ICU MEDICAL INC/DE
Form DEF 14A
April 05, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)
Filed by the Registrant ý
Filed by a Party other than the Registrant o
Check the appropriate box:
o Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
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ICU MEDICAL, INC.
(Name of Registrant as Specified in Its Charter)
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)
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(3) Filing Party:
(4) Date Filed:

ICU MEDICAL, INC.
951 Calle Amanecer
San Clemente, California 92673-6213

NOTICE OF THE 2018 ANNUAL MEETING OF STOCKHOLDERS
To be held May 15, 2018

The 2018 Annual Meeting of Stockholders ("Annual Meeting") of ICU Medical, Inc. (the "Company") will be held virtually, exclusively via online live webcast at www.virtualshareholdermeeting.com/ICUI2018 on Tuesday, May 15, 2018 at 9:00 a.m., Pacific Daylight Time.

At the meeting, stockholders will be asked to:

1. To elect the following eight directors of the Company to serve until the next annual meeting of stockholders or until their successors have been elected and qualified: Vivek Jain, George A. Lopez, M.D., Robert S. Swinney, M.D., David C. Greenberg, Elisha W. Finney, Douglas E. Giordano, Donald M. Abbey and David F. Hoffmeister.
2. To ratify the selection of Deloitte & Touche LLP as the independent registered public accounting firm for the Company for the year ending December 31, 2018;
3. To hold an advisory vote to approve our named executive officer compensation; and
4. To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice. We are not aware of any other business to come before the Annual Meeting.

The Board of Directors has determined that only holders of common stock, par value $0.10, of the Company of record as of the close of business on March 22, 2018 will be entitled to receive notice of, and to vote at, the Annual Meeting or any adjournment thereof. A list of such stockholders shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, at the above address, and electronically during the meeting at www.virtualshareholdermeeting.com/ICUI2018.

All stockholders are invited to attend the Annual Meeting virtually by visiting www.virtualshareholdermeeting.com/ICUI2018. Any stockholder attending the Annual Meeting virtually may vote online while polls are open during the Annual Meeting even if such stockholder returned a proxy.

By Order of the Board of Directors
Virginia Sanzone, Corporate Vice President General Counsel and Secretary
San Clemente, CA
April 5, 2018

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951 Calle Amanecer
San Clemente, California 92673-6213

PROXY STATEMENT
FOR 2018 ANNUAL MEETING OF STOCKHOLDERS

April 5, 2018

This Proxy Statement is furnished to the stockholders of ICU Medical, Inc. (the "Company") in connection with the solicitation of proxies by the Board of Directors (the "Board") of the Company for use at the 2018 Annual Meeting of Stockholders of the Company (the "Annual Meeting"), for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders.

The Notice, this Proxy Statement, the annual report to stockholders and the proxy card are being made available to stockholders on or about April 5, 2018.

Annual Meeting of Stockholders

Time and Date

The Annual Meeting will be held virtually on Tuesday May 15, 2018 at 9 a.m. Pacific Daylight Time ("PDT"). Stockholders may attend the Annual Meeting by visiting www.virtualshareholdermeeting.com/ICUI2018.

Record Date

As of March 22, 2018, the record date for the Annual Meeting, the outstanding voting securities of the Company consisted of 20,286,831 shares of $0.10 par value common stock (the “Common Stock”).

Voting

Each stockholder of record at the close of business on March 22, 2018 is entitled to one vote for each share held as of that date on each matter submitted to a vote of stockholders. The presence in person electronically or by proxy of holders of a majority of the issued and outstanding Common Stock will constitute a quorum for the transaction of such business as shall properly come before the Annual Meeting. There are no cumulative voting rights.

Voting Matters

- Elect the eight directors named in this proxy statement.
- Ratify Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2018.
- Advisory vote on executive compensation paid to our named executive officers.
- To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

Additional voting information about voting at the Annual Meeting is detailed below. Stockholders may also obtain additional information about accessing and voting during the Annual Meeting by calling Investor Relations at (800) 824-7890.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING TO BE HELD ONLINE ON MAY 15, 2018

This proxy statement and the annual report to stockholders are available at http://ir.icumed.com.

You will be able to attend the Annual Meeting, vote, and submit your questions prior to or during the meeting via the Internet only by visiting www.virtualshareholdermeeting.com/ICUI2018. Access the website at least 10 minutes before the beginning of the meeting to register your attendance and complete the verification procedures to confirm that you were a stockholder of record as of March 22, 2018, the record date. To access the virtual Annual Meeting at the above website you will need to enter your unique control number provided to you on your proxy card to verify your identity.

YOUR VOTE IS IMPORTANT
Whether or not you expect to attend the Annual Meeting via live webcast, please vote as soon as possible to ensure your vote is counted at the meeting. Please complete, sign, date and return the enclosed proxy promptly or submit your proxy over the Internet or by telephone. If you are a stockholder of record and attend the virtual Annual Meeting, you may withdraw your proxy and vote electronically during the virtual Annual Meeting. You will find information on submitting your proxy over the Internet and by telephone and information about voting electronically during the Annual Meeting below under "Voting Information".
THANK YOU FOR ACTING PROMPTLY

QUESTIONS AND ANSWERS ABOUT THE VIRTUAL ANNUAL MEETING AND PROXY MATERIALS

Voting Information

How do I submit my proxy?

You will have the opportunity to attend the virtual Annual Meeting and vote electronically during the virtual Annual Meeting if you choose. Whether or not you vote electronically during the virtual Annual Meeting, it is important that your shares be represented and voted. If you are a stockholder of record, you can give a proxy to have your shares voted at the virtual Annual Meeting either:

- by mailing the enclosed proxy card in the enclosed envelope. Proxy cards submitted by mail must be received by the time of the meeting in order for your shares to be voted;
- electronically, via the Internet by accessing www.proxyvote.com using your control number on your proxy card until 11:59 P.M. Eastern Time the day before the meeting date; or
- over the telephone by calling toll free number 1-800-690-6903 until 11:59 P.M. Eastern Time the day before the meeting date.

The Internet and telephone proxy submission procedures are set up for your convenience and are designed to verify your identity, to allow you to give voting instructions, and to confirm that those instructions have been properly recorded. If you are a stockholder of record and you would like to submit your proxy by telephone or by using the Internet, please refer to the specific instructions on the attachment to the enclosed proxy card. Alternatively, you may submit your proxy by mail by returning your signed proxy card in the enclosed envelope. If we receive your proxy by mail, electronically or by telephone before the Annual Meeting, we will vote your shares as you direct.

If you hold your shares in “street name,” you must give voting instructions in the manner prescribed by your broker or nominee. Your broker or nominee has enclosed or provided a voting instruction card for you to use in directing the broker or nominee how to vote your shares.

How can I vote my shares during the virtual meeting?

The procedures for voting during the Annual Meeting are designed to verify your identity and allow you to vote. You should retain the attachment to the proxy card enclosed with this Proxy Statement on which your unique control number appears. You will need to write this control number on your ballot to verify your identity.

To vote during the meeting, visit www.virtualshareholdermeeting.com/ICUI2018 and vote electronically. Electronically submitted ballots must be received before the polls are closed during the Annual Meeting to be counted. We anticipate that the polls will be open from approximately 9:05 to 9:20 A.M. PDT on May 15, 2018.

Even if you currently plan to electronically attend the virtual Annual Meeting, we recommend that you also submit your proxy as described above so that your vote will be counted if you later decide not to attend the Annual Meeting. If you vote by proxy and then decide to electronically attend the virtual Annual Meeting, you will be able to vote electronically during the Annual Meeting, even if you have previously submitted your proxy.

How can I request proxy materials?

To request a print or electronic copy of our Proxy Statement, Annual Report to Stockholders and proxy card, you may call our toll-free telephone number at (800) 824-7890; email us at ir@icumed.com; or visit our web site at www.icumed.com.

Where can I find the voting results?

We will announce the voting results at the virtual Annual Meeting. We also will report the voting results on a Form 8-K, which we expect to file with the SEC within four business days after the virtual Annual Meeting has been held.

Your vote is important. Thank you for voting.

Voting Matters and Board Recommendations

The Board is not aware of any matter that will be presented for a vote at the 2018 Annual Shareholder's Meeting other than those shown below.

The term "broker non-votes" refers to shares held by a broker in street name that are present by proxy but are not voted pursuant to rules prohibiting brokers from voting on non-routine matters without instructions from the beneficial owner of the shares. Broker non-votes on non-routine matters are not counted as entitled to vote on a matter in determining the number of affirmative votes required for approval of the matter but are counted as present for quorum purposes. Of the proposals to be considered at the Annual Meeting, only the ratification of the selection of the independent registered public accountant is considered to be a routine matter on which brokers may vote without instructions from beneficial owners. The approval of the election of directors and the advisory vote to approve named executive officer compensation are considered non-routine matters on which your brokers may not vote without instructions from you as the beneficial owners.

Assuming that a quorum is present, the votes required to approve the matters before the Annual Meeting are as follows:

- Election of Directors: The election of directors will be decided by a plurality of the votes. The eight director nominees receiving the most votes will be elected. In an uncontested election of directors (one in which the only nominees are those nominated by the Board), any nominee who receives a greater number of votes "withheld" from his or her election than votes "for" his or her election shall, within 10 days following the certification of the stockholder vote, tender his or her written resignation to the Chairperson of the Board for consideration by the Nominating/Corporate Governance Committee of the Board ("the Nominating Committee"). The Nominating Committee shall consider such tendered resignation and within 60 days following the certification of the stockholder vote, shall make a recommendation to the Board concerning the acceptance or rejection of the resignation.

- Ratification of Deloitte & Touche LLP as the Company’s independent registered public accounting firm: Stockholder approval of this matter requires the affirmative vote of a majority of the outstanding shares of Common Stock entitled to vote thereon and present in person or by proxy. Abstentions and broker non-votes will therefore have the same effect as an “Against” vote with respect to this proposal. As brokers have the authority to vote on this matter, broker non-votes are not expected.

- Advisory Vote on our Named Executive Officer Compensation: Stockholder approval of this matter requires the affirmative vote of a majority of the outstanding shares of Common Stock entitled to vote thereon and present in person or by proxy. Abstentions will therefore have the same effect as an “Against” vote with respect to this proposal, but broker non-votes are not counted as entitled to vote and will have no effect on the vote for this matter.

Board Recommendations

The Board recommends that you vote:

- FOR the election of the eight nominees for election to the Board to serve until the next annual meeting of stockholders or until their successors have been elected and qualified;

- FOR the ratification of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2018; and

- FOR the approval, on an advisory basis, of our named executive officer compensation.

Virtual Annual Meeting Attendance

The Annual Meeting will be held entirely virtually, as permitted by Delaware law. The Annual Meeting is to be held virtually at www.virtualshareholdermeeting.com/ICUI2018, on Tuesday, May 15, 2018 at 9:00 a.m., Pacific Daylight Time, and at any adjournments thereof, for the purposes set forth herein and in the accompanying Notice of Annual Meeting of Stockholders. There will be no physical location at which stockholders may attend the Annual Meeting, but stockholders may attend and participate in the meeting electronically. Stockholders who participate in the virtual Annual Meeting will be deemed to be present in person and will be able to vote during the Annual Meeting at the times that the polls are open. Stockholders who wish to attend the meeting should go to www.virtualshareholdermeeting.com/ICUI2018, at least 10 minutes before the beginning of the meeting to register their attendance and complete the verification procedures to confirm that they were stockholders of record as of March 22, 2018, the record date. Stockholders of record will need to provide the control number on the attachment to the enclosed proxy card to verify their identity.

Beneficial owners whose stock is held for them in street name by their brokers or other nominees may also attend the meeting by going to www.virtualshareholdermeeting.com/ICUI2018, at least 10 minutes before the beginning of the meeting to register their attendance and complete the verification procedures to confirm that they were stockholders as of the record date. Such beneficial owners may not vote at the meeting, and may only cause their shares to be voted by providing voting instructions to the persons who hold the beneficial owners' shares for them. Beneficial owners will need to provide the name of the broker or other nominee that holds their shares to gain access to the virtual meeting.

Revoking or Changing Your Vote

A stockholder giving a proxy may revoke its vote at any time before it is voted at the Annual Meeting by filing with the Secretary of the Company a written notice of revocation or a duly executed proxy bearing a later date. The powers of the proxy holders will be suspended if the person executing the proxy is present at the Annual Meeting electronically and elects to vote electronically during the meeting. Subject to such revocation or suspension, all shares represented by each properly executed proxy or electronic vote received by the Company will be voted in accordance with the instructions indicated thereon, and if instructions are not indicated, will be voted in favor of (i) the election of the nominees for director named in or otherwise nominated as set forth in this proxy statement, (ii) the ratification of the selection of the independent registered public accounting firm, (iii) the approval, on an advisory basis, of our named executive officer compensation, and (iv) in the discretion of the proxy holders, any other business that comes before the meeting. Currently, no matter is expected to be considered at the Annual Meeting other than the proposals set forth in the accompanying Notice of Annual Meeting of Stockholders. However, if any other matters are properly brought before the Annual Meeting for action, it is intended that the shares of our Common Stock represented by proxies will be voted by the persons named as proxies on the proxy card in accordance with their discretion on such matters.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as to shares of Common Stock owned as of March 22, 2018, by (a) each director and each nominee, (b) each named executive officer for 2017 and (c) all directors and executive officers as a group. Unless otherwise indicated in the footnotes following the table, and subject to community property laws where applicable, the Company believes that the persons as to whom the information is given have sole voting and investment power over the shares listed as beneficially owned. The business address of the Company's directors and officers, the George A. Lopez, M.D. Second Family Limited Partnership and the Lopez Family Trust is 951 Calle Amanecer, San Clemente, California 92673.

Stock Ownership of Management

	Shares of Common Stock Owned	Shares Acquirable	Total Shares Beneficially Owned	Percent of Outstanding Shares (1)		
Joseph R. Saucedo	1,471	23,112	24,583	*		
Robert S. Swinney, M.D.	15,231	41,112	56,343	*		(2)
George A. Lopez, M.D.	1,481,559	208,433	1,689,992	8.2	%	(3)
David C. Greenberg	2,035	7,578	9,613	*		(4)
Elisha W. Finney	1,105	5,949	7,054	*		
Vivek Jain	47,189	545,731	592,920	2.8	%	
Scott E. Lamb	7,307	117,175	124,482	*		
Alison D. Burcar	3,869	88,730	92,599	*		
Tom McCall	1,963	11,483	13,446	*		
Christian B. Voigtlander	1,822	33,925	35,747	*		
Steven C. Riggs	3,127	30,286	33,413	*		
Douglas E. Giordano	—	—	—	n/a		
David F. Hoffmeister	—	—	—	n/a		
Donald M. Abbey	—	—	—	n/a		
All directors and executive officers as a group (14 persons)	1,566,678	1,113,514	2,680,192	12.5	%	

* Represents less than 1% of our outstanding Common Stock

(1) The beneficial ownership percentage of each stockholder is calculated based on the number of shares of Common Stock outstanding as of March 22, 2018, plus each beneficial owner's RSUs that vest within 60 days of March 22, 2018 plus each beneficial owner's outstanding options to acquire Common Stock exercisable or exercisable within 60 days of March 22, 2018 held by the beneficial owner whose percent of outstanding stock is calculated.

(2) Does not include 1,125 shares owned by Dr. Swinney's wife as to which he has no voting or investment power and disclaims any beneficial ownership of such shares.

(3) Includes 986,843 shares owned by the George A. Lopez, M.D. Second Family Limited Partnership (the "Partnership"), representing 5.0% of the total shares of Common Stock outstanding as of March 22, 2018. Dr. Lopez is the general partner of the Partnership and holds a 1% general partnership interest in the Partnership. As general partner, he has the power to vote and power to dispose of the 986,843 shares owned by the Partnership and may be deemed to be a beneficial owner of such shares. Trusts for the benefit of Dr. Lopez's children, the Christopher George Lopez Children's Trust and the Nicholas George Lopez Children's Trust (collectively, the "Trusts"), own a 99% limited partnership interest in the Partnership. Dr. Lopez is not a trustee of and has no interest in his children's Trusts. Except to the extent of the undivided one percent general partnership interest in the assets of the Partnership, Dr. Lopez disclaims any beneficial ownership of the shares owned by the Partnership.

Includes 4,002 shares owned by the Lopez Family Trust. Dr. Lopez is a trustee and beneficiary of the Lopez Family Trust. Includes 173,950 shares held by Dr. Lopez as Trustee of the Lopez Charitable Remainder Trust #1 for the benefit of Dr. Lopez.

(4) Includes 500 shares held by David C. Greenberg, TTEE David C. Greenberg, Declaration of Trust.

5% or More Beneficial Ownership

Name and Address of Beneficial Owner	Shares of Common Stock Owned	Percent of Outstanding Shares		
Pfizer Inc. 235 East 42nd Street, New York, NY 10017	3,200,000	15.8	%	(1)(2)
BlackRock Inc. 55 East 52nd Street, New York, NY 10055	1,879,874	9.3	%	(1)(3)
Janus Henderson Group 201 Bishopsgate EC2M 3AE, United Kingdom	1,496,432	7.4	%	(1)(4)
The Vanguard Group, Inc. 100 Vanguard Blvd, Malvern, PA 19355	1,393,332	6.9	%	(1)(5)

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(1) Information included solely in reliance on information included in statements filed with the Securities and Exchange Commission ("SEC") pursuant to Section 13(d) or Section 13(g) of the Securities Act of 1934, as amended, by the indicated holder.

(2) Pfizer, Inc. stated in its Schedule 13D filing with the SEC on February 13, 2017 that, of the 3,200,000 shares beneficially owned, it has shared voting power with respect to all 3,200,000 shares and shared dispositive power with respect to all 3,200,000 shares with its indirectly wholly owned affiliates, C.P. Pharmaceuticals International C.V., Pfizer Production LLC, and Pfizer Manufacturing LLC.

(3) BlackRock, Inc. stated in its Schedule 13G/A filing with the SEC on January 25, 2018 that, of the 1,879,874 shares beneficially owned, it has sole voting power with respect to 1,847,298 shares and sole dispositive power with respect to all 1,879,874 shares.

(4) Janus Henderson Group stated in its Schedule 13G filing with the SEC on February 12, 2018 that, of the 1,496,432 shares beneficially owned, it has shared voting power with respect to all 1,496,432 shares, and shared dispositive power with respect to all 1,496,432 shares.

(5) The Vanguard Group, Inc. stated in its Schedule 13G/A filing with the SEC on February 9, 2018 that, of the 1,393,332 shares beneficially owned, it has sole voting power with respect to 25,566 shares, shared voting power with respect to 2,100 shares, sole dispositive power with respect to 1,366,966 shares and shared dispositive power with respect to 26,366 shares.

EXECUTIVE OFFICER AND DIRECTOR COMPENSATION

Executive Officers

The following table lists the names, ages, certain positions and offices held by our executive officers as of March 22, 2018:

	Age	Office Held
Vivek Jain	46	Chairman of the Board and Chief Executive Officer
Alison D. Burcar	45	Corporate Vice President, Product Strategy for IV Consumables
Scott E. Lamb	55	Treasurer and Chief Financial Officer
Tom McCall	60	Corporate Vice President, Marketing and Communications and General Manager, Critical Care
Christian B. Voigtlander	50	Chief Operating Officer

Mr. Steven C. Riggs, our former Corporate Vice President, Operations, stepped down from that role, effective January 2018. Mr. Riggs has agreed to remain with the Company in a non-executive officer capacity to assist in various projects.

Mr. Jain joined the Company in February 2014 as Chairman of the Board and Chief Executive Officer. Mr. Jain served as CareFusion Corporation's ("CareFusion") President of Procedural Solutions from 2011 to February 2014. Mr. Jain served as President, Medical Technologies and Services of CareFusion from 2009 until 2011. Mr. Jain served as the Executive Vice-President-Strategy and Corporate Development of Cardinal Health from 2007 until 2009. Mr. Jain served as Senior Vice President, Business Development and M&A for the Philips Medical Systems business of Koninklijke Philips Electronics N.V., an electronics company from 2006 to August 2007. Mr. Jain served as an investment banker at J.P. Morgan Securities, Inc., an investment banking firm, from 1994 to 2006. Mr. Jain's last position with J.P. Morgan was as Co-Head of Global Healthcare Investment Banking from 2002 to 2006.

Ms. Burcar has served as Corporate Vice President, Product Strategy for IV Consumables since January 2018. From February 2017 to January 2018, Ms. Burcar served as Corporate Vice President and General Manager, Infusion Consumables. Ms. Burcar served as our Vice President and General Manager of Infusion Systems from July 2014 to February 2017. Ms. Burcar served as Vice President of Product Development from July 2009 to July 2014. Ms. Burcar served as our Vice President of Marketing from 2002 to July 2009, our Marketing Operations Manager from 1998 to 2002 and held research and development project/program management positions from 1995 to 1998.

Mr. Lamb has served as our Treasurer and Chief Financial Officer since February 2008. Mr. Lamb served as our Controller from 2003 to February 2008. Mr. Lamb served as Senior Director of Finance for Vitalcom, Inc. from 2000 to 2003.

Mr. McCall has served as our Corporate Vice President, Marketing and Communications and General Manager, Critical Care since February 2017. Mr. McCall served as our Vice President and General Manager of Critical Care from July 2014 to February 2017. Mr. McCall served as our Vice President of Marketing from July 2010 to July 2014. Mr. McCall served as Vice President of Marketing Communications and Brand Strategy for Masimo Corporation from 2006 to 2010 and as Vice President of Corporate Marketing and Brand Development for Welch Allyn, Inc. from 2001 to 2006.

Mr. Voigtlander has served as our Chief Operating Officer since January 2018. From February 2017 to January 2018, Mr. Voigtlander served as the Company’s Corporate Vice President, Business Development and General Manager, Infusion Solutions. From June 2015 to February 2017, Mr. Voigtlander served as the Company’s Vice President, Business Development. Prior to May 2015, Mr. Voigtlander held various roles at CareFusion and last served as Senior

Vice President, Business Development and Strategy.

Compensation Discussion and Analysis

The following Compensation Discussion and Analysis describes important information regarding the executive compensation program at ICU Medical, Inc. It describes our compensation philosophy, objectives regarding the compensation of our named executive officers, our policies and practices, and determinations related to executive compensation specific to 2017. For 2017, the term “named executive officers” represents the five executive officers in the compensation tables below:

Vivek Jain	Chief Executive Officer ("CEO") and Chairman of the Board
Scott E. Lamb	Treasurer and Chief Financial Officer ("CFO")
Steve C. Riggs[1]	Corporate Vice President, Operations
Alison D. Burcar	Corporate Vice President, Product Strategy for IV Consumables
Tom McCall	Corporate Vice President, Marketing and Communications and General Manager, Critical Care

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(1) Mr. Riggs stepped down from his position as Corporate Vice President, Operations in January 2018 and is currently serving at the Company as Special Projects, Operations, a non-executive officer position.

Executive Summary

Our executive compensation program is designed to provide a total compensation package intended to attract and retain high-caliber executive officers and employees, and also to incentivize employee contributions that are consistent with our corporate objectives and stockholder interests. The Compensation Committee believes it is important to provide a competitive total compensation package and share our success with our named executive officers, as well as our other employees, when our objectives are met.

2017 Business Highlights

We are one of the world's leading pure-play infusion therapy companies with global operations and a wide-ranging product portfolio that includes IV solutions, IV smart pumps, dedicated and non-dedicated IV sets and needlefree connectors, along with pain management and safety software technology designed to help meet clinical, safety and workflow goals. In addition, the Company manufactures automated pharmacy IV compounding systems with workflow technology, closed systems transfer devices for hazardous IV drugs, and cardiac monitoring systems to optimize patient fluid levels. Key 2017 business highlights include:

- Completion of Acquisition of Pfizer's Hospira Infusion Systems Business. On February 3, 2017, we completed our acquisition of Pfizer's Hospira Infusion Systems ("HIS") business. We believe combining HIS with our legacy infusion therapy business creates a pure-play infusion business enabling us to offer customers a full suite of intravenous therapy devices and solutions. The combination unifies a split distribution channel which we believe in the long-term will reduce costs and improve efficiencies. We believe that the acquisition significantly expands our footprint allowing us to potentially compete more successfully on a global scale and eliminates our single customer concentration risk that clouded our strategic value.

- Strong 1-year, 3-year and 5-year Total Shareholder Return. Our stock price increased from a closing of $147.35 per share at fiscal year-end 2016 to $216.00 per share at fiscal year-end 2017. Our total stockholder return ("TSR") for 2017 and the three-year and five-year periods ended December 31, 2017, was 46.6%, 163.7% and 254.5%, respectively. Our TSR ranked at the 70th, 86th and 64th percentiles among our compensation peer group for these periods, respectively.

- Strong Operational and Financial Results. We experienced significant growth in revenue, net income, adjusted earnings per share, and adjusted EBITDA.

(in millions, except per share and per share amounts)	2017	2016	Change
Revenue	$1,292.2	$379.4	240.6 %
Net Income	$68.6	$63.1	8.7 %
Adjusted EBITDA[1]	$222.5	$134.1	65.9 %
Diluted earnings per share	$3.29	$3.66	(10.1)%
Adjusted Diluted EPS[2]	$6.45	$4.88	32.2 %

Closing Stock Price at Fiscal Year-end	$216.00	$147.35	46.6 %

(1) Adjusted EBITDA adjusts from net income certain items as described in Annex A to this proxy statement. Our reconciliation of Adjusted EBITDA from net income is contained on Annex A to this proxy statement.

(2) Adjusted Diluted EPS represents diluted earnings per share adjusted for certain items as described in Annex A to this proxy statement. Our reconciliation of Adjusted Diluted EPS from diluted earnings per share is contained in Annex A to this proxy statement.

Executive Compensation Program Highlights

Pay for Performance

"Pay for performance" is the underlying tenet of our compensation philosophy. Consistent with this focus, our 2017 executive compensation program includes annual performance-based cash bonuses and long-term incentive compensation, primarily in the form of restricted stock unit ("RSU") awards, that vest based on continued service or achievement of applicable performance goals.

For 2017, on average, approximately 75% of our named executive officers' target total direct compensation consisted of "variable" pay (assuming the payout at "target" performance of annual cash bonuses and performance RSU awards) and included the following elements:

- Performance-based cash. Our 2017 annual cash bonuses were earned based on the achievement of pre-set financial targets using Adjusted EBITDA as the performance measure. Cash incentive opportunities can range from 0% to 200% of target incentive opportunity based on performance. For 2017, the Company exceeded 200% of target under the Adjusted EBITDA measure.

- Performance-based RSU awards. Our long-term performance RSU awards are earned only upon achievement of performance goals over a three-year performance period which, for awards granted in 2017, is based on the achievement of a cumulative Adjusted EBITDA goal. Our long-term performance RSUs recognize contributions to long-term success and long-term awards align our executive officers' compensation with Company performance and allow us to retain key employees through long-term vesting and potential wealth creation.

- Time-based RSU awards. The time-based RSUs awarded to our executive officers balance pay-for-performance and retention objectives. Realized value will vary based on stock price performance. Retention is achieved via a three-year vesting period. These longer vesting periods reinforce the executives' focus on long-term stockholder value.

Payouts of these variable compensation elements closely align with our business financial results.

Fixed pay included base salaries and other benefits. The following chart shows the mix between "fixed" and "variable" pay for our named executive officers in 2017 (on average).

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In particular, we believe that our equity compensation program supports a long-term performance orientation by aligning the interests of our executives and our stockholders. In 2017, the Compensation Committee continued to grant performance-based RSU awards instead of stock options to the named executive officers, which it believes better aligns our equity compensation program with stockholders' interests. These RSU awards will be earned, if at all, based on the achievement of a pre-established minimum cumulative Adjusted EBITDA target measured over a three-year period. In addition, in 2017 the Compensation Committee granted time-based RSU awards with multi-year vesting requirements, which are intended to motivate our retention objectives.

Strong Governance and Compensation Practices

We endeavor to maintain sound governance standards consistent with our executive compensation policies and practices. The Compensation Committee evaluates our executive compensation program on a regular basis to ensure that it is consistent with our short-term and long-term goals given the dynamic nature of our business and the market in which we compete for executive talent. Our compensation philosophy and related corporate governance policies and practices are complemented by the following specific compensation practices that are designed to align our executive compensation program with long-term stockholder interests:

- Compensation At-Risk. Our executive compensation program is designed so that a significant portion of compensation is "at risk" based on Company performance, including short-term cash and long-term equity incentives, which also align the interests of our executive officers and stockholders.

- Meaningful Stock Ownership Guidelines. We maintain guidelines for the minimum ownership of shares of our Common Stock by our executive officers and the non-employee members of our Board, including a 5x base salary requirement for our CEO and 1x base salary requirement for our other executive officers.

- Performance-Based Annual Cash Bonuses. Our annual cash bonus program results in payments funded based on the achievement of pre-established Company financial performance goals and adjusted based on individual performance as determined by the CEO and the Compensation Committee.

- Multi-Year and Performance Vesting. The equity awards granted to our executive officers generally vest over multi-year periods, and 50% of the grant date value of the equity awards granted to our named executive officers in 2017 will be earned based on the achievement of a minimum pre-established cumulative Adjusted EBITDA target measured over a three-year period, which we believe is consistent with current market practice, our retention objectives and our pay for performance philosophy.

- Limited Perquisites. We provide only limited perquisites or other personal benefits to our executive officers, such as a 401(k) plan matching contribution and Company-paid annual physicals.

- Independent Compensation Committee. The Compensation Committee is comprised solely of independent directors.

- Independent Compensation Committee Advisor. The Compensation Committee engaged its own compensation consultant to assist with its 2017 compensation reviews. This consultant performed no other services for us in 2017.

- Annual Executive Compensation Review. The Compensation Committee conducts an annual review and approval of our compensation strategy, including a review and determination of our compensation peer group used for comparative purposes and a review of our compensation-related risk profile to ensure that our compensation programs do not encourage excessive or inappropriate risk taking and that the level of risk that they do encourage is not reasonably likely to have a material adverse effect on us.

- Annual Say-on-Pay Vote. We provide our stockholders with the opportunity to vote annually on the advisory approval of the compensation of our named executive officers (a “say-on-pay proposal”).

- No Tax Reimbursements. We do not provide any tax reimbursement payments (“gross-ups”) on any perquisites or other personal benefits or on any severance or change-in-control payments or benefits.

- Hedging and Pledging Prohibited. We prohibit our executive officers and the non-employee members of our Board from hedging or pledging our securities.

- No Defined Benefit Pension or Deferred Compensation Plans. We do not currently offer, nor do we have plans to provide, pension arrangements or nonqualified deferred compensation plans or arrangements to our executive officers. At this time, we maintain a defined contribution plan that is intended to satisfy the requirements of Sections 401(a) and 401(k) of the Internal Revenue Code (the "Code"), which is available to our executive officers on the same basis as our other full-time, salaried U.S. employees.

2017 Say-on-Pay Vote

Each year, the Compensation Committee considers the say-on-pay vote results from the prior Annual Meeting of Stockholders in its evaluation of the compensation program for our named executive officers. At our 2017 Annual Meeting of Stockholders, approximately 98% of the votes cast were voted in favor of our say-on-pay proposal, which we believe affirms our stockholders' support of our executive compensation program. Following the vote on our say-on-pay vote to be conducted at this Annual Meeting, we expect our next say-on-pay vote will be conducted at our annual meeting in 2019.

How We Determine Executive Compensation

Compensation Philosophy and Objectives

Our executive compensation program is designed to align our named executive officers' interests with those of our stockholders by establishing a direct and meaningful link between our business financial results and their compensation. In determining total compensation of our named executive officers, the Compensation Committee has worked with its compensation consultant, as described in greater detail below in "Engagement of Compensation Consultant," to implement compensation policies based on the following factors:

- the overall business and financial performance of the Company;
- the individual's performance, experience and skills;
- the terms of employment agreements or other arrangements with the individual;
- competitive market data for similar positions based on the Company's compensation peer group; and
- results from the prior year's stockholder advisory vote on the compensation of our named executive officers.

The main objectives of our executive compensation program are to:

- provide competitive total pay opportunities that help attract, incentivize and retain leadership and key talent;
- establish a direct and meaningful link between business financial results, individual/team performance and rewards;
- provide strong incentives to promote the profitability and growth of the Company, create long-term stockholder value and incentivize superior performance; and
- encourage the continued attention and dedication of our executives and provide reasonable individual security to enable our executives to focus on our best interests.

In making compensation decisions, the Compensation Committee believes that a critical factor in ensuring the Company's ability to attract, retain and motivate its executive officers is ensuring that their compensation is competitive with companies that it considers to be competitors. In determining the appropriate level and form of compensation, the Compensation Committee reviews market data relating to the cash and equity compensation of similarly-sized medical device and life sciences companies that is provided by its compensation consultant, as described in greater detail below in "Engagement of Compensation Consultant."

Engagement of Compensation Consultant

Since 2007, our Compensation Committee has engaged Compensia, a national compensation consulting firm, to assist in reviewing and making appropriate changes to our executive compensation guiding principles, to update our compensation peer group, to evaluate the competitiveness of our executive officers' compensation, and to assist it in the course of its deliberations concerning executive compensation decisions. Compensia serves at the discretion of the Compensation Committee. For 2017, the peer group consisted of the following companies:

Abaxis	Insulet	Natus Medical
ABIOMED	Integra LifeSciences	NuVasive
Cantel Medical	Masimo	NxStage Medical
Globus Medical	Meridian Bioscience	Wright Medical Group
Haemonetics	Merit Medical Systems	ZELTIQ Aesthetics

The selected companies had financial and industry similarities to ICU Medical. Specifically, targeted companies met these general criteria:

- Revenues between 0.33x - 3x ICU;
- Market capitalization between 0.5x - 5x ICU;
- Headcount generally greater than 3,000; and
- Medical device/healthcare equipment companies.

This compensation peer group was used by the Compensation Committee during 2017 as a reference for understanding the competitive market for executive positions in our industry sector.

Elements of Compensation

In setting compensation levels for our executive officers, the Compensation Committee considers each element of compensation separately as well as the aggregate value of all elements of compensation for each individual. Amounts realized or realizable from awards under prior bonus or incentive plans, including stock options, do not significantly influence the pay setting process of current compensation levels. The significant compensation components are base salary, annual cash bonuses and equity awards; we also provide severance and change in control payments and benefits.

While the Compensation Committee does not use specific target percentiles to justify compensation decisions, it does consider competitive market data in the course of its deliberations. The Compensation Committee believes that such information is useful in at least two respects. First, the Compensation Committee recognizes that our compensation levels must be competitive to attract, motivate, and retain superior executive talent. Second, the Compensation Committee believes that developing a general understanding of the compensation provided to the executives at our peer companies is useful in assessing the reasonableness and appropriateness of individual executive compensation elements.

Accordingly, the Compensation Committee considers an analysis of the compensation practices of the companies in the compensation peer group, as well as evolving market practices, to ensure that it remains informed of current practices when making compensation decisions. This information is one of several factors, including the factors that are described above in the “Compensation Philosophy and Objectives” section, that the Compensation Committee considers in making its decisions with respect to the compensation of our executive officers.

The Compensation Committee intends to review our compensation peer group at least annually and makes adjustments to its composition as necessary or appropriate, taking into account changes in both our business and the businesses of the companies in the peer group.

Base Salaries

The Compensation Committee initially established the base salaries with our named executive officers as the result of an arms-length negotiation with each individual. It reviews base salaries when position responsibilities change.

The base salaries for 2017 remain unchanged from 2016. In reviewing the base salaries of our named executive officers in 2017, the Compensation Committee considered the market for similar positions based on the compensation peer group and took into account individual performance. The following table presents each named executive officer's base salary for 2017:

Name	Position	2017 Base Salary Rate
Vivek Jain	Chief Executive Officer/ Chairman of the Board	$650,000
Scott E. Lamb	Treasurer and Chief Financial Officer	$395,150
Steven C. Riggs	Vice President of Operations	$360,582
Alison D. Burcar	Vice President and General Manager Infusion Systems	$315,000
Tom McCall	Vice President and General Manager of Critical Care	$293,550

Annual Cash Incentives

Pursuant to the terms of our 2008 Performance-Based Incentive Plan (the “Performance-Based Incentive Plan”), the Compensation Committee sets target bonus opportunities and selects performance measures and related target levels for each year; we refer to this annual cash incentive program as our "MIP." Cash bonuses under the MIP are based on our actual performance for the applicable year based on the Company’s achievement of the performance measure target levels.

Financial performance was a key factor in decisions and outcomes for the 2017 MIP. Specifically, for 2017, payment of bonus opportunities were funded under the MIP was based on the achievement of Adjusted EBITDA goals and the Compensation Committee reserved discretion to adjust bonuses based on individual performance in determining actual bonus payouts. The performance against the target levels for the 2017 MIP accounted for 100% of the named executive officers’ cash bonuses for 2017, although the Compensation Committee reserved discretion to adjust any bonus.

The following table presents the 2017 target bonus opportunities and the eligible MIP range (threshold and maximum) as a percentage of total base salary for each named executive officer.

Name	Target Bonus (% of 2017 Base Salary)	Threshold Bonus (% of Target Bonus)	Stretch Bonus (% of Target Bonus)
Vivek Jain	100%	50%	200%
Scott E. Lamb	60%	50%	200%
Steven C. Riggs	60%	50%	200%
Alison D. Burcar	60%	50%	200%
Tom McCall	60%	50%	200%

Payouts under the 2017 MIP were based on achieving a pre-established Adjusted EBITDA target level for the year. The Compensation Committee determined to use Adjusted EBITDA as a short-term performance measure under our 2017 MIP because it believes Adjusted EBITDA is a positive indicator of our operating results and increased stockholder value and aligns a portion of the executive officer's compensation with a key financial target. For purposes of the 2017 MIP, "Adjusted EBITDA" means net income adjusted for interest, net, intangible asset amortization expense, depreciation expense, stock compensation expense, restructuring, strategic transaction and integration expense, adjustment to reverse the cost recognition related to the purchase accounting write-up of inventory to fair market value, legal settlement, bargain purchase gain, change in fair value of contingent earn-out, disposition of certain assets and income tax expense, as further described in Annex A to this proxy statement. In early 2017, the Compensation Committee determined that the threshold bonus should be increased to 50% of target, from 33% in 2016, and the stretch bonus should be increased to 200% of target, from 175% in 2016. In determining these increases the Compensation Committee considered annual forecasts for the upcoming year, broader industry performance and analyst expectations. Consideration was also given to the cost/benefit of the additional upside opportunity. The Compensation Committee's analysis determined that the additional bonus payouts would be justified if the incremental level of EBITDA outperformance was reached. The intent of the MIP is to incentivize key employees for exceptional performance.

Based on a review of economic conditions, the Compensation Committee set performance goals under the 2017 MIP based on achievement of the following financial target levels:

	Threshold Goal	Target Goal	Stretch Goal
Adjusted EBITDA Performance (in millions)	$155.0	$170.0	$200.0
MIP % Payout	50%	100%	200%

The following table presents the possible threshold, target and stretch bonus payouts for the 2017 MIP, as well as the actual amounts earned under the MIP for each named executive officer for 2017. For achievement of an Adjusted EBITDA below the threshold goal, the named executive officers were not eligible to receive a cash bonus. Based on the Company's actual Adjusted EBITDA performance of $222.5 million for 2017, the potential payout was at the maximum payout level, or 200% of target. In February 2018, based on the review of each named executive officer's individual performance and contributions to the Company's success, the individual performance factors for Ms. Burcar and Mr. Riggs were adjusted downward by the Compensation Committee to 70% and 59% of the 200% earned based on financial measures, respectively.

Name	Salary	Potential Threshold Bonus	Potential Target Bonus	Potential Maximum Bonus	Actual bonus paid	Actual bonus paid % of Target Bonus
Vivek Jain	$650,000	$325,000	$650,000	$1,300,000	$1,300,000	200 %
Scott E. Lamb	$395,150	$118,545	$237,090	$474,179	$474,179	200 %
Steven C. Riggs	$360,582	$108,175	$216,349	$432,698	$255,000	118 %
Alison D. Burcar	$315,000	$94,500	$189,000	$378,000	$264,600	140 %
Tom McCall	$293,550	$88,065	$176,130	$352,260	$352,000	200 %

Equity Awards

We grant equity awards to our executive officers to align their interests with the interests of our stockholders and to help achieve our retention objectives. The use of equity awards further promotes our efforts to encourage the profitability and growth of the Company through the establishment of strong incentives to maintain our stock performance.

In 2017, the Compensation Committee continued to grant performance-based RSUs in lieu of granting stock options to our named executive officers. This decision was based, in part, on the Compensation Committee's belief that performance-based RSUs drive performance on specific financial metrics that will translate into long-term stockholder value creation. We also believe a combination of performance and time-based RSUs effectively balance pay-for-performance and retention objectives.

The following table presents the equity award grants to our named executive officers for 2017.

Name	Total Target Award Multiple of Base Salary	Time-Based RSUs (#)	Time-Based RSUs ($)[1]	Performance RSUs (#)	Performance RSUs ($)[1]
Vivek Jain	2.8x	5,978	925,096	5,978	925,096
Scott E. Lamb	1.4x	1,778	275,146	1,778	275,146
Steven C. Riggs	1.2x	1,374	212,627	1,374	212,627
Alison D. Burcar	1.5x	1,535	237,541	1,535	237,541
Tom McCall	1.1x	1,051	162,642	1,051	162,642

(1) Reflects the grant-date fair value of the time-based RSUs and performance-based RSUs.

Consistent with our overall pay philosophy, our Compensation Committee determined the size of the 2017 equity awards so that the target total direct compensation of the named executive officers fell in the competitive market range, as appropriate, after considering factors such as Company and individual performance, experience, longevity with the Company, internal pay parity considerations and unique requirements of the position.

The RSU awards granted to the named executive officers in 2017 were subject to the following provisions:

- The performance-based RSUs have a three-year performance period and will be earned, if at all, upon the achievement of a cumulative Adjusted EBITDA goals over the performance period. Cumulative Adjusted EBITDA was selected as a long-term performance measure as it aligns future payout under the long-term plan with sustained EBITDA performance. At the beginning of the performance period, it was determined that the shares of our Common Stock subject to the performance-based RSUs will be earned (and vest in full on December 31, 2019, the last day of the performance period), subject to the executive officer's continued service as of that date as follows:

Cumulative Adjusted EBITDA	Percentage of awards that will vest
Below $600 million	0% - forfeited
At least $600 million	100%
At least $650 million	200%
At least $700 million	300%

- The time-based RSUs vest in equal annual increments over a three-year period from the date of grant.

- We do not pay or accrue dividend equivalents on any RSU awards, including performance-based awards.

- In the event of a corporate transaction or change in control of the Company, the equity awards granted in 2017 to the named executive officers will accelerate and vest in full upon a change in control of the Company if the surviving entity does not assume or replace such outstanding awards with economically equivalent awards (as opposed to accelerating in full upon a "single-trigger" change in control). In addition, if the performance-based RSUs are assumed or replaced then they will be deemed earned as to 200% of the RSUs and will remain outstanding and eligible to vest on January 1, 2020, subject to the grantee's continued service.

Severance and Change in Control Payments and Benefits

Severance and Change in Control Arrangements with our Named Executive Officers

In 2017 we entered into an amended and restated employment agreement with our CEO that provided for amended severance and change in control benefits, and maintained a Severance Plan, effective January 1, 2017, in which the remaining named executive officers participate. These arrangements provide for severance payment and benefits upon a qualifying termination of employment, both outside and in the change in control context, as described in greater detail below in "Potential Payments upon Termination or Change in Control." We believe that these payments and benefits are essential for us to fulfill our objective of attracting and retaining key managerial talent.

Equity Plan

In addition, under our Amended and Restated 2011 Stock Incentive Plan, the equity awards granted in 2017 to the named executive officers will accelerate and vest in full upon a change in control of the Company if the surviving entity does not assume or replace such outstanding awards with economically equivalent awards (as opposed to accelerating in full upon a "single-trigger" change in control). In addition, if the performance-based RSUs are assumed or replaced then they will be deemed earned as to 200% of the RSUs and will remain outstanding and eligible to vest on January 1, 2020, subject to the grantee's continued service.

Our Compensation Committee believes these arrangements:

-

contribute to overall competitiveness of executive total compensation and enhance the Company's ability to attract/retain key executives;

- further align the interests of key executives with those of the Company's stockholders and promote objective evaluations of strategy alternatives by executives;

- motivate our executives to drive business success independent of the possible occurrence of any change-of-control transaction and reduce distractions associated with the potential for a transaction or termination of employment; and

- maximize stockholder value by retaining "key" personnel through the completion of the transaction so that the Company is delivered in the condition bargained for by a potential acquirer.

Health and Welfare Benefits; Perquisites

All of our full-time employees, including our named executive officers, are eligible to participate in our health and welfare plans. The Company does not provide pension or other post-retirement benefits, other than matching contributions under the Company's 401(k) retirement plan. Except as described in the following sentence, the Company does not provide perquisites or other personal benefits to our executive officers. In addition, the Company reimburses the named executive officers for the cost of an annual physical examination.

Stock Ownership Guidelines

We maintain established stock ownership guidelines for our CEO and the non-employee members of our Board discussed below in "Compensation of Directors." Our CEO has up to five years from the time of appointment to acquire and retain shares of our Common Stock that equal or exceed five times his annual base salary. In 2014, we established stock ownership guidelines for our remaining executive officers. These executive officers have up to five years to acquire and retain shares of our Common Stock that equal the annual base salary of the executive officer. Shares beneficially owned by our CEO, our other executive officers, directly or indirectly, such as shares held by an immediate family member living in the same household or shares in a trust, and vested restricted shares and shares represented by vested RSUs, count toward meeting the stock ownership guidelines. All of our executive officers who have met the five year mark are in compliance with the stock ownership guidelines.

Anti-Pledging / Hedging Policies

All executive officers and non-employee members of our Board are prohibited from engaging in any speculative transactions in Company securities, including share pledging, engaging in short sales, engaging in transactions in put options, call options or other derivative securities, or engaging in any other forms of hedging transactions.

Tax and Accounting Considerations

Section 162(m) of the Internal Revenue Code

Section 162(m) of the Code disallows a tax deduction for any publicly held corporation for individual compensation exceeding $1.0 million in any taxable year for its "covered employees." Prior to the Tax Cuts and Jobs Act of 2017, covered employees generally consisted of a corporation's chief executive officer, and the three next most-highly compensated executive officers (other than its chief financial officer) and compensation that qualified as "performance-based compensation" for purposes of Section 162(m) of the Code was exempt from this $1.0 million deduction limitation. As part of the Tax Cuts and Jobs Act of 2017, the ability to rely on this exemption was, with certain limited exceptions, eliminated; in addition, the determination of the covered employees was generally expanded. In light of the repeal of the performance-based compensation exception to Section 162(m) of the Code, we may not be able to take a deduction for any compensation in excess of $1.0 million that is paid to a covered employee.

Section 280G of the Code

Section 280G of the Code disallows a tax deduction with respect to excess parachute payments to certain executives of companies that undergo a change in control. In addition, Section 4999 of the Code imposes a 20% penalty on the individual receiving the excess payment.

Parachute payments are compensation that is linked to or triggered by a change in control and may include, but are not limited to, bonus payments, severance payments, certain fringe benefits, and payments and acceleration of vesting from long-term incentive plans including stock options and other equity-based compensation. Excess parachute payments are parachute payments that exceed a threshold determined under Section 280G of the Code based on the executive's prior compensation. In approving the compensation arrangements for our named executive officers in the future, the Compensation Committee will consider all elements of the cost to the Company of providing such compensation, and will include the potential impact of Section 280G of the Code. However, the Compensation Committee may, in its judgment, authorize compensation arrangements that could give rise to loss of deductibility under Section 280G of the Code and the imposition of excise taxes under Section 4999 of the Code when it believes that such arrangements are appropriate to attract and retain executive talent.

Accounting Considerations

ASC Topic 718, Compensation-Stock Compensation, or ASC Topic 718, requires us to recognize an expense for the fair value of equity-based compensation awards. Grants of stock options and RSUs under our equity incentive award plans are accounted for under ASC Topic 718. The Compensation Committee regularly considers the accounting implications of significant compensation decisions, especially in connection with decisions that relate to our equity incentive award plans and programs. As accounting standards change, we may revise certain programs to appropriately align accounting expenses of our equity awards with our overall executive compensation philosophy and objectives.

Summary Compensation Table

The following table shows all compensation awarded to, earned by or paid to each of our principal executive officer, principal financial officer and the next three most highly compensated executive officers in 2017 whose 2017 total compensation exceeded $100,000. Non-equity incentive plan compensation in the table below are included in the year earned rather than the year actually paid; a portion of certain amounts may be paid in the following year.

Name and principal position	Year	Salary ($)	Bonus ($)	Stock Awards ($) (1)	Option Awards ($)	Non-equity incentive plan compensation ($) (2)	All other compensation ($) (3)	Total ($)
Vivek Jain, Chairman of the Board and Chief Executive Officer	2017	650,000	—	1,850,192	—	1,300,000	18,131	3,818,323
	2016	650,000	—	1,950,072	—	942,500	9,275	3,551,847
	2015	650,000	—	1,462,587	1,462,519	975,000	948	4,551,054
Scott E. Lamb, Treasurer and Chief Financial Officer	2017	395,150	—	550,292	—	474,179	9,450	1,429,071
	2016	395,150	—	474,202	—	343,780	9,275	1,222,407
	2015	395,150	—	395,160	395,173	355,635	9,100	1,550,218
Steven C. Riggs, Vice President of Operations	2017	360,582	—	425,254	—	255,000	9,450	1,050,286
	2016	360,582	—	432,868	—	313,706	9,275	1,116,431
	2015	360,582	—	360,632	360,596	324,524	9,100	1,415,434
Alison D. Burcar, Vice President and General Manager of Infusion Systems	2017	315,000	—	475,082	—	264,600	9,450	1,064,132
	2016	315,000	—	630,020	—	260,348	9,275	1,214,643
	2015	315,000	—	315,009	315,009	283,500	9,100	1,237,618
Tom McCall, Vice President and General Manager of Critical Care	2017	293,550	—	325,284	—	352,000	9,450	980,284
	2016	293,550	—	352,278	—	232,404	9,100	887,332
	2015	293,550	—	176,189	176,151	237,776	9,100	892,766

(1) Amounts represents the grant date fair value of performance-based RSUs granted in the period and the grant date fair value of time-based RSUs granted during the period, each computed in accordance with ASC Topic 718, rather than the amounts paid to or realized by the named individual. The amounts in this column assume the target level of performance conditions will be achieved. The grant date fair value of performance-based RSUs is based on the closing stock price on the date of grant and the probable outcome of the applicable performance conditions, which is the target value. We provide information regarding the assumptions used to calculate the value of all stock awards made to executive officers in Note 7 to the consolidated financial statements contained in our Annual Report on Form 10-K, filed on March 16, 2018. There can be no assurance that awards will vest (if an award does not vest, no value will be realized by the individual).

The following table presents the values of the performance-based RSUs (target and maximum) for each named executive officer.

Name	Performance-Based RSUs Target ($)	Performance-Based RSUs Maximum ($)
Vivek Jain	925,096	2,775,288
Scott E. Lamb	275,146	825,438
Steven C. Riggs	212,627	637,881
Alison D. Burcar	237,541	712,623

Tom McCall	162,642	487,926

(2) The amounts for all named executive officers represent the cash bonuses earned by the named executive officers for fiscal year 2017 based on the achievement of Adjusted EBITDA goals and each respective officer's fiscal year 2017 performance and stretch performance goals, consistent with the terms of the Performance-Based Incentive Plan and MIP.

(3) Other compensation includes our match on the officer’s 401(k) contributions and, for 2017 and 2016, reimbursements for the cost of annual physical examinations that we provide for members of our senior management. For Mr. Jain, the amount shown also includes attorney’s fees paid in 2017 in connection with the negotiation of his amended and restated employment agreement.

Grants of Plan-Based Awards in 2017

The following table presents awards in 2017 under the Company's various incentive award plans.

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units	Grant date fair value of stock and option awards (4)
		Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)		
Vivek Jain									
Performance bonus (1)	02/27/17	$325,000	$650,000	$1,300,000	—	—	$ —		
Performance RSUs (2)	03/27/17	$—	$—	$—	5,978	5,978	17,934		$925,096
RSUs (3)	03/27/17	$—	$—	$—	—	—	—	5,978	$925,096
Scott E. Lamb									
Performance bonus (1)	02/27/17	$118,545	$237,090	$474,179	—	—	—		
Performance RSUs (2)	03/27/17	$—	$—	$—	1,778	1,778	5,334		$275,146
RSUs (3)	03/27/17	$—	$—	$—	—	—	—	1,778	$275,146
Steven C. Riggs									
Performance bonus (1)	02/27/17	$108,175	$216,349	$432,698	—	—	—		
Performance RSUs (2)	03/27/17	$—	$—	$—	1,374	1,374	4,122		$212,627
RSUs (3)	03/27/17	$—	$—	$—	—	—	—	1,374	$212,627
Alison D. Burcar									
Performance bonus (1)	02/27/17	$94,500	$189,000	$378,000	—	—	—		
Performance RSUs (2)	03/27/17	$—	$—	$—	1,535	1,535	4,605		$237,541
RSUs (3)	03/27/17	$—	$—	$—	—	—	—	1,535	$237,541
Tom McCall									
Performance bonus (1)	02/27/17	$88,065	$176,130	$352,260	—	—	—		
Performance RSUs (2)	03/27/17	$—	$—	$—	1,051	1,051	3,153		$162,642
RSUs (3)	03/27/17	$—	$—	$—	—	—	—	1,051	$162,642

(1) Performance bonuses are payable under the Performance-Based Incentive Plan and 2017 MIP if certain annual financial achievements are met or exceeded. The amounts actually earned by our named executive officers from this bonus arrangement in 2017 are reflected in the Non-Equity Incentive Plan Compensation column in the Summary Compensation Table. The material terms of the Performance-Based Incentive Plan are discussed above under the caption "Annual Cash Incentive."

(2) Performance RSUs are granted under our Amended and Restated 2011 Stock Incentive Plan and have a performance period of three years from the date of grant. The performance RSUs will vest, if at all, upon the achievement of a minimum specified cumulative Adjusted EBITDA goal, subject to a three-year cliff vesting ending on December 31, 2019. If at that date, our cumulative Adjusted EBITDA is at least $600 million but less than $650 million, 100% of the awarded units will vest. If our cumulative Adjusted EBITDA is at least $650 million but less than $700 million, 200% of the awarded units will vest. If our cumulative Adjusted EBITDA is at least $700 million, 300% of the awarded units will vest. If the Company does not achieve the threshold

performance metric, zero shares will be earned and the performance RSUs will be forfeited.

(3) Amounts reflect the number of RSUs granted under our Amended and Restated 2011 Stock Incentive Plan and vest ratably on the anniversary of the grant over three years.

(4) Amounts represent the grant date fair value of performance-based RSUs granted in the period and the grant date fair value of time-based RSUs granted during the period, each computed in accordance with ASC Topic 718, rather than the amounts paid to or realized by the named individual. The grant date fair value of performance-based RSUs is based on the closing stock price on the date of grant and the probable outcome of the applicable performance conditions, which is the target value. We provide information regarding the assumptions used to calculate the value of all stock awards made to executive officers in Note 7 to the consolidated financial statements contained in our Annual Report on Form 10-K, filed on March 16, 2018.

Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards in 2017 Table

In May 2017, the Company and Vivek Jain entered into an Amended and Restated Executive Employment Agreement (the "Agreement"), under which Mr. Jain serves as the Chief Executive Officer of the Company. The Agreement is effective as of May 8, 2017 and will continue until May 8, 2020, unless earlier terminated, and supersedes the employment agreement with Mr. Jain, dated February 7, 2014, as amended (the "Original Agreement"). The term of the Agreement is subject to automatic one-year renewal terms unless either the Company or Mr. Jain gives written notice of termination at least 60 days prior to the end of the applicable term.

Consistent with the Original Agreement, the Agreement provides for the following compensation in respect of Mr. Jain's services as Chief Executive Officer of the Company:

- an annual base salary $650,000;
- participation in the annual bonus plan of the Company, pursuant to which Mr. Jain's target bonus opportunity will not be less than one hundred percent (100%) of his base salary;
- Mr. Jain will be considered for annual equity incentive awards under any applicable plans adopted by the Company during the period of employment for which executives are generally eligible;
- up to $10,000 in reimbursed legal fees and expenses incurred in connection with the negotiation of the Agreement; and
- certain other benefits and reimbursements.

The Agreement also provides for certain payments and benefits upon a qualifying termination of employment or upon a change in control, as described under "Potential Payments upon Termination or Change in Control" below.

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Outstanding Equity Awards at December 31, 2017

The following table contains information about stock and option awards held at December 31, 2017, by our named executive officers. Except as indicated below, stock awards and options were granted pursuant to our Amended and Restated 2011 Stock Incentive Plan.

	Option Awards				Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Vivek Jain	137,846	79,279	$ 58.79 (1)	02/24/24				
	250,023	15,218	$ 58.79 (2)	02/24/24				
	40,915	20,458	$ 88.76 (3)	02/11/25				
					5,493	$1,186,488 (4)		
					7,518	$1,623,888 (5)		
					5,978	$1,291,248 (6)		
							33,828	$7,306,848 (7)
							17,934	$3,873,744 (8)
	428,784	114,955			18,989	$4,101,624	51,762	$11,180,592
Scott E. Lamb	23,624	—	$ 61.76 (9)	02/06/23				
	75,000	25,000	$ 58.79 (1)	02/24/24				
	11,055	5,528	$ 88.76 (3)	02/11/25				
					1,484	$320,544 (4)		
					1,828	$394,848 (5)		
					1,778	$384,048 (6)		
							8,226	$1,776,816 (7)
							5,334	$1,152,144 (8)
	109,679	30,528			5,090	$1,099,440	13,560	$2,928,960
Steven C. Riggs	3,446	—	$ 61.76 (9)	02/06/23				
	—	31,250	$ 58.79 (1)	02/24/24				
	10,088	5,044	$ 88.76 (3)	02/11/25				
					1,355	$292,680 (4)		

		1,669	$360,504 (5)		
		1,374	$296,784 (6)		
				7,509	$1,621,944 (7)
				4,122	$890,352 (8)
13,534	36,294	4,398	$949,968	11,631	$2,512,296

Alison D. Burcar	56,250	18,750	$58.79(1)	02/24/24				
	8,812	4,407	$88.76(3)	02/11/25				
					1,183	$255,528 (4)		
					2,429	$524,664 (5)		
					1,535	$331,560 (6)		
							10,929	$2,360,664(7)
							4,605	$994,680 (8)
	65,062	23,157			5,147	$1,111,752	15,534	$3,355,344
Tom McCall	209	—	$60.40(10)	10/11/22				
	563	—	$61.76(9)	02/06/23				
	2,657	313	$58.79(2)	02/24/24				
	4,928	2,464	$88.76(3)	02/11/25				
					662	$142,992 (4)		
					1,358	$293,328 (5)		
					1,051	$227,016 (6)		
							6,111	$1,319,976(7)
							3,153	$681,048 (8)
	8,357	2,777			3,071	$663,336	9,264	$2,001,024

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(1) Performance stock options were granted pursuant to our 2014 Inducement Stock Incentive Plan (the "2014 Plan") on 02/24/2014 and vest ratably at 25% per year over four years. Fifty percent of the performance stock options will become exercisable when they satisfy the time-vesting schedule and the closing price of our Common Stock was equal to or more than 125% of the exercise price for 30 consecutive trading days during the term of the grant. The remaining 50% of the performance stock options will become exercisable when they satisfy the time-vesting schedule and the closing price of our Common Stock was equal to or more than 150% of the exercise price for 30 consecutive trading days during the term of the grant. As both of the performance goals have been achieved, seventy-five percent of the performance options were exercisable at December 31, 2017.

(2) Time-based stock options were granted on 02/24/2014 under the 2014 Plan and vest 25% after one year, monthly for 36 months thereafter.

(3) Performance stock options to purchase our Common Stock were granted on 02/11/2015. All of the performance stock options become exercisable when they satisfy the time-vesting schedule and the closing price of our Common Stock was equal to or more than 130% of the exercise price for 30 consecutive trading days during the term of the grant.

(4) RSU award granted on 02/11/2015 and vests one-third annually. Market value is determined based on the closing price of our stock at December 29, 2017 of $216.00.

(5) RSU award granted on 02/05/2016 and vests one-third annually. Market value is determined based on the closing price of our stock at December 29, 2017 of $216.00.

(6) RSU award granted on 03/27/2017 and vests one-third annually. Market value is determined based on the closing price of our stock at December 29, 2017 of $216.00.

(7) Performance awards granted on 02/05/2016 will vest, if at all, upon the achievement of a minimum specified compound CAGR in Adjusted EBITDA per share, subject to a three-year cliff vesting ending on December 31, 2018. If at that date, our Adjusted EBITDA per share CAGR is at least 8% but less than 10%, 100% of the awarded units will vest. If our Adjusted EBITDA per share CAGR is at least 10% but less than 12%, 200% of the awarded units will vest. If our Adjusted EBITDA per share CAGR is greater than 12%, 300% of the awarded units will vest. If the Company does not achieve the threshold performance metric, zero shares will be earned. Unearned shares and market value is determined based on the closing price of our stock at December 29, 2017 of $216.00 and assumes the maximum achievement level was reached. In calculating the number of performance shares and their value, we are required by SEC rules to compare the Company's performance through 2017 under each outstanding

performance award against the threshold, target, and maximum performance levels for the grant and report in this column the applicable potential payout amount. If the performance is between levels, we are required to report the potential payout at the next highest level. For example, if the previous fiscal year's performance exceeded target, even if it is by a small amount and even if it is highly unlikely that we will pay the maximum amount, we are required by SEC rules to report the awards using the maximum potential payouts.

(8) Performance awards granted on 03/27/2017 will vest, if at all, upon the achievement of a minimum specified Cumulative Adjusted EBITDA, subject to a three-year cliff vesting ending on December 31, 2019. If at that date, our Cumulative Adjusted EBITDA is at least $600 million but less than $650 million, 100% of the awarded units will vest. If our Cumulative Adjusted EBITDA is at least $650 million but less than $700 million, 200% of the awarded units will vest. If our Cumulative Adjusted EBITDA is at least $700 million, 300% of the awarded units will vest. If the Company does not achieve the threshold performance metric, zero shares will be earned. Unearned shares and market value is determined based on the closing price of our stock at December 29, 2017 of $216.00 and assumes the maximum achievement level was reached. In calculating the number of performance shares and their value, we are required by SEC rules to compare the Company's performance through 2017 under each outstanding performance award against the threshold, target, and maximum performance levels for the grant and report in this column the applicable potential payout amount. If the performance is between levels, we are required to report the potential payout at the next highest level. For example, if the previous fiscal year's performance exceeded target, even if it is by a small amount and even if it is highly unlikely that we will pay the maximum amount, we are required by SEC rules to report the awards using the maximum potential payouts.

(9) Time-based stock options were granted on 02/06/2013 and vest 25% after one year, monthly for 36 months thereafter.

(10) Time-based stock options were granted on 10/11/2012 and vested 25% after one year, monthly for 36 months thereafter.

Options Exercised and Stock Vested

The following table contains information about stock options exercised and vesting of RSUs during 2017 by the named executive officers of the Company.

Name	Grant Type	Option awards Number of shares acquired on exercise (#)	Value realized on exercise[(1)] ($)	Stock Awards Number of shares acquired on vesting (#)	Value realized on vesting[(2)] ($)
Vivek Jain	Option	200,000	$ 24,323,870		
	RSU			31,931	$ 4,642,817
Scott E. Lamb	Option	23,772	$ 2,935,525		
	RSU			2,398	$ 344,864
Steven C. Riggs	Option	31,250	$ 2,912,383		
	RSU			2,	