

MEETING DATE	Wed, 06 Jun 2018 9:00 am	TYPE	AGM	ISSUE DATE	Mon, 21 May 2018
MEETING LOCATION	2550 Stanwell Drive, Concord, California 94520				
CURRENT INDICES	PIRC Global				
SECTOR	Surgical and medical instruments and apparatus				

PROPOSALS		ADVICE
1.1	Elect Director Daniel N. Swisher, Jr. Non-Executive Chairman	For
1.2	Elect Director Frank Witney Independent Non-Executive Director. He is chair of the Audit committee which is not fully independent which Triodos does not support.	Oppose
2	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 and the terms of executive employment. For fiscal 2017, annual bonus were not considered to be excessive. The CEO's actual annual bonus for fiscal 2017 was USD 261,000, representing 43.74% of his base salary (200% maximum is considered as acceptable practice). Best practice states that all executives should hold at least six times base salary in stocks, currently the chief executive is required to hold three times base salary. Executive compensation is aligned with peer group but not with companies of a similar market capitalisation. Awarding 50% of the equity in the form of retention awards is considered excessive and does not link pay with performance. The compensation rating is: BDD. Triodos opposes this resolution.	Oppose
3	Appoint the Auditors EY proposed. Non-audit fees represented 0.55% of audit fees during the year under review and 1.54% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. 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.	Oppose

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 2 - Advisory Vote on Executive Compensation

Disclosure: B- Annual bonus is contingent upon the achievement of individual (Supply Chain) and corporate (Product revenue, Gross Margins, Cash Burn) performance. Long-term incentives is composed of a mix of stock options and Restricted Stock Units. Stock options are based solely on share price appreciation, which is not best practice as there are many external factors which influence share price that are out of the control of the executives. The Company uses adjusted metrics, which is against best practice as it does not permit an assessment on the challenging nature of performance metrics.

Balance: D- For fiscal 2017, annual bonus were not considered to be excessive. The CEO's actual annual bonus for fiscal 2017 was USD 261,000, representing 43.74% of his base salary (200% maximum is considered as acceptable practice). Best practice states that all executives should hold at least six times base salary in stocks, currently

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Contract: D- The clawback policy is not considered best practice, as it does not provide for recoupment absent executive fraud or illegal conduct. Good reason is not adequately defined.

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