

Edwards Lifesciences Corp  
Form DEF 14A  
March 27, 2019  
Table of Contents

**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 under §240.14a-12

**Edwards Lifesciences 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.

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

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

(2) Aggregate number of securities to which transaction applies:

- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

**Table of Contents**

Table of Contents

**Edwards Lifesciences Corporation**

One Edwards Way

Irvine, California 92614

Phone: 949.250.2500

[www.edwards.com](http://www.edwards.com)

March 27, 2019

Dear Fellow Stockholders:

On behalf of the Edwards Board of Directors, it is my pleasure to invite you to attend our 2019 Annual Meeting of Stockholders. The meeting will be held at our corporate headquarters located at One Edwards Way, Irvine, California, on Wednesday, May 8, 2019, at 10:00 a.m. PT. Registration will begin at 9:00 a.m.

Details of the business to be conducted at the Annual Meeting are included in the attached Notice of 2019 Annual Meeting of Stockholders and Proxy Statement. Stockholders also may access the Notice of 2019 Annual Meeting of Stockholders and the Proxy Statement via the Internet at [www.edwards.com](http://www.edwards.com).

At the Annual Meeting, I look forward to discussing our strong 2018 performance, which reinforces our confidence in our focused innovation strategy and longer-term outlook.

We have again delivered strong sales growth and profitability for the year in review, even as we continue to invest aggressively in our technology pipeline and infrastructure which will serve as the foundation for continued success. These financial results have translated into

Edgar Filing: Edwards Lifesciences Corp - Form DEF 14A

strong returns for our stockholders as well: in 2018 we achieved total stockholder returns of 36%, bringing 3-year and 5-year returns to 94% and 366%, respectively, well outpacing the broader market.

We remain focused on consistent execution of our long-term strategy, and look forward to an exciting year as we continue to pursue important therapies that will benefit many more patients. Our differentiated strategy and focus on leadership creates a tremendous opportunity for Edwards Lifesciences to continue to create value and improve the quality of life for patients around the world.

Thank you for your continued interest in Edwards. We look forward to seeing you at the Annual Meeting.

Sincerely,

Michael A. Mussallem

*Chairman of the Board and*

*Chief Executive Officer*

**Table of Contents**

Dear Fellow Stockholders:

On behalf of the Board of Directors, I would like to thank you for your investment in Edwards. The Board takes seriously its oversight responsibilities, including its oversight of Edwards' corporate strategy designed to generate stockholder value. Edwards' strong long-term financial performance is a testament to the strength of this strategy.

The Board strives to maintain a highly independent, balanced, and diverse set of directors that collectively possess the expertise to ensure effective oversight of our business. I have been a regular participant alongside management in our active engagement program, through which we engage in a regular dialogue with a broad cross-section of stockholders. The Board greatly values the views of stockholders, and the feedback we receive is regularly discussed with the full Board, and has become an integral part of our decision-making process on a number of important matters. For example, we have made enhancements to our corporate governance practices over the past few years, and stockholder feedback has been a critical part of this evolution.

Since our 2018 Annual Meeting, our engagement team has reached out to stockholders representing approximately 59% of Edwards' shares outstanding to continue our dialogue on key items of stockholder interest, including corporate governance, compensation, and sustainability. Sustainability has in recent years been a key topic of discussion in our stockholder conversations, and it is an area of increasing focus for the Board as well. We regularly have discussions on our progress against Edwards' sustainability principles at our meetings, and my fellow directors and I are happy to report that we have received numerous recognitions for our sustainability and environmental practices in 2018.

As in prior years, we have continued to discuss best practices on corporate governance issues with our stockholders. This year, in response to feedback received through our engagement efforts, we expanded the responsibilities assigned to our Lead Independent Director role. While the updated Lead Independent Director role aligns with the duties I have historically performed, the Board believed it was important to make clear within our formal governing documents what we (and our stockholders) consider to be core leadership responsibilities.

Thank you for your trust and continued support.

Sincerely,

Wesley W. von Schack

*Lead Independent Director*

**Table of Contents**

**NOTICE OF 2019 ANNUAL MEETING OF STOCKHOLDERS**

**Date and Time:**

May 8, 2019  
10:00 a.m. PT

**Place:**

Edwards Lifesciences Corporation  
One Edwards Way, Irvine, CA 92614

**Matters to be voted on at the 2019 Annual Meeting of Stockholders (the Annual Meeting):**

**Proposal 1.** Election of eight director nominees named in the attached Proxy Statement to serve until our next annual meeting of stockholders and until their respective successors are duly elected and qualified

**Proposal 2.** Approval, on an advisory basis, of the named executive officer compensation disclosed in the attached Proxy Statement

**Proposal 3.** Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019

**Proposal 4.** A stockholder proposal, if properly presented at the Annual Meeting

We will also vote on any other business that may properly come before the Annual Meeting or any postponement or adjournment of the meeting.

The Proxy Statement accompanying this notice describes each of the items of business in more detail.

**Record Date:** *If you were a holder of record of the common stock of Edwards Lifesciences Corporation at the close of business on March 13, 2019, you are entitled to notice of, and to vote at, the Annual Meeting.*

**Your vote is very important. Please submit your proxy or voting instructions as soon as possible to ensure that your shares will be represented at the Annual Meeting whether or not you expect to attend the Annual Meeting.**

**How to Vote Your Shares**

**Via the Internet**

**By Phone**



Edgar Filing: Edwards Lifesciences Corp - Form DEF 14A

Visit the website listed on your proxy card, notice, or voting instruction form

Call the phone number listed on your proxy card or voting instruction form

**By Mail**

Complete, sign, date, and return your proxy card or voting instruction form in the envelope provided

**In Person**

Attend our Annual Meeting and vote by ballot

By Order of the Board of Directors,

Linda J. Park

*Vice President, Associate General Counsel, and Corporate Secretary*

March 27, 2019

Important notice regarding the availability of proxy materials for our

2019 Annual Meeting of Stockholders to be held on May 8, 2019:

Our Proxy Statement and 2018 Annual Report to stockholders are available on the Internet at

[www.proxyvote.com](http://www.proxyvote.com).

**Edwards Lifesciences Corporation**    One Edwards Way, Irvine, CA 92614    [www.edwards.com](http://www.edwards.com)

**Table of Contents**



**TABLE OF CONTENTS**

	<b>Page</b>
<b><u>PROXY SUMMARY</u></b>	<b>i</b>
<b><u>GENERAL MEETING AND VOTING INFORMATION</u></b>	<b>1</b>
<b><u>BOARD OF DIRECTORS MATTERS</u></b>	<b>4</b>
<b><u>PROPOSAL 1 ELECTION OF DIRECTORS</u></b>	<b>4</b>
<u>Corporate Governance Policies and Practices</u>	11
<u>Corporate Governance Highlights</u>	11
<u>Active Stockholder Engagement Program</u>	11
<u>Director Independence</u>	12
<u>Corporate Governance Guidelines</u>	12
<u>Board Leadership Structure</u>	12
<u>Board Role In Risk Oversight</u>	13
<u>Meetings of the Board</u>	14
<u>Board Composition</u>	14
<u>Committees of the Board</u>	14
<u>Succession Planning</u>	16
<u>Communications with the Board</u>	16
<u>Corporate Social Responsibility</u>	17
<u>Director Compensation</u>	19
<u>Director Compensation Table 2018</u>	19
<u>Retainers and Fees</u>	19
<u>Nonemployee Directors Stock Incentive Program</u>	19
<u>Deferral Election Program</u>	20
<u>Directors Stock Ownership Guidelines and Holding Requirement</u>	20
<u>Expense Reimbursement Policy</u>	20
<u>Outstanding Nonemployee Director Equity Awards</u>	21
<b><u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u></b>	<b>22</b>
<b><u>EXECUTIVE COMPENSATION AND OTHER INFORMATION</u></b>	<b>23</b>
<u>Executive Officers</u>	23
<u>Compensation Discussion and Analysis</u>	25
<u>Executive Summary</u>	25
<u>Compensation Philosophy and Objectives for NEOs</u>	28
<u>Compensation Process</u>	29
<u>Independent Compensation Consultant</u>	29

<u>Use of Competitive Data</u>	30
<u>Elements of Compensation</u>	31
<u>Stock Ownership Guidelines and Holding Requirement</u>	38
	<b>Page</b>
<u>Prohibition on Pledging and Hedging</u>	39
<u>Market Timing of Equity Awards</u>	39
<u>Benefits and Perquisites</u>	39
<u>Deferred Compensation</u>	39
<u>Employment and Post-Termination Agreements</u>	40
<u>Tax Implications Policy Regarding Section 162(m)</u>	40
<u>2019 Compensation Decisions</u>	41
<u>Compensation and Governance Committee Report</u>	41
<u>Executive Compensation</u>	42
<u>2018 Summary Compensation Table</u>	42
<u>Grants of Plan-Based Awards in Fiscal Year 2018</u>	44
<u>Non-Equity Incentive Plan Awards</u>	44
<u>Equity Incentive Plan Awards</u>	45
<u>Outstanding Equity Awards at 2018 Fiscal Year-End</u>	48
<u>Option Exercises and Stock Vested in Fiscal Year 2018</u>	50
<u>2018 Nonqualified Deferred Compensation Plans</u>	50
<u>Potential Payments Upon Termination or Change in Control</u>	51
<u>CEO Pay Ratio</u>	54
<b><u>PROPOSAL 2 ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION</u></b>	<b>55</b>
<b><u>EQUITY COMPENSATION PLAN INFORMATION</u></b>	<b>57</b>
<b><u>AUDIT MATTERS</u></b>	<b>58</b>
<b><u>PROPOSAL 3 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u></b>	<b>58</b>
<u>Fees Paid to Principal Accountants</u>	58
<u>Pre-Approval of Services</u>	59
<u>Audit Committee Report</u>	59
<b><u>PROPOSAL 4 STOCKHOLDER PROPOSAL REGARDING AN INDEPENDENT CHAIR POLICY</u></b>	<b>60</b>
<u>Additional Information</u>	63
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	63
<u>Related Persons Transactions</u>	63
<u>Indemnification of Directors and Officers</u>	63
<u>Deadline for Receipt of Stockholder Proposals and Director Nominations for the 2020 Annual Meeting</u>	63
<u>Annual Report on Form 10-K</u>	64
<u>Delivery of Proxy Materials</u>	64
<b><u>APPENDIX A</u></b>	<b>A-1</b>

**Table of Contents**



*This Proxy Statement contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We intend the forward-looking statements contained in this Proxy to be covered by the safe harbor provisions of such Acts. All statements other than statements of historical fact in this Proxy or referred to or incorporated by reference into this Proxy are forward-looking statements for purposes of these sections. These statements include, among other things, any predictions of earnings, revenues, expenses, or other financial items, plans, or expectations with respect to development activities, clinical trials, or regulatory approvals, any statements of plans, strategies, and objectives of management for future operations, any statements concerning our future operations, financial conditions, and prospects, and any statements of assumptions underlying any of the foregoing. These statements can sometimes be identified by the use of the forward-looking words such as may, believe, will, expect, project, estimate, should, anticipate, plan, goal, forecast, intend, guidance, optimistic, aspire, confident, other forms of these words, or similar words or the negative thereof. Investors are cautioned not to unduly rely on such forward-looking statements. These forward-looking statements are subject to substantial risks and uncertainties that could cause our results or future business, financial condition, results of operations, or performance to differ materially from our historical results or experiences or those expressed or implied in any forward-looking statements contained in this Proxy. See the risks listed in Edwards' Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and our other reports filed with the Securities and Exchange Commission, to which your attention is directed. These forward-looking statements speak only as of the date on which they are made and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of the statement. If we do update or correct one or more of these statements, investors and others should not conclude that we will make additional updates or corrections.*

**Table of Contents****PROXY SUMMARY**

This summary contains highlights about Edwards and the upcoming Annual Meeting. This summary does not contain all of the information that you should consider. Please read the entire Proxy Statement prior to voting.

**STOCKHOLDER VOTING MATTERS (Page 1)**

Proposal	Board's Voting Recommendation	Annual Meeting of Stockholders
<b>Proposal 1:</b> Election of Directors	<b>FOR</b> each nominee	<b>Date and Time:</b> May 8, 2019
<b>Proposal 2:</b> Advisory Vote to Approve Named Executive Officer Compensation	<b>FOR</b>	<b>10:00 a.m. PT</b> <b>Place:</b> Edwards Lifesciences
<b>Proposal 3:</b> Ratification of Appointment of Independent Registered Public Accounting Firm	<b>FOR</b>	One Edwards Way Irvine, CA 92614
<b>Proposal 4:</b> Advisory Vote on a Stockholder Proposal Regarding an Independent Chair Policy	<b>AGAINST</b>	<b>Record Date:</b> March 13, 2019

**BOARD OF DIRECTOR NOMINEES (Page 4)**

All eight of our current directors are standing for election for a one-year term at the Annual Meeting. The following chart provides key information on each of our current directors as of the date of this Proxy Statement.

Name	Age	Director Since	Independent	Committee Memberships		
				Audit Committee**	Compensation and Governance Committee	Other Public Company Boards
<b>Kieran T. Gallahue</b>	55	2015	Yes			2

Former Chairman and CEO					
CareFusion Corporation					
<b>Leslie S. Heisz</b>					
Former Managing Director	58	2016	Yes		2
Lazard Frères & Co					
<b>William J. Link, Ph.D.</b>					
Managing Director and Co-Founder Versant Ventures	72	2009	Yes		2
<b>Steven R. Loranger</b>					
Former Chairman, President, and CEO ITT Corporation	67	2016	Yes		1
<b>Martha H. Marsh</b>					
Retired President and CEO Stanford Hospital & Clinics	70	2015	Yes		2
<b>Michael A. Mussallem</b>					
Chief Executive Officer and Chairman	66	2000	No		0
Edwards Lifesciences Corporation					
<b>Wesley W. von Schack*</b>					
Chairman	74	2010	Yes		1
AEGIS Insurance Services, Inc.					
<b>Nicholas J. Valeriani</b>					
Former CEO, West Health Institute Former EVP, Johnson & Johnson	62	2014	Yes		1

\* Lead Independent Director

\*\* Each member is an audit committee financial expert

C = Chairperson

**Table of Contents**

Our Board of Directors (our Board) strives to maintain a highly independent, balanced, and diverse set of directors that collectively possess the expertise to ensure effective oversight of management.

<b>Diverse Range of Qualifications and Skills Represented by Our Directors</b>		
Medical Technology	Executive International	Corporate Governance
Industry Experience	Experience	
Regulatory and	Senior Leadership	Operations Management
Compliance	Risk Management	Risk Oversight
Innovation/Technology	Human Resources	Financial Reporting
Finance and Financial		
Industry		

---

**Table of Contents**

**CORPORATE GOVERNANCE HIGHLIGHTS (Page 11)**

Our commitment to good corporate governance practices and accountability to stockholders is described below.

**WHAT WE DO**

**Annual election of directors**

**Board refreshment and director skill set aligned with corporate strategy**

**Majority vote standard** in uncontested elections, with director resignation policy

**Special stockholders meetings** can be called by stockholders owning at least 15% of our outstanding shares

**Proxy access right** to permit a stockholder, or a group of up to 30 stockholders, owning at least 3% of our outstanding shares continuously for at least 3 years, to nominate up to the greater of 2 directors or 20% of our Board for inclusion in our annual meeting proxy statement

**Independent Board**, all but our Chief Executive Officer



**Executive session of independent directors held at each Board and committee meeting**

**Lead Independent Director** provides strong independent leadership of our Board

**Retirement policy for directors**

**Annual Board and committee self-evaluations and peer reviews**

**Encourage continuing director education with designated annual reimbursement policy**

**Formal director orientation and continuing education program**

**Nonemployee directors expected to hold net shares** upon vesting or exercise of equity awarded after 2011 until Board service ends

**Senior management succession planning** considered at each regularly scheduled Board meeting

**Active stockholder engagement**

**Robust code of ethics in our Global Business Practice Standards**

