

CONMED CORP
Form DEF 14A
April 13, 2009

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
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

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

(3) Filing Party:

(4) Date Filed:

CONMED CORPORATION

525 French Road

Utica, New York 13502

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of CONMED Corporation (the "Company") will be held at the offices of the Company at 525 French Road, Utica, New York on Thursday, May 21, 2009 at 3:30 p.m. (New York time), for the following purposes:

- (1) To elect seven directors to serve on the Company's Board of Directors;
- (2) To ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2009;
- (3) To approve the Amended and Restated 1999 Long-Term Incentive Plan; and
- (4) To transact such other business as may properly be brought before the meeting or any adjournment thereof.

The shareholders of record at the close of business on March 31, 2009, are entitled to notice of, and to vote at the Annual Meeting or any adjournment thereof.

Even if you plan to attend the Annual Meeting in person, we request that you mark, date, sign and return your proxy in the enclosed self-addressed envelope as soon as possible so that your shares may be certain of being represented and voted at the meeting. Any proxy given by a shareholder may be revoked by that shareholder at any time prior to the voting of the proxy.

By Order of
the Board of
Directors,

/s/ Heather L.
Cohen

Heather L.
Cohen
Secretary

April 13, 2009

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2009
ANNUAL
MEETING OF SHAREHOLDERS TO BE HELD MAY 21, 2009

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The Company's Proxy Statement for the 2009 Annual Meeting of Shareholders, the Company's Annual Report to Shareholders for the fiscal year ended December 31, 2008 and the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 are available at <http://www.cfpproxy.com/2982>.

CONMED CORPORATION
525 French Road
Utica, New York 13502

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

May 21, 2009

The enclosed proxy is solicited by and on behalf of the Board of Directors of CONMED Corporation (the “Company”) for use at the Annual Meeting of Shareholders to be held on Thursday, May 21, 2009, at 3:30 p.m. (New York time), at the offices of the Company at 525 French Road, Utica, New York, and any adjournment thereof (“the Annual Meeting”). The matters to be considered and acted upon at the Annual Meeting are described in the foregoing notice of the meeting and this proxy statement. This proxy statement, the related form of proxy and the Company’s Annual Report to Shareholders are being mailed on or about April 13, 2009, to all shareholders of record on March 31, 2009. Shares of the Company’s common stock, par value \$.01 per share (“Common Stock”), represented in person or by proxy will be voted as described in this proxy statement or as otherwise specified by the shareholder. Any proxy given by a shareholder may be revoked by the shareholder at any time prior to the voting of the proxy by delivering a written notice to the Secretary of the Company, by executing and delivering a later-dated proxy or by attending the meeting and voting in person.

The persons named as proxies are Joseph J. Corasanti and Daniel S. Jonas, who are, respectively, the President and Chief Executive Officer, and the Vice President – Legal Affairs and General Counsel of the Company. The cost of preparing, assembling and mailing the proxy, this proxy statement and other material enclosed, and all clerical and other expenses of solicitations, will be borne by the Company. In addition to the solicitation of proxies by use of the mail, directors, officers and employees of the Company and its subsidiaries may solicit proxies by telephone, telegram or personal interview. The Company also will request brokerage houses and other custodians, nominees and fiduciaries to forward soliciting material to the beneficial owners of Common Stock held of record by such parties and will reimburse such parties for their expenses in forwarding soliciting material.

Votes at the 2009 Annual Meeting will be tabulated by a representative of the Registrar and Transfer Company, which has been appointed by the Company’s Board of Directors to serve as inspector of election.

VOTING RIGHTS

The holders of record of the 29,031,045 shares of Common Stock outstanding on March 31, 2009 will be entitled to one vote for each share held on all matters coming before the meeting. The holders of record of a majority of the outstanding shares of Common Stock present in person or by proxy will constitute a quorum for the transaction of business at the meeting. Shareholders are not entitled to cumulative voting rights. Under the rules of the Securities and Exchange Commission, or the SEC, boxes and a designated blank space are provided on the proxy card for shareholders if they wish either to abstain on one or more of the proposals or to withhold authority to vote for one or more nominees for director. In accordance with New York State law, such abstentions are not counted in determining the votes cast at the meeting. With respect to Proposal (1), the director nominees who receive the greatest number of votes at the meeting will be elected to the Board of Directors of the Company. Votes against, and votes withheld in respect of, a candidate have no legal effect. Proposals (2) and (3) require the affirmative vote of the holders of a majority of the votes cast at the meeting in order to be approved by the shareholders.

When properly executed, a proxy will be voted as specified by the shareholder. If no choice is specified by the shareholder, a proxy will be voted “for” all portions of items (1), (2) and (3) and in the proxies’ discretion on any other matters coming before the meeting.

Under the rules of the New York Stock Exchange, Inc., which effectively govern the voting by any brokerage firm holding shares registered in its name or in the name of its nominee on behalf of a beneficial owner, Proposals (1) and (2) are considered “discretionary” items upon which brokerage firms may vote in their discretion on behalf of their clients if such clients have not furnished voting instructions within ten days prior to the Annual Meeting. Proposal (3) is considered “non-discretionary” and brokers who received no instructions from their clients do not have discretion to vote on this item. The broker non-votes will be treated in the same manner as votes present.

PROPOSALS TO BE SUBMITTED AT THE ANNUAL MEETING

There are three proposals expected to be submitted for shareholder approval at the Annual Meeting. The first concerns the election of directors. The second concerns ratifying the appointment of PricewaterhouseCoopers LLP, as the Company’s independent registered public accounting firm. The third concerns approval of the Amended and Restated 1999 Long-Term Incentive Plan. These proposals are more fully described below.

PROPOSAL ONE: ELECTION OF DIRECTORS

At the Annual Meeting, seven directors are to be elected to serve on the Company’s Board of Directors. The shares represented by proxies will be voted as specified by the shareholder. If the shareholder does not specify his or her choice, the shares will be voted in favor of the election of the nominees listed on the proxy card, except that in the event any nominee should not continue to be available for election, such proxies will be voted for the election of such other persons as the Corporate Governance and Nominating Committee of the Board of Directors may recommend. The Company does not presently contemplate that any of the nominees will become unavailable for election for any reason. The director nominees who receive the greatest number of votes at the meeting will be elected to the Board of Directors of the Company. Votes against, and votes withheld in respect of, a candidate have no legal effect. Shareholders are not entitled to cumulative voting rights.

The Board of Directors presently consists of seven directors. Directors hold office for terms expiring at the next annual meeting of shareholders and until their successors are duly elected and qualified. Each of the nominees proposed for election at the Annual Meeting is presently a member of the Board of Directors and has been elected by the shareholders.

The following table sets forth certain information regarding the members of, and nominees for, the Board of Directors:

NOMINEES FOR ELECTION AT THE 2009 ANNUAL MEETING

Name	Age	Served As Director Since	Principal Occupation or Position with the Company
Eugene R. Corasanti	78	1970	Chairman of the Board of Directors and Vice Chairman of the Company.
Joseph J. Corasanti	45	1994	President and Chief Executive Officer of the Company; Director of the Company; Director of II-VI, Inc. (Nasdaq: IIVI).
Bruce F. Daniels	74	1992	Executive, retired; former Controller of Chicago Pneumatic Tool Company; Director of the Company. As noted below, the Board of Directors has determined that Mr. Daniels is independent, and is an audit committee financial expert.
Jo Ann Golden	61	2003	Partner of Dermody, Burke and Brown, CPAs, LLC (accountants); Director of the Company. As noted below, the Board of Directors has determined that Ms. Golden is independent, and is an audit committee financial expert.
Stephen M. Mandia	44	2002	Chief Executive Officer of Sovena USA, formerly East Coast Olive Oil Corp.; Director of the Company. As noted below, the Board of Directors has determined that Mr. Mandia is independent.
Stuart J. Schwartz	72	1998	Physician, retired; Director of the Company. As noted below, the Board of Directors has determined that Dr. Schwartz is independent.
Mark E. Tryniski	48	2007	President and Chief Executive Officer of Community Bank System, Inc. in DeWitt, New York (NYSE: CBU); former partner of PricewaterhouseCoopers LLP in Syracuse, New York; Director of the Company. As noted below, the Board of Directors has determined that Mr. Tryniski is independent, and is an audit committee financial expert.

More information concerning the directors and nominees is set forth below under the heading Corporate Governance Matters – Directors, Executive Officers, Senior Officers and Nominees for the Board of Directors.

The Board of Directors recommends a vote FOR this proposal.

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PROPOSAL TWO: INDEPENDENT ACCOUNTANTS

The independent accountants for the Company have been PricewaterhouseCoopers LLP since 1982. The Audit Committee appointed PricewaterhouseCoopers LLP to be nominated as independent accountants for 2009, subject to shareholder ratification.

Unless otherwise specified, shares represented by proxies will be voted for the ratification of the appointment of PricewaterhouseCoopers LLP as independent accountants for 2009. Neither our certificate of incorporation nor our by-laws require that the shareholders ratify the appointment of PricewaterhouseCoopers LLP as our independent accountants. We are doing so because we believe it is a matter of good corporate governance. If the shareholders do not ratify the appointment, the Audit Committee will reconsider whether to retain PricewaterhouseCoopers LLP, but may elect to retain them. Even if the appointment is ratified, the Audit Committee in its discretion may change the appointment at any time during the year if it determines that such change would be in the best interests of the Company and its shareholders.

Representatives of PricewaterhouseCoopers LLP are expected to be present at the meeting. Those representatives will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

The affirmative vote of the holders of a majority of votes cast at the meeting is necessary for the ratification of the appointment of PricewaterhouseCoopers LLP as independent accountants for the Company for 2009.

The Board of Directors recommends a vote FOR this proposal.

PROPOSAL THREE: THE AMENDED AND RESTATED 1999 LONG-TERM INCENTIVE PLAN

On February 24, 2009, upon the recommendation of the Compensation Committee, our Board of Directors unanimously approved the Amended and Restated 1999 Long-Term Incentive Plan, subject to approval by our shareholders. The Amended and Restated 1999 Long-Term Incentive Plan will be applicable only to awards granted on or after the date the Amended and Restated 1999 Long-Term Incentive Plan is approved by shareholders (the "Effective Date").

The following summary of the material terms of the Amended and Restated 1999 Long-Term Incentive Plan is qualified in its entirety by reference to the complete text of Amended and Restated 1999 Long-Term Incentive Plan, which is attached hereto as Exhibit A.

Overview

The purpose of the Amended and Restated 1999 Long-Term Incentive Plan of CONMED Corporation (the "Plan") is to promote the long-term financial interests of CONMED Corporation (the "Company"), including its growth and performance, by encouraging employees of the Company and its subsidiaries and consultants who provide important services to the Company and its subsidiaries to acquire an ownership position in the Company, by enhancing the ability of the Company and its subsidiaries to attract and retain employees and consultants of outstanding ability, and by providing employees and consultants (each, a "Participant") with an interest in the Company parallel to that of the Company's stockholders. To achieve these purposes, the Company may grant awards of options, restricted shares, restricted share units ("RSUs"), stock appreciation rights ("SARs"), performance shares, performance share units and other equity-based awards ("Awards") to key employees and consultants selected by the Compensation Committee, all in accordance with the terms and conditions set forth in the Plan.

Administration

The Plan generally will be administered by the Compensation Committee of the Board of Directors (the “Compensation Committee”) or such other committee that the Board of Directors may select from time to time. To the extent we decide that it is appropriate for compensation realized from Awards to be considered “qualified performance-based compensation” under section 162(m) of the Internal Revenue Code (“the Code”), the Committee will be a committee or subcommittee of the Board of Directors made up of two or more directors, each of whom is an “outside director” within the meaning of section 162(m) of Internal Revenue Code. The Board of Directors, in its sole discretion, also may grant Awards or administer the Plan.

The Compensation Committee will have complete control over the administration of the Plan and will have sole discretion to make all determinations in respect of the Plan (including, for example, the ability to determine whether

individual Awards may be settled in cash, shares of Common Stock, other securities, other Awards or other property).

Amendment

The Board of Directors may, at any time, suspend, discontinue, revise or amend the Plan in any respect whatsoever, and may also suspend the ability of a recipient of an Award to exercise or otherwise realize the value of his or her Award. Any amendment that materially adversely affects a recipient, however, requires such recipient's prior written consent. In general, shareholder approval of any suspension, discontinuance, revision or amendment will be obtained only to the extent necessary to comply with any applicable law, rule or regulation.

Eligibility

All employees of the Company and its subsidiaries and consultants who are parties to consultancy agreements with the Company or any subsidiary, in each case who have demonstrated significant management potential or who have the capacity for contributing in a substantial measure to the successful performance of the Company, as determined by the Committee in its sole discretion, are eligible to be Participants in the Plan. In addition, the Committee may from time to time deem other employees of the Company or its subsidiaries or consultants eligible to participate in the Plan to receive awards of nonstatutory stock options. The granting of any Award to a Participant shall not entitle that Participant to, nor disqualify that Participant from, participation in any other grant of an Award.

Shares Subject to the Plan; Other Limitations of Awards

The total number of shares of Common Stock that may be delivered pursuant to Awards granted under the Plan on or after the Effective Date initially may not exceed the number of shares available for grant under the pre-amendment Plan plus 1,000,000 new shares. These shares may be authorized but unissued shares of Common Stock or authorized and issued shares of Common Stock held in our treasury or otherwise acquired for the purposes of the Plan. If, after the Effective Date, any Award that is granted on or after the Effective Date is forfeited or otherwise terminates or is canceled without the delivery of shares of Common Stock or shares of Common Stock are surrendered or withheld from any Award to satisfy any obligation of the Award recipient (including federal, state or foreign taxes) then the shares covered by such forfeited, terminated or canceled Award or which are equal to the number of shares surrendered or withheld will again become available to be delivered pursuant to Awards granted under the Plan. In addition, any shares of Common Stock (a) delivered by the Company, (b) with respect to Awards which are made by the Company and (c) with respect to which the Company becomes obligated to make Awards, in each case through the assumption of, or in substitution for, outstanding awards previously granted by an acquired entity, will not count against the shares of Common Stock available to be delivered pursuant to Awards under the Plan.

The maximum number of stock options or SARs that may be granted to an individual recipient in any calendar year is 200,000, and the maximum number of shares of Common Stock with respect to which the other Awards intended to qualify as "performance-based compensation" under Section 162(m) of the Code that may be granted to an individual recipient in any calendar year is 200,000 shares of Common Stock.

The Compensation Committee has the authority (and the obligation) to adjust the number of shares of Common Stock issuable under the Plan and to adjust the terms of any outstanding Awards, in any such manner as it deems appropriate to prevent the enlargement or dilution of rights, or otherwise with respect to Awards, for any increase or decrease in the number of issued shares of Common Stock (or issuance of shares of stock other than shares of Common Stock) resulting from certain corporate transactions that affect the capitalization of the Company.

Types of Awards

The Plan provides for Awards in the form of options intended to qualify as incentive stock options under section 422 of the Code (“ISOs”), nonqualified stock options, SARs, dividend equivalent rights, Restricted Shares, RSUs and other equity-based or equity-related awards pursuant to which Common Stock, cash or other property may be delivered to the Award recipient. Each Award will be evidenced by an award agreement (an “Award Agreement”), which will govern that Award’s terms and conditions.

Options entitle the recipient to purchase shares of Common Stock at the exercise price specified by the Compensation Committee in the recipient’s Award Agreement. A SAR may entitle the recipient to receive shares of Common Stock, cash or other property equal in value to the appreciation of the Common Stock over the exercise price specified by the Compensation Committee in the recipient’s Award Agreement. Options and SARs will become vested and exercisable as and when specified in the recipient’s Award Agreement. Outstanding and exercisable options and SARs may be exercised in accordance with procedures established by the Compensation Committee.

A Restricted Share is a share of Common Stock that is registered in the recipient’s name, but that is subject to certain

transfer and/or forfeiture restrictions for a period of time as specified in the recipient's Award Agreement. The recipient of a Restricted Share will have the rights of a shareholder, subject to any restrictions and conditions specified by the Compensation Committee in the recipient's Award Agreement.

An RSU is an unfunded, unsecured right to receive a share of Common Stock (or cash or other securities or property) at a future date upon satisfaction of the conditions specified by the Compensation Committee in the recipient's Award Agreement.

A dividend equivalent right represents an unfunded and unsecured promise to pay to the recipient an amount equal to all or any portion of the dividends that would be paid on a specified number of shares of Common Stock if such shares were owned by the recipient. The conditions and restrictions for payments in connection with dividend equivalent rights will be determined by the Compensation Committee as specified in the recipient's Award Agreement. A dividend equivalent right may be granted alone or in connection with another Award.

The Plan provides that upon a "Change in Control" (as such term is defined in the Plan), each option and SAR shall accelerate and be deemed fully vested and exercisable, the restrictions on Restricted Shares and RSUs shall lapse, and performance conditions shall be deemed satisfied in full.

Except to the extent otherwise expressly provided in an applicable Award Agreement, no Award (or any rights and obligations thereunder) granted to any person under the Plan may be sold, exchanged, transferred, assigned, pledged, hypothecated, fractionalized, hedged or otherwise disposed of (including through the use of any cash-settled instrument) other than by will or by the laws of descent and distribution, and all such Awards (and any rights thereunder) shall be exercisable during the life of the recipient only by the recipient or by the recipient's legal representative.

The expiration date of each Award will be determined by the Compensation Committee and specified in a recipient's Award Agreement. Awards under the Plan may be granted in lieu of, or determined by reference to, cash bonus and/or other compensation.

New Plan Benefits

The amount of each recipient's Award for the 2009 calendar year will be determined based on the discretion of the Compensation Committee and therefore cannot be calculated. As a result, we cannot determine the number or type of Awards that will be granted under the Plan to any participant for the 2009 fiscal year.

U.S. Federal Tax Implications of Option Awards and SARs

The following is a brief description of the U.S. federal income tax consequences generally arising with respect to the grant of options or SARs.

The grant of an option or SAR will create no tax consequences for the recipient or the Company. A recipient will not recognize taxable income upon exercising an ISO (except that the alternative minimum tax may apply). Upon exercising an option (other than an ISO) or SAR, the recipient generally will recognize ordinary income equal to the excess of the fair market value of the freely transferable and nonforfeitable shares (and/or cash or other property) acquired on the date of exercise over the exercise price.

Upon a disposition of shares acquired upon exercise of an ISO before the end of the applicable ISO holding periods, the recipient generally will recognize ordinary income equal to the lesser of (i) the excess of the fair market value of the shares at the date of exercise of the ISO over the exercise price, or (ii) the amount realized upon the disposition of

the ISO shares over the exercise price. Otherwise, a recipient's disposition of shares acquired upon the exercise of an option (including an ISO for which the ISO holding periods are met) or SAR generally will result in short-term or long-term (which will always be the case for ISOs if the holding periods are met) capital gain or loss measured by the difference between the sale price and the recipient's tax basis in such shares (the tax basis in option shares generally being the exercise price plus any amount recognized as ordinary income in connection with the exercise of the option).

The Company generally will be entitled to a tax deduction equal to the amount recognized as ordinary income by the recipient in connection with the exercise of an option or SAR. The company generally is not entitled to a tax deduction with respect to any amount that represents a capital gain to a recipient or that represents compensation in excess of \$1 million paid to "covered employees" that is not "qualified performance-based compensation" under section 162(m) of the Code. Accordingly, the Company will not be entitled to any tax deduction with respect to an ISO if the recipient holds the shares for the ISO holding periods prior to disposition of the shares and may not be entitled to any deduction with respect to certain options or SARs that may be exercised by "covered employees."

The Board of Directors recommends a vote FOR this proposal.

As of March 31, 2009, the closing price of a share of Common Stock on the Nasdaq Stock Market was \$14.41.

OTHER BUSINESS

Management knows of no other business that will be presented for consideration at the Annual Meeting, but should any other matters be brought before the meeting, it is intended that the persons named in the accompan