HOLOGIC INC
Form DEF 14A
January 20, 2017
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

SCHEDULE 14A

(RULE 14a-101)

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:
Preliminary Proxy Statement.
Confidential, for use of the Commission Only (as permitted by Rule 14a-6(e)(2)).
Definitive Proxy Statement.
Definitive Additional Materials.
Soliciting Material Pursuant to §240.14a-12.

HOLOGIC, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):
No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Notice of Annual Meeting of Stockholders and Proxy Statement

Wednesday, March 8, 2017
8:00 a.m. Eastern Time

January 20, 2017

Dear Fellow Stockholders:

As we approach Hologic's 2017 Annual Meeting of Stockholders, I'd like to update you on the significant progress we've made in our shared journey from turnaround story to sustainable growth company. This progress can be seen clearly in our financial results.

In fiscal 2016, our total revenues were $2.833 billion, an increase of 4.7%, or 5.4% in constant currency. Our Surgical and Breast Health divisions led the way by posting strong growth, especially in the United States, where our commercial execution was outstanding. We also enhanced the profitability of our Company, as gross, operating and net margins all improved. As a result, earnings per share increased by 158% on a GAAP basis, much faster than sales growth. We also generated operating cash flows of $787 million, far greater than net income. This healthy cash generation enabled us to reduce total debt by $267 million, consistent with our long-term goal to strengthen our balance sheet.

While we were very focused on short-term execution in fiscal 2016, we also laid the foundations for long-term, sustainable growth. We increased our investment in research and development, and are beginning to see the fruits of our labor as new products are launching around the world. We are particularly proud of the rapid development of a Zika virus screening and diagnostic assay during 2016. We also strengthened our sales and marketing capabilities outside of the United States, where we see tremendous potential for future growth.

Underlying our financial results are our employees, who are motivated and inspired by the knowledge that we are enabling healthier lives, everywhere, every day. We know that tens of millions of times a year, healthcare professionals use our products to detect breast cancer, cervical cancer and infectious diseases early, when patient outcomes are best. Our employees around the world wake up every day knowing that the stronger we become as a company, the more lives we can positively impact – and this is a very rewarding feeling.

I'd like to thank those employees, as well as our board of directors, for their dedication and contributions throughout fiscal 2016. And I'd like to acknowledge our stockholders for their ongoing interest and support as we build a sustainable growth company. We look forward to hearing from you at our Annual Meeting and throughout the year.

Sincerely,

Steve MacMillan

Chairman, President and Chief Executive Officer

Notice of Annual Meeting of Stockholders

Wednesday, March 8, 2017

8:00 a.m. Eastern Time

250 Campus Drive, Marlborough, Massachusetts 01752

To our Stockholders:

The Annual Meeting of Stockholders of Hologic, Inc., a Delaware corporation ("Hologic" or the "Company"), will be held on March 8, 2017 at 8:00 a.m., Eastern Time, at the offices of the Company, 250 Campus Drive, Marlborough, Massachusetts 01752 for the following purposes:

1. To consider and act upon the election of the eight (8) nominees identified in the accompanying proxy statement to serve as directors for the ensuing year (Proposal No. 1);
2. To conduct an advisory vote to approve our executive compensation (Proposal No. 2);
3. To conduct an advisory vote on the frequency of future advisory votes to approve our executive compensation (Proposal No. 3);
4. To approve an amendment to the Company's Bylaws to implement majority voting in uncontested director elections (Proposal No. 4);
5. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2017 (Proposal No. 5); and
6. To transact such other business as may properly come before the meeting or any adjournment thereof.

The foregoing items of business are more fully described in the proxy statement accompanying this Notice.

Our Board of Directors has fixed the close of business on January 9, 2017 as the record date. Only stockholders of record at the close of business on the record date are entitled to notice of, and to vote at, the meeting and any adjournment or postponement thereof. All stockholders are cordially invited to attend the meeting. Stockholders who plan to attend the meeting must present valid photo identification. Stockholders of record will be verified against an official list available at the registration area. If your shares are held in the name of a bank, broker or other holder of record, please also bring to the Annual Meeting your bank or brokerage statement evidencing your beneficial ownership of Hologic stock to gain admission to the meeting. We reserve the right to deny admittance to anyone who cannot show valid identification or sufficient proof of share ownership as of the record date.

We are pleased to continue utilizing the Securities and Exchange Commission ("SEC") rules that allow issuers to furnish proxy materials to their stockholders on the internet. We believe these rules allow us to provide you with the information you need while lowering the costs of delivery and reducing the environmental impact of the Annual Meeting. On or about January 20, 2017, we will mail to our stockholders of record as of January 9, 2017 (other than those who previously requested electronic or paper delivery on an ongoing basis) a Notice of Meeting and Important Notice Regarding the Availability of Proxy Materials containing instructions on how to access our proxy materials, including our proxy statement and our Annual Report on Form 10-K.

Our Board of Directors appreciates and encourages stockholder participation in the Company's affairs. Whether or not you plan to attend the meeting, it is important that your shares be represented.

January 20, 2017

By order of the Board of Directors

Patricia K. Dolan

Vice President and Corporate Secretary

IMPORTANT NOTICE REGARDING AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON MARCH 8, 2017: The Proxy Statement, the Hologic Annual Report on Form 10-K for the fiscal year ended September 24, 2016 and the Proxy Card are available at www.proxyvote.com.

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PROXY STATEMENT SUMMARY

Your Vote is Important

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement and the Company's Annual Report on Form 10-K before casting your vote. References to "Hologic," the "Company," "we," "us" or "our" refer to Hologic, Inc.

2017 Annual Meeting of Stockholders

Time and Date:	8:00 a.m. Eastern Time, Wednesday, March 8, 2017
Place:	Hologic, Inc., 250 Campus Drive, Marlborough, MA
Record Date:	January 9, 2017
Attendance:	All stockholders may attend the meeting. Stockholders who plan to attend the meeting must present a valid government-issued picture identification such as a driver's license or passport. Stockholders of record will be verified against an official list available at the registration area. If your shares are held in the name of a bank, broker or other holder of record, please also bring your bank or brokerage statement evidencing your beneficial ownership of Hologic stock to gain admission. We reserve the right to deny admittance to anyone who cannot show valid identification or sufficient proof of share ownership as of the record date.
Voting:	Stockholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each of the proposals presented at the meeting.

Vote by Internet	**Vote by Telephone**	**Vote by Mail**	**Vote in Person**
Go to *www.proxyvote.com* and enter the 12-digit control number provided on your proxy card or voting instruction form.	Call 800-690-6903 or the number on your proxy card or voting instruction form. You will need the 12-digit control number provided on your proxy card or voting instruction form.	Complete, sign and date the proxy card or voting instruction form and mail it in the accompanying pre-addressed envelope.	See the instructions above regarding attendance at the Annual Meeting.

Meeting Agenda and Voting Recommendations

Proposal	Board Recommendation	Page
Election of Eight Directors	**FOR**	16
Say-on-Pay: Advisory Vote to Approve Executive Compensation	**FOR**	46
Say-on-Frequency: Advisory Vote on the Frequency of Future Advisory Votes to Approve Executive Compensation	**ANNUALLY**	47
Amendment to Hologic's Fifth Amended and Restated Bylaws to Implement Majority Voting	**FOR**	48
Ratification of the Appointment of Ernst & Young LLP for fiscal 2017	**FOR**	50

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Director Nominees

Nominee and Principal Occupation	Age	Director Since	Independent	Current Committee Membership
Christopher J. Coughlin Former Executive Vice President and CFO Tyco International	64	2016		•Audit and Finance (chair)
Sally W. Crawford Former Chief Operating Officer Healthsource, Inc.	63	2007		•Compensation (chair)
Scott T. Garrett Senior Operating Partner Water Street Healthcare Partners	67	2013		•Compensation •Nominating and Corporate Governance
Lawrence M. Levy Former Partner Brown Rudnick LLP	78	2005		•Nominating and Corporate Governance
Stephen P. MacMillan Chairman, President and CEO Hologic, Inc.	53	2013		•N/A
Christiana Stamoulis CFO and Head of Corporate Development Unum Therapeutics	46	2011		•Audit and Finance
Elaine S. Ullian Former President and CEO Boston Medical Center	69	2007		•Lead Independent Director •Compensation •Nominating and Corporate Governance (chair)
Amy M. Wendell Former Senior Vice President, Strategy & BD&L Covidien plc	56	2016		•Audit and Finance

Business and Financial Highlights

As a leading global healthcare and diagnostics company, we strive to make advances towards greater certainty for our customers by providing them with cutting-edge technology that makes a real difference, enabling healthier lives, everywhere, every day.

Our market-leading products include our innovative Genius™ 3D MAMMOGRAPHY™ technology, our Affirm™ prone biopsy system, our ThinPrep ® pap test, our Aptima ® infectious disease tests, our NovaSure ® device for endometrial ablation and the Procleix ® family of blood screening assays and instruments, which are marketed and sold worldwide by Grifols S.A. Our products are focused on early detection and intervention, and we enjoy a strong position in women's health.

The past three years have been transformative ones for the Company. Under the guidance of a highly-engaged senior management team, all of whom joined the Company in fiscal 2014 or later, we continue our transition from turnaround mode to a sustainable growth company. The Company's strong financial results in fiscal 2016 reflect the progress we have made. Improved commercial execution generated consistent growth across our three primary areas of the business – diagnostics, breast health and GYN surgical.

- Full-year GAAP revenue increased 4.7%, despite the negative impact of foreign currency
- GAAP diluted EPS improved 158%
- Debt declined primarily as a result of the repurchase of $274 million principal amount of convertible notes
- Return on invested capital significantly improved
- The price per share of our common stock has increased 83.9% since the end of fiscal 2013

Looking ahead, we are focused on sustainable, long-term revenue growth, and believe we have significant opportunities ahead of us.

- Two of the important products that drove growth in 2016 – Genius 3D MAMMOGRAPHY™ and the fully automated Panther™ system in molecular diagnostics – are still early in their growth cycles
- We have a largely untapped international opportunity, as only approximately 20% of our sales were generated outside of the United States in fiscal 2016
- We are committed to developing a robust research and development pipeline in each area of our business
- Multiple opportunities to increase operational efficiency, reduce debt and lower our tax rate should enable us to continue to grow earnings even faster than sales

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Corporate Governance Highlights

Hologic is committed to good corporate governance, which we believe will help us to sustain our success and build long-term stockholder value. In fiscal 2016, we continued to improve our corporate governance structure, focusing on the following:

Board Assessment, Composition and Structure

Our Nominating and Corporate Governance Committee is continually evaluating our Board composition. In 2015, our Nominating and Corporate Governance Committee led a Board assessment which included a Board peer review, managed by our general counsel. In 2016, the Nominating and Governance Committee continued to spearhead the assessment process by leading a facilitated discussion to evaluate the functioning and composition of the Board and its committees. As a part of this discussion, the Board also assessed the efficacy of having a Lead Independent Director and a combined Chairman/CEO. The Board affirmed its June 2015 decision to combine the Chairman and CEO roles and to appoint a Lead Independent Director.

Our Board continues to evolve. Two of our long-tenured directors did not stand for re-election at our 2016 Annual Meeting, and, at that meeting, stockholders elected a new director, Christopher J. Coughlin. In addition, the day after the 2016 Annual Meeting, Jonathan Christodoro and Samuel Merksamer resigned from our Board. Messrs. Christodoro and Merksamer were originally appointed to the Board pursuant to the Nomination and Standstill Agreement, dated December 8, 2013 (the “Standstill Agreement”), by and among the Company and Icahn Partners Master Fund LP, Icahn Partners Master Fund II LP, Icahn Partners Master Fund III LP, Icahn Partners LP, Icahn Onshore LP, Icahn Offshore LP, Icahn Capital LP, IPH GP LLC, Icahn Enterprises Holdings LP, Icahn Enterprises G.P. Inc., Beckton Corp., High River Limited Partnership, Hopper Investments LLC, Barberry Corp., Carl C. Icahn, Jonathan Christodoro and Samuel Merksamer (collectively, the “Icahn Group”). Following the resignations of Messrs. Christodoro and Merksamer (each, an “Icahn Designee”) from our Board, we received written notice from the Icahn Group irrevocably waiving any right to designate a replacement for any Icahn Designee under the Standstill Agreement, and, accordingly, that the standstill period ended as of the date of the notice. Continuing the refreshment process, in December 2016, our Board appointed a new director, Amy M. Wendell, who is standing for election at this Annual Meeting. Additionally, our longest-tenured director, Nancy L. Leaming, decided not to stand for re-election at this meeting. Her decision not to stand for re-election did not involve any disagreement with any Board member or with management.

Effective in 2016, the Board restructured its committees, disbanding the Corporate Development Committee, expanding the role of the Audit Committee to assume some of the responsibilities of the Corporate Development Committee, and renaming the Audit Committee as the Audit and Finance Committee. The Board, at the recommendation of the Nominating and Corporate Governance Committee, also reduced the size of each committee to three or four members.

Risk Management Process

Our general counsel led an initiative in 2015 to strengthen the Company's risk management process, resulting in a comprehensive but targeted enterprise risk management report to the Board. In 2016, our general counsel continued to strengthen the process, refining the risks and mitigating actions.

Additionally, the Compensation Committee worked with Mr. MacMillan to align the executive leadership team's individual performance objectives with the top three risks identified in the annual Enterprise Risk Management process.

Continued Stockholder Outreach

Continuing the year-round approach to stockholder engagement we implemented last year, in addition to discussions that take place before our Annual Meeting, we initiated discussions in early fall 2016 during a quieter period, reaching out to our largest stockholders, representing over 50% of our shares.

We ultimately met with seven of our investors to discuss business highlights, compensation and governance matters. Details of the stockholder feedback are incorporated throughout this proxy statement.

Sustainability

We are committed to improving the health of our communities, customers, patients and employees, and to ensuring that the decisions we make today have a positive effect on future generations. In October 2016, we made our first foray into sustainability disclosure, posting information on our website in four initial areas of focus: Energy and Greenhouse Gas Efficiency, Recycling/Reuse, Supply Chain and Workplace Health and Safety. Our sustainability program is evolving and this initial disclosure is designed to provide a foundation on which we can build.

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Election and Removal of Directors

In March 2016, we amended our Bylaws to permit stockholders holding a majority of shares entitled to vote to remove directors with or without cause, in accordance with Delaware law. Our Bylaws previously provided that a director could be removed from office only for cause by vote of the holders of eighty percent (80%) of the voting stock then outstanding.

In this proxy statement, we are proposing to amend our Bylaws further to provide for a majority vote standard in the case of uncontested elections of directors.

We Believe in Good Corporate Governance

Annual election of directors

Seven of our eight director nominees are independent

All committees consist solely of independent directors

Independent Lead Director

50% of our board members are women

Regular executive sessions of independent directors

No shareholder rights plan (sometimes called a “poison pill”)

Robust executive and director stock ownership guidelines

No hedging or pledging of our securities by our executive officers or directors permitted

Active stockholder engagement

Stockholders permitted to act by written consent in lieu of a meeting

Stockholders holding an aggregate of at least 25% of our outstanding shares can request a special meeting

Amended Bylaws to allow removal of directors without cause by a majority of shareholders entitled to vote

Proposing adoption of majority vote standard for uncontested elections of directors

Corporate Governance Guidelines and environmental sustainability information published on our website at *investors.hologic.com*

Board Composition and Skills*

*Director nominees

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Compensation Highlights

The Compensation Committee has responsibility for oversight of the Company's executive compensation framework, and within that framework, works with management to align pay with performance.

What we do	What we don't do
Double-trigger for accelerated equity vesting upon a change of control	No tax gross-ups on severance or change of control payments
Golden parachute policy	No hedging/pledging of Hologic stock
Compensation recoupment ("clawback") policy	No option repricing without stockholder approval
Heavy emphasis on performance-based compensation	No excessive perquisites for executives
Meaningful stock ownership guidelines for our CEO, non-employee directors and executive officers	
Independent compensation consultant	
Annual risk assessments	

2016 ANNUAL TARGET CEO PAY   2016 ANNUAL TARGET AVERAGE NEO PAY

CEO Employment Agreement

At the end of fiscal 2016, Mr. MacMillan's Employment Agreement was amended to:

- remove the annual housing allowance previously provided, and
- add adjusted net income as a check on adjusted EPS such that increases in annual equity grant values will be based on the *lower* growth of the two metrics, and decreases in annual equity grant value will be based on the *larger* decline of the two metrics, as applicable.

Details about the specific arrangement made with Mr. MacMillan can be found in the "Employment, Change of Control and Severance Agreements" section beginning on page 33.

Note About Forward-Looking Statements

This proxy statement includes estimates, projections and statements relating to our business plans, objectives and expected operating results that are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements may appear throughout this proxy statement, including but not limited to this Proxy Statement Summary and the Compensation Discussion and Analysis. These forward-looking statements generally are identified by the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “intend,” “strategy,” “future,” “opportunity,” “p “should,” “will,” “would,” “will be,” “will continue,” “will likely result,” and similar expressions. Forward-looking statements based on current expectations and assumptions that are subject to risks and uncertainties that may cause actual results to differ materially. We describe risks and uncertainties that could cause actual results and events to differ materially in “Risk Factors,” “Quantitative and Qualitative Disclosures about Market Risk,” and “Management’s Discussion and Analysis” sections of our Forms 10-K and 10-Q. We undertake no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events, or otherwise.

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GOVERNANCE OF THE COMPANY

Hologic is committed to good corporate governance, which we believe will help us sustain our success and continue to build long-term stockholder value. To that end, the Company has in place Corporate Governance Guidelines which are designed to assist the Company and the Board in implementing effective corporate governance practices. The Board has also adopted a Code of Conduct that applies to all of our employees, officers and directors and a Code of Ethics (included as Appendix A to our Code of Conduct) that applies specifically to senior financial officers. These policies are publicly available on our website at *investors.hologic.com.* Hologic posts additional information on our website from time to time as the Board makes changes to our corporate governance practices.

Our Board believes that good governance requires not only an effective set of specific practices, but also a culture of responsibility throughout the organization. Governance at Hologic is intended to achieve both. Good governance ultimately depends on the quality of an organization's leadership, and our Board is committed to recruiting and retaining directors and officers with proven leadership ability and personal integrity.

The Board has implemented corporate governance practices that it believes are both in the best interests of Hologic and our stockholders as well as compliant with the rules and regulations of the SEC and the listing standards of NASDAQ. The Board reviews these practices on an ongoing basis. Highlights of our corporate governance practices are summarized below.

Board Leadership Structure

Chairman and Lead Director Roles

Our Bylaws and Corporate Governance Guidelines permit the roles of Chairman and Chief Executive Officer to be filled by the same or different individuals. This allows the Board flexibility to determine whether the two roles should be combined or separated based upon our needs and the Board's assessment of its leadership from time to time. The Board and the Nominating and Corporate Governance Committee review the structure of the Board and Hologic leadership as part of the succession planning process on an ongoing basis. The Board also reviews its structure during its annual self-assessment. The Board believes that Hologic and its stockholders are best served at this time by having our CEO, Stephen P. MacMillan, also serve as our Chairman, and Elaine S. Ullian, an independent director, serve as our Lead Director. Combining the roles of Chairman and CEO makes clear that we have a single leader who is directly accountable to the Board and, through the Board, to our stockholders. It establishes one voice who speaks for the Company to customers, employees, stockholders and other stakeholders. This structure reinforces Mr. MacMillan's overall responsibility for the Company's business and strategy, under the oversight and subject to the review of the Board. It strengthens the Board and the Board's decision-making process because Mr. MacMillan, who has first-hand knowledge of our operations and the major issues facing Hologic, chairs the Board meetings where the Board discusses strategic and business issues. This structure also enables Mr. MacMillan to act as the key link between the

Board and other members of management and facilitate an efficient Board process.

The Board recognizes the importance of having a strong independent Board leadership structure to ensure accountability. Accordingly, our Corporate Governance Guidelines provide that if the Chairman is not an independent director, then the independent directors will select a Lead Director. The Board believes that a Lead Director is an integral part of our Board structure and facilitates the effective performance of the Board in its role of providing governance and oversight. Ms. Ullian has been our Lead Director since June 2015. She brings to the role considerable skills and experience, as described below in “Election of Directors.” In addition, Ms. Ullian is Chair of our Nominating and Corporate Governance Committee, which affords her increased engagement with Board governance and composition.

Ms. Ullian, as Lead Director, has significant responsibilities. Certain specific responsibilities are set forth in Hologic’s Corporate Governance Guidelines and include:

- presiding at the meetings of the Board at which the Chairman is not present;
- convening meetings of the independent directors, including executive sessions held in conjunction with each regularly-scheduled Board meeting;
- serving as the principal liaison between the Chairman and the independent directors, including with respect to matters arising in executive sessions of the independent directors;
- working with the Chairman and the Nominating and Governance Committee to establish processes to assist the Board in the efficient discharge of its duties;
- approving Board meeting agendas as well as the quality, quantity and timeliness of information sent to the Board;
- approving Board meeting schedules to assure that there is sufficient time for discussion of all agenda items;
- recommending to the Chairman the retention of outside advisors, as appropriate, who report directly to the Board on board-wide matters;

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- being available, if requested by stockholders, and when appropriate, for consultation and direct communication; and
- coordinating with the other independent directors in respect of each of the foregoing and performing such other duties as may be properly requested by the Board.

Mr. MacMillan's responsibilities as Chairman of the Board are also set forth in our Corporate Governance Guidelines and include:

- presiding at meetings of the Board of Directors and stockholders;
- establishing processes to assist the Board in the efficient discharge of its duties;
- organizing and presenting agendas for Board meetings based on advice from the Lead Director, Committee Chairs, directors and members of senior management;
- facilitating the proper flow of information to the Board and working to see that meetings are efficient and informative;
- working with the Nominating and Corporate Governance Committee to develop processes for structuring Committees and overseeing their functions, including assignments of Committee members and Chairs;
- working with the Nominating and Corporate Governance Committee to develop processes for management development and succession planning for senior executives; and
- performing such other duties as may be properly requested by the Board.

In addition to discharging the specific responsibilities identified above, Mr. MacMillan consults regularly with Ms. Ullian on a variety of matters, including governance and strategy. As Lead Director and Chair of the Nominating and Corporate Governance Committee, Ms. Ullian takes the lead in Board structure and composition. In addition, Ms. Ullian's proven ability to assert independent leadership while working collaboratively with other directors and building consensus around different points of view enable her to serve effectively as our Lead Director and as Chair of our Nominating and Corporate Governance Committee. During its self-assessment discussions in 2016, the Board considered and affirmed the current efficacy of this structure for the Company. We also discussed this structure with a number of our largest stockholders. While several advised that they do scrutinize combined Chair/CEO structures as a matter of practice, none expressed concern over this structure for Hologic.

Independent Directors and Committees

In evaluating its leadership structure, the Board also considered that eight of our nine current directors are independent. Our independent directors appropriately challenge management and demonstrate independent judgment in making important decisions for our Company. In addition, each of the Board's standing committees — Audit and Finance, Compensation, and Nominating and Corporate Governance — is comprised entirely of independent directors.

As a result, oversight of key matters, such as the integrity of Hologic's financial statements, executive compensation, the nomination of directors and evaluation of the Board and its committees, is entrusted to independent directors. Finally, the Board meets in executive session without the CEO in connection with each regularly-scheduled Board meeting. The active involvement of the independent directors, combined with the qualifications and significant responsibilities of our Lead Director, promote strong, independent oversight of Hologic's management and affairs.

Risk Oversight

Our Board is responsible for risk oversight. A fundamental part of risk oversight is understanding the risks that we face, the steps management is taking to manage those risks and assessing our appetite for risk. Risk management systems, including our internal auditing procedures, internal control over financial reporting and corporate compliance programs, are designed in part to inform management about our material risks. It is management's responsibility to manage risk and bring to the Board's attention material risks facing the Company. Our Board receives regular reports from management on matters relating to strategic and operational initiatives, financial performance and legal developments, including the related enterprise-risk exposures. The involvement of the Board in the oversight of our strategic planning process is a key part of its assessment of the risks inherent in our corporate strategy. Last year, our general counsel led an initiative to strengthen the Company's enterprise risk management process, which continued this year. As part of this process, risk was assessed throughout the business, focusing on three primary areas: financial risk, legal/compliance risk and operational/strategic risk. The resulting enterprise risk management report ("ERM report") detailed the Company's top ten risks, as well as mitigating actions and plans relating to those risks, and was presented to and discussed with the Board. This year, the ERM report highlighted changes in the risks identified in the prior year's report as well as mitigating actions. Underscoring the Board's and management's focus on enterprise risk are the individual performance objectives of the executive leadership team for fiscal 2017, which are again aligned with the Company's top three enterprise risks, as identified in the ERM report.

While the Board has overall responsibility for risk oversight, each of the three standing committees of the Board regularly assesses risk in connection with executing their responsibilities. In particular, the Audit and Finance Committee focuses on financial risk, including

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internal controls, and receives an annual risk assessment report from the Company's internal auditors. At the Compensation Committee's direction, the Compensation Committee's independent compensation consultant conducts a risk assessment of our executive compensation programs, and members of our internal legal, human resources and sales operations departments evaluate our other compensation programs. The Committee and its independent compensation consultant reviewed and discussed these assessments for fiscal 2016, and the Compensation Committee concurred with the assessment that our compensation programs do not create risks that are reasonably likely to have a material adverse effect on our business.

Stockholder Engagement

While the Board, through the Nominating and Corporate Governance Committee, oversees stockholder matters and participates in meetings with stockholders, as appropriate, management has the principal responsibility for stockholder communications and engagement. As discussed below, management provides regular feedback to the Board concerning stockholder feedback.

During 2016, we continued the year-round approach to stockholder engagement we implemented in 2015. In addition to discussions just before our Annual Meeting, we initiated discussions during a quieter period several months later, reaching out to a number of our largest stockholders, representing over 50% of our outstanding shares. Topics discussed with these investors included business highlights, Board composition, Board and executive compensation, sustainability and other governance practices.

- *Board Composition.* All investors with whom we spoke appreciated our Board refreshment process and continued composition assessment. None expressed concerns over our combined CEO/Chairman structure although one investor noted that they scrutinize the proxy statements of companies with this structure for disclosure regarding the responsibilities of the Lead Director.
- *Compensation.* All investors with whom we spoke were supportive of our focus on performance-based compensation and the metrics that we use, as well as the changes to the long-term incentive program we are implementing for fiscal 2017. Please see the "Compensation Discussion and Analysis" beginning on page 21 for more detailed information. With respect to director compensation, all investors with whom we spoke were supportive of the move from a flat sign-on equity grant for new directors to a pro-rated annual grant.
- *Sustainability.* The investors with whom we spoke were split on the topic of sustainability. Several expressed strong views regarding the positive impact of sustainability practices and disclosure while others noted that they did not focus on sustainability practices and disclosures. Of the investors with strong views on this subject, there was consensus that we should focus on issues material to our business rather than try to address all matters in any one sustainability framework. All were receptive to the steps we have been making towards sustainability disclosure.

In addition to input on current governance and executive compensation topics specific to Hologic, we invite discussion on any other topics or trends stockholders may wish to share with us. We believe that positive, two-way dialogue builds informed relationships that promote transparency and accountability. Management provides written and oral updates on the discussions with stockholders to our Lead Director, Chairman and the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee in turn allocates specific issues to relevant Board committees for further consideration. Each Board committee reviews relevant feedback and determines if additional discussion and actions are necessary by the respective committee or full Board. The Board considers shareholder perspectives, as well as the interests of all stakeholders, when overseeing company strategy, formulating governance practices and designing compensation programs.

Director Nomination Process and Board Assessment

Understanding the importance of its responsibility to provide effective oversight, our Board strives to maintain an appropriate balance of tenure, diversity, skills and experience on the Board. As provided in its charter, the Nominating and Corporate Governance Committee is responsible for identifying individuals qualified to become directors. The Nominating and Corporate Governance Committee seeks to identify and evaluate director candidates and may rely on input provided by a number of sources, including the Nominating and Corporate Governance Committee members, our other directors or officers, our stockholders, and third parties such as professional search and screening firms.

In evaluating potential candidates for director, the Nominating and Corporate Governance Committee considers the entirety of each candidate's credentials, including: character and integrity, business acumen, experience, commitment and diligence. The Nominating and Corporate Governance Committee considers diversity as one of a number of factors in identifying nominees for director. It does not, however, have a formal policy in this regard. The Nominating and Corporate Governance Committee views diversity broadly to include diversity of experience, skills and viewpoint, as well as diversity of gender and race. The Nominating and Corporate Governance Committee does not assign specific weights to particular criteria

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and no particular criterion is necessarily applicable to all prospective nominees. The Nominating and Corporate Governance Committee believes that the backgrounds and qualifications of the directors considered as a group should provide a significant breadth of experience, knowledge and abilities to assist the Board in fulfilling its responsibilities. Generally, directors should be individuals who have succeeded in their particular field and who demonstrate integrity, reliability, knowledge of corporate affairs and collegiality. The Nominating and Corporate Governance Committee also considers such other relevant factors as it deems appropriate, including the current composition of the Board.

Last year, the Nominating and Corporate Governance Committee led a Board assessment initiative, which included a Board peer review, managed by the general counsel. This year the Nominating and Corporate Governance Committee determined that a facilitated discussion with the full Board would be the most effective form of evaluation. As a part of this discussion, the Board examined several key characteristics which it believed would augment the current skill set of the Board, including experience as a senior executive in a large, complex, global company; extensive operational and transactional experience; deep understanding of the Company's markets and/or customers and a product background.

The Nominating and Corporate Governance Committee will consider stockholder recommendations for candidates for the Board using the criteria described in the preceding paragraphs . The name of any recommended candidate for director, together with a brief biographical sketch, a document indicating the candidate's willingness to serve, if elected, and evidence of the nominating stockholder's ownership of the Company's stock should be sent to the attention of our Corporate Secretary, Hologic, Inc., 250 Campus Drive, Marlborough, MA 01752. If you wish to formally nominate a candidate, you must follow the procedures described in Section 1.4 of our Bylaws.

Code of Ethics

Pursuant to Section 406 of the Sarbanes-Oxley Act of 2002, we have adopted a Code of Ethics for Senior Financial Officers that applies to our principal executive officer and principal financial officer, principal accounting officer and controller, and other persons performing similar functions. Our Code of Ethics for Senior Financial Officers is publicly available on our website at *investors.hologic.com* as Appendix A to our Code of Conduct. We intend to satisfy the disclosure requirement under Item 5.05 of Current Report on Form 8-K regarding an amendment to, or waiver from, a provision of this code by posting such information on our website, at the address specified above.

Attendance by Directors at the Annual Meeting of Stockholders

Our Board has scheduled a Board meeting in conjunction with the Annual Meeting of Stockholders. Our directors are encouraged to attend the Annual Meeting of Stockholders on March 8, 2017. All of our current directors who were nominated for election at our Annual Meeting of Stockholders held on March 2, 2016 attended that Annual Meeting.

Stockholder Communications with the Directors

Stockholders may contact our Board and committees thereof by writing to them c/o Investor Relations, Hologic, Inc., 250 Campus Drive, Marlborough, MA 01752. In general, any stockholder communication directed to our Board or a committee thereof will be delivered to our Board or the appropriate committee. However, the Company reserves the right not to forward to our Board any abusive, threatening or otherwise inappropriate materials.

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BOARD COMMITTEES

In December 2015, the Nominating and Corporate Governance Committee embarked upon a thoughtful and deliberate process of assessing the Board's standing committee structure and related membership. This review culminated in a recommendation to the Board to disband the Corporate Development Committee, to expand the role of the Audit Committee to assume some of the responsibilities of the Corporate Development Committee, to change the name of the Audit Committee to the Audit and Finance Committee to reflect these additional responsibilities, to rotate committee membership, and to reduce the size of each Committee. These changes were effective following the 2016 Annual Meeting. The standing committees of the Board currently are the Audit and Finance Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee.

The Board is composed of a majority of "independent" directors, and all of the committees are composed entirely of "independent" directors, as such term is defined in the listing standards of NASDAQ. The Board has determined that the following directors and director nominees are "independent," according to the above definition: Christopher J. Coughlin, Sally W. Crawford, Scott T. Garrett, Nancy L. Leaming, Lawrence M. Levy, Christiana Stamoulis, Elaine S. Ullian and Amy M. Wendell. Our former directors, Messrs. Christodoro, LaVance, Merksamer and Wilson were also determined to be independent when serving as members of our Board. Mr. MacMillan is not considered independent because he is an active officer of the Company. In addition, both the Audit and Finance Committee and the Compensation Committee are composed entirely of "independent" directors as such term is defined in Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

The Board has adopted a charter for each of the three standing committees that addresses the make-up and functioning of such committee. The charters for each of the three standing committees are publicly available on our website at *investors.hologic.com.*

The current membership of each committee is listed below.

				Board Committees		
Name	Age	Position	Director Since	Audit and Finance	Compensation	Nominating and Corporate Governance
Christopher J. Coughlin	64	Director	2016	Chair		
Sally W. Crawford	63	Director	2007		Chair	
Scott T. Garrett	67	Director	2013			
Nancy L. Leaming[(1)]	69	Director	2003			
Lawrence M. Levy	78	Director	2005			
Christiana Stamoulis	46	Director	2011			
Elaine S. Ullian	69	Lead Director	2007			Chair
Amy M. Wendell	56	Director	2016			

Number of Meetings in Fiscal 2016	9	6	4

(1)Not standing for re-election.

Meetings of the Board and its Committees

The Board met six (6) times during the fiscal year ended September 24, 2016 and each of our directors attended over 90% of the total number of meetings of the Board and all committees of the Board on which he or she served, including meetings of the now-defunct Corporate Development Committee. During fiscal 2016, the independent directors of the Board met in executive session during each of the Board's regular quarterly meetings and at such other Board and committee meetings as the independent directors elected.

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Nominating and Corporate Governance Committee

Members Ms. Ullian (Chair) Mr. Garrett Mr. Levy	The Nominating and Corporate Governance Committee is responsible for recommending to the Board potential candidates for director and considering various corporate governance issues, including evaluating the performance of the Board and its committees, developing and periodically reviewing our Corporate Governance Guidelines, reviewing and recommending to the Board any changes to the committee charters, recommending the composition and chair of our Board committees, monitoring compliance with our stock ownership guidelines, evaluating the performance of our CEO annually and leading the succession planning and process for our CEO. The Nominating and Corporate Governance Committee also considers suggestions regarding possible candidates for director as described under "Director Nomination Process and Board Assessment" on pages 11 and 12.
FY2016 Meetings: 4	Prior to the changes in Committee assignments, Messrs. Christodoro and LaVance, both of whom left our Board in March 2016, also served as members.

Audit and Finance Committee

Members Mr. Coughlin (Chair) Ms. Leaming Ms. Stamoulis Ms. Wendell	The Audit and Finance Committee is responsible for assisting our Board in the oversight of (i) our financial reporting process, accounting functions, internal audit functions and internal control over financial reporting, and (ii) the qualifications, independence, appointment, retention, compensation and performance of our independent registered public accounting firm. The Audit and Finance Committee is also responsible for a number of the functions of the former Corporate Development Committee, including oversight of financing and capital allocation strategies, review and approval of financing transactions to the extent delegated by the Board, review of the Company's ability to enter into swaps and other derivatives transactions, and review of the Company's tax structure, among other things. The Audit and Finance Committee also reviews and approves related-party transactions (unless such review and approval has been delegated to another committee consisting solely of independent directors). Prior to the changes in Committee assignments, Mr. Wilson, who left our Board in March 2016, and Ms. Crawford also served as members.
FY2016 Meetings: 9	None of the current or former members of the Audit and Finance Committee are employees of the Company and our Board has determined that each such member of the Audit and Finance Committee is independent (as independence is defined in the current listing standards of NASDAQ and Section 10A(m)(3) of the Exchange Act).

Audit Committee Financial Expert. The Board has determined that each of Mses. Leaming and Stamoulis and Mr. Coughlin qualify as an "audit committee financial expert," as that term is defined in Item 407(d)(5) of Regulation S-K.

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Compensation Committee

Members

Ms. Crawford (Chair)

Mr. Garrett

Ms. Ullian

FY2016 Meetings: 6

The primary functions of the Compensation Committee include: (i) reviewing and approving the compensation for each of our executive officers and such other of our senior officers as the Compensation Committee deems appropriate; (ii) evaluating the performance, as it relates to their compensation, of the executive officers, other than the CEO (whose performance is evaluated by the Nominating and Corporate Governance Committee and the Board of Directors), and such other senior officers as the Compensation Committee deems appropriate; (iii) overseeing the administration and the approval of grants and terms of equity awards under our equity-based compensation plans; (iv) reviewing and approving other compensation plans as the Compensation Committee deems appropriate; (v) general oversight of risks associated with our compensation policies and practices; and (vi) approving and/or recommending for review and approval by the Board compensation for members of the Board, and each committee thereof. The Board and Compensation Committee may delegate limited authority to executive officers or other directors of the Company to grant equity awards to non-executive officers. Currently, our Senior Vice President, Human Resources, has been delegated such authority, subject to the terms, conditions and limitations previously approved by the Compensation Committee and the Board, with each of the President and Chief Executive Officer and the Chief Financial Officer authorized to serve as an alternate to the Senior Vice President, Human Resources.

Prior to the changes in Committee assignments, Messrs. LaVance, Merksamer and Wilson, all of whom left our Board in March 2016, and Ms. Leaming also served as members.

Compensation Committee Interlocks and Insider Participation

No current or former member of the Compensation Committee listed above is or has ever been an executive officer or employee of the Company (or any of its subsidiaries) and no “compensation committee interlocks” existed during fiscal 2016.

For further information about our processes and procedures for the consideration and determination of executive and director compensation, including the Compensation Committee’s retention of an independent compensation consultant, please see “Compensation Discussion and Analysis” beginning on page 21.

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Proposal No. 1 Election of Directors

Eight directors are to be elected at the Annual Meeting. Our Board of Directors (referred to herein as the “Board”), upon the recommendation of the Nominating and Corporate Governance Committee, has nominated the persons listed below for election as directors. All of the director nominees, other than Ms. Wendell, were previously elected by our stockholders. Ms. Wendell was recommended initially by a non-management director as well as our CEO. After considering her qualifications and conducting personal interviews, the Nominating and Corporate Governance Committee unanimously recommended that Ms. Wendell be appointed to the Board, and in December 2016, the Board of Directors unanimously elected her to the Board. Unless otherwise instructed, the proxy holders will vote the proxies received by them for the Board’s nominees named below. In the event that any nominee is unable or declines to serve as a director at the time of the Annual Meeting, the proxies will be voted for the nominee, if any, who shall be designated by the present Board to fill the vacancy. Each nominee has consented to serving as a director if elected. The proposed nominees are being nominated in accordance with the provisions of our Bylaws. The term of office of each person elected as a director will continue until the next Annual Meeting of Stockholders or until a successor has been elected and qualified.

Ms. Leaming is not standing for re-election at the Annual Meeting. Accordingly, the Board, which briefly increased the size of the Board to nine directors, has reduced the size of the Board to eight directors, effective immediately prior to the commencement of the Annual Meeting. Our Board extends its sincere gratitude to Ms. Leaming for her many years of dedicated service.

Vote Required

Directors are currently elected by a plurality of the votes cast by stockholders entitled to vote at the Annual Meeting. Abstentions and broker non-votes will not have any effect on this proposal. Accordingly, the nominees receiving the highest number of “for” votes at the Annual Meeting will be elected as directors. However, in accordance with our Bylaws, in an uncontested election of directors any nominee for director who receives a greater number of votes “withheld” than votes “for” in such election must promptly tender his or her resignation to our Board, which will consider whether to accept the resignation. This is an uncontested election of directors because the number of nominees for director does not exceed the number of directors to be elected. If any nominee for director in this election receives a greater number of votes “withheld” than votes “for”, then within 90 days after the certification of the election results, the remaining members of our Board shall, through a process managed by the Nominating and Corporate Governance Committee and excluding the director nominee in question, determine whether to accept such resignation. We will then publicly disclose the determination of the Board.

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Recommendation of the Board

Our Board unanimously recommends that you vote “FOR” the nominees listed below. Management proxy holders will vote all duly submitted proxies FOR the nominees listed below unless instructed otherwise.

Set forth below is certain biographical information regarding the nominees as of January 1, 2017, as well as the experiences, qualifications, attributes or skills that caused the Nominating and Corporate Governance Committee and the Board to determine that the person should serve as a director.

Christopher J. Coughlin

Director Since: 2016

Age: 64

Mr. Coughlin was elected to our Board in 2016. From 2012 to 2016, Mr. Coughlin served as a senior advisor to McKinsey & Co. Mr. Coughlin served as an advisor to Tyco International from 2010 until September 2012. He was Executive Vice President and Chief Financial Officer of Tyco International from 2005 to 2010. During his tenure, he played a central role in the separation of Tyco into five independent, public companies and provided financial leadership surrounding major transactions, including the $2 billion acquisition of Broadview Security, among many other responsibilities and accomplishments. Prior to joining Tyco, he worked as the Chief Operating Officer of the Interpublic Group of Companies from June 2003 to December 2004, as Chief Financial Officer from August 2003 to June 2004 and as a director from July 2003 to July 2004. Previously, Mr. Coughlin was Executive Vice President and Chief Financial Officer of Pharmacia Corporation from 1998 until its acquisition by Pfizer in 2003. Prior to that, he was Executive Vice President of Nabisco Holdings and President of Nabisco International. Mr. Coughlin currently serves on the board of Dun & Bradstreet, where he is a former member of the Audit Committee, chairs the Nominating and Governance Committee, and is a member of the Compensation and Benefits Committee. He also serves on the board of Alexion Pharmaceuticals, where he is Chairman of the Audit Committee and a member of the Pharmaceutical Compliance and Quality Committee, and on the board of Allergan plc (formerly Actavis plc), where he is Lead Director as well as a member of the Compensation Committee and the Nominating and Corporate Governance Committee. In addition, Mr. Coughlin previously served on the boards of Covidien plc, Dipexium Pharmaceuticals, Inc., Forest Laboratories, Inc., The Interpublic Group of Companies, Monsanto Company and Perrigo Company. Mr. Coughlin has a B.S. in accounting from Boston College. Mr. Coughlin’s depth of experience in executive leadership roles within complex corporate organizations, his financial background and his audit committee service on public company boards contribute critical risk oversight and management insight to our Board.

Sally W. Crawford

Director Since: 2007

Age: 63

Ms. Crawford became one of our directors effective upon our merger with Cytyc Corporation ("Cytyc") in October 2007, having previously served as a director of Cytyc since January 1998. From April 1985 until January 1997, Ms. Crawford served as Chief Operating Officer of Healthsource, Inc., a publicly held managed care organization headquartered in New Hampshire. During her tenure at Healthsource, Inc., Ms. Crawford held a variety of positions and responsibilities, including leading that company's Northern Region operations and marketing efforts. Since January 1997, she has been a healthcare consultant in New Hampshire. Ms. Crawford serves as a director of Universal American Corporation, where she is Chair of the Compliance Committee and Chair of the Nominating Committee, and Insulet Corporation, where she is Chair of the Compensation Committee and a member of the Nominating and Governance Committee. Ms. Crawford served as a director of Exact Sciences Corporation from 1998 to 2015, Chittenden Corporation from 1998 to 2008 and Zalicus Inc. (now EPIRUS Biopharmaceuticals, Inc.) from 2007 to 2014. Ms. Crawford earned a Bachelor's Degree from Smith College and a Master's Degree in Communications from Boston University. Ms. Crawford's service in various senior executive positions in the managed care sector and her continuing healthcare consulting practice contribute to her significant management and leadership experience and expertise in operational, regulatory and related disciplines applicable to our business and operations.

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Scott T. Garrett

Director Since: 2013

Age: 67

Mr. Garrett joined our Board in May 2013. Mr. Garrett is currently a Senior Operating Partner at Water Street Healthcare Partners. He joined Water Street in 2011 after approximately 35 years in the global healthcare industry. Prior to joining Water Street, Mr. Garrett served as Chairman, President and Chief Executive Officer of Beckman Coulter, a leading biomedical company, from 2008 to 2011. Mr. Garrett joined Beckman Coulter in 2002 as President, Clinical Diagnostics Division and was promoted in 2003 to President and Chief Operating Officer. In January 2005, he became Chief Executive Officer, adding the position of Chairman in 2008. Prior to that, Mr. Garrett served as Vice Chairman and Interim Chief Executive Officer of Kendro Laboratory Products from 1999 to 2001. From 1994 to 1998, he served as Chairman, President and Chief Executive Officer of Dade Behring, a leading diagnostics company. He began his career at American Hospital Supply Corporation and continued there after that company was acquired by Baxter International, ultimately serving as Chief Executive of Baxter’s global laboratory business, Baxter Diagnostics. Mr. Garrett received a B.S. in Mechanical Engineering from Valparaiso University and an M.B.A. from Lake Forest Graduate School of Management. Mr. Garrett currently serves on the boards of companies in which Water Street has an ownership interest, including MarketLab Inc. and Orgentec Diagnostics. He also serves as a director of Immucor, Inc. Mr. Garrett’s experience as a Chief Executive Officer and in other senior leadership positions with biomedical and diagnostics companies enables him to bring an operational perspective as well as valuable insights and experience to the Board.

Lawrence M. Levy

Director Since: 2005

Age: 78

Mr. Levy has been a director since December 2005. Mr. Levy retired from the position of Senior Counsel at Brown Rudnick LLP, an international law firm, in January 2011. He had been Senior Counsel at Brown Rudnick since February 2005, and for more than 30 years before that had been a Partner at the firm, specializing in Corporate and Securities Law. Mr. Levy served as our Secretary from our formation in 1985 until December 2005. Mr. Levy is a director of the Facing History and Ourselves, Inc. and previously served as a director of Scivanta Medical Corporation. Mr. Levy received a B.A. from Yale University and an LLB from Harvard Law School. Mr. Levy is a seasoned corporate attorney with extensive experience in representing public and private companies in the United States and abroad. Mr. Levy chaired Brown Rudnick’s International Practice Group and, in 1997, opened Brown Rudnick’s London office, dividing his time between the firm’s London and Boston offices for more than 13 years. Mr. Levy’s broad legal and cross-border transactional experience enables him to provide valuable insights and perspectives to the Board.

Stephen P. MacMillan

Director Since: 2013

Age: 53

Mr. MacMillan was appointed as President, Chief Executive Officer and a director in December 2013 and was elected Chairman of the Board in June 2015. From October 2012 to December 2013, Mr. MacMillan was the Chief Executive Officer of sBioMed, LLC, a biomedical research company. From 2003 to 2012, he served in various roles at Stryker Corporation, including Chief Operating Officer from 2003 to 2005, Chief Executive Officer from 2005 to 2012 and Chairman from 2010 to 2012. Prior to 2003, Mr. MacMillan was a senior executive with Pharmacia Corporation, where he oversaw five global businesses. Prior to joining Pharmacia, Mr. MacMillan spent 11 years with Johnson & Johnson in a variety of senior roles in both the U.S. and Europe, including as President of its consumer pharmaceuticals joint venture with Merck. Mr. MacMillan began his career with Procter & Gamble in 1985. Mr. MacMillan currently serves on the board of directors of Boston Scientific Corporation, where he is a member of the Executive Compensation and Human Resources Committee and the Nominating and Governance Committee. Mr. MacMillan previously served on the board of directors of Alere, Inc. from 2013 to 2015 and Texas Instruments Incorporated from 2008 to 2012. Mr. MacMillan holds a Bachelor of Arts degree in economics from Davidson College, and is a graduate of the Harvard Business School's Advanced Management Program. As our Chairman, President and Chief Executive Officer, Mr. MacMillan has direct responsibility for the Company's strategy and operations. During his tenure at Hologic, Mr. MacMillan has led the company through a period of dramatic transformation and revitalization, continued market share gains and sustained revenue growth. Through his leadership, he has positioned Hologic to drive sustainable growth. His performance as CEO, together with his many years of experience in the healthcare industry, make him an invaluable contributor to the Board and uniquely qualified to serve as Chairman.

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Christiana Stamoulis

Director Since: 2011

Age: 46

Ms. Stamoulis has been a director since November 2011. In January 2015, Ms. Stamoulis was appointed Chief Financial Officer and Head of Corporate Development at Unum Therapeutics. Prior to Unum, she was an independent advisor to biopharmaceutical companies from January 2014 to December 2014. Prior to that, Ms. Stamoulis served as Senior Vice President of Corporate Strategy and Business Development at Vertex Pharmaceuticals Incorporated from 2009 until December 2013. Ms. Stamoulis joined Vertex in 2009 with approximately 15 years of experience in the investment banking and management consulting industries where she advised global pharmaceutical and biotechnology companies on strategic and corporate finance decisions. Prior to joining Vertex, she was a Managing Director in the Investment Banking division of Citigroup from 2006 to 2009 where she led the building of the firm’s U.S. Life Sciences investment banking practice. Prior to her role at Citigroup, she was at Goldman, Sachs & Co. where she spent the majority of her investment banking career. Ms. Stamoulis started her career as a strategy consultant at The Boston Consulting Group. Ms. Stamoulis holds a Bachelor of Science degree in Economics and a Bachelor of Science degree in Architecture from the Massachusetts Institute of Technology (MIT). Additionally, she holds a Master of Business Administration from the MIT Sloan School of Management where she focused on Applied Economics and Finance. Ms. Stamoulis’ solid foundation in strategic development, coupled with her extensive experience in executing initiatives for growth in the medical products field and related industries, enable her to provide valuable insights to the Board.

Elaine S. Ullian

Director Since: 2007

Age: 69

Ms. Ullian has been a director since October 2007 and our Lead Independent Director since June 2015. Ms. Ullian served as President and Chief Executive Officer of Boston Medical Center, the successor of Boston University Medical Center Hospital, from 1996 until her retirement in January 2010. In April 1994, Ms. Ullian was appointed President and Chief Executive Officer of Boston University Medical Center Hospital. From January 1987 to March 1994, Ms. Ullian held the position of President and Chief Executive Officer of Faulkner Corporation/Faulkner Hospital. She holds two academic appointments: Associate Professor at Boston University School of Medicine and lecturer at Harvard University School of Public Health. Ms. Ullian also serves as a director of Vertex Pharmaceuticals Incorporated, where she is Co-Lead Director, Chair of the Corporate Governance and Nominating Committee and a member of the Management Development and Compensation Committee, and Thermo Fisher Scientific Inc., where she is a member of the Compensation Committee. Ms. Ullian previously served as one of our directors from 1996 to 2003 and served as a director of Valeant Pharmaceuticals International, Inc. from 2004 to 2008. As former Chief

Executive Officer of three hospitals, including two major academic medical centers, Ms. Ullian brings knowledge and understanding of Hologic's customer base, as well as their priorities and challenges. All three institutions led by Ms. Ullian over a 25-year period had a strong commitment to accessible health care, and a particular focus on women's health services. As a person whose career had been dedicated to the provision of clinical care services to patients, she brings an important perspective to the Board.

Amy M. Wendell

Director Since: 2016

Age: 56

Ms. Wendell was appointed to our Board in December 2016. Since January 2016, Ms. Wendell has been a Senior Advisor for Perella Weinberg Partner's Healthcare Investment Banking Practice. Her scope of responsibilities involves providing guidance and advice with respect to mergers and acquisitions and divestures for clients and assisting the firm in connection with firm-level transactions. Since 2015, Ms. Wendell has been a Senior Advisor for McKinsey's Strategy and Corporate Finance Practice and also serves as a member of McKinsey's Transactions Advisory Board to help define trends in mergers and acquisitions, as well as help shape McKinsey's knowledge agenda. From 1986 until January 2015, Ms. Wendell held various roles of increasing responsibility at Covidien plc (including its predecessors, Tyco Healthcare and Kendall Healthcare Products), including engineering, product management and business development. Most recently, from December 2006 until Covidien's acquisition by Medtronic plc in January 2015, she served as Senior Vice President of Strategy and Business Development, where she led the company's strategy and portfolio management initiatives and managed all business development, including acquisitions, equity investments, divestitures and licensing/distribution. Ms. Wendell also serves as a director of AxoGen, Inc. and Ekso Bionics, where she is a member of the Compensation Committee and the Nominating and Governance Committee. She is Chairman of the Board of Por Cristo, a non-profit charitable medical service organization involved in health care work for at-risk women and children in Latin America. Ms. Wendell holds a Bachelor of Science degree in Mechanical Engineering from Lawrence Technological University and a Master of Science degree in Biomedical Engineering from the University of Illinois. Ms. Wendell brings deep expertise in all areas of mergers and acquisitions, portfolio management, resource allocation and identification of new market opportunities. This expertise, together with her deep knowledge in developed and emerging markets as well as in early stage technologies, make her a valuable contributor to our Board.

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EXECUTIVE OFFICERS

Executive officers are chosen by and serve at the discretion of the Board. Set forth below are the names and ages of our executive officers, as of January 1, 2017, along with certain biographical information for all but Stephen P. MacMillan, our Chairman, President and Chief Executive Officer. For Mr. MacMillan's biographical information, please see page 18.

Name	**Age**	**Title**
Stephen P. MacMillan	53	Chairman, President and Chief Executive Officer
Eric B. Compton	52	Chief Operating Officer
John M. Griffin	56	General Counsel
Robert W. McMahon	48	Chief Financial Officer
Peter J. Valenti, III	53	Division President, Breast and Skeletal Health
Thomas A. West	53	Division President, Diagnostics

Mr. Compton joined us in April 2014 as Chief Operating Officer. From 1995 to 2014, Mr. Compton worked at Johnson & Johnson in roles of increasing responsibility. Most recently, Mr. Compton served as the Worldwide President, Ortho Clinical Diagnostics for Johnson & Johnson. In this position, he was accountable for over $2 billion in global sales across multiple disciplines and held direct responsibility for a workforce of more than 2,800 individuals. From 2011 to August 2012, Mr. Compton served as General Manager, Ortho Clinical Diagnostics and from 2009 to 2011, he served as Worldwide Vice President, Franchise Strategic Marketing, Diabetes Care. Mr. Compton served in various sales and marketing leadership roles at Johnson & Johnson earlier in his career. Prior to joining Johnson & Johnson, Mr. Compton was a Business Development Manager at Procter & Gamble. He began his career in 1986 at Procter & Gamble as a Sales Representative. Mr. Compton is a member of the Board of AdvaMed DX and holds a Masters of Business Administration from Kennesaw State University and a Bachelor of Arts from the University of Richmond.

Mr. Griffin joined us in February 2015 as General Counsel with nearly 30 years of experience across a broad spectrum of legal matters. Mr. Griffin worked at Covidien from 2000 to 2015 where he most recently served as Vice President, Deputy General Counsel. Previously, from 1994 to 2000, Mr. Griffin served as Assistant United States Attorney in Boston, Massachusetts, and prosecuted complex criminal cases. He began his career at Nutter, McClennen & Fish in Boston. Mr. Griffin currently serves on the board of directors for Por Cristo in Boston and New England Legal Foundation. He also serves as Treasurer and on the Board of Directors for Health Care Volunteers International. He has a Juris Doctorate from Harvard Law School and a Bachelor of Arts in Political Science from Columbia University.

Mr. McMahon joined us in May 2014 as Chief Financial Officer with more than 20 years of healthcare finance experience. From 1993 to 2014, Mr. McMahon worked at Johnson & Johnson in executive finance roles of increasing responsibility. Most recently, Mr. McMahon served as the Worldwide Vice President, Finance and Business Development, Ortho Clinical Diagnostics for Johnson & Johnson. From 2006 to 2011, Mr. McMahon served as Vice President, Finance, Consumer Group and from 2004 to 2006 he served as Vice President, Finance, Networking & Computing Services. Earlier in his career at Johnson & Johnson, Mr. McMahon worked in various financial roles at the divisional and corporate headquarters levels. Mr. McMahon began his career in 1991 at Harris Corporation in Florida. Mr. McMahon is a Certified Management Accountant and holds a Masters of Business Administration from the University of Central Florida and a Bachelor of Science in Business Administration from the University of Florida.

Mr. Valenti joined us in May 2014 as Division President, Breast and Skeletal Health Solutions with nearly 30 years of sales, brand and product management experience, including 20 years focused on healthcare products. Prior to joining the Company, Mr. Valenti was a Principal at The New England Consulting Group where he served as a consultant to numerous healthcare companies, including Johnson & Johnson, Alcon, Cardinal Health, Align Technology, Inc. and Bausch + Lomb Inc. Mr. Valenti assumed his consulting role following his four-year tenure in the North American and Global President roles of Bausch + Lomb's Vision Care business from 2009 to 2013. From 2007 to 2009, Mr. Valenti was the General Manager, U.S. Region for Covidien's Surgical Devices business. From 1995 to 2007, Mr. Valenti was with Johnson & Johnson and held positions of increasing responsibility including Vice President, Global Franchise for the Vistakon business and Executive Director, Women's Health for Johnson & Johnson's Personal Products business. Mr. Valenti began his career at Procter & Gamble. He received a Masters of Business Administration from Cornell University and a Bachelor of Science in Business Administration from the University of Connecticut.

Mr. West joined us in October 2014 as Division President, Diagnostics Solutions with more than 20 years of healthcare experience. From 1992 to 2014, Mr. West worked at Johnson & Johnson in various roles of increasing responsibility across the globe. Most recently, he served as the Worldwide Vice President – Strategy and Business Development for Johnson & Johnson's Diabetes Solutions Companies. Previously, he served as President of LifeScan North America and as President of LifeScan EMEA. Mr. West has a proven track record in formulating and implementing growth strategies in the life sciences and consumer healthcare industries in the U.S., Canada, Europe, the Middle East, Africa and Latin America. He has a bachelor's degree in Politics and Economics from Princeton University and a Masters of Business Administration in Marketing and Strategic Management from the University of Pennsylvania, Wharton School.

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COMPENSATION DISCUSSION AND ANALYSIS ("CD&A")

In this section, we describe the executive compensation program for our named executive officers ("NEOs"). We also explain how the Compensation Committee of the Board of Directors (the "Committee") determined the pay of our NEOs and its rationale for specific decisions related to fiscal 2016 (September 27, 2015 – September 24, 2016) compensation.

Our Named Executive Officers (NEOs) for Fiscal 2016

Name	Title
Stephen P. MacMillan	Chairman, President and Chief Executive Officer ("CEO")
Robert W. McMahon	Chief Financial Officer ("CFO")
Eric B. Compton	Chief Operating Officer ("COO")
John M. Griffin	General Counsel
Peter J. Valenti, III	Division President, Breast and Skeletal Health

Executive Summary

2016 Business Strategy & Highlights

Fiscal 2016 was another strong year for Hologic, as we continued our evolution to a sustainable growth company. The Company's Genius 3D MAMMOGRAPHY™ technology continued to lead the way in breast cancer screening and diagnosis, while our Diagnostics and GYN Surgical businesses also grew on a consistent basis. The rapid cohesion and effectiveness of the management team, all of whom joined the Company during fiscal 2014 and 2015, was a key factor in driving performance throughout the Company, with improved execution generating broad and deep growth.

- We delivered solid top- and bottom-line growth, primarily driven by our U.S. operations, as our GAAP revenue grew 4.7% in fiscal 2016 (even stronger growth on a constant currency basis) and GAAP earnings per share ("EPS") increased 158% from $0.45 in fiscal 2015 to $1.16 in fiscal 2016.
- Strong cash flows enabled us to continue to improve our capital structure. During fiscal 2016, we repurchased $274 million in principal of our most dilutive convertible notes, further decreasing our total debt outstanding, and also repurchased 7.3 million shares of our common stock for $250 million. We ended the year with a markedly improved leverage ratio and fewer diluted shares outstanding.
- The combination of strong profit growth and lower debt has enabled us to significantly improve our return on invested capital ("ROIC"[1]).

The three financial performance metrics we utilize in our compensation plans, adjusted revenue[2], adjusted EPS[3] and ROIC, all improved significantly from fiscal 2015 to fiscal 2016.

1 *ROIC means adjusted net operating profit after tax divided by the sum of average net debt and average stockholders' equity. See "Why ROIC?" on page 31.*

2 *Adjusted revenue for fiscal 2016 means our consolidated revenue determined in accordance with GAAP, calculated on a constant currency basis using the foreign currency exchange rate applied in setting the Company's fiscal 2016 budget set in the fourth quarter of fiscal 2015.*

3 *Adjusted EPS means our consolidated net income per share (on a fully-diluted basis) determined in accordance with GAAP, adjusted to exclude: (i) the non-cash amortization of intangible assets; (ii) acquisition-related charges and effects, including the write-up of property, plant and equipment to fair value resulting in additional depreciation expense; (iii) non-cash interest expense from the amortization of the debt discount related to convertible debt instruments with cash settlement features; (iv) closure, consolidation (including accelerated depreciation expense) and restructuring and divestiture charges; (v) charges associated with settlement of litigation; (vi) losses from the extinguishment of debt; (vii) other-than-temporary impairment losses on equity investments; (viii) gain from the sale of a marketable equity security, (ix) unrealized gains and losses from recording forward foreign currency contracts to fair value, (x) other one-time, nonrecurring, unusual or infrequent charges, expenses or gains, including associated expenses, that may not be indicative of the Company's core business results; and (xi) income taxes related to any of the foregoing adjustments.*

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Our Journey to Sustainable Growth

Financial results for one year are a snapshot of short-term performance. Our focus is long-term. Since Mr. MacMillan joined the Company in December 2013, the Company has invested significantly in its people and its products. The power of focused, motivated people is evident and has driven strong growth in annual revenue and profits, among other things.

GAAP EPS GAAP Revenue GAAP Operating Margin
(in millions)

November 2013: Before the current management team was in place, our sales and earnings were declining, we had $4.4 billion in debt, and we had no meaningful product pipeline. Our interest expense on our debt was higher than our expenditures on research and development ("R&D").

September 2016: Under the stewardship of our new and engaged management team, with significant contributions by our sales teams, our sales have not only stopped declining, but have returned to consistent growth, with GYN Surgical business recording double-digit growth in fiscal 2016. In addition, sales of two of our maturing products, ThinPrep® and NovaSure®, which were declining sharply in 2013, returned to solid growth in 2016. As ThinPrep® and NovaSure® stabilized, we also maximized growth drivers such as our Genius 3D MAMMOGRAPHY™ systems and the Panther® platform in molecular diagnostics. This stabilization and growth underscores the power of our people and the strong performance of our products.

In addition to revenue growth, the Company's disciplined approach to strengthening the balance sheet has also paid off. From fiscal 2013 to fiscal 2016 our net debt, which is total debt minus cash, decreased from $4.0 billion to $2.8 billion and our ROIC improved significantly.

While decreasing our debt, we have also increased our R&D spending 17.5% since 2013. This investment is beginning to yield benefits as well, with several new product launches in 2016 and significantly more planned through 2020.

These improvements have helped drive our share price. Our share price has increased by 83.9% since 2013, based on a comparison of the closing price on the last trading day of fiscal 2013 to the closing price on the last trading day of fiscal 2016. We are committed to bringing value to our stockholders, as well as to our employees and customers, over the long term.

A Strong Future with a Strong Leader

The appointment of Mr. MacMillan as our CEO in fiscal 2014 is a critical part of our current success story. His leadership and vision are at the core of our significantly improved performance over the short term, and we believe it is his continued commitment to driving sustainable long-term growth and investing in our people that will help secure our success as we move into the future.

In fiscal 2015, the Company entered into an amended and restated Employment Agreement with Mr. MacMillan for a five-year term, with an option to renew for an additional five-year term. This new agreement is guided by principles of pay for performance, stockholder alignment and sound compensation governance. Features include, but are not limited to:

- Tying future increases in his base salary to the average employee merit pool percentage increase approved for base salaries of U.S. salaried employees;
- Tying future annual equity grant values to changes in the Company's adjusted EPS, as defined in the agreement;
- Promoting significant ownership of Hologic stock and alignment with stockholders through an annual matching restricted stock unit ("RSU") grant tied to the number of shares owned or deferred; and
- No accelerated vesting of equity under termination without cause, other than in connection with a change of control (double-trigger accelerated equity under change of control agreement remains in effect).

At the end of fiscal 2016, the Company further amended Mr. MacMillan's employment agreement to delete an annual housing allowance and to add adjusted net income as a check on adjusted EPS such that increases in annual equity grant values would be based on the lower growth of the two metrics, and decreases in annual equity grant value would be based on the larger decline of the two metrics, as applicable.

Details about the specific arrangements made with Mr. MacMillan can be found in the "Employment, Change of Control and Severance Agreements" section beginning on page 33.

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“Say-On-Pay” and Stockholder Feedback

Each year, we take into account the result of the say-on-pay vote cast by our stockholders. As our journey to sustainable growth continues, so does the evolution of our compensation program. During the tenure of our current management team, we have seen our say-on-pay vote approval increase from 34% at our 2014 Annual Meeting of Stockholders to 80% at our 2016 Annual Meeting of Stockholders. We are making tremendous progress in our compensation design and view the increasingly positive support from stockholders as a continuing endorsement of our compensation program’s evolving design and direction. We expect to continue to do better, as our Compensation Committee regularly evaluates our executive compensation structure and assesses its effectiveness to ensure a design that is incenting performance that is in the best interests of the Company as well as our stockholders.

While say-on-pay is a key indicator of stockholder feedback, we are committed to maintaining an open dialogue with our institutional investors and stockholders throughout the year. We reach out to discuss business topics, seek feedback on our performance and address other matters of importance to our stockholders, such as executive compensation. Since our 2016 Annual Meeting, we have actively engaged with a number of our largest institutional investors, reaching out to holders of more than 50% of our outstanding shares. Through this dialogue, we received additional validation on the design of our executive compensation program as well as tremendous support for our senior management team. See below for additional information regarding our discussions with investors regarding performance metrics.

Performance Metrics and Use of Non-GAAP Measures

The Committee spent considerable time during 2016 reviewing incentive plan performance metrics and goal setting. We also discussed incentive plan performance metrics with our investors in the fall of 2016. We discussed our current use of ROIC as a performance metric as well as the potential addition of another performance metric, such as relative total shareholder return (TSR). Investors were generally supportive of the addition of relative TSR as a performance-based metric for long-term incentive awards for fiscal 2017 and were in favor of continuing to use ROIC as a performance-based metric for long-term incentive awards. We also received positive feedback on our use of adjusted revenue and adjusted earnings per share (“EPS”) as performance measures in our Short-Term Cash Incentive Plan (“STIP”). Several investors commented on the importance of focusing on organic growth, which is a metric in our STIP, as discussed in more detail below, and one investor commented on the potential impact of corporate actions such as share repurchases or mergers and acquisitions on EPS results, which the Committee continually assesses.

Non-GAAP. The Committee determined that using the measures of adjusted revenue, adjusted EPS and ROIC, which are all non-GAAP measures that are used by management to facilitate their operational decision-making, provided key insights into the Company and management’s achievements during the year and, thus, were appropriate to use in the incentive compensation plans. Additionally, the use of ROIC was specifically supported in discussions with stockholders.

Adjusted revenue, which is intended to reflect organic growth, is calculated on a constant currency basis and, pursuant to the terms of our STIP, is also adjusted (i) to remove the effect of acquisitions or dispositions (including the discontinuance of a product or product line other than in the ordinary course of business) that are completed during the reporting period that materially affect the Company's consolidated revenue; and (ii) to exclude any acquisition-related accounting or other effects that are excluded in the calculation of adjusted EPS. Revenue that is adjusted to exclude the impact of these events is a non-GAAP measure. The Committee believes that organic growth, that is, revenue growth excluding the impact of changes in foreign exchange rates and acquisitions and other transactions, as noted above, is an important measure of management's achievements in operating the Company's core businesses during the year. Accordingly, the Committee utilizes adjusted revenue as a performance measure in the STIP. For fiscal 2016, adjusted revenue was calculated on a constant currency basis, using the fiscal 2016 budgeted foreign currency exchange rates, with no other adjustments, given the lack of acquisitions or dispositions during the year.

Adjusted EPS is calculated as set forth in footnote (3) on page 21. This financial measure adjusts for specified items that can be highly variable or difficult to predict, as well as certain effects of acquisitions and financings that may not necessarily be indicative of operational performance. This metric is used by management to evaluate our historical operating results and as a comparison to competitor's operating results. The Committee agrees with this approach and uses this non-GAAP measure as a performance measure in the STIP.

ROIC is also a non-GAAP measure. The key building blocks of our ROIC metric are: (1) adjusted net operating profit after tax ("NOPAT"), (2) average net debt, and (3) average stockholders' equity. ROIC is calculated as NOPAT/(average net debt + average stockholders' equity). NOPAT is calculated in a manner similar to the calculation of adjusted net income, as used for the calculation of adjusted EPS under our STIP as described on page 21, except non-operating income and expenses are excluded, such as interest expense, etc. Average stockholders' equity is the average of the beginning of the period and the end of the period stockholders' equity; provided, however, that average stockholders' equity is adjusted to exclude any charges for impairment of goodwill or other intangible assets that occur after September 28, 2013. Average net debt is the average of the beginning of the period and the end of the period net debt which is the total book value of all debt outstanding less cash, cash equivalents and restricted cash. The Committee introduced ROIC as a performance metric in fiscal 2014 to hold management accountable for generating greater returns on capital allocated. Investors have been supportive of the use of ROIC. Given the significant improvement in ROIC since its introduction as a performance metric, the Committee believes it is having the intended effect.

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Goal-setting. In setting the revenue and EPS goals for our 2016 STIP, the Committee considered the Company's historical performance as well as planned growth. For the 2016 STIP, adjusted revenue at target represents approximately 5% growth over the prior year actual revenue, while adjusted revenue at maximum represents approximately 11% growth over prior year actual revenue. Adjusted EPS at target represents approximately 11% growth over prior year adjusted EPS, while adjusted EPS at maximum represents approximately 22% growth over prior year adjusted EPS. If there is no growth in adjusted revenue or adjusted EPS as compared to the prior year actual results, there is no payout under the applicable target.

In setting ROIC goals for performance share units ("PSUs), the Committee considered past performance as well as future opportunities for efficiencies. The ROIC target goal of 12% for PSUs granted as fiscal 2016 long-term incentive awards represents a 100 basis point increase from the ROIC target goal for PSUs granted as 2015 long-term incentive awards. In addition, the performance scale was widened for 2016 PSU grants to create a non-linear performance scale above target which only accelerates once ROIC of 13% is achieved. If we fail to achieve the minimum three-year average ROIC goal of 11% for the fiscal 2016-2018 performance period, none of the PSUs granted as fiscal 2016 long-term incentive awards will vest and all will be forfeited.

Changes for fiscal 2017. The Committee agreed to continue to use ROIC as a performance measure in our long-term incentive plan and discussed adding another measure. After consideration, the Committee determined to include relative TSR as a performance measure for fiscal 2017 long-term incentive grants. The Committee believes that relative TSR will provide a more balanced approach with one consistent absolute metric (ROIC) and one relative metric (TSR) and further align our compensation incentives with the interests of stockholders.

Finally, at the end of fiscal 2016, the Committee recommended, and the Board, other than Mr. MacMillan, approved, amending Mr. MacMillan's Employment Agreement to include adjusted net income as another measure used in determining the value of his annual grants. Accordingly, the value of Mr. MacMillan's annual long-term incentive grants will be increased or decreased from the prior year's grant value based on the increase or decrease in adjusted net income and adjusted EPS. If either or both of adjusted net income or adjusted EPS declines from the prior year, then Mr. MacMillan's grant value declines based on the larger decline. If both adjusted EPS and adjusted net income increase, then the grant value increases based on the lower of the two increases. Mr. MacMillan initially raised the use of net income as a tempering factor given the Company's continued excellent EPS improvement. The Committee and Board, excluding Mr. MacMillan, determined that the addition of net income in this manner was a thoughtful and creative design in the best interests of the Company and its stockholders.

Fiscal 2016 Compensation Actions

The Committee continued to strengthen the foundation of the executive compensation program, taking the following actions for fiscal 2016:

- Did not increase annual base salary for our CEO in accordance with the terms of his Employment Agreement.
- Increased annual base salary for other NEOs based on personal and Company performance.
- Increased annual base salary mid-year and awarded a supplemental equity grant mid-year, for our CFO and COO, based on mid-year assumption of increased responsibilities.
- Implemented a Deferred Equity Plan, which allows certain officers, including our NEOs, and non-employee directors to defer settlement of RSUs and PSUs, encouraging long-term ownership and alignment with stockholder interests.
- Assessed market practice and approved the following changes to equity awards:
  - For fiscal 2016 and future grants of RSUs and stock options, reduced the RSU vesting period from four to three years and the stock option vesting period from five to four years.
  - For fiscal 2016 PSU grants, eliminated annual ROIC hurdles while retaining the more challenging three-year average ROIC minimum threshold for the performance period.
- Determined that long-term incentive awards for executive officers will continue to be allocated 50% to PSUs, 25% to RSUs and 25% to stock options, as in fiscal 2015.
- Continued the focus on pay for performance, basing the overall funding of the 2016 short-term incentive plan (“STIP”) on the Company’s achievement of pre-determined adjusted revenue and adjusted EPS goals and setting challenging ROIC goals for PSU awards.
- Set the overall funding level of the 2016 STIP at 125% of target funding, based upon the Company’s performance against the established revenue and adjusted EPS performance targets.
- Approved grants of stock options, RSUs, PSUs and Deferred Compensation Program (“DCP”) contributions in alignment with our compensation philosophy and program.
- Added a retirement provision to equity awards granted to U.S. employees, applicable to grants made November 5, 2015 forward, which provides for continued vesting of RSUs and stock options and pro-rata continued vesting of PSUs when a person retires, if that person is either (a) 65 year of age or (b) 55 years of age and has 10 years of continuous service with the Company.

Details of these actions are provided in the applicable sections of the CD&A.

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Looking Ahead to Fiscal 2017

During fiscal 2016, the Committee made additional decisions relating to executive pay for fiscal 2017, including:

- Amended CEO's Employment Agreement to add adjusted net income as a check on adjusted EPS such that increases in annual equity grant values would be based on the lower growth of the two metrics, and decreases in annual equity grant value would be based on the larger decline of the two metrics.
- Amended CEO's Employment Agreement to remove annual housing allowance.
- Based funding of the 2017 STIP on the achievement of pre-determined adjusted revenue and adjusted EPS goals, as in fiscal 2016.
- Determined that long-term incentive awards for executive officers will continue to be allocated 50% to PSUs, 25% to RSUs and 25% to stock options, as in fiscal 2016.
- Determined to utilize relative TSR as well as ROIC as performance measures for PSUs awarded as long-term incentive compensation to provide a more balanced approach with one consistent absolute metric (ROIC) and one relative metric (TSR).

Best Compensation Practices and Policies

Below are highlights of our current practices and policies that guide our executive compensation program. We believe the following items promote good corporate governance and are in the best interests of our stockholders and NEOs:

Double-trigger for accelerated equity vesting upon a change of control
No tax gross-ups on severance or change of control payments
Golden parachute policy
Compensation recoupment ("clawback") policy
Anti-hedging and anti-pledging policy
No option repricing without stockholder consent
Heavy emphasis on performance-based compensation
Robust stock ownership guidelines for our CEO, non-employee directors and executive officers
Independent compensation consultant
Annual risk assessments

What Guides Our Compensation Program

Our Compensation Philosophy

The ability to compete effectively in the markets within which we operate depends to a large extent on our success in identifying, recruiting, developing and retaining management talent. We also need to remain focused on creating sustainable long-term growth and stockholder value. To this end, the design of our executive compensation program and the decisions made by the Committee are guided by the following principles:

- **Pay for performance.** We believe that our compensation programs should motivate high performance among our NEOs within an entrepreneurial, incentive-driven culture and that compensation levels should reflect the achievement of short-and long-term performance objectives.
- **Competitive pay.** We aim to establish overall target compensation (compensation received when achieving expected results) that is competitive with that being offered to individuals holding comparable positions at other public companies with which we compete for business and talent.
- **Focus on total direct compensation.** We seek to offer a total executive compensation package that best supports our leadership talent and business strategies. We use a mix of fixed and variable pay to support these objectives, as well as provide benefits and perquisites, where appropriate.

The Principal Elements of Pay: Total Direct Compensation ("TDC")

Our compensation philosophy is supported by the following principal elements in our annual executive compensation program:

Element	**Form**	**Purpose**
Base Salary	Cash (fixed)	Provides a competitive level of pay that reflects the executive's experience, role and responsibilities
Short-Term Incentive Plan ("STIP")	Cash (variable)	Rewards achievement of individual, business segment/function and/or overall corporate results for the most recently completed fiscal year
Long-Term Incentives	Equity (variable)	Provides meaningful incentives for management to execute on longer-term financial and strategic growth goals that drive stockholder value creation and supports the Company's retention strategy
Deferred Compensation	Cash (variable)	Rewards achievement of corporate results and also serves as a differentiating recruiting tool and retention mechanism.

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The charts below, which show the TDC of our CEO and our other NEOs for fiscal 2016, illustrate that a majority of NEO TDC is performance based (90.2% for our CEO and an average of 80.5% for our other NEOs). These charts exclude the value of other benefits and perquisites.

2016 ANNUAL TARGET CEO PAY   2016 ANNUAL TARGET AVERAGE NEO PAY

Our Decision-Making Process

The Compensation Committee oversees the compensation and benefits programs for our NEOs. The Committee is comprised solely of independent, non-employee members of the Board of Directors. The Committee works very closely with its independent compensation consultant and management to examine the effectiveness of the Company's executive compensation program throughout the year. Details of the Committee's authority and responsibilities are specified in the Committee's charter, which may be accessed through *investors.hologic.com.*

The Role of the Committee

The Committee seeks to ensure that the links between our executive compensation program and our business goals are responsible, appropriate and strongly aligned with stockholder interests. The Committee annually determines the compensation levels of our NEOs by considering several factors, including:

•Each NEO's role and responsibilities

•How the NEO is performing those responsibilities

•Our historical and anticipated future financial performance

•Compensation practices of the companies in our peer group(s)

•Survey data from a broader group of comparable public companies (where appropriate)

The Role of Management

During fiscal 2016, Mr. MacMillan reviewed the performance and compensation of the NEOs, other than himself, and made recommendations as to their compensation to the Committee. No executive officer participates in the deliberations of the Committee regarding his or her own compensation.

The Role of the Independent Consultant

The Committee retained Pearl Meyer & Partners ("Pearl Meyer") to serve as its executive compensation consultant for fiscal 2016. Pearl Meyer did not perform any services for us other than as directed by the Committee.

During fiscal 2016, Pearl Meyer advised the Committee on a variety of subjects such as compensation plan design and trends, pay for performance analytics, benchmarking norms, and other such matters. Pearl Meyer also conducted a risk assessment of our executive compensation practices for fiscal 2016, as described in "Risk Oversight" on pages 10 and 11. Pearl Meyer reports directly to the Committee, participates in meetings as requested and communicates with the Committee Chair between meetings as necessary.

Prior to engaging Pearl Meyer, the Committee reviewed the firm's qualifications as well as its independence and any potential conflicts of interest. The Committee has the sole authority to modify or approve Pearl Meyer's compensation, determine the nature and scope of its services, evaluate its performance, and terminate the engagement and hire a replacement or additional consultant at any time.

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Peer Group

The Committee compares our executive compensation program to a group of companies that are comparable in terms of size and industry (the "Primary Peer Group"). The overall purpose of this peer group is to provide a market frame of reference for evaluating our compensation arrangements (current or proposed), understanding compensation trends among comparable companies, and reviewing other compensation and governance-related topics that may arise during the course of the year.

For setting target compensation levels for NEOs in fiscal 2016, the Company examined the practices of the following 12 companies (as well as other relevant data):

2016 Primary Peer Group Composition

Alere, Inc.	Intuitive Surgical, Inc.
Boston Scientific Corporation	PerkinElmer, Inc.
C.R. Bard, Inc.	ResMed, Inc.
DENTSPLY Sirona, Inc.	St. Jude Medical, Inc.
Edwards Lifesciences Corp.	Varian Medical Systems, Inc.
IDEXX Laboratories, Inc.	Waters Corporation

PEER GROUP DATA*

	Revenue ($M)	**Enterprise Value ($M)**
50^{th} Percentile	$2,640	$9,075
Hologic	$2,549	$11,912
Hologic Rank	49^{th}	62^{nd}

**Data as available March 2015.*

With the exception of Mr. MacMillan, the fiscal 2016 target annual TDC opportunities, comprised of base salary, target annual STIP, annual long-term incentive awards and deferred compensation contributions, were determined to be, on average, competitive with the market median. The Committee recognizes that Mr. MacMillan is a seasoned, accomplished CEO whose market for prospective employment opportunities likely includes larger organizations. As such, Mr. MacMillan's fiscal 2016 target annual TDC opportunity is well above the median of the Primary Peer Group.

Changes to the Primary Peer Group

Pearl Meyer reviews our Primary Peer Group annually for appropriateness based on a variety of factors including: similarities in revenue levels and size of market capitalization and enterprise value, similarities to the industries in which we operate, the overlapping labor market for top management talent, our status as a publicly traded, U.S.-based, non-subsidiary company, and various other characteristics. The Company uses enterprise value in addition to market capitalization for comparative purposes because of its capital structure.

2015 to 2016

As a result of this review in 2015, the Committee changed the Primary Peer Group used for purposes of fiscal 2016 compensation from that utilized for purposes of fiscal 2015 compensation by making the following changes:

Changes	Companies	Rationale
Removals	• Bio-Rad Laboratories, Inc. • Bruker Corporation	• Bio-Rad and Bruker were too small in terms of market capitalization and enterprise value
	• CareFusion Corporation • Hospira, Inc.	• CareFusion and Hospira were both pending acquisition at the time of the analysis
Additions	• Boston Scientific Corporation • St. Jude Medical, Inc.	• Both are reasonable in terms of size and industry, and helped the peer group, in aggregate, more closely approximate our size

2016 to 2017

Following the 2016 review by Pearl Meyer of our Primary Peer Group, the Committee changed the Primary Peer Group utilized for purposes of fiscal 2017 compensation from that utilized for purposes of fiscal 2016 compensation by making the following changes:

Changes	Companies	Rationale
Removals	• Alere, Inc.	• Alere was pending acquisition at the time of the analysis
Additions	• Illumina, Inc. • Zimmer Biomet Holdings, Inc.	• Both are reasonable in terms of size and industry, and helped the peer group, in aggregate, more closely approximate our size

Supplemental Practices Peer Group

Pearl Meyer also developed a Supplemental Practices Peer Group of larger companies to serve as a reference point in understanding design characteristics of compensation programs at larger companies. The group was not used to set compensation levels for the NEOs. The group consists of both direct product competitors and recent sources of executive talent. Below is the Supplemental Practices Peer Group which the Company referenced while assessing compensation design for fiscal 2016 compensation.

Supplemental Practices Peer Group Composition

Abbott Laboratories	Stryker Corporation
Becton, Dickinson and Company	Zimmer Biomet Holdings, Inc.
Johnson & Johnson	

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The Fiscal 2016 Executive Compensation Program in Detail

Base Salary

Base salary represents annual fixed compensation and is a standard element of compensation necessary to attract and retain talent. It is the minimum payment for a satisfactory level of individual performance as long as the executive remains employed with us. Base salary is set at the Committee's discretion after taking into account the competitive landscape including the compensation practices of the companies in our selected peer groups (and where appropriate, survey data from a broader index of comparable public companies), our business strategy, our short- and long-term performance goals and certain individual factors, such as position, salary history, individual performance and contribution, length of service with the Company and placement within the general base salary range offered to our NEOs. Mr. MacMillan's base salary is set and adjusts in accordance with the term of his Employment Agreement. See pages 33 and 34 for details regarding his Employment Agreement.

The base salaries for our NEOs for fiscal 2016 were as follows:

NEO	**Base Salaries of NEOs(1)** FY2016 Salary		FY2015 Salary		Percentage Increase
Stephen P. MacMillan	$1,000,000		$1,000,000		N/A
Robert W. McMahon	$500,000	(2)	$450,000		11.1%
Eric B. Compton	$485,000	(3)	$450,000		7.8%
John M. Griffin	$450,000		$435,000	(4)	3.4%
Peter J. Valenti, III	$457,500		$440,000		4.0%

(1) *Reflects base salaries set at the beginning of the fiscal year indicated.*

(2) *In March 2016, the Committee increased Mr. McMahon's base salary by $15,000 to $515,000 in connection with his expanded role and assumption of significant additional responsibilities.*

(3) *In March 2016, the Committee increased Mr. Compton's base salary by $35,000 to $520,000 in connection with his expanded role and assumption of significant additional responsibilities.*

(4) *Fiscal 2015 base salary for Mr. Griffin is annualized, as Mr. Griffin joined the Company in February 2015.*

The Committee increased annual base salaries for Messrs. Compton and McMahon based primarily on market adjustments, potential salary compression issues and the ongoing contributions and performance of each. Messrs. Compton and McMahon received mid-year increases in their annual base salaries due to a concurrent increase in their responsibilities in connection with, respectively, the realignment of the international business under Mr. Compton and Mr. McMahon's increased role in global operations and regulatory and quality assurance.

Short-Term Incentive Plan (the "STIP")

How the STIP Works

The STIP provided our NEOs the opportunity to earn a performance-based cash bonus based on the achievement of a combination of financial and non-financial corporate, divisional, and/or individual goals. Targeted payout levels are expressed as a percentage of base salary and established for each participant. An individual's bonus components are determined by such individual's title and/or role. Bonus payouts could range from 0% to 200% of targeted payout levels (e.g., the maximum bonus payout for an individual with a targeted payout level of 50% of annual base salary would be 100% of annual base salary).

The goals under the 2016 STIP were primarily focused on the achievement of adjusted revenue (calculated on a constant currency basis using the fiscal 2016 budget foreign exchange rates) and adjusted EPS performance objectives (for definition of adjusted EPS, see the footnotes on page 21). The 2016 STIP also provides for the assessment of performance based upon the achievement of individual performance objectives, which for some NEOs included divisional performance objectives, all of which are approved by the Committee.

The overall funding level of the 2016 STIP was determined based upon the Company's performance against the established targets. Funding of the STIP is contingent upon achieving the threshold level for at least one of the two corporate performance objectives. If neither corporate performance objective threshold is met, there is no payout under the STIP. Individual bonus awards for NEOs were calculated based upon the overall funding level, as well as the targeted payout levels and individual performance objectives for each NEO.

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Individual Bonus Opportunity Ranges

	Bonus Opportunity Range(1)		
NEO	Threshold	Target	Maximum
Stephen P. MacMillan	0%	150%	300%
Robert W. McMahon	0%	75%	150%
Eric B. Compton	0%	75%	150%
John M. Griffin	0%	75%	150%
Peter J. Valenti, III	0%	75%	150%

(1) Expressed as a percentage of base salary.

2016 Performance Objectives and Results

The Committee believed the financial performance components of the 2016 STIP were achievable, but appropriately challenging, based on market climate and internal budgeting and forecasting. The following table outlines the threshold, target and maximum financial performance objectives for the 2016 STIP, as well as the results achieved:

Performance Measures	Threshold	Target (100%)	Maximum	Actual Achieved under 2016 STIP
Adjusted Revenue (60% weighting)	$2.705 billion	$2.840 billion	$2.992 billion	$2.845 billion
Adjusted EPS (40% weighting)	$1.67	$1.85	$2.04	$1.96

Revenue at target represents approximately 5% growth over prior year actual revenue, while revenue at maximum represents approximately 11% growth over prior year actual revenue. Adjusted EPS at target represents approximately 11% growth over prior year adjusted EPS, while EPS at maximum represents approximately 22% growth over prior year adjusted EPS. If there is no growth in revenue or adjusted EPS, there is no payout under the applicable target.

Based upon the Company's performance against the established performance targets, the Committee set the overall funding level of the 2016 STIP at 125% of target funding. Individual bonus awards for NEOs were then calculated based upon this overall funding level as well as the targeted payout levels and individual performance objectives for each NEO as discussed in more detail below.

Individual performance objectives for our NEOs were aligned with the top three risks identified in our annual Enterprise Risk Management process. Mr. Valenti's individual performance objectives also included revenue growth performance goals for the Breast and Skeletal Health divisions.

2016 STIP Awards

Mr. MacMillan

Mr. MacMillan’s targeted payout level was 150% of base salary, with 80% of his bonus opportunity tied to corporate financial performance (60% of which is based on adjusted revenue and 40% of which is based on adjusted EPS) and 20% tied to individual performance objectives. Mr. MacMillan’s individual performance objectives were designed to reward the achievement of goals relating to strengthening the product pipeline, growing the business, building capabilities to achieve international growth, continued strengthening and development of the leadership team and succession planning. Based on the Company’s financial performance as well as an assessment of Mr. MacMillan’s performance for fiscal 2016, Mr. MacMillan was awarded a total bonus amount of $1,875,000, which represents 125% of his overall target amount.

Mr. McMahon

Mr. McMahon’s targeted payout level was 75% of base salary, with 80% of his bonus opportunity tied to corporate financial performance (60% of which is based on adjusted revenue and 40% of which is based on adjusted EPS) and 20% tied to individual performance objectives. Mr. McMahon’s individual performance objectives were designed to reward the achievement of goals relating to driving the Company’s capital allocation strategy to provide for acquisition capacity, including effective management of the Company’s debt strategy, maximizing international business potential through execution of foreign exchange hedging strategy and optimizing our global structure. His individual performance objectives also included continuing to build team capabilities, identifying critical positions and talent, accelerating the development of critical talent and increasing engagement. Based on the Company’s financial performance as well as an assessment of Mr. McMahon’s performance for fiscal 2016, Mr. McMahon was awarded a total bonus amount of $485,000, which represents 126% of his overall target amount.

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Mr. Compton

Mr. Compton’s targeted payout level was 75% of base salary, with 80% of his bonus opportunity tied to corporate financial performance (60% of which is based on adjusted revenue and 40% of which is based on adjusted EPS) and 20% tied to individual performance objectives. Mr. Compton’s individual performance objectives were designed to reward the achievement of goals relating to meeting all 2016 product launch dates and major project milestones, identifying a clear pipeline of product launches for 2017-2020, establishing insights required for new product development in international focus markets, identifying critical positions on his team, creating succession plans for those roles and retaining key personnel. Based on the Company’s financial performance as well as an assessment of Mr. Compton’s performance for fiscal 2016, Mr. Compton was awarded a total bonus amount of $490,000, which represents 126% of his overall target amount.

Mr. Griffin

Mr. Griffin’s targeted payout level was 75% of base salary, with 80% of his bonus opportunity tied to corporate financial performance (60% of which is based on adjusted revenue and 40% of which is based on adjusted EPS) and 20% tied to individual performance objectives. Mr. Griffin’s individual performance objectives were designed to reward the achievement of goals relating to delivering intellectual property legal support for the fiscal 2016 innovation plan and research and development programs, executing compliance program enhancements, promoting collaboration and communication and creating efficiencies in support of global business initiatives, and completing development and retention plans for successors. Based on the Company’s financial performance as well as an assessment of Mr. Griffin’s performance for fiscal 2016, Mr. Griffin was awarded a total bonus amount of $425,000, which represents 126% of his overall target amount.

Mr. Valenti

Mr. Valenti’s targeted payout level was 75% of base salary, with 60% of his bonus opportunity tied to corporate financial performance (60% of which is based on adjusted revenue and 40% of which is based on adjusted EPS) and 40% tied to individual performance objectives. Mr. Valenti’s individual performance objectives were designed to reward the achievement of goals relating to growing divisional revenue in the U.S. and internationally, achieving Breast and Skeletal Health product launch dates and major product development milestones, identifying a clear pipeline of Breast and Skeletal Health products and launch timelines for 2017-2020, validating new products with international focus markets, creating succession and development plans for critical roles and retaining critical personnel. Based on the Company’s financial performance as well an assessment of Mr. Valenti’s performance for fiscal 2016, Mr. Valenti was awarded a total bonus amount of $435,000, which represents 127% of his overall target amount.

Long-Term Equity Incentives

We believe that strong sustainable corporate performance is achieved with a culture that encourages long-term focus by our NEOs and aligns the interests of our NEOs with those of our stockholders. We also use our long-term awards to attract and retain critical employee talent by providing a competitive market-based opportunity. To achieve these objectives, we award long-term equity incentives on an annual basis in the form of equity as follows:

- **50% in the form of performance stock units ("PSUs"),** which vest only if the Company achieves a pre-determined return on invested capital ("ROIC") three-year average minimum threshold. If the threshold is achieved, the level of payout in comparison to the target number of PSUs granted is determined by the three-year average ROIC achievement against the ROIC goal at the end of the three-year performance period. At the vesting date, any earned awards are settled in shares of Hologic common stock. For details about our use of ROIC as a performance measure, please see "Why ROIC?" below. PSUs also are subject to the terms and conditions set forth in the form of Performance Stock Unit Award Agreement.
- **25% in the form of stock options,** which vest in four equal annual installments, becoming fully vested on the fourth anniversary of the grant date.[1] Stock options have a ten-year term, and are subject to the terms and conditions set forth in the form of Stock Option Award Agreement.
- **25% in the form of restricted stock units ("RSUs"),** which vest in three equal annual installments, becoming fully vested on the third anniversary of the grant date.[2] Only vested RSUs can be exchanged for shares of Hologic common stock. RSUs also are subject to the terms and conditions set forth in the form of Restricted Stock Unit Award Agreement.

1 In fiscal 2016, the Committee reduced the stock option vesting period from five to four years for fiscal 2016 and future stock option grants.

2 In fiscal 2016, the Committee reduced the RSU vesting period from four to three years for fiscal 2016 and future RSU grants.

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Why ROIC?

In addition to being well-received and supported by our stockholders, use of ROIC:

Creates an effective balance in our program of growth (our STIP focuses on adjusted revenue and adjusted EPS) and returns (our long-term incentives focus on ROIC)

Holds management accountable for the efficient use of capital

Links executive compensation to value creation

PSUs only vest if the Company achieves a pre-determined average ROIC threshold at the end of a three-year performance period. This threshold requires improvement on ROIC over the three-year performance period. If the target three-year average ROIC goal is achieved, 100% of the PSUs granted will vest. If we fail to achieve the minimum three-year average ROIC threshold, none of the PSUs granted for that three-year performance period will vest and all will be forfeited. The maximum payout for PSUs is limited to 200% of the target number of PSUs granted and is earned only if we achieve the maximum three-year average ROIC goal.

The key building blocks of our ROIC metric are: (1) adjusted net operating profit after tax (“NOPAT”), (2) average net debt, and (3) average stockholders’ equity. ROIC is calculated as NOPAT/(average net debt + average stockholders’ equity).[1]

In fiscal 2016, the Committee eliminated annual ROIC hurdles for fiscal 2016 PSU grants while retaining the more challenging three-year average ROIC minimum threshold for the performance period. The Committee viewed the annual hurdles as having the potential to penalize recipients for executing value-enhancing acquisitions but believes retaining the three-year average ROIC minimum threshold incents management to remain disciplined on value creation.

The following table outlines the threshold, minimum, target and maximum three-year average ROIC goals for the PSUs granted as fiscal 2016 long-term incentive awards (see “2016 Long-Term Annual Incentive Award Grants” below):

Three-Year Average ROIC Goal(1)	Percentage of PSUs Vested(2)
<11%	0%
11%	50% (Minimum)
12%	100% (Target)
13%	125%
≥14%	200% (Maximum)

(1) Calculated at the end of the three-year performance period.
(2) Expressed as a percentage of granted PSUs vesting.

The target goal of 12% represents a 100 basis point increase from the ROIC target goal for PSUs granted as 2015 long-term incentive awards. This ROIC target goal for the fiscal 2016 awards also takes into account potential mergers and acquisitions and share repurchases through fiscal 2018. In addition, the performance scale was widened for 2016 PSU grants to create a non-linear performance scale above target which only accelerates once ROIC of 13% is achieved.

The Company achieved annual ROIC for fiscal 2016 of 12.7%. If we fail to achieve the minimum three-year average ROIC goal of 11% for the fiscal 2016-2018 performance period, none of the PSUs granted as fiscal 2016 long-term incentive awards will vest and all will be forfeited.

1 *NOPAT is calculated in a manner similar to the calculation of adjusted net income, as used for the calculation of adjusted EPS under our STIP as described on page 21, except non-operating income and expenses are excluded, such as interest expense, etc. Average stockholders' equity is the average of the beginning of the period and the end of the period stockholders' equity; provided, however, that average stockholders' equity is adjusted to exclude any charges for impairment of goodwill or other intangible assets that occur after September 28, 2013. Average net debt is the average of the beginning of the period and the end of the period net debt which is the total book value of all debt outstanding less cash, cash equivalents and restricted cash.*

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2016 Long-Term Annual Incentive Award Grants

The annual long-term incentive awards granted to our NEOs in November of 2015 (fiscal 2016) as compared to awards for fiscal 2015 are set forth below:

NEO	FY2016 Award Value(1)	FY2015 Award Value(1)	% Change
Stephen P. MacMillan	$7,250,000	$7,275,000	(0.3 %)
Robert W. McMahon	$1,900,000(2)	$1,500,000	26.7 %
Eric B. Compton	$2,000,000(2)	$1,525,000	31.1 %
John M. Griffin	$1,200,000	$1,150,000(3)	4.3 %
Peter J. Valenti, III	$1,000,000	$800,000	25.0 %

(1) *The award values in this table differ slightly from the grant date fair values of the awards reported in the Grants of Plan-Based Awards Table. The award values in this table are the values awarded by the Committee while the grant date fair value of each award reporting in the Grants of Plan-Based Awards Table is the award value for accounting purposes.*

(2) *Includes value of mid-year equity awards discussed below. Not including these mid-year awards, Mr. McMahon's award value increased 6.7% from fiscal 2015 to 2016 and Mr. Compton's award value decreased 1.6% from fiscal 2015 to 2016.*

(3) *Reflects annual equity grant of $650,000 and incentive sign-on equity grant of $500,000, both awarded when Mr. Griffin joined the Company in February 2015.*

Messrs. McMahon and Compton received mid-year equity grants during fiscal 2016 valued at $300,000 and $500,000, respectively, due to increased responsibilities assumed mid-year in connection with Mr. McMahon's increased role in global operations and regulatory and quality assurance and the realignment of the international business under Mr. Compton. As with the annual grants, the award values for these supplemental grants were allocated 50% to PSUs, 25% to RSUs and 25% to stock options. Mr. Valenti received a significant increase in the value of his long-term incentive award from 2015 to 2016 partially to align with market practice, but also in consideration of the key role his division plays and is expected to play in the Company's growth, as well as acknowledging the importance of retaining his talent.

Deferred Compensation

Deferred Compensation Program ("DCP") Contributions

The DCP is a non-qualified retirement program that provides our NEOs with benefits in excess of what may be provided under our 401(k) Savings and Investment Plan and tax code limitations. The Committee considers the DCP Company contribution in the context of total compensation and views the contribution as a tool to help close a competitive market gap when evaluating the total value of annual compensation.

The DCP allows NEOs to contribute up to 75% of their base salary and 100% of their annual bonus to a supplemental retirement account. In addition, the Company has the ability to make annual discretionary contributions to the DCP. Each DCP contribution the Company makes on behalf of our NEOs is subject to a three-year vesting schedule, such that one-third of each contribution vests annually and each contribution is fully-vested three years after the contribution is made. In addition, Company contributions become fully vested upon: (i) death, disability or a change of control; (ii) retirement after the attainment of certain age and/or service milestones; or (iii) as otherwise provided by the Committee in its sole discretion. The DCP Company contributions granted to our NEOs in November 2015 (fiscal 2016) and November 2016 (fiscal 2017) are set forth below:

NEO	**DCP Company Contribution**	
	November 2016 (fiscal 2017)	**November 2015 (fiscal 2016)**
Stephen P. MacMillan	$312,500	$437,500
Robert W. McMahon	$180,000	$250,000
Eric B. Compton	$180,000	$250,000
John M. Griffin	$180,000	$250,000
Peter J. Valenti, III	$150,000	$201,250

The amount of the Company DCP contribution to each individual is based upon role/job level target values. An individual's final Company DCP contribution is based on the applicable target value, as modified to track the STIP funding factor. The STIP funding factor applicable to the DCP contributions made in November 2016 was based on the STIP funding factor for fiscal 2016, which was 125%. The STIP funding factor applicable to the DCP contributions made in November 2015 was based on the STIP funding factor for fiscal 2015, which was 175%.