and stockholders, the Company maintains a share ownership program. This program covers the Chief Executive Officer, the Executive Council, the Operating Committee, and the Board of Directors. Participants must achieve an ownership level in Haemonetics stock equal to or greater than a value determined by their role at the Company. Compliance must be achieved within five years of becoming a participant in the program. All of our named executive officers are members of the Executive Council and subject to these requirements.

The table below outlines guideline ownership values by organizational role:

| Organizational Role | Multiple of Base Salary | | Multiple of Annual Retainer | |
|-------------------------|-------------------------|---|-----------------------------|---|
| Chairman of the Board | — | | 2.0 | x |
| Non-Employee Directors | — | | 5.0 | x |
| Chief Executive Officer | 4.0 | x | — | |
| Executive Council | 3.0 | x | — | |
| Operating Committee | 2.0 | x | — | |

The value of owned shares and vested "in the money" stock options are used in satisfying the ownership requirement. As of the Compensation Committee's annual compliance assessment in July 2013, all named executive officers and Directors were compliant with the program.

Equity Grant Practices

All equity grants are determined and delivered in accordance with a formal policy. The policy describes the award determination, the process utilized to gain approval for awards and award timing. Annual grant dates and all other grants are aligned with the date on which the Committee approves the grants and grant timing is in accordance with the policy as described below.

Determination of Option Grant Prices

The price of options is always the average of the high and low trading prices on the date of grant, in accordance with our 2005 Long-Term Incentive Compensation Plan.

Timing of Regular Equity Grants

Annual equity grants are reviewed, approved, and granted by the Compensation Committee at the October meeting. New-hire grants are approved throughout the fiscal year at the regularly scheduled quarterly Compensation Committee meeting following the employee's date of hire. While not common, grants may be awarded at a regularly scheduled Committee meeting to recognize and reward individual performance. Long-term incentive grants are never timed to correlate with specific business events. The Committee does not delegate approval of new grants to management.

Employment Agreements

In general, we do not provide employment agreements to members of senior management in the U.S. other than the agreements covering change in control. We may occasionally make exceptions to this practice in the case of acquisitions or to be consistent with prevailing local labor practices outside the U.S. None of our named executive officers for fiscal 2014 is covered by an employment agreement, although each has an agreement covering change in control.

See "Potential Payments upon Termination or Change-in-Control" for additional information.

IMPACT OF TAX AND ACCOUNTING ON COMPENSATION

Deductibility of Compensation

Internal Revenue Code Section 162(m) limits the amount the Company can deduct for non-performance based compensation to \$1,000,000 for those named executive officers listed in the Summary Compensation Table other than the Chief Financial Officer. In fiscal 2014, all compensation paid to such officers except \$549,196 was deductible. Although the Company has not adopted a formal policy, the Compensation Committee generally seeks to compensate the executive team with payments that are deductible under the Internal Revenue Code. However, the Compensation Committee retains the ability to grant awards that do not meet the deductibility requirements.

Stock-Based Compensation Expense

The Company began recognizing stock-based compensation expense under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718 beginning in April, 2006. In determining the appropriate fiscal 2014 long-term incentive grant levels, the Company sought to balance its long-term incentive goals with the need to reduce stockholder dilution and manage stock compensation expense. To strike this balance the Committee analyzes stock compensation expense as a percentage of revenue and its impact on earnings, and basic and diluted earnings per share.

Recapture Provision

To further align the executive compensation program with the interests of stockholders and our culture of ethical behavior, there is a recapture provision in the annual incentive plan. Under this provision, if the Company is required to make an accounting restatement due to a material non-compliance with any financial reporting requirement under the securities laws as a result of misconduct or if an employee's actions violate the Haemonetics Code of Business Conduct, executives would be required to return any annual incentive payment to the extent permitted by governing law, to the degree that such payment was based on the achievement of financial results which were adjusted in the restatement.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee of the Board of Directors of Haemonetics Company has reviewed and discussed with management the Compensation Discussion and Analysis contained in this Proxy Statement and, based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and in the Company's Annual Report on Form 10-K for the fiscal year ended March 29, 2014 for filing with the Securities and Exchange Commission.

THE COMPENSATION COMMITTEE

Pedro P. Granadillo, Chairman

Paul Black

Susan Bartlett Foote

Ronald L. Merriman

EXECUTIVE COMPENSATION

The following table summarizes the compensation of the named executive officers for the fiscal years ended March 31, 2012, March 30, 2013, and March 29, 2014. The named executive officers are the Company's Chief Executive Officer, Chief Financial Officer, and the three other most highly compensated executive officers ranked by their total compensation in the table below.

Summary Compensation Table

| Name and Principal Position | Year | Salary | Bonus | Stock Awards | Option Awards | Non-Equity Incentive Plan Compensation | Non-Qualified Deferred Compensation Earnings | All Other Compensation | Total |
|-----------------------------|------|--------|----------|--------------|---------------|--|--|------------------------|-------|
| Brian Concannon | | (\$) | (\$) (1) | (\$) (2) | (\$) (2) | (\$) | (\$) (3) | (\$) (4) | |