Triodos Investment Management

CERUS CORP

MEETING DATE	Wed, 10 Jun 2015 9:00 am	TYPE	AGM	ISSUE DATE	Wed, 03 Jun 2015
MEETING LOCATION	2550 Stanwell Drive, Concord, California 94520				
CURRENT INDICES	PIRC Global				
SECTOR	Surgical and medical instruments and apparatus				

	PROPOSALS	ADVICE
1.1	**Elect Daniel N. Swisher Jr.** Independent Non-Executive Director	**For**
1.2	**Elect Frank Witney, PhD** Independent Non-Executive Director.	**For**
2	**Amendment and Restatement of the Company's 2008 Equity Incentive Plan** The Company has put forward a resolution requesting shareholders to approve an amendment and restatement of the 2008 Plan, to increase the number of shares authorized for issuance under the Plan by 5,000,000 shares of common stock and to modify the Plan fungible share counting ratio so that the share reserve will be reduced by 1.61 shares for each share of common stock issued pursuant to restricted stock, restricted stock units, performance stock awards, or other stock awards. The Plan is open to all employees and permits the Company to grant stock options, restricted stock awards, stock appreciation rights, performance awards and other stock awards. The Plan is administered by the Compensation Committee which has the authority to determine the participants, the numbers and types of awards and the terms and conditions of the stock awards. Under the Plan, no employee may be granted options or stock appreciation rights covering more than 800,000 shares of common stock in any calendar year. In addition, the maximum amount to be granted to any individual in a calendar year attributable to performance awards may not exceed 500,000 shares of common stock in the case of performance stock awards, or $1,000,000 in the case of performance cash awards. It is considered that, as performance conditions may be attached to awards at the Compensation Committee's discretion, there are concerns that awards under the Plan will not necessarily be subject to suitable performance measures with sufficiently robust performance targets (if any). As a result, it is not possible to assess whether the Plan will operate to align participants' incentives with shareholders' interests. Accordingly, Triodos opposes this resolution.	**Oppose**
3	**Approve an amendment and restatement of the Company's 1996 Employee Stock Purchase Plan** The Company has put forward a resolution requesting shareholders to increase the number of shares authorized for issuance under the ESPP by 1,500,000 shares, to a total of 2,820,500 shares. The Plan is open to all employees and provides employees an opportunity to purchase common stock through payroll deductions. According to the Plan, the purchase price per share at which shares are sold under the ESPP is the lower of 85% of the fair market value of a share of common stock on the date of commencement of the offering. It is considered 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. Awards under the Plan are restricted to $25,000 annually. The Plan is open to all full-time employees. Acceptable proposal.	**For**

4 Advisory vote on 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.

In fiscal 2014, annual cash incentives were based on corporate performance measures, which included: revenue, year end cash, gross margin, regulatory progress-Platelets, commercial launch preparation goals and Regulatory submissions-Canada/China. For each measure, threshold, target, maximum levels are disclosed in the compensation analysis. In addition, payments were based on strategic qualitative goals. The Committee does not provide information on the 2014 strategic goals. In 2014, the Committee awarded discretionary cash bonuses to executive officers. The Company awarded long term incentives in the form of stock options which have a ten year term and have six month cliff vesting and thereafter vest monthly over the following 42 months and are therefore fully exercisable within four years of the grant date. Stock options have no performance criteria beyond time-based vesting.

Based on these concerns, Triodos opposes this resolution.

5 Appoint the auditors **Oppose**

Ernst & Young LLP proposed. Non-audit fees represented 5.52% of audit fees during the year under review and 6.16% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditors. The current auditor has been in place for 24 years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Triodos opposes this resolution.

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