

ABIOMED INC  
Form DEF 14A  
July 02, 2015

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**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

**ABIOMED, INC.**

(Name of Registrant as Specified In Its Charter)

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

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**ABIOMED, Inc.**

**22 Cherry Hill Drive**

**Danvers, Massachusetts 01923**

**Notice of Annual Meeting of Stockholders**

**To Be Held on August 12, 2015**

The Annual Meeting of Stockholders of ABIOMED, Inc. (the Company) will be held on August 12, 2015 at 8:00 a.m. at the Mandarin Oriental, 776 Boylston Street, Boston, Massachusetts, for the following purposes:

1. To elect two Class II directors to our Board of Directors to serve for three year terms extending until the 2018 Annual Meeting of stockholders and their successors are duly elected and qualified;
2. To hold an advisory vote on executive compensation;
3. To approve the 2015 Omnibus Incentive Plan;
4. To ratify the appointment of our independent registered public accounting firm for the fiscal year ending March 31, 2016; and
5. To consider and act upon any other matter which may properly come before the Annual Meeting or any adjourned session thereof. Our Board of Directors has fixed the close of business on June 26, 2015 as the record date for determining the stockholders entitled to notice of, and to vote at, the Annual Meeting. Accordingly, only stockholders of record at the close of business on June 26, 2015 will be entitled to vote at the Annual Meeting or any adjournments thereof.

By order of the Board of Directors

/s/ Stephen C. McEvoy  
Stephen C. McEvoy, Secretary

Boston, Massachusetts

July 2, 2015

**This proxy statement and the form of proxy are first being sent or given to stockholders on or about**

**July 10, 2015 pursuant to rules adopted by the U.S. Securities and Exchange Commission.**

**YOUR VOTE IS IMPORTANT**

TO ASSURE YOUR REPRESENTATION AT THE MEETING, YOU ARE URGED TO VOTE, SIGN, DATE AND RETURN THE ENCLOSED PROXY AS PROMPTLY AS POSSIBLE IN THE POSTAGE-PAID ENVELOPE ENCLOSED FOR THAT PURPOSE. EVEN IF YOU HAVE GIVEN YOUR PROXY, THE PROXY MAY BE REVOKED AT ANY TIME PRIOR TO EXERCISE BY FILING WITH OUR SECRETARY A WRITTEN REVOCATION, BY EXECUTING A PROXY WITH A LATER DATE, OR BY ATTENDING AND VOTING AT THE MEETING.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS  
FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON AUGUST 12, 2015:**

**The Proxy Statement and 2015 Annual Report to Stockholders**

are available at <http://www.abiomed.com/proxy>.

**ABIOMED, Inc.**

**PROXY STATEMENT**

**FOR THE ANNUAL MEETING OF STOCKHOLDERS**

**To be held on August 12, 2015**

This proxy statement is furnished in connection with the solicitation of proxies by and on behalf of our Board of Directors for use at our Annual Meeting of Stockholders to be held at the Mandarin Oriental, 776 Boylston Street, Boston, Massachusetts on August 12, 2015 and at any adjournment or adjournments thereof. We are a Delaware corporation and our principal executive offices are located at 22 Cherry Hill Drive, Danvers, Massachusetts 01923.

We will bear any cost of solicitation. Some of our officers and employees may solicit proxies by correspondence, telephone or in person, without extra compensation. We may also pay to banks, brokers, nominees and other fiduciaries their reasonable charges and expenses incurred in forwarding proxy material to their principals. It is expected that this proxy statement and the accompanying proxy will be mailed to our stockholders on or about July 10, 2015.

We have fixed the close of business on June 26, 2015 as the record date for the Annual Meeting. Only stockholders of record at the close of business on the record date will be entitled to receive notice of, and to vote at, the Annual Meeting. As of June 26, 2015, there were outstanding and entitled to vote 42,053,038 shares of our common stock, \$.01 par value per share. Our by-laws require that a majority in interest of all stock issued, outstanding and entitled to vote at a meeting shall constitute a quorum. Abstentions and broker non-votes will be counted as present or represented for purposes of determining the existence of a quorum. A non-vote occurs when a broker or nominee holding shares for a beneficial owner does not vote on a proposal because the broker or nominee does not have discretionary voting power and has not received instructions from the beneficial owner.

Proposal No. 1 (election of directors) requires the affirmative vote of a plurality of the votes cast by holders of our common stock entitled to vote thereon, provided that a quorum is present. However, we have adopted a majority voting policy that is applicable in uncontested elections of directors. This means that the plurality standard will determine whether a director nominee is elected, but our majority voting policy will further require that the number of votes cast for a director must exceed the number of votes withheld from the director or the director must submit his or her resignation. The Governance and Nominating Committee would then consider whether to recommend that the Board accept or reject the resignation. See Corporate Governance Majorities Voting and Director Resignations below for additional details.

Proposal No. 2 (the advisory vote on executive compensation), Proposal No. 3 (the adoption of our 2015 Omnibus Incentive Plan), and Proposal No. 4 (ratification of the appointment of our independent registered public accounting firm) each requires the affirmative vote of a majority of the votes cast by holders of our common stock entitled to vote thereon, provided that a quorum is present. Abstentions and broker non-votes will not be included in calculating the number of votes cast on Proposal No. 2, Proposal No. 3, or Proposal No. 4. Votes will be tabulated by American Stock Transfer & Trust Company, our transfer agent.

**THE ENCLOSED PROXY, IF EXECUTED AND RETURNED, WILL BE VOTED AS DIRECTED ON THE PROXY OR, IN THE ABSENCE OF SUCH DIRECTION, FOR THE NOMINEES FOR DIRECTOR (PROPOSAL NO. 1), FOR THE APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS (PROPOSAL NO. 2), FOR THE APPROVAL OF THE 2015 OMNIBUS INCENTIVE PLAN (PROPOSAL NO. 3), AND FOR THE RATIFICATION OF THE APPOINTMENT OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (PROPOSAL NO. 4). IF ANY OTHER MATTERS PROPERLY COME BEFORE THE MEETING, THE SHARES REPRESENTED BY THE PROXY WILL BE VOTED BY THE HOLDERS OF THE PROXIES IN ACCORDANCE WITH THEIR BEST JUDGMENT. THE PROXY MAY BE REVOKED AT ANY TIME PRIOR TO EXERCISE BY FILING WITH OUR SECRETARY A WRITTEN REVOCATION, BY EXECUTING A PROXY WITH A LATER DATE, OR BY ATTENDING AND VOTING AT THE MEETING.**

Our annual report to stockholders for the fiscal year ended March 31, 2015, including financial statements audited by Deloitte & Touche LLP, our independent registered public accounting firm, is being sent to each of our stockholders simultaneously with this proxy statement. The notice of Annual Meeting, this proxy statement, and our 2015 annual report to stockholders are also available on the internet at <http://www.abiomed.com/proxy>. This web site does not use cookies to track or identify visitors to the web site. Directions to the Annual Meeting are available on the Internet at <http://www.mandarinoriental.com/boston/hotel/hotel-directions/>.

**PROPOSAL NO. 1**

**ELECTION OF DIRECTORS**

Our Board of Directors currently consists of eight directors and is divided into three classes. We refer to these classes as Class I, Class II and Class III. The term of one class of directors expires each year at the Annual Meeting of Stockholders. Each director also continues to serve as a director until his or her successor is duly elected and qualified. This year, the term of the Class II directors is expiring.

Our Board of Directors has nominated Dr. Eric A. Rose and Mr. Henri A. Termeer, each to serve as a Class II director for a three year term, until the 2018 Annual Meeting of Stockholders, and until his successor has been duly elected and qualified.

Each of these nominees is currently serving on our Board of Directors. Mr. Henri A. Termeer was most recently elected by our stockholders as a Class II director at our Annual Meeting of Stockholders in August 2012. Dr. Eric A. Rose was appointed by the Board of Directors as a Class II director on August 13, 2014. The current term of each of Mr. Henri A. Termeer and Dr. Eric A. Rose is scheduled to expire at the upcoming Annual Meeting. See [Executive Officers and Directors](#) for further information about Mr. Henri A. Termeer and Dr. Eric A. Rose.

If any nominee at the time of the Annual Meeting is unable or unwilling to serve or is otherwise unavailable for election, and our Board of Directors designates another nominee, the persons named as proxies will vote the proxy for such substitute, if any. Our Board of Directors has no reason to believe that either of the proposed nominees will be unable or unwilling to serve. The proposed nominees are not being nominated pursuant to any arrangement or understanding with any person.

**Our Board of Directors recommends that you vote FOR the election of Dr. Eric A. Rose and Mr. Henri A. Termeer.**



**PROPOSAL NO. 2**

**ADVISORY VOTE ON EXECUTIVE COMPENSATION**

The Dodd-Frank Wall Street Reform and Consumer Protection Act, which was enacted in July 2010, requires that we provide our stockholders with the opportunity to vote to approve, on a non-binding, advisory basis, the compensation of our named executive officers as disclosed in this proxy statement. We refer to this non-binding advisory vote as the *say on pay* vote. Although this vote is not binding on us, we value the opinion of our stockholders and will carefully consider the outcome of the vote as we make future decisions on executive compensation.

We will hold a non-binding, advisory vote of our stockholders on the compensation of our named executive officers every year until the next required stockholder vote on the frequency of such advisory vote. The next stockholder vote on the frequency of such advisory vote currently is expected to be held at the Annual Meeting of stockholders in August 2017.

As described under the heading *Executive Compensation*, our compensation programs are designed to attract and retain our executive officers by offering compensation that is competitive with peer organizations. Our compensation consists of a mixture of cash payments and equity incentives which we believe align executive compensation with stockholder objectives. We review our compensation policies annually with the help of compensation consultants to ensure that our policies meet market expectations and are fair. We encourage you to carefully review the compensation discussion and analysis in this proxy statement for a discussion of the factors underlying the structure of our executive compensation program.

We are asking you to indicate your support for the compensation of our named executive officers as described in this proxy statement. The vote on this proposal is not intended to address any specific element of compensation but rather relates to the overall compensation of our named executive officers, as described in this proxy statement pursuant to Item 402 of Regulation S-K (including in the compensation discussion and analysis, compensation tables and accompanying narrative disclosures).

Accordingly, as required pursuant to Section 14A of the Securities Exchange Act of 1934, as amended, we ask our stockholders to vote in favor of the following resolution at the Annual Meeting:

RESOLVED, the stockholders of ABIOMED, Inc. APPROVE, on an advisory basis, the compensation paid to the named executive officers, as disclosed in the Company's Proxy Statement for the 2015 Annual Meeting of Stockholders, pursuant to the compensation disclosure rules of the U.S. Securities and Exchange Commission, including the compensation discussion and analysis, the compensation tables and accompanying narrative disclosures.

**Our Board of Directors recommends that you vote FOR the approval of the compensation of our named executive officers, as disclosed in this proxy statement.**

**PROPOSAL NO. 3**

**APPROVAL OF THE 2015 OMNIBUS INCENTIVE PLAN**

We are asking stockholders to approve the adoption of the ABIOMED, Inc. 2015 Omnibus Incentive Plan (the 2015 Plan ), which was approved by the Board of Directors on June 29, 2015, subject to stockholder approval. The 2015 Plan will not become effective unless it is approved by our stockholders.

The Board of Directors believes that equity awards provide an important incentive for our employees, including our executive officers and other key employees, and our directors to remain with the Company, to motivate them to help achieve our corporate objectives, and to align their interests with those of our stockholders. Upon a review of the remaining shares of our common stock available for grant under the ABIOMED, Inc. 2008 Stock Incentive Plan, as amended (the 2008 Plan ), our historic rates of equity award issuances, an analysis of the Company's outstanding equity awards expressed as a percentage of outstanding shares, the burn rate of our peer group companies and the guidelines of proxy advisory firms, and after consultation with Radford, an Aon Hewitt Company a division of Aon Corporation (the Compensation Consultant ), the independent compensation consultant to our Compensation Committee, our Board of Directors decided to approve the 2015 Plan and the share pool authorized for issuance under it, as described below, to ensure that we have sufficient capacity to continue to provide our eligible employees and directors with appropriate equity incentives. In addition, as further described below, the Board of Directors is asking shareholders to approve the 2015 Plan so that we will have the ability, if desired, to grant awards under the plan that are not subject to special tax rules that may limit their deductibility.

The Board of Directors believes that the 2015 Plan will promote the interests of stockholders and is consistent with principles of good corporate governance, including:

*Independent Committee.* The 2015 Plan will be administered by the Compensation Committee, which is composed entirely of independent directors who meet Nasdaq Stock Market standards for independence and who meet the definition of outside directors for purposes of the performance-based compensation exemption under Section 162(m) ( Section 162(m) ) of the Internal Revenue Code of 1986, as amended (the Code ) and non-employee directors under Rule 16b-3(b)(3) of the Securities Exchange Act of 1934, as amended.

*No Discounted Stock Options or SARs.* All stock option and stock appreciation right ( SAR ) awards under the 2015 Plan must have an exercise or base price that is not less than the fair market value of the underlying common stock on the date of grant.

*No Repricing.* Other than in connection with a corporate transaction affecting the Company or certain other events, the 2015 Plan prohibits any repricing of stock options or SARs without obtaining stockholder approval in accordance with the Nasdaq Stock Market requirements.

*Limits on Awards.* The 2015 Plan limits the number of stock options, SARs and other awards that may be granted to plan participants in any fiscal year of the Company and also contains separate limits on the value of awards that may be made to non-employee directors in any fiscal year of the Company.

*Performance Awards.* Under the 2015 Plan, the Compensation Committee may grant performance-based awards intended to qualify as exempt performance-based compensation under Section 162(m), as well as other performance-based awards.

*No Liberal Share Recycling.* Shares underlying stock options and other awards issued under the 2015 Plan will not be recycled into the share pool under the 2015 Plan if they are withheld in payment of the exercise price of the award or to satisfy tax withholding obligations in respect of the award.

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*Fungible Share Design.* Each award granted under the 2015 Plan, other than a stock option or SAR, will be counted against the share pool as 1.70 shares.

*No Single-Trigger Vesting upon a Change of Control.* The 2015 Plan does not provide for the automatic acceleration of equity awards in connection with a change of control unless the awards would be cancelled in the transaction.

## Existing Equity Plan Information

The 2008 Plan is the only current equity incentive plan of the Company under which equity awards may be granted. Equity awards are also outstanding under the Company's 2000 Stock Incentive Plan (the "2000 Plan"), the Company's 1998 Equity Incentive Plan (the "1998 Plan"), and the Company's 1989 Non-Qualified Stock Option Plan for Non-Employee Directors (the "Director Plan" and together with the 2000 Plan and the 1998 Plan, the "Predecessor Plans"), in each case, as amended. No future awards may be granted under the Predecessor Plans.

As of June 26, 2015, the 2008 Plan had 862,632 shares available for grant. Even if the 2015 Plan is approved by our stockholders, we will continue to be able to grant awards under the 2008 Plan in accordance with its terms.

The table below includes aggregated information regarding awards outstanding under 2008 Plan and the Predecessor Plans, the number of shares available for future awards under our 2008 Plan as of June 26, 2015, and the proposed number of shares issuable under the 2015 Plan. We have no equity awards outstanding other than stock options, restricted stock and restricted stock units.

	Number of shares (as of June 26, 2015)	As a percentage of stock outstanding (42,053,038 shares as of June 26, 2015)
Outstanding stock options(1)	2,625,379	6.24%
Outstanding restricted shares and restricted stock units	1,311,061	3.12%
Total shares subject to outstanding awards	3,936,440	9.36%
Total shares available for future awards under 2008 Plan(2)	862,632	2.05%
Proposed shares available for future awards under 2015 Plan(3)	2,000,000	4.76%
Total shares outstanding under existing equity awards and reserved for issuance under 2008 Plan and 2015 Plan	6,799,072	16.17%

- (1) As of June 26, 2015, the weighted average exercise price of our outstanding stock options was \$16.92, and the weighted average remaining term of our outstanding stock options was 5.44 years.
- (2) We will continue to be able to grant awards under our 2008 Plan in accordance with the terms of this plan. For purposes of determining shares available under the 2008 Plan, each share subject to a stock option or SAR will count as one share and each share subject to any other award will count as either 1.5 shares or 1.58 shares, depending on when the award was granted. Because the 2008 Plan does not specify a mix of stock options and SARs as compared with other awards, it is not possible to determine the amount of subsequent dilution that may ultimately result from such awards.
- (3) For purposes of determining shares available under the 2015 Plan, each share subject to a stock option or SAR will count as one share and each share subject to any other award will count as 1.70 shares. Because the 2015 Plan does not specify a mix of stock options and SARs as compared with other awards, it is not possible to determine the amount of subsequent dilution that may ultimately result from such awards. Other share-counting provisions, including adjustments to the numbers of shares available under the 2015 Plan upon forfeitures of awards, are described below under "Authorized Shares."

Certain information with respect to all our equity compensation plans in effect as of March 31, 2015 is provided on page 38 under the heading "Executive Compensation - Equity Compensation Plans."

## Reasons for Seeking Stockholder Approval

Our Board of Directors believes that equity awards are an important part of the Company's compensation program. Stockholder approval of the 2015 Plan would allow us to continue to attract and retain directors, executives, and other key employees with equity incentives. In fiscal 2013, 2014 and 2015, the Company made equity awards under its existing equity incentive plans totaling approximately 767,000 shares, 906,000 shares, and 996,000

shares, respectively. Based on the advice of the Compensation Consultant, and the Company's review of our historical rates of equity award issuances, the Company estimates that the availability of 2,000,000 shares would provide a sufficient additional number of shares to enable the Company to continue to make awards at historical average annual rates for approximately the next two to three years.

In addition, stockholder approval of the 2015 Plan would preserve our ability to provide performance-based compensation under the 2015 Plan that is exempt from the deduction limitations under Section 162(m). Section 162(m) generally provides that compensation provided by a publicly held corporation to its covered employees (the corporation's chief executive officer or any of its three most highly paid named executive officers (other than its chief executive officer or chief financial officer)) is not deductible by the corporation for U.S. federal income tax purposes for any taxable year to the extent it exceeds \$1 million. This limitation does not apply to compensation that qualifies as exempt performance-based compensation by meeting certain requirements under Section 162(m), including the requirement that the material terms of the related performance goals be disclosed to and approved by the corporation's stockholders not less frequently than every five years. Under Section 162(m), the material terms include the class of eligible employees, a description of the business criteria on which the performance goals may be based and the maximum amount that can be paid to any participant for a specified period. For the 2015 Plan, these terms are described below under Annual Individual Limits, Eligibility and Performance Criteria. Although stockholder approval is one of the requirements for exemption under Section 162(m), even with stockholder approval, there can be no guarantee that compensation will be treated as exempt performance-based compensation under Section 162(m). Furthermore, the Compensation Committee will continue to have authority to continue to provide compensation that is not exempt from the limits on deductibility under Section 162(m).

If the 2015 Plan is not approved at the Annual Meeting, the 2015 Plan will not be effective. The Company, however, can continue to make awards under the 2008 Plan, but we will have limited shares available for future equity awards.

#### **Summary of the Material Terms of the 2015 Plan**

A copy of the 2015 Plan is attached as Appendix A to this proxy statement, and we urge stockholders to read it in its entirety. The following description of certain features of the 2015 Plan is qualified in its entirety by reference to the full text of the 2015 Plan.

*Plan Administration.* The 2015 Plan is administered by the Compensation Committee, which has the authority to, among other things, interpret the 2015 Plan, determine eligibility for, grant and determine, modify or waive the terms and conditions of awards under the 2015 Plan, and to do all things necessary or appropriate to carry out the purposes of the 2015 Plan. The Compensation Committee's determinations under the 2015 Plan are conclusive and binding. The Compensation Committee may delegate certain of its duties, powers and responsibilities as it deems appropriate to one or more of its members, the Company's officers or employees.

*Term.* No awards will be made after the tenth anniversary of the 2015 Plan's approval by our stockholders or Board of Directors, whichever is earlier, but previously granted awards may continue beyond that date in accordance with their terms.

*Authorized Shares.* Subject to adjustment, the maximum number of shares of our common stock that may be delivered in satisfaction of awards under the 2015 Plan (the Share Pool) will be 2,000,000 shares. Any shares underlying awards that are settled in cash or that expire, become unexercisable, terminate or are forfeited or repurchased by the Company due to failure to vest will become available for re-issuance under the 2015 Plan. Shares of our common stock that are withheld from a stock option or other award in payment of the exercise price or in satisfaction of the tax withholding obligations will not be available for re-issuance under the 2015 Plan. In addition, the total number of shares covered by a SAR (or portion thereof) that is settled in stock will not be available for reissuance under the 2015 Plan. Each share subject to a stock option or SAR will count against the

Share Pool as one share of stock and each share subject to an award other than a stock option or SAR will count against the Share Pool as 1.70 shares of stock. Any shares that become available for re-issuance under the 2015 Plan will be returned to the Share Pool at the rates described in the preceding sentence. Shares delivered under the 2015 Plan may be authorized but unissued shares or previously issued shares of our common stock acquired by us.

*Annual Individual Limits.* The maximum number of shares for which stock options may be granted to any person in any fiscal year is 750,000 shares. The maximum number of shares for which SARs may be granted to any person in any fiscal year is 750,000 shares. The maximum number of shares subject to other awards that may be granted to any person in any fiscal year is 500,000 shares. The maximum amount that may be payable to any employee in any fiscal year in respect of any cash award is \$3,000,000.

*Annual Non-Employee Director Limits.* The maximum grant date fair value of awards under the 2015 Plan that may be granted to any non-employee director of our Board of Directors in any fiscal year may not exceed \$800,000. This limit does not apply to any award or shares of stock granted pursuant to a director's election to receive an award or shares in lieu of cash retainers or other fees.

*Eligibility.* The Compensation Committee selects participants from among the key employees and directors of, consultants and advisors to, the Company and its affiliates. Eligibility for stock options intended to be incentive stock options ( ISOs ) and cash awards is limited to employees of the Company and certain affiliates. As of June 15, 2015, approximately 605 employees, 8 directors and 150 consultants and advisors would be eligible to participate in the 2015 Plan. In fiscal 2015, only employees and directors were granted awards under the 2008 Plan. On June 15, 2015, the closing price of a share of our common stock was \$65.02.

*Types of Awards.* The 2015 Plan provides for grants of stock options, SARs, restricted and unrestricted stock and stock units, performance awards, other awards convertible into or otherwise based on shares of our stock and cash awards. Dividend equivalents may also be provided in connection with awards under the 2015 Plan. Awards may be settled in shares of our common stock, cash, property, other awards or a combination thereof.

*Stock Options and SARs:* The 2015 Plan provides for the grant of ISOs, non-qualified stock options ( NSOs ), and SARs. The exercise price of an option, and the base price against which a SAR is to be measured, may not be less than the fair market value (or, in the case of an ISO granted to a ten percent stockholder, 110% of the fair market value) of a share of our common stock on the date of grant. The Compensation Committee determines when stock options or SARs become exercisable and the terms on which such awards remain exercisable. Stock options and SARs may have a maximum term of no more than ten years from the date of grant (or five years from the date of grant in the case of an ISO granted to a ten percent shareholder).

*Restricted and Unrestricted Stock:* A restricted stock award is an award of our common stock subject to restrictions requiring that it be redelivered or offered for sale to the Company if specified conditions are not met, while an unrestricted stock award is not subject to restrictions.

*Stock Units:* A stock unit award is an unfunded and unsecured promise, denominated in shares of our common stock, and entitles the participant to receive stock or cash measured by the value of the shares in the future. The delivery of common stock or cash under a stock unit may be subject to the satisfaction of performance or other vesting conditions.

*Performance Awards:* A performance share award is an award the vesting, settlement or exercisability of which is subject to specified performance criteria.

*Cash Awards:* A cash award is an award denominated in cash.

*Vesting.* The Compensation Committee has the authority to determine the vesting schedule applicable to each award, and to accelerate the vesting or exercisability of any award.

*Termination of Employment or Service.* The Compensation Committee determines the effect of termination of employment or service on an award. Unless otherwise provided by the Compensation Committee, upon a termination of employment or service all unvested stock options and other unvested awards will be forfeited and all vested stock options and SARs will remain exercisable for the lesser of the remaining term of the award and 180 days in the case of a termination due to death or disability or 90 days in the case of termination of employment or service for any other reason.

*Performance Criteria.* The 2015 Plan provides that grants of performance share awards may be made subject to achieving performance criteria over a specified performance period. Performance criteria with respect to those awards that are intended to qualify as performance-based compensation for purposes of Section 162(m) are limited to an objectively determinable measure of performance relating to any, or any combination of, the following (measured either absolutely or by reference to an index or indices or the performance of one or more companies and determined either on a consolidated basis or, as the context permits, on a divisional, subsidiary, line of business, project or geographical basis or in combinations thereof): sales; revenues; assets; expenses; earnings before or after deduction for all or any portion of interest, taxes, depreciation, amortization or equity expense, whether or not on a continuing operations or an aggregate or per share basis; return on equity, investment, capital, capital employed or assets; one or more operating ratios; operating income or profit, including on an after tax basis; borrowing levels, leverage ratios or credit rating; market share; capital expenditures; research and development expenditures; cash flow; margins; stock price; stockholder return; sales of particular products or services; product launches; new drug applications submitted; regulatory approvals; clinical trials; patent filings; customer acquisition or retention; acquisitions and divestitures (in whole or in part); joint ventures and strategic alliances; spin-offs, split-ups and the like; reorganizations; or recapitalizations, restructurings, financings (issuance of debt or equity) or refinancings.

A performance criterion and any targets with respect thereto need not be based upon an increase, a positive or improved result or avoidance of loss. To the extent consistent with the requirements for satisfying the performance-based compensation exception under Section 162(m), the Compensation Committee may provide, in the case of any award intended to qualify for such exception that one or more of the performance criteria applicable to an award will be adjusted in an objectively determinable manner to reflect events (for example, the impact of charges for restructurings, discontinued operations, mergers, acquisitions, other unusual or infrequently occurring items and the cumulative effects of tax or accounting changes, each as defined by U.S. generally accepted accounting principles) occurring during the performance period of such award that affect the applicable performance criteria.

*Transferability.* Awards under the 2015 Plan generally may not be transferred except by will or by the laws of descent and distribution. The Compensation Committee may permit the gratuitous transfer of awards other than ISOs.

*Corporate Transactions.* In the event of a consolidation, merger or similar transaction or series of related transactions, a sale or transfer of all or substantially all of the Company's assets or a dissolution or liquidation of the Company (each, a Covered Transaction), the Compensation Committee may, among other things, provide for the continuation or assumption of outstanding awards, for new grants in substitution of outstanding awards, for the accelerated vesting or delivery of shares of common stock under awards or for a cash out of outstanding awards, in each case on such terms and with such restrictions as it deems appropriate. Except as the Compensation Committee may otherwise determine, awards not assumed will terminate upon the consummation of such Covered Transaction. To the extent an outstanding award is cancelled upon the occurrence of a change of control (as defined in the 2015 Plan), the Compensation Committee will give prior notice of cancellation and accelerate the exercisability and vesting of all such unexercised and unexpired awards so as to allow the holder of such an award to exercise, or be vested in, the award prior to such change of control.

*Adjustment.* In the event of certain corporate transactions (including, but not limited to, a stock dividend, stock split (or reverse stock split) or combination of shares, recapitalization or other change in the Company's

capital structure that constitutes an equity restructuring within the meaning of Financial Accounting Standards Board ( FASB ) ASC Topic 718), the Compensation Committee will make appropriate adjustments to the maximum number of shares that may be delivered under and the individual limits included in the 2015 Plan, and will also make appropriate adjustments to the number and kind of shares of stock or securities subject to awards, the exercise, purchase or prices of such awards or any other terms of awards affected by such change. The Compensation Committee may also make the types of adjustments described above to take into account distributions to stockholders and events other than those listed above if it determines that such adjustments are appropriate to avoid distortion in the operation of the 2015 Plan.

*Recoupment.* Awards, shares and property received under the 2015 Plan are subject to forfeiture, termination and rescission if the participant breaches any noncompetition, nonsolicitation, confidentiality or similar covenant with the Company or in accordance with any Company policy relating to the recovery of erroneously-paid incentive compensation.

*Amendment and Termination.* The Compensation Committee can amend the 2015 Plan or outstanding awards issued under the 2015 Plan, or terminate the 2015 Plan as to future grants of awards, at any time except that the Compensation Committee will not be able alter the terms of an award if it would affect materially and adversely a participant's rights under the award without the participant's consent (unless expressly reserved by the Compensation Committee at the time of grant). Stockholder approval will be required for any amendment to the extent such approval is required by law, including the Code or applicable stock exchange requirements.

### **U.S. Federal Income Tax Consequences under the 2015 Plan**

The following is a summary of some of the material U.S. federal income tax consequences associated with the grant and exercise of awards under the 2015 Plan under current U.S. federal tax laws and certain other tax considerations associated with awards under the 2015 Plan as of the date hereof. The summary does not address tax rates or non-U.S. or U.S. state or local tax consequences, nor does it address employment-tax or other U.S. federal tax consequences, except as noted.

*ISOs.* In general, a participant realizes no taxable income upon the grant or exercise of an ISO. However, the exercise of an ISO may result in an alternative minimum tax liability to the participant. With some exceptions, a disposition of shares purchased under an ISO within two years from the date of grant or within one year after exercise produces ordinary income to the participant (and generally a tax deduction to the Company) equal to the value of the shares at the time of exercise less the exercise price. Any additional gain recognized in the disposition is treated as a capital gain for which the Company is not entitled to a deduction. If the participant does not dispose of the shares until after the expiration of these one- and two-year holding periods, generally any gain or loss recognized upon a subsequent sale is treated as a long-term capital gain or loss for which the Company is not entitled to a deduction.

*NSOs.* In general, a participant has no taxable income upon the grant of an NSO but realizes taxable income in connection with exercise of the option in an amount equal to the excess (at time of exercise) of the fair market value of the shares acquired upon exercise over the exercise price. A corresponding tax deduction is generally available to the Company. Upon a subsequent sale or exchange of the shares, any recognized gain or loss is treated as a capital gain or loss for which the Company is not entitled to a deduction.

*SARs.* The grant of a SAR does not itself result in taxable income to a participant, nor does taxable income result merely because a SAR becomes exercisable. In general, a participant who exercises a SAR for shares of stock or receives payment in cancellation of a SAR will have ordinary income equal to the amount of any cash and the fair market value of any stock or other property received. A corresponding tax deduction is generally available to the Company at that time.

*Restricted Stock.* A participant who is awarded or purchases shares subject to a substantial risk of forfeiture generally does not have taxable income until the risk of forfeiture lapses. When the risk of forfeiture lapses, the



participant has ordinary income equal to the excess of the fair market value of the shares at that time over the purchase price, if any, and a corresponding tax deduction is generally available to the Company in the same year that the participant recognizes ordinary income. However, a participant may make an election under Section 83(b) of the Code to be taxed on restricted stock when it is acquired rather than later, when the substantial risk of forfeiture lapses. A participant who makes an effective 83(b) election will realize ordinary income equal to the fair market value of the shares as of the time of acquisition less any price paid for the shares. A corresponding tax deduction will generally be available to the Company in the same year that the participant recognizes ordinary income. If a participant makes an effective 83(b) election, no additional income results by reason of the lapsing of the restrictions.

For purposes of determining capital gain or loss on a sale of shares awarded under the 2015 Plan, the holding period in the shares begins just after the participant recognizes taxable income with respect to the transfer. The participant's tax basis in the shares equals the amount paid for the shares plus any income realized with respect to the transfer. However, if a participant makes an effective 83(b) election and later forfeits the shares, the tax loss realized as a result of the forfeiture is limited to the excess of what the participant paid for the shares (if anything) over the amount (if any) realized in connection with the forfeiture.

*Unrestricted Stock.* A participant who purchases or is awarded unrestricted stock generally has ordinary income equal to the excess of the fair market value of the shares at the time of such purchase or award, as applicable, over the purchase price, if any, and a corresponding tax deduction is generally available to the Company in the same year that the participant recognizes ordinary income. A participant who purchases or is awarded restricted stock has income as described in the preceding paragraph.

*Restricted Stock Units.* The grant of a restricted stock unit does not itself generally result in taxable income. Participants are generally taxed upon settlement (and a corresponding tax deduction is generally available to the Company) of a restricted stock unit, unless he or she has made a proper election to defer the receipt of the shares (or cash if the award is cash settled) under Section 409A of the Code. If the shares delivered are restricted for tax purposes, the participant will instead be subject to the rules described above for restricted stock.

*Section 162(m).* Stock options, SARs and certain performance awards under the 2015 Plan are generally intended to be exempt or eligible for exemption from the deductibility limits of Section 162(m). However, as discussed above in *Reasons for Seeking Stockholder Approval*, the Committee will have discretionary authority to provide compensation that is not exempt from the limits on deductibility under Section 162(m).

*Certain Change of Control Payments.* Under Section 280G of the Code, the vesting or accelerated exercisability of stock options or the vesting and payments of other awards in connection with a change of control of a corporation may be required to be valued and taken into account in determining whether participants have received compensatory payments, contingent on the change in control, in excess of certain limits. If these limits are exceeded, a substantial portion of amounts payable to the participant, including income recognized by reason of the grant, vesting or exercise of awards may be subject to an additional 20% federal tax and may be non-deductible to the Company.

#### **New Plan Benefits**

No awards will be granted under the 2015 Plan prior to its approval by our stockholders. The Compensation Committee has full discretion to determine the number and amount of awards to be granted to participants under the 2015 Plan, subject to the limits described above under *Annual Individual Limits* and *Annual Non-Employee Director Limits* and the other terms of the 2015 Plan. Therefore, the future benefits or amounts that would be under the 2015 Plan are not determinable at this time.

**Required Vote**

**Our Board of Directors recommends that you vote FOR the proposal to approve the 2015 Plan.**

The affirmative vote of a majority of the votes properly cast (in person or by proxy) is required for approval of the 2015 Plan. Abstentions, because they are not votes cast, are not counted for this proposal and will have no effect on the outcome.

**PROPOSAL NO. 4**

**RATIFICATION OF APPOINTMENT OF OUR  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Proposal No. 4 concerns the ratification of the appointment by our Audit Committee of Deloitte & Touche LLP to be our independent registered public accounting firm for the fiscal year ending March 31, 2016.

Under rules of the Securities and Exchange Commission and the Nasdaq Stock Market, the appointment of our independent registered public accounting firm is the direct responsibility of our Audit Committee. Although ratification by our stockholders of this appointment is not required by law, our Board of Directors believes that seeking stockholder ratification is a good practice, which provides stockholders an avenue to express their views on this important matter.

Our Audit Committee has reappointed Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2016. Our Board of Directors recommends that stockholders vote to ratify the appointment. If our stockholders do not ratify the appointment of Deloitte & Touche LLP, the Audit Committee may reconsider its decision. In any case, the Audit Committee may, in its discretion, appoint a new independent registered public accounting firm at any time during the year if it believes that such change would be in the best interest of the company and its stockholders. We expect that representatives of Deloitte & Touche LLP will be present at the Annual Meeting. They will have an opportunity to make a statement if they wish and will be available to respond to appropriate questions from stockholders.

**Our Board of Directors recommends that you vote *FOR* the proposal to ratify the appointment by our Audit Committee of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2016.**

**EXECUTIVE OFFICERS AND DIRECTORS**

Our executive officers and directors as of July 1, 2015 are as follows:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Michael R. Minogue(1)(2)	48	Chairman, President and Chief Executive Officer
W. Gerald Austen(1)(3)	85	Director
Louis E. Lataif(4)	76	Director
Dorothy E. Puhly(4)(5)(6)	63	Director
Martin P. Sutter(3)(5)(6)	60	Director
Henri A. Termeer(1)(3)(4)	69	Director
Paul G. Thomas(5)(6)	59	Director
Eric A. Rose	64	Director
Robert L. Bowen(7)	65	Vice President, Chief Financial Officer and Treasurer
Michael J. Tomsicek(8)	49	Vice President, Chief Financial Officer and Treasurer
David M. Weber	53	Chief Operating Officer
William J. Bolt	63	Senior Vice President, Global Product Operations
Andrew J. Greenfield	42	Vice President and General Manager, Global Marketing
Michael G. Howley	51	Vice President and General Manager, Global Sales

- (1) Member of the Executive Committee
- (2) Member of the Special Stock Option Committee
- (3) Member of the Compensation Committee
- (4) Member of the Audit Committee
- (5) Member of the Governance and Nominating Committee
- (6) Member of the Regulatory and Compliance Committee
- (7) Effective July 15, 2015, Mr. Bowen will step down from his positions as Vice President, Chief Financial Officer and Treasurer in connection with his retirement.
- (8) Effective July 15, 2015, Mr. Tomsicek will assume the positions of Vice President, Chief Financial Officer and Treasurer.

Our Board of Directors is divided into three classes. The term of one class of directors expires each year at our Annual Meeting of Stockholders. Each director also continues to serve as a director until his or her successor is duly elected and qualified. Ms. Puhly and Mr. Thomas currently serve as Class I directors; their term of office expires in 2017. Dr. Rose and Messrs. Lataif and Termeer currently serve as Class II directors; their term of office expires in 2015. Dr. Austen and Messrs. Minogue and Sutter currently serve as Class III directors; their term of office expires in 2016. Our executive officers are appointed by, and serve at the discretion of, our Board of Directors. There are no family relationships among our directors and executive officers.

**Mr. Michael R. Minogue** has served as our Chief Executive Officer, President and a director since April 2004. In June 2005 he was appointed Chairman of our Board of Directors. Prior to joining us, Mr. Minogue had a twelve-year career at General Electric, or GE. Most recently, Mr. Minogue was Vice President and General Manager of Americas Sales and Marketing for GE Medical Systems Information Technology. From 1997 to 2004, Mr. Minogue held various positions at GE including General Manager for the Global Positron Emission Technology Business, General Manager, Americas Cardiology & IT Sales and General Manager, Global Installed Base. Prior to joining GE, Mr. Minogue served on active duty for four years as an infantry officer in the U.S. Army and received multiple awards. Mr. Minogue received his Bachelor of Science in Engineering Management from the United States Military Academy at West Point and his Master of Business Administration from the University of Chicago. Mr. Minogue currently serves on the Board of Directors of the Advanced Medical Technology Association, or AdvaMed. He was formerly our designee on the Board of Directors of World Heart Corporation, and was formerly on the Board of Directors of LifeCell Corporation, which was acquired by Kinetic Concepts, Inc. in May 2008. We believe that Mr. Minogue's leadership position at our company, his management abilities and experience, and his extensive knowledge of our industry gained from his senior executive roles qualify him to serve as a member of our Board of Directors.

**Dr. W. Gerald Austen** has served as a director since May 1985. Dr. Austen has served as the chair of the Massachusetts General Hospital Chief's Counsel since 1992. From 1974 to 2011, he was the Edward D. Churchill Professor of Surgery at Harvard Medical School and at Massachusetts General Hospital. In 2011, he was named the Edward D. Churchill Distinguished Professor of Surgery at Harvard Medical School and at Massachusetts General Hospital. From 1969 to 1997, Dr. Austen was chief of the surgical services at Massachusetts General Hospital. Dr. Austen is the former President of the American College of Surgeons, the American Association for Thoracic Surgery, the American Surgical Association and the Massachusetts and American Heart Associations. Dr. Austen is a member of the Institute of Medicine of the National Academy of Sciences, a fellow of the American Academy of Arts and Sciences, a life member emeritus of the corporation of the Massachusetts Institute of Technology (MIT), and Chairman emeritus of the board of trustees of the John S. and James L. Knight Foundation. Dr. Austen received his Bachelor of Science from MIT and his Doctor of Medicine from Harvard Medical School. We believe that Dr. Austen's long and distinguished career as a surgeon, his significant professional expertise and background in medical and technical issues and his extensive experience in our industry and with our company qualifies him to serve as a member of our Board of Directors.

**Mr. Louis E. Lataif** has served as a director since September 2005. His term as a director will end at the 2015 Annual Meeting.

**Ms. Dorothy E. Puhly** has served as a director since August 2003 and as our Lead Director since October 2005. Ms. Puhly has served as Executive Vice President and Chief Operating Officer for the Dana-Farber Cancer Institute since 2012. Ms. Puhly previously served as the Chief Financial Officer of Dana-Farber Cancer Institute from 1994 to 2012 and as its Assistant Treasurer from 1995 to 2012. From 1985 to 1994 Ms. Puhly held various financial positions at the New England Medical Center Hospitals, Inc., including Chief Financial Officer from 1989 to 1994. Ms. Puhly is also a director of Eaton Vance Corp. Ms. Puhly received her Bachelor of Arts from the University of Pennsylvania and her Master of Business Administration from the Wharton School of Business at the University of Pennsylvania. We believe that Ms. Puhly's extensive industry knowledge, her financial acumen, her executive level experience at a major medical research institute and her extensive industry knowledge qualify her to serve as a member of our Board of Directors.

**Mr. Martin P. Sutter** has served as a director since May 2008. Since 1994, Mr. Sutter has been a Managing Director of Essex Woodlands Health Ventures, a healthcare focused growth equity firm he co-founded. Mr. Sutter has more than 30 years of management experience in operations, marketing, finance and venture capital. Mr. Sutter currently serves on the Board of Directors of QSpex Technologies, Inc., a manufacturer of prescription spectacle lenses, and on the Board of Managers of Bioventus LLC, a strategic partnership between Essex Woodlands and Smith & Nephew plc, a global medical technology business based in the United Kingdom. Mr. Sutter holds a Bachelor of Science from Louisiana State University and a Masters of Business Administration from the University of Houston. We believe that Mr. Sutter's in-depth knowledge of the medical device industry, his skills as an investor in developing medical device companies, his extensive board experience, his work as a successful healthcare investor and his position as a representative of a large stockholder in our company qualify him to serve as a member of our Board of Directors.

**Mr. Henri A. Termeer** has served as a director since May 1987. Prior to Genzyme Corporation's acquisition in April 2011 by Sanofi, Mr. Termeer had been the President, and a director of Genzyme Corporation since 1983, its Chief Executive Officer since 1985 and its Chairman since 1988. Mr. Termeer is a member of the Board of Directors of Massachusetts General Hospital, Partners HealthCare and MIT, where he sits on MIT's Executive Committee. Mr. Termeer is a member of the Board of Fellows of Harvard Medical School. He is also a member of the Board of Directors of Aveo Pharmaceuticals, Verastem, Inc., Moderna Therapeutics and ProQR Therapeutics. Mr. Termeer served on the Board of Allergan from January 2014 to April 2015. Mr. Termeer served as the Deputy Chairman of the Federal Reserve Bank of Boston from 2007 to 2009 and as its Chairman from 2010 through the end of 2011. Mr. Termeer studied economics at the Economische Hogeschool at Erasmus University in The Netherlands and received his Master of Business Administration from the Darden School of Business at the University of Virginia. We believe that Mr. Termeer's senior executive experience managing and developing a major public biotechnology company, his management expertise and his deep industry experience qualify him to serve as a member of our Board of Directors.

**Mr. Paul G. Thomas** has served as a director since May 2011. Mr. Thomas has been the Chief Executive Officer of Roka Bioscience, Inc. since September 2009. Previously he served as Chairman, Chief Executive Officer, and President of LifeCell Corporation from October 1998 until August 2008. Prior to joining LifeCell, Mr. Thomas held various senior positions during a 15-year tenure with the Pharmaceutical Products division of Ohmeda Inc. Mr. Thomas currently serves on the Board of Directors of Aegerion Pharmaceuticals, Inc. and was a member of the Board of Directors of Orthovita, Inc. until its sale in June 2011 to Stryker Corporation. Mr. Thomas received his Bachelor of Science in Chemistry from St. Michael's College, his Master of Business Administration from Columbia University, and completed his postgraduate studies in chemistry at the University of Georgia. We believe that Mr. Thomas' extensive leadership experience with companies in the life sciences industry qualifies him to serve as a member of our Board of Directors.

**Dr. Eric A. Rose** has served as a director since August 2014 and previously served as a director from May 2007 to January 2012. Since March 2007, Dr. Rose has been serving as Executive Vice President for Life Sciences at MacAndrews & Forbes and Chief Executive Officer and Chairman of the Board of Siga Technologies, Inc., a developer of anti-viral drugs directed at potential agents of bioterror that filed voluntary proceedings under Chapter 11 of the United States Bankruptcy Code in September 2014. Dr. Rose chaired the Department of Health Evidence & Policy at the Mount Sinai School of Medicine from 2008 to 2012, which he now serves as professor. From 1994 to 2007, he was Surgeon-in-Chief at New York-Presbyterian Hospital/Columbia and Chairman of the Department of Surgery at the Columbia University College of Physicians and Surgeons. A heart surgeon, researcher and entrepreneur, Dr. Rose has helped grow Columbia's Department of Surgery over the past 25 years while investigating, managing and developing complex medical technologies such as technologies for heart transplantation and new approaches to Alzheimer's disease and bioterrorism. He has authored or co-authored more than 300 scientific publications and has received more than \$25 million in NIH support for his research. Dr. Rose pioneered heart transplantation in children, performing the first successful pediatric heart transplant in 1984, and has investigated many alternatives to heart transplantation, including cross-species transplantation and man-made heart pumps. Dr. Rose received both his undergraduate and medical degrees from Columbia University. We believe that Dr. Rose's distinguished work as a heart surgeon and researcher, his work as an entrepreneur in our industry and his executive level industry experience qualify him to serve as a member of our Board of Directors.

*Our executive officers who are not also directors are listed below:*

**Mr. Robert L. Bowen** joined us in December 2008 as our Vice President, Chief Financial Officer and Treasurer. From December 2005 until November 2008, Mr. Bowen was Vice President and Chief Financial Officer of GSI Group, a supplier of lasers, laser systems and precision motion technologies. GSI Group filed a chapter 11 bankruptcy petition in November 2009. From November 2003 to December 2005, Mr. Bowen was an independent consultant and co-founder of Graystone Capital Partners LLC. From December 2000 to October 2003, Mr. Bowen was Vice President and Chief Financial Officer of Cytyc Corporation, a maker of cancer diagnostic and other medical devices, and prior to that, Chief Financial Officer for the European Region for Case Corporation. Mr. Bowen also held a variety of financial positions at General Electric over a 20-year span. Mr. Bowen has a Bachelor of Business Administration from Ohio University and a Master of Business Administration from New York University's Stern School. Effective July 15, 2015, Mr. Bowen will step down from his positions as Vice President, Chief Financial Officer and Treasurer in connection with his retirement.

**Mr. Michael J. Tomsicek**, was appointed as our Vice President, Chief Financial Officer and Treasurer in May 2015, effective July 15, 2015. From March 2013 until January 2015, Mr. Tomsicek served as Senior Vice President and Chief Financial Officer of Cubist Pharmaceuticals, Inc. From July 2012 until March 2013, Mr. Tomsicek served as Cubist's Senior Vice President and Deputy Financial Officer and from August 2010 to July 2012, he was Cubist's Vice-President of Corporate Finance and Treasurer. Before joining Cubist, Mr. Tomsicek served for eight years holding roles with increasing influence within the Healthcare unit of GE. His service at GE culminated in his role first as Chief Financial Officer of the Diagnostic Ultrasound business and finally Chief Financial Officer of the Global Ultrasound product group. Prior to that, Mr. Tomsicek was

Manufacturing Finance Manager for the GE Healthcare Monitoring Systems business and was selected to and completed the GE Experienced Financial Leadership Program. Mr. Tomsicek held various advancing roles in financial planning and channel management over seven years in the automotive division of Motorola, then a public global telecommunications company. Following graduation from the University of Wisconsin with a BS in Industrial Engineering, Mr. Tomsicek began his career in manufacturing consulting for a Boston area start up after which he received his MBA, also from the University of Wisconsin.

**Dr. David M. Weber** joined us in April 2007 as our Chief Operating Officer. Prior to joining us, Dr. Weber served as General Manager, Aviation Business at GE Security Homeland Protection from April 2005 until April 2007 where he led GE Security's Aviation and Transportation Business and was responsible for product development, marketing and sales. From June 2004 until April 2005, he served as General Manager, MRI Marketing at GE Healthcare where he was responsible for strategic product planning, go-to-market and product launch activities, including developing product roadmaps and introducing new product technologies to the market, and from March 2001 until June 2004, he served as Manager, Global High Field MRI Business, GE Medical Systems where he was responsible for new product planning and development. Dr. Weber has a Bachelor of Science in physics from Denison University, a Bachelor of Science in Nuclear Engineering from Columbia University, a Master of Science in Medical Physics from the University of Wisconsin, and a Doctor of Philosophy in Medical Physics from the University of Wisconsin.

**Mr. William J. Bolt** joined us in June 1982 and serves as our Senior Vice President, Global Product Operations. He is currently responsible for all product development, management, engineering, regulatory, clinical and quality functions. From 2006 to 2009 he was responsible, at different times, for quality, regulatory and engineering functions. From 2003 to 2006 he was responsible for our quality and service functions. He was responsible for product development and the AbioCor program from 2000-2003, and for BVS and AB5000 development from 1999-2003. From 1994 to 1999, he was President of our former dental subsidiary, ABIODENT. From 1982 to 1994, he served in various roles, from Vice President of Engineering to Vice President of Operations. Mr. Bolt received both his Bachelor of Science in Electrical Engineering and Master of Business Administration from Northeastern University.

**Mr. Andrew J. Greenfield** is currently the Vice President and General Manager of Healthcare Solutions & Global Marketing. Since joining us in 2005 as the Vice President of Healthcare Solutions, he has led the reimbursement and health economics organizations. Mr. Greenfield also leads the global marketing function and is responsible for physician education programs, new market development, and service. Before joining us, Mr. Greenfield held positions in sales, marketing and finance at GE Healthcare including consulting with large U.S. health systems, eCommerce and Six Sigma. Prior to GE Healthcare, he held positions in sales, marketing and finance at The Boeing Company, including European Country Manager, and is a graduate of the Fiscal Development Program. He received his Bachelor degree in Finance from the University of Illinois in 1994 and a Master of Business Administration degree from St. Louis University. Mr. Greenfield is also a certified Master Blackbelt in Six Sigma and Change Acceleration Process from GE.

**Mr. Michael G. Howley** joined us in March 2009 and serves as our Vice President and General Manager of Global Sales. Prior to joining us, Mr. Howley spent 20 years at GE Healthcare. From February 2006 to February 2009, he was General Manager at GE Healthcare, overseeing the Americas X-ray and Interventional Radiology division. From April 2004 to February 2006, Mr. Howley held the General Manager position for the Clinical Information Systems at GE. From October 2002 to April 2004, he was the Americas Sales Manager of Functional and Molecular Imaging. Prior to this role, Mr. Howley held several other national and regional sales positions at GE, beginning in 1989. Mr. Howley has a Bachelor of Science in Business Administration and Marketing from Auburn University.

## CORPORATE GOVERNANCE

### **Board Leadership**

*Chief Executive Officer and Chairman.* Our Board of Directors does not have a formal policy regarding whether the same person should serve as both the Chief Executive Officer and Chairman of the Board and believes that it should retain the flexibility to make this determination in the manner it believes will provide the most appropriate leadership for the company from time to time. The Chairman of the Board is elected annually by the Board of Directors. Currently, our Chief Executive Officer, Mr. Minogue, serves as Chairman of the Board of Directors.

*Lead Director.* In October 2005, our Board of Directors designated Dorothy Puhly as its first Lead Director. The position of Lead Director is to be held by one of our independent directors and carries with it responsibilities beyond those of the other directors, including but not limited to: organizing and chairing sessions with our independent directors; working with the Compensation Committee to set performance goals for our Chief Executive Officer and to evaluate the Chief Executive Officer's performance for the prior year; working with the Chairman to formulate the agenda for board meetings; acting as a liaison between the Chairman and the Board of Directors; and leading with the Chief Executive Officer an annual discussion of succession planning.

### **Director Independence**

Our Board of Directors has determined that, with the exception of Mr. Minogue who is our employee, all of the members of our Board of Directors are independent directors under the applicable rules of the Nasdaq Stock Market. Our Board of Directors has also determined that each member of our Audit Committee, Compensation Committee and Governance and Nominating Committee is an independent director under the rules of the Nasdaq Stock Market applicable to such committees.