

MEETING DATE	Fri, 20 Nov 2015 15:00 pm	TYPE	AGM	ISSUE DATE	Thu, 12 Nov 2015
MEETING LOCATION	9001 Spectrum Center Blvd., San Diego, California 92123 USA				
CURRENT INDICES	PIRC Global				
SECTOR	Surgical and medical instruments and apparatus				

PROPOSALS		ADVICE
<b>1a Elect Peter Farrell</b>	Founder and Non-Executive Chairman. Not considered independent as he is the former Executive Chairman of the Company. In addition, he is the father of Michael Farrell, the CEO.	<b>Oppose</b>
<b>1b Elect Gary Pace</b>	Non-Executive Chairman. Not considered independent as he has been on the Board for over nine years. There is insufficient independence on the Board.	<b>Oppose</b>
<b>1c Elect Ron Taylor</b>	Lead Non-Executive Director. Not considered independent as he has been on the Board for over nine years. There is insufficient independence on the Board.	<b>Oppose</b>
<b>2 Appoint the auditors</b>	KPMG proposed. There were no non-audit fees during the year under review and 0.47% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. However, the current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.	<b>Oppose</b>
<b>3 Advisory vote on executive compensation</b>	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. Long-term awards are considered excessive and above 200% of base salary. The Company uses total shareholder return as the sole performance criterion for the performance stock award, with target set at the 60th percentile and threshold performance at the 50th percentile. This is considered sufficiently challenging as the Company has failed to receive a payout for the past three performance cycles. However, there are concerns that the Company is rewarding executives for failing to achieve target in the form of retention awards, which makes up 50% of the long-term equity award and vest ratably over three years. Equity is subject to accelerated vesting in a change of control. The Company does not have a clawback policy in place. The compensation rating is: BDD. For these reasons, Triodos does not support this resolution.	<b>Oppose</b>

## SUPPORTING INFORMATION FOR RESOLUTIONS

### Proposal 3 - Advisory vote on executive compensation

**Disclosure: B-** The Compensation Committee is not composed wholly of independent directors.

**Balance: D-** Long-term awards are considered excessive and above 200% of base salary. The Company uses total shareholder return as the sole performance criterion for the performance stock award, with target set at the 60th percentile and threshold performance at the 50th percentile. This is considered sufficiently challenging as the Company has failed to receive a payout for the past three performance cycles. However, there are concerns that the Company is rewarding executives for failing to achieve target in the form of retention awards, which makes up 50% of the long-term equity award and vest ratably over three years.

**Contract: C-** Equity is subject to accelerated vesting in a change of control. The Company does not have a clawback policy in place.

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