

UTAH MEDICAL PRODUCTS INC
Form DEF 14A
April 05, 2019

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

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

Solicitation Material Under Rule 14a-12

Utah Medical Products, Inc.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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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:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

March 8, 2019

Dear UTMD Stockholder:

You are cordially invited to attend the 2019 Annual Meeting of Stockholders of Utah Medical Products, Inc. (UTMD). The meeting will be held promptly at 12:00 noon (Mountain time), on Friday, May 3, 2019 at the corporate offices of UTMD, 7043 South 300 West, Midvale, Utah USA. Please use the North Entrance.

Please note that attendance at the Annual Meeting will be limited to stockholders as of the record date (or their authorized representatives) and guests of the Company. Proof of ownership can be a copy of the enclosed proxy card. You may wish to refer to page one of this Proxy Statement for information about voting your proxy, including voting at the Annual Meeting.

At the Annual Meeting, we seek the approval of UTMD stockholders in electing one director and ratifying the selection of an independent accounting firm. In an advisory vote, we are also asking UTMD stockholders to approve UTMD's executive compensation program. If you think you will be unable to attend the meeting, please complete your proxy and return it as soon as possible. If you decide later to attend the meeting, you may revoke the proxy and vote in person.

You have several options for obtaining UTMD's public announcements and other disclosures including financial information, such as SEC Forms 10-K and 10-Q. You can be added to the Company email or regular mail lists by contacting Crystal Rios with your email or mailing address, by sending an instruction letter to the corporate address, by calling (801-569-4109) with instructions, or by e-mailing your contact information to info@utahmed.com. As an alternative, you can view and print Company financial and other information directly from UTMD's website; <http://www.utahmed.com>.

Thank you for your ownership in UTMD!

Sincerely
Kevin L. Cornwell
Chairman & CEO

UTAH MEDICAL PRODUCTS, INC.
7043 South 300 West
Midvale, Utah 84047
(801) 566-1200

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD MAY 3, 2019

TO THE STOCKHOLDERS OF UTAH MEDICAL PRODUCTS, INC.

The Annual Meeting of Stockholders (the "Annual Meeting") of UTAH MEDICAL PRODUCTS, INC. (the "Company" or "UTMD"), will be held at the corporate offices of the Company, 7043 South 300 West, Midvale, Utah, on May 3, 2019, at 12:00 noon local time, for the following purposes:

- (1) To elect one director to serve a term expiring at the 2022 Annual Meeting and until a successor is elected and qualified;
- (2) To ratify the selection of Haynie & Company as the Company's independent public accounting firm for the year ending December 31, 2019; and
- (3) To hold an advisory vote on the Company's executive compensation program.

UTMD's Board of Directors recommends a vote "FOR" the nominated director, whose background is described in the accompanying Proxy Statement, "FOR" the ratification of Haynie & Company and in support of the Company's executive compensation program.

Only stockholders of record at the close of business on March 1, 2019 (the "Record Date"), are entitled to notice of and to vote at the Annual Meeting.

This Proxy Statement and form of proxy are being first furnished to stockholders of the Company on approximately April 2, 2019.

THE ATTENDANCE AT AND/OR VOTE OF EACH STOCKHOLDER AT THE ANNUAL MEETING IS IMPORTANT, AND EACH STOCKHOLDER IS ENCOURAGED TO ATTEND.

BY ORDER OF THE BOARD OF DIRECTORS

Kevin L. Cornwell, Secretary

Salt Lake City, Utah
Dated: March 8, 2019

PLEASE PROMPTLY FILL IN, SIGN, DATE AND RETURN THE ENCLOSED PROXY, WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING.

If your shares are held in the name of a third party brokerage firm, nominee, or other institution, only that third party can vote your shares. In that case, please promptly contact the third party responsible for your account and give instructions how your shares should be voted.

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UTAH MEDICAL PRODUCTS, INC.
PROXY STATEMENT

This Proxy Statement is furnished to stockholders of UTAH MEDICAL PRODUCTS, INC. (the “Company” or “UTMD”) in connection with the Annual Meeting of Stockholders (the “Annual Meeting”) to be held at the corporate offices of the Company, 7043 South 300 West, Midvale, Utah, on May 3, 2019 at 12:00 noon local time, and any postponement or adjournment(s) thereof. The enclosed proxy, when properly executed and returned in a timely manner, will be voted at the Annual Meeting in accordance with the directions set forth thereon. If the enclosed proxy is signed and timely returned without specific instructions, it will be voted at the Annual Meeting:

- (1) FOR the election of Dr. Barbara A. Payne as director;
- (2) FOR the ratification of Haynie & Company as the Company’s independent registered public accounting firm; and
- (3) IN support of the Company’s executive compensation program.

The Board of Directors has approved proposals 1-3 and recommends that the stockholders vote in favor of those proposals. Proxies solicited by the Company will be voted FOR proposals 1-3 unless a vote against, or an abstention from, one or more of the proposals is specifically indicated on the proxy.

A proxy for the Annual Meeting is enclosed. It is important that each stockholder complete, sign, date and return the enclosed proxy promptly, whether or not she/he plans to attend the Annual Meeting. Any stockholder who executes and delivers a proxy has the right to revoke it at any time prior to its exercise by providing the Secretary of the Company with an instrument revoking the proxy or by providing the Secretary of the Company with a duly executed proxy bearing a later date. In addition, a stockholder may revoke her/his proxy by attending the Annual Meeting and electing to vote in person.

Proxies are being solicited by the Company. All costs and expenses incurred in connection with the solicitation will be paid by the Company. Proxies are being solicited by mail, but in certain circumstances, officers and directors of the Company may make further solicitation in person, by telephone, email, facsimile transmission, telegraph or overnight courier.

Only holders of the 3,722,610 shares of common stock, par value \$0.01 per share, of the Company (the “Common Stock”) issued and outstanding as of the close of business on March 1, 2019 (the “Record Date”), will be entitled to vote at the Annual Meeting. Each share of Common Stock is entitled to one vote. Holders of at least a majority of the 3,722,610 shares of Common Stock outstanding on the Record Date must be represented at the Annual Meeting to constitute a quorum for conducting business.

All properly executed and returned proxies, as well as shares represented in person at the meeting, will be counted for purposes of determining if a quorum is present, whether or not the proxies are instructed to abstain from voting or consist of broker non-votes. Under the Utah Revised Business Corporation Act, matters other than the election of directors and certain specified extraordinary matters are approved if the number of votes cast FOR exceed the number of votes cast AGAINST. Directors are elected by a plurality of the votes cast. Abstentions and broker non-votes are not counted for purposes of determining whether a matter has been approved or a director has been elected.

Executive officers and directors holding an aggregate of 271,116 shares, or approximately 7% of the issued and outstanding stock have indicated their intent to vote in favor of proposals 1-3.

PROPOSAL NO. 1. ELECTION OF DIRECTORS

General

The Company's Articles of Incorporation provide that the Board of Directors is divided into three classes as nearly equal in size as possible, with the term of each director being three years and until such director's successor is elected and qualified. One class of the Board of Directors shall be elected each year at the annual meeting of the stockholders of the Company. The Board of Directors has nominated Dr. Barbara A. Payne for reelection as director, for a three-year term expiring at the 2022 Annual Meeting. The seat up for election is uncontested, i.e. no other nominees have been submitted. Under UTMD's Bylaws, the nominee will be elected by a plurality of votes cast. Since there are no other nominees, as a practical matter, one FOR vote will elect the director. However, under a policy adopted in 2018, any nominee for the board of directors receiving less than a majority of the votes cast in an uncontested election shall submit her or his resignation to the board of directors, which shall accept or decline to accept that resignation in its sole discretion.

It is intended that votes will be cast, pursuant to authority granted by the enclosed proxy, for the election of the nominee named above as a director of the Company, except as otherwise specified in the proxy. In the event a nominee shall be unable to serve, votes will be cast, pursuant to authority granted by the enclosed proxy, for such other person as may be designated by the Board of Directors. The officers of the Company are elected to serve at the pleasure of the Board of Directors. The information concerning the nominees and other directors and their security holdings has been furnished by them to the Company. (See "PRINCIPAL STOCKHOLDERS" below.)

Directors and Nominees

The Board of Directors' nominee for election as director of the Company at the Annual Meeting is Barbara A. Payne. Other members of the Board of Directors were elected at the Company's 2017 and 2018 meetings for terms of three years, and therefore, are not standing for election at the Annual Meeting. The terms of Mr. Hoyer and Dr. Beeson expire at the 2020 Annual Meeting, the terms of Mr. Cornwell and Mr. Richins expire at the 2021 Annual Meeting. The Board of Directors has determined that Dr. Payne, Mr. Hoyer and Dr. Beeson are independent directors within the meaning of NASD Rule 5600(a)(2). None of the directors has served on the board of another public company during the past five years. None of the directors has been a party in a legal proceeding during the past ten years related to securities, financial institutions, or fraud in connection with any business entity or agency or organization, as defined in the Exchange Act that has disciplinary authority over its members. Background information appears below with respect to the incumbent directors whose terms have not expired, as well as the director standing for reelection to the Board.

Name	Age	Year First Elected	Business Experience during Past Five Years and Other Information
Kevin L. Cornwell	72	1993	Chairman of UTMD since 1996. President and CEO since December 1992. Secretary since 1993. Has served in various senior operating management positions in several technology-based companies over a 40-year time span, including as a director on seven other company boards. Received B.S. degree in Chemical Engineering from Stanford University, M.S. degree in Management Science from the Stanford Graduate School of Engineering, and MBA degree specializing in Finance and Operations Management from the Stanford Graduate School of Business. Among other personal and professional attributes, the board considers Mr. Cornwell's decades of strategic and operational experience in the medical device industry and the Company's many years of success and profitability under his guidance to be key reasons why he should continue as a member of the board.
Ernst G. Hoyer	81	1996	Retired. Chairman of the Audit Committee. Served fifteen years as General Manager of Petersen Precision Engineering Company, Redwood City, CA. Previously served in engineering and general management positions for four technology-based companies over a 35-year time span. Received B.S. degree in process engineering from the University of California, Berkeley, and MBA degree from the University of Santa Clara. Among other personal and professional attributes, the board considers Mr. Hoyer's experience with and understanding of manufacturing operations, along with his financial and accounting expertise, to be key reasons why he should continue as a member of the board.
Barbara A. Payne	72	1997	Retired. Served over eighteen years as corporate research scientist for a Fortune 50 firm, as an environmental scientist at a national laboratory and as a consulting environmental sociologist. Received B.A. degree in psychology from Stanford University, M.A. degree from Cornell University, and M.A. and Ph.D. degrees in sociology from Stanford University. Among other personal and professional attributes, the board considers Dr. Payne's experience with and understanding of scientific research, her expertise in helping develop organizational excellence and her understanding of UTMD to be key reasons why she should continue as a member of the board.
James H. Beeson	77	2007	Retired. Maternal-Fetal Medicine Physician, St. Joseph Medical Center, Houston, Texas. Professor of Maternal-Fetal Medicine at the McGovern Medical School at the University of Texas Health Science Center at Houston. Received B.S. degree in Chemistry from Indiana University, Ph.D. degree in Organic Chemistry from M.I.T., MBA from Michigan State University, and MD from the University of Chicago Pritzker School of Medicine. Served four year residency in Ob/Gyn at Chicago Lying-In Hospital, a fellowship in maternal-fetal medicine at the University of Utah and has actively practiced Obstetrics and Gynecology for over 35 years. Currently licensed to practice medicine in the states of Utah, Oklahoma and Texas. Has published numerous articles and other technical papers. Has industrial experience in product development of in vitro diagnostics at the Ames Company division of Miles Laboratory (now Bayer). Among other personal and professional attributes, the board considers Dr. Beeson's experience as an Ob/Gyn physician as well as his general understanding of clinical practice and healthcare delivery to be key reasons why he should continue as a member of the board.
Paul O. Richins	58	1998	Retired. Chief Administrative Officer of UTMD from 1997 to 2018. UTMD Treasurer and Assistant Secretary from 1994 to 2018. Received B.S. degree in finance from Weber State

University, and MBA degree from Pepperdine University. Among other personal and professional attributes, the board considers Mr. Richins' twenty-eight years of experience with the Company and his successful tenure as Principal Financial Officer and Manager of Stockholder Relations to be key reasons he should continue as a member of the board.

Code of Ethics

The Company has adopted a Code of Ethics specifically for its Board of Directors. The Company also has a Code of Conduct that applies to all of its employees, including its named executive officers, principal financial officer and Board of Directors. The Code of Ethics and Code of Conduct are available on the Company's website, www.utahmed.com.

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SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN PERSONS

The following table furnishes information concerning the ownership of the Company's Common Stock as of March 1, 2019, by the directors, the nominees for director, the executive officers named in the compensation tables on page 5, all directors and executive officers as a group, and those known by the Company to own beneficially more than 5% of the Company's outstanding Common Stock as of December 31, 2018.

<u>Name</u>	<u>Nature of Ownership</u>	Number of Shares Owned	Percent
Principal Stockholders			
FMR LLC 245 Summer Street Boston, Massachusetts 02210	Direct	477,007	12.8 %
T. Rowe Price Associates, Inc. 100 East Pratt Street Baltimore, Maryland 21202-1009	Direct	292,592	7.9 %
Renaissance Technologies LLC 800 Third Ave New York, New York 10022	Direct	239,214	6.4 %
Lazard Asset Management LLC 30 Rockefeller Plaza New York, NY 10112	Direct	187,162	5.0 %
<u>Directors and Executive Officers</u>			
Kevin L. Cornwell (1)	Direct	202,992	5.5 %
Ernst G. Hoyer (1)(2)(3)(4)	Direct	10,000	0.3 %
Barbara A. Payne (2)(3)(4)	Direct		