


MEETING DATE	Wed, 07 Jun 2017 9:00 am	TYPE	AGM	ISSUE DATE	Mon, 22 May 2017
MEETING LOCATION	2550 Stanwell Drive, Concord, California 94520				
CURRENT INDICES	PIRC Global				
SECTOR	Surgical and medical instruments and apparatus				

PROPOSALS		ADVICE
1.01	<p>Re-elect Timothy B. Anderson Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. He is chair of the Nomination Committee and less than 20% of the Board are women which Triodos does not support.</p>	Withhold
1.02	<p>Re-elect Bruce C. Cozadd Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. He is chair of the Audit committee which is not fully independent which Triodos does not support.</p>	Withhold
1.03	<p>Re-elect William M. Greenman President and Chief Executive Officer.</p>	For
2	<p>Amend the Company's 2008 Equity Incentive Plan The Company has put forward a resolution requesting shareholders to approve the Amended and Restated 2008 Equity Incentive Plan as follows: i) subject to adjustment for certain changes in the Company's capitalisation, the aggregate number of shares of the Company's common stock that may be issued under the Restated 2008 Plan will not exceed 31,497,190 shares, which is an increase of 6,956,250 shares over the aggregate number of shares of the Company's common stock that may be issued under the 2008 Plan; and ii) the Plan will automatically terminate on April 21, 2023. The Restated 2008 Plan is administered by the Compensation Committee which has the power to determine recipients, the numbers and types of stock awards to be granted and the terms and conditions of the stock awards. No employee may be granted options or stock appreciation rights covering more than 800,000 shares of common stock in any calendar year. Also, 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. As performance conditions may be attached to awards at the Committee's discretion, there are concerns that the Committee will have considerable flexibility in the payout of discretionary awards and as a result awards may not be subject to robust enough performance targets, and be insufficiently challenging. Triodos opposes this resolution.</p>	Oppose
3	<p>Advisory Vote on Executive Compensation 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. For fiscal 2016, annual cash awards were not excessive, with overall pay levels below peer group averages. The Company included non-financial metrics into the annual bonus structure, which is considered best practice. However, there are concerns over certain features of the equity awards. Whilst the amount of reward derived from stock options is determined by share price growth, the awards of options have no performance conditions attached. Thus an increase in share price over the lifespan of an option (and falls are unusual) can reward executives even in circumstances of poor relative performance. Restricted stock units have no performance conditions. The compensation rating is: BC. Based on this rating, Triodos abstain this resolution.</p>	Abstain

4 **Appoint the Auditors**

Oppose

EY proposed. Non-audit fees represented 0.62% of audit fees during the year under review and 2.91% 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 seven years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. An oppose vote is recommended.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 3 - Advisory Vote on Executive Compensation

The Company has achieved: a market best practice level of disclosure; and an average balance for rewards.

Disclosure: B- Annual cash incentives are based on the achievement of corporate performance goals (85%) and corporate strategic objectives (15%). The Company granted long-term incentives in the form of restricted stock units and stock options. The Company has disclosed the financial targets for its short-term incentives, but has not provided sufficient information with respect to strategic objectives.

Balance: C- For fiscal 2016, annual cash awards were not excessive, with overall pay levels below peer group averages. The Company included non-financial metrics into the annual bonus structure, which is considered best practice. However, there are concerns over certain features of the equity awards. Whilst the amount of reward derived from stock options is determined by share price growth, the awards of options have no performance conditions attached. Thus an increase in share price over the lifespan of an option (and falls are unusual) can reward executives even in circumstances of poor relative performance. Restricted stock units have no performance conditions.

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