EDWARDS LIFESCIENCES CORP

Meeting Date:	Thu, 08 May 2014 10:00am	**Type:**	AGM	**Issue date:**	Fri, 02 May 2014
Meeting Location:	One Edwards Way, Irvine, California				
Current Indices:	S&P500				
Sector:	Health Care Equipment				

	PROPOSALS	**ADVICE**
1a	**Elect John T. Cardis** Class II Non-Executive Director. Independent by Company, but not considered to be independent as he has served on the Board for more than nine years. There is insufficient independence on the Board.	**Oppose**
1b	**Elect David E.I. Pyott** Class II Non-Executive Director. Independent by Company, but not considered to be independent as he has served on the Board for more than nine years. There is insufficient independence on the Board.	**Oppose**
2	**Amend existing long term incentive plan** The Board seeks shareholder approval for an amendment and restatement of the long-term stock program which will increase the total number of shares of common stock available for issuance under the Long-Term Stock Program by 2,000,000 shares. A total of 50,900,000 shares of the common stock will have been authorised for issuance under the program. Subject to adjustment for certain changes in the Company's capitalisation, not more than 2,000,000 shares in the aggregate may be granted in the form of stock options to any one participant during a fiscal year, and not more than 3,600,000 shares in the aggregate may be issued as restricted stock and restricted stock unit awards under the program, and no more than 400,000 shares may be issued as restricted stock or restricted stock units to any one participant during a fiscal year. The 2,000,000 shares requested in this proposal represent 1.83% of the Company's outstanding shares. As of February 28, 2014, approximately 8,743 employees (including 7 executive officers) were eligible to participate in the Long-Term Stock Program. There are concerns with the Plan as: It allows for accelerated vesting in the advent of a change in control; the burn rate it is considered to be becoming excessive at 1.4% for 2013, and the requested 1.83% of the issued shares is now overly dilutive for a Plan that has an annual request for extra shares; the individual cap could be potentially excessive; and the plan can make awards which are not performance based, in the form of stock option awards and time based restricted stock awards. Based on these concerns Triodos opposes this resolution.	**Oppose**

3 Amend the 2001 employee stock purchase plan for international employees **For**

The stockholders are being asked to approve an amendment and restatement of the International Employee Stock Purchase Plan (ESPP) for overseas employees. The amendment is to increase the number of shares of common stock reserved for issuance under such plan from 1,300,000 shares to 1,600,000 shares. The annual burn rate is approximately 0.06%. Any individual who is employed on a basis under which he or she is scheduled to work for more than twenty hours per week in the Company's employ or the employ of any of the Company's participating parent or subsidiaries (including any corporation which subsequently becomes such a participating parent or subsidiary at any time during the term of the U.S. ESPP) will be eligible to participate in the U.S. ESPP (approximately 4,852 individuals are eligible). The U.S. ESPP imposes certain limitations upon a participant's rights to acquire common stock, including the following limitations: Purchase rights granted to a participant may not permit such individual to purchase more than $25,000 worth of common stock up to 20% of annual base pay; no participant may purchase more than 20,000 shares of common stock during any one offering.

It is considered that it is in the best interests of the company and its shareholders to provide employees with an opportunity to benefit from business success and increase their share ownership through payroll deductions. As the Plan is open to the majority of employees and is capped at $25,000 per annum, at purchase price at 85% of fair market value. Triodos supports this resolution.

4 Approve Executive Compensation. **Oppose**

The company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: BDA (for 2013 the rating was also BDA)

Disclosure rating: B - Specific performance targets that determine the award of annual bonuses are disclosed (Revenue Growth, Net Income and Free Cash Flow; Key Operating Driver Achievement; Individual Performance Objective Multiplier) Specific performance targets that determine the award of other performance-based awards are not disclosed. Stock options granted to Messrs. Solomon, Verguet, and Bobo vest annually over four years.

Balance rating: D - Targets for annual bonus are not considered sufficiently challenging and, there is insufficient information to determine whether the targets for the LTIP are challenging. Long-term incentive awards consist stock options, performance-based restricted stock units and restricted stock units. Less than 50% of awards are performance based.

Contracts rating: A - All change in control agreements contain 'double triggers' and the Company has a 'claw back' policy.

Based on the concerns noted above, Triodos does not support this resolution.

5 Appoint the auditors **For**

PricewaterhouseCoopers LLP proposed. The total unacceptable non-audit fees were approximately 12% of audit and audit related fees during the year under review. Non-audit fees over a three-year period were approximately 21% of audit and audit related fees. Acceptable proposal.

6	**Shareholder Resolution: Act by written consent** Proposed by: Not disclosed by the Company Shareholders request that the Board undertake such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This written consent is to be consistent with giving shareholders the fullest power to act by written consent in accordance with applicable law. This includes shareholder ability to initiate any topic for written consent consistent with applicable law. It is considered that the Board should remain accountable to its shareholders, regardless of the method of communication chosen. The sanctioning of communication in writing with Directors as an option for shareholders when seeking to protect their interests in the Company would constitute an improvement in shareholder rights. Triodos supports this resolution. **** = Special resolution***	**For**

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