Edwards Lifesciences Corp
Form DEF 14A
March 30, 2015

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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))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o 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):

ý No fee required.

o 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:

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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):

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o 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:

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March 30, 2015
To our Stockholders:

The Board of Directors joins me in inviting you to attend our 2015 Annual Meeting of Stockholders. The meeting will be held at our corporate headquarters located at One Edwards Way, Irvine, California, on Thursday, May 14, 2015, commencing at 10:00 a.m., Pacific Daylight Time. Registration will begin at 9:00 a.m. and refreshments will be provided.

Details of the business to be conducted at the Annual Meeting are included in the attached Notice of 2015 Annual Meeting of Stockholders and Proxy Statement. Stockholders also may access the Notice of 2015 Annual Meeting of Stockholders and the Proxy Statement via the Internet at *www.edwards.com*.

At the meeting, in addition to discussing matters described in the Proxy Statement, I will report on our 2014 achievements and discuss our plans for continued growth and success.

We look forward to seeing you at our upcoming Annual Meeting of Stockholders.

Sincerely,

Michael A. Mussallem
Chairman of the Board and
Chief Executive Officer

Edwards Lifesciences Corporation
One Edwards Way
Irvine, California USA 92614
Phone: 949.250.2500 *www.edwards.com*

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Edwards Lifesciences Corporation
One Edwards Way
Irvine, California USA 92614
949.250.2500

NOTICE OF 2015 ANNUAL MEETING OF STOCKHOLDERS

To be held on Thursday, May 14, 2015

To the Stockholders of

EDWARDS LIFESCIENCES CORPORATION

The 2015 Annual Meeting of Stockholders (the "Annual Meeting") of Edwards Lifesciences Corporation, a Delaware corporation (the "Company"), will be held at the corporate headquarters of the Company, located at One Edwards Way, Irvine, California 92614 on Thursday, May 14, 2015, at 10:00 a.m., Pacific Daylight Time, for the following purposes:

1. To elect the five nominees identified in the attached proxy statement (this "Proxy Statement") as directors for the terms described therein;

2. To approve, on an advisory basis, the compensation of the Company's Named Executive Officers;

3. To approve the 2015 Edwards Incentive Plan in accordance with Internal Revenue Code 162(m), as required every five years;

4. To approve an amendment and restatement of the Company's Long-Term Stock Incentive Compensation Program (the "Long-Term Stock Program") to, among other things, increase the total number of shares of common stock available for issuance under the Long-Term Stock Program by 2,000,000 shares;

5. To ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the year ending December 31, 2015;

6. To consider a stockholder proposal, if properly presented at the Annual Meeting; and

7. To transact such other business as may properly come before the Annual Meeting.

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

If you were a holder of record of the Company's common stock at the close of business on March 19, 2015, you are entitled to notice of and to vote at the Annual Meeting.

Whether or not you expect to attend the Annual Meeting, please submit your proxy or voting instructions as soon as possible to ensure that your shares will be represented at the Annual Meeting. You may vote in person or by proxy at the Annual Meeting, or you may submit your proxy or voting instructions via the Internet, by telephone, or by mail. Please follow the instructions in the Notice of Internet Availability of Proxy Materials, or on the proxy card or voting instruction form you received to vote your shares. If you only received the Notice of Internet Availability of Proxy Materials, you may request a paper copy of the proxy materials and a proxy card by following the instructions in such Notice.

By Order of the Board of Directors,

Denise E. Botticelli
Vice President, Associate General Counsel, and Secretary

March 30, 2015

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PROXY SUMMARY

This summary contains highlights about our Company 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.

VOTING MATTERS (Page 1)

1.	Election of Directors	FOR
2.	Advisory Vote to Approve Compensation of Named Executive Officers	FOR
3.	Approval of the 2015 Edwards Incentive Plan	FOR
4.	Amendment and Restatement of Long-Term Stock Program	FOR
5.	Ratification of Appointment of Independent Registered Public Accounting Firm	FOR
6.	Advisory Vote on a Stockholder Proposal Regarding Action By Written Consent	AGAINST

BOARD OF DIRECTORS (Page 5)

In 2013, the Board recommended and stockholders approved amendments to our Certificate of Incorporation to eliminate the classified board and phase in the annual election of directors. Accordingly, five of our nine current directors are standing for annual election at the Annual Meeting. The following chart provides key information on each of our current directors:

Director Nominees (Annual Election)

John T. Cardis*	73	2004	Retired National Managing Partner Deloitte & Touche	AC (Chair)	0
Kieran T. Gallahue*	51	2015	Former Chairman and CEO CareFusion Corporation		0
Barbara J. McNeil, M.D., Ph.D.*	74	2006	Professor of Health Care Policy Chair of Healthcare Policy Committee Harvard Medical School	CGC	0
Michael A. Mussallem	62	2000	Chief Executive Officer and Chairman Edwards Lifesciences Corporation	Chairman	0
Nicholas J. Valeriani*	58	2014	Chief Executive Officer Gary and Mary West Health Institute	CGC	0

Continuing Directors (Term Scheduled to Expire in 2016)

Robert A. Ingram*	72	2003	General Partner Hatteras Venture Partners	CGC (Chair)	3
William J. Link, Ph.D.*	68	2009	Managing Director and Co-founder Versant Ventures	AC	0
Wesley W. von Schack*	70	2010	Former Chairman, President and CEO Energy East Corporation	Presiding Director AC	2

Retiring Director (Not Standing for Re-Election at the Annual Meeting)

Mike R. Bowlin*	72	2000	Former Chairman Atlantic Richfield Company	CGC	1

(1) CGC=Compensation and Governance Committee; AC=Audit Committee, each member is an audit committee financial expert

* Independent Director

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CORPORATE GOVERNANCE HIGHLIGHTS (Page 11)

ü **Annual election of directors** as current terms expire
ü **Majority vote standard** in uncontested elections
ü **Stockholders have the right to call special meetings**
ü **Independent Board,** except our Chief Executive Officer
ü **Executive session of independent directors held at each Board and committee meeting**
ü **Independent Presiding Director** provides strong independent leadership of our Board by, among other things, presiding at executive sessions in connection with every Board meeting
ü **Retirement policy for directors**
ü **Annual Board and committee self-evaluations, as well as periodic peer reviews**
ü **Nonemployee directors expected to hold net shares** upon vesting or exercise of equity awarded after 2011 until cease to serve on the Board
ü **Senior management succession planning** considered at each regularly scheduled Board meeting
ü **Active stockholder engagement**
ü **Robust code of ethics in our Global Business Practice Standards**
ü **Issued first corporate sustainability report**
ü **"Clawback" policy** for performance-based compensation.

No pledging or hedging of Edwards' securities (see "Compensation Program Highlights" below)

No stockholder rights plan ("poison pill")

No supermajority voting provisions in the Company's organizational documents

CHANGES TO COMPENSATION PROGRAMS AND STOCKHOLDER ENGAGEMENT

At our 2014 annual meeting, 88% of votes cast voted for our advisory executive compensation proposal, reflecting stockholders' continued strong support of our executive compensation programs. Even so, the Compensation and Governance Committee and the Board took into account additional feedback we received from our stockholder engagement efforts in 2014 and made certain changes to our compensation programs that we believe are in the best interests of stockholders and the Company. The chart below summarizes the key messages we heard, what actions we have taken, and when the changes are effective.

Eliminate "single-trigger" vesting of equity awards upon change in control	Eliminated automatic vesting upon a change in control ("single-trigger") for future equity grants Instead, equity will vest upon a change in control only if (1) employment terminates under certain circumstances ("double trigger"), or (2) the awards are terminated in the transaction	All equity awards beginning with the May 2015 annual grants
All equity should have a three-year vesting period	For future stock option grants, changed schedule to vest monthly over 36-months for retirement-eligible executives, including the CEO	All equity awarded after November 2014
Comparator companies for executive compensation include too many larger	Made changes to comparator companies including (1) removed Covidien Plc due to its acquisition by Medtronic, Inc., (2) removed Allergan, Inc. and Medtronic, Inc. because they have significantly higher revenue and market capitalization than we have, and Masimo	Used to make executive compensation

companies	Corporation because it has significantly lower revenue and market capitalization, and (3) replaced them with Illumina Inc. and Intuitive Surgical Inc. because they are closer to us in size, with reasonably similar business models	decisions in February 2015

COMPENSATION PHILOSOPHY AND OBJECTIVES (Page 27)

Our compensation programs are designed to attract, retain, motivate, and engage executives with superior leadership and management capabilities to enhance stockholder value. Within this overall philosophy, our objectives are to:

- offer programs that place a higher emphasis on performance-based compensation than fixed compensation;
- align the financial interests of executives with those of our stockholders; and
- provide compensation that is competitive.

We strongly believe that a significant amount of compensation for the named executive officers, or NEOs, should be composed of short- and long-term incentives, or at-risk pay, to focus the executives on competitive and strategic initiatives. The amount of such short- and long-term incentive compensation is dependent on achievement of our annual goals, individual performance, and long-term increases in the value of our stock.

2014 Financial and Operating Performance and Incentive Plan Outcomes.

In 2014, our financial and operating performances were strong. Through the introduction of innovative new products, we extended our leadership in all of our businesses. At the same time, we made encouraging progress on the milestones that should create future value.

We achieved significant growth and exceeded our financial goals in 2014, including our non-GAAP revenue, net income, and free cash flow, the three measures of achievement under our annual cash incentive plan. Our annual incentive plan for corporate employees funded at 171% of target, reflecting our performance for the year. After taking into account individual performance, payouts for the NEOs ranged from 180% to 200% of their Incentive Pay Objectives (as defined below). In comparison, in 2013 our CEO elected to receive no cash bonus, and the payment to the other NEOs ranged from 46% to 60% of their Incentive Pay Objectives. We believe payouts over these two years demonstrate our continued adherence to a pay-for-performance philosophy.

Stock Performance.

Over the past five years, our stock price has increased 193%, outperforming the S&P 500 and our medical products peer group, the S&P 500 Healthcare Equipment Index ("S&PHEI"). The cumulative total return listed below assumes an initial investment of $100 on December 31, 2009, reinvestment of dividends, and adjustment for any stock splits.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN

Total Cumulative Return	12/31/09	12/31/10	12/31/11	12/31/12	12/31/13	12/31/14
Edwards	$ 100	$ 186	$ 163	$ 208	$ 151	$ 293
S&P 500	$ 100	115	117	136	180	205
S&PHEI	$ 100	97	102	121	154	194

One indicator of our pay for performance culture is the relationship of the CEO's total direct compensation to total stockholder return. Over the past five years, 74% of the CEO's total direct compensation has been tied to the performance of the Company's stock. In 2013, a year when total stockholder return was down, the CEO's total direct compensation was also lower, and the following year the CEO did not receive a base salary increase. In 2014, a year when total stockholder return was up, so was the CEO's total direct compensation.

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COMPENSATION PROGRAM HIGHLIGHTS (Page 24)

The Compensation Committee engages in a periodic review of our executive compensation and benefits programs and makes changes as appropriate to reflect our compensation philosophy and objectives, and to serve the best interests of our stockholders.

ü

Pay for Performance Approximately 88% of the total direct compensation (as defined below) of our CEO and an average of 76% of our other NEOs is performance-based.

We align executive compensation with the interests of our stockholders

Executive compensation programs are designed to avoid excessive risk and to foster sustainable growth

We adhere to executive compensation best practices

ü

Three-Year Vesting. Equity compensation is structured to vest over a minimum period of three years, subject to limited exceptions. We removed monthly vesting over two years on future stock option awards for certain retirement-eligible executives.

ü

Performance-Based Equity. Our PBRSUs vest based on our relative TSR over a three-year period.

ü

"Double Trigger" in the Event of a Change in Control. Severance benefits are paid, and equity compensation awarded beginning in May 2015 vests, only upon a "double trigger" basis in connection with a change in control.

ü

Linkage Between Performance Measures and Strategic Objectives. Performance measures for incentive compensation are linked to both strategic and operating objectives designed to create long-term stockholder value and hold executives accountable for individual and Company performance.

ü

Annual Stockholder Approval of Long-Term Stock Program Shares. We provide stockholders an annual opportunity to vote on proposed increases to the number of shares available for grant under the Long-Term Stock Program.

ü

Use Tally Sheets. The Compensation Committee annually reviews "tally sheets" reflecting all compensation elements.

ü

Robust Executive Stock Ownership Guidelines. Executives are required to hold Edwards Lifesciences stock with a value not less than six times salary for our CEO and three times salary for each other NEO. Fifty percent of net shares received as equity compensation must be retained if the guideline has not been met.

ü

CEO Stock Ownership. Our CEO continues to increase his direct ownership of Edwards' stock each year by retaining all shares after RSU vesting, and in 2013 by investing $5 million in a stock acquisition.

ü

Modest Perquisites. We provide modest perquisites, and have a business rationale for the perquisites that we do provide.

ü

"Clawback" Policy. We maintain a recoupment policy for performance-based compensation.

ü

Independent Compensation Consultant. The Compensation Committee engages an independent compensation consulting firm that provides us with no other services.

No excise tax gross-ups for executive officers.

No repricing or buyout of underwater stock options.

No pledging of Edwards' securities by directors, executives, employees with a title of "vice president" or above, and employees designated as "insiders" under our insider trading policy.

No hedging of Edwards' securities by directors, executives, employees with a title of "vice president" or above, and "insiders" under our insider trading policy.

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EDWARDS LIFESCIENCES CORPORATION

**PROXY STATEMENT FOR THE
2015 ANNUAL MEETING OF STOCKHOLDERS**

GENERAL MEETING AND VOTING INFORMATION

Our Board of Directors (the "Board") is soliciting your proxy for use at the 2015 Annual Meeting of Stockholders (the "Annual Meeting") of Edwards Lifesciences Corporation ("Edwards," the "Company," "we," or "us") to be held at 10:00 a.m., Pacific Daylight Time, on Thursday, May 14, 2015, at our corporate headquarters, located at One Edwards Way, Irvine, California 92614.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 14, 2015:

We are pleased to take advantage of Securities and Exchange Commission (the "SEC") rules that allow companies to furnish their proxy materials over the Internet. As a result, we are mailing to most of our stockholders a Notice of Internet Availability of Proxy Materials ("Notice") instead of a paper copy of our proxy materials (i.e., the Notice of Annual Meeting, this Proxy Statement, our Annual Report on Form 10-K for the fiscal year ended 2014 ("2014 Annual Report"), and a form proxy card or voting instruction form.) The Notice contains instructions on how to access those documents over the Internet and how to submit your proxy via the Internet. The Notice also contains instructions on how to request a paper copy

of our proxy materials. All stockholders who do not receive a Notice will receive a paper copy of the proxy materials by mail. This process allows us to provide our stockholders with the information they need in a more timely manner, while reducing the environmental impact and lowering the costs of printing and distributing our proxy materials. This Proxy Statement and our 2014 Annual Report are available at our website at *http://ir.edwards/annuals.cfm*, which does not have "cookies" that identify visitors to the site.

The Notice or these proxy materials are first being sent to stockholders on or about March 30, 2015.

VOTING MATTERS AND THE RECOMMENDATIONS OF THE BOARD

The items of business scheduled to be voted on at the Annual Meeting and our Board's recommendation on each item are as follows:

1.	Election of Directors	FOR
2.	Advisory Vote to Approve Compensation of Named Executive Officers	FOR
3.	Approval of 2015 Edwards Incentive Plan	FOR
4.	Amendment and Restatement of Long-Term Stock Program	FOR
5.	Ratification of Appointment of Independent Registered Public Accounting Firm	FOR
6.	Advisory Vote on a Stockholder Proposal Regarding Action By Written Consent	AGAINST

Stockholders will also be asked to consider and transact such other business as may properly come before the Annual Meeting or any postponement or adjournment thereof. For a stockholder proposal to be properly presented at the Annual Meeting, the stockholder (or its qualified representative) who submitted the proposal must appear at the Annual Meeting to present the proposal. Pursuant to our

Bylaws, the chairman of the Annual Meeting will determine whether any business proposed to be brought before the Annual Meeting has been properly presented. If the chairman determines that the business was not properly brought before the Annual Meeting, the chairman will declare to the meeting that such business was not properly brought and such business will not be transacted.

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GENERAL MEETING AND VOTING INFORMATION

RECORD DATE AND STOCKHOLDER LIST

Our Board has fixed the close of business on Thursday, March 19, 2015, as the record date for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting. A list of stockholders of record entitled to vote at the Annual Meeting will be available for inspection by any stockholder, for any

purpose germane to the meeting, during normal business hours, for a period of ten days prior to and including the date of the meeting, at our corporate headquarters located at One Edwards Way, Irvine, California 92614.

WHO CAN VOTE

You are entitled to vote your shares at the Annual Meeting if our records show that you held your shares as of the record date, March 19, 2015. At the close of business on that date, 107,523,880 shares of our common stock were outstanding and entitled to vote

at the Annual Meeting. We have no other class of voting securities outstanding. Each stockholder is entitled to one vote per share on each proposal to be voted upon at the meeting.

HOW TO VOTE

You may hold Edwards' shares in multiple accounts and therefore receive more than one proxy card or voting instruction form and related materials. Please vote EACH proxy card and voting instruction form that you receive.

Shares Held of Record. If you hold your shares in your own name as a holder of record with our transfer agent, Computershare, you may authorize that your shares be voted at the Annual Meeting in one of the following ways:

By Internet or By Telephone	If you received a Notice or a printed copy of the proxy materials, follow the instructions in the Notice or on the proxy card
By Mail	If you received printed copies of the proxy materials, complete, sign, date, and mail your proxy card in the enclosed, postage-prepaid envelope
In Person	You may also vote in person if you attend the Annual Meeting

Shares Held in Street Name. If you hold your shares through a broker, bank, or other nominee (that is, in street name), you will receive instructions from your broker, bank, or nominee that you must follow in order to have your shares voted at the Annual Meeting. If you want to vote in person at the Annual Meeting, you must obtain a legal proxy from your broker, bank, or other nominee and bring it to the meeting.

Shares Held in Our 401(k) Plan. If you participate in the Edwards Lifesciences Corporation 401(k) Savings and Investment Plan or the Edwards Lifesciences Corporation of Puerto Rico Savings and Investment Plan, you will receive a request for voting instructions with respect to the shares allocated to your plan account. You are entitled to direct the plan trustee how to vote your plan shares. If the plan trustee does not receive voting instructions for shares in your plan account, the shares attributable to your account will be voted in the same proportion as the allocated shares for which voting instructions have been received.

Even if you plan to attend the Annual Meeting, we recommend that you submit your proxy or voting instructions in advance of the meeting as described above so that your vote will be counted if you later decide not to attend the meeting.

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DEADLINE TO VOTE

If you are a stockholder of record, your proxy must be received by telephone or the Internet by 11:59 p.m. Eastern Time on May 13, 2015 in order for your shares to be voted at the Annual Meeting. If you are a stockholder of record and you received a printed copy of the proxy materials, you may instead mark, sign, date, and return the enclosed proxy card, which must be received before the polls close at the Annual Meeting.

If you hold your shares in street name through a broker, bank, or other nominee, please follow the instructions provided by the broker, bank, or other nominee who holds your shares. If you hold shares in one of our 401(k) plans, to allow sufficient time for voting by the plan trustees, your voting instructions must be received by telephone or the Internet by 11:59 p.m. Eastern Time on May 11, 2015.

APPOINTMENT OF PROXIES

Our Board has appointed Robert A. Ingram, Michael A. Mussallem, and Wesley W. von Schack to serve as proxy holders to vote your shares according to the instructions you submit. If you properly submit a proxy but do not indicate how you want your shares to be voted on one or more items, your shares will be voted in accordance with the recommendations of our Board as

set forth above under "Recommendations of the Board." With respect to any other matter properly presented at the Annual Meeting, your proxy, if properly submitted, gives authority to the proxy holders to vote your shares on such matter in accordance with their best judgment.

REVOCATION OF YOUR PROXY

If you are a holder of record, you may revoke your proxy at any time before it is voted at the Annual Meeting by delivering written notice of revocation to the Secretary of the Company by submitting a subsequently dated proxy by mail, telephone, or the Internet in the manner described above under "How to Vote", or by attending the Annual Meeting and voting in person. Attendance at the Annual Meeting will not itself revoke an earlier submitted proxy. If you hold your shares in street name, you must follow the instructions provided by your broker, bank, or nominee to revoke your voting

instructions, or, if you have obtained a legal proxy from your broker, bank, or other nominee giving you the right to vote your shares at the Annual meeting, by attending the Annual Meeting and voting in person.

Any change to your proxy or voting instructions that is provided by telephone or the Internet must be submitted by 11:59 p.m. Eastern Time on May 13, 2015, except that if you are voting shares held in one of our 401(k) plans, the deadline is 11:59 p.m. Eastern Time on May 11, 2015.

BROKER VOTING

Brokers holding shares of record for their customers are entitled to vote on certain routine matters, such as the ratification of the appointment of PricewaterhouseCoopers LLC ("PwC"), our independent registered public accounting firm (Proposal 5), without instructions from their customers. However, these brokers are generally not entitled to vote on certain non-routine matters, including the election of directors, matters relating to equity compensation plans or executive compensation, and certain corporate governance proposals, unless their

customers submit voting instructions. If you hold your shares in street name through a broker and the broker does not receive your voting instructions, the broker will not be permitted to vote your shares in its discretion on any of the proposals at the Annual Meeting other than the proposal to ratify the appointment of PwC. If you do not submit voting instructions and your broker votes your shares on Proposal 5 in its discretion, your shares will constitute "broker non-votes" on each of the other proposals.

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GENERAL MEETING AND VOTING INFORMATION

QUORUM

The presence at the Annual Meeting, in person or by proxy, of holders of at least a majority of the outstanding shares of common stock entitled to vote is necessary to constitute a quorum to transact business at the Annual Meeting. Shares represented at the

meeting are counted toward a quorum even if the holder of such shares abstains from voting. Shares held through brokers are not counted toward a quorum unless the broker has authority to vote upon at least one matter at the Annual Meeting.

VOTE REQUIRED ON PROPOSALS

The following summary describes the vote required to approve each of the proposals at the Annual Meeting:

Proposal 1	***Election of Directors***	Majority of votes cast	Abstentions and broker non-votes not counted as votes cast
Proposal 2	***Say on Pay (Advisory)***	Majority of shares represented at the Annual Meeting and entitled to vote on each proposal	Abstentions will have the effect of votes "against"
Proposal 3	***2015 Incentive Plan***		
Proposal 4	***Long-Term Stock Program***		
Proposal 5	***Ratification of PwC (Advisory)***		Broker non-votes will not be counted
Proposal 6	***Stockholder Proposal (Advisory)***		

PROXY SOLICITATION COSTS

Your proxy for the Annual Meeting is being solicited on behalf of our Board and we will pay the cost of solicitation. At our expense, we will also request brokers and other custodians, nominees, and fiduciaries to forward proxy soliciting materials to the beneficial owners of shares held of record by such persons. In addition, we have retained Georgeson Inc. ("Georgeson") to assist with the distribution and solicitation of proxies for a fee of $20,000, plus

expenses for these services. We also agreed to indemnify Georgeson against liabilities and expenses arising in connection with the proxy solicitation unless caused by Georgeson's gross negligence or intentional misconduct. Georgeson and our officers, directors, and regular employees may also solicit proxies by telephone, facsimile, e-mail, and personal solicitation. We will not pay additional compensation to our officers, directors, and regular employees for these activities.

BOARD OF DIRECTORS MATTERS

PROPOSAL 1 ELECTION OF DIRECTORS

THE BOARD RECOMMENDS A VOTE "FOR" THE ELECTION OF EACH OF THE NOMINEES FOR DIRECTOR

General. Our Board currently consists of eight directors divided into three classes as indicated below. Following stockholder approval of a proposal seeking declassification of the Board at our 2012 annual meeting, the Board recommended, and stockholders approved at the 2013 annual meeting, amendments to our Certificate of Incorporation to declassify the Board and to phase in the annual election of directors. Accordingly, directors whose terms of office expire at this Annual Meeting will be standing for election for a one-year term. The current terms of our Class II and Class III directors expire at this Annual Meeting.

Since our 2014 annual meeting, the Board has appointed two new directors, Nicholas J. Valeriani (November 2014) and Kieran T. Gallahue (February 2015), both with significant industry experience, as described further in their biographies below. The Compensation and Governance Committee (the "Compensation Committee") authorized the retention of Spencer Stuart, an executive search consulting firm, to assess and facilitate a background check on both Mr. Valeriani and Mr. Gallahue as part of the Compensation Committee's director search. The Compensation Committee then reviewed the results of Spencer Stuart's evaluation and screening, discussed each potential nominee, and recommended that Mr. Valeriani and Mr. Gallahue be appointed to the Board. The Board then met, discussed, and approved the Compensation Committee's selections. Messrs. Valeriani and Gallahue were initially identified and recommended for appointment to the Board by Spencer Stuart and our CEO, respectively.

David E.I. Pyott resigned from the Board in October 2014, and Mike R. Bowlin has informed us that he will not stand for re-election and will retire from the Board on the date of the Annual Meeting.

Based upon the recommendation of the Compensation Committee, the Board has nominated the five individuals identified below, including the two new directors, for election to the Board, to serve until the next annual meeting of stockholders and until their successors are elected and qualified, or until their earlier resignation or removal.

Each of the nominees standing for election has consented to serve as a director if elected. However, if any nominee becomes unable or unwilling for good cause to serve before the election, the shares represented by proxy may be voted for a substitute nominee designated by the Board. No arrangement or understanding exists between any nominee and any other person or persons pursuant to which any nominee was or is to be selected as a director or nominee, and none of our directors has any family relationship with any other director or with any of our executive officers. More information regarding the Board, the committees of the Board, director independence, and related matters, follows this Proposal 1.

Director Nominees. The following biographical information for each of the Board's director nominees includes information about the director's age, background, and business experience and the specific experience, qualifications, attributes, or skills that led the Board to conclude that the individual should serve as a director.

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PROPOSAL 1 ELECTION OF DIRECTORS

Current Class II and III Directors Nominated for Election for Term Expiring in 2016

John T. Cardis

Age: 73

Director Since: 2004

Edwards Board Roles:

Chairman of the Audit Committee

Other Public Company Directorships in Past Five Years:

Avery Dennison Corporation, until May 2014

Select Business Experience:

Deloitte & Touche

Senior Partner from 1974 until his retirement in 2004

Served for 41 years in positions of increasing responsibility, including as National Managing Partner, Global Strategic Clients, as a member of its executive committee for 18 years, and as a member of its board of directors

Remains actively involved as a private investor and has served on a number of non-profit and community organizations

Kieran T. Gallahue

Age: 51

Director Since: 2015

Other Public Company Directorships in Past Five Years:

CareFusion Corporation, until March 2015

Volcano Corporation, until February 2015

ResMed, Inc., until 2011

Select Business Experience:

CareFusion Corporation, a global medical technology company (acquired by Becton, Dickinson and Company in March 2015)

Chairman and Chief Executive Officer from 2011 until March 2015

ResMed, Inc.

Select Skills and Qualifications:

Mr. Cardis possesses in-depth, practical knowledge of financial and accounting principles as well as more than 40 years' enterprise risk and risk management expertise. Throughout his career, he has worked with numerous boards and audit committees on technical and governance matters. This background, and his management and operations experience as a senior partner at Deloitte & Touche, provide a valuable perspective to the Board as a whole, and are important to his role as Chairman of the Audit Committee.

Chief Executive Officer from 2008 to 2011

President from 2004 to 2011

President and Chief Operating Officer of the Americas from 2003 to 2004

Nanogen, Inc.

Various positions of increasing responsibility, including President and Chief Financial Officer, from 1998 to 2002

Prior to 1998, various marketing, sales and financial positions within Instrumentation Laboratory, the Procter & Gamble Company, and the General Electric Company

Served on the Board of Directors and Executive Committee of the Advanced Medical Technology Association (AdvaMed), and was formerly the Chairman and Treasurer of its International Committee.

Select Skills and Qualifications:

Mr. Gallahue is a valuable addition to our Board, sharing his extensive executive management experience at medical device companies, as well as leadership roles on other public company boards and committees. His prior experience as a public company chief financial officer will also permit him to contribute valuable financial and accounting skills to our Board.

Current Class II and III Directors Nominated for Election for Term Expiring in 2016

Barbara J. McNeil, M.D., Ph.D.

Age: 74

Director Since: 2006

Edwards Board Roles:

Compensation and Governance Committee Member

Select Business Experience:

Harvard Medical School

Ridley Watts Professor of Health Care Policy since 1990

Chair of the Department of Health Care Policy since 1988

Professor of Radiology since 1983

Brigham and Women's Hospital

Professor of Radiology since 1983

Michael A. Mussallem

Age: 62

Director Since: 2000

Edwards Board Roles:

Chairman of the Board

Select Business Experience:

Edwards Lifesciences Corporation

Chairman and CEO, since 2000

Baxter International Inc.

Group Vice President, Cardiovascular business from 1994 to 2000

Group Vice President, Biopharmaceutical business from 1998 to 2000

Held a variety of positions with increasing responsibility in

Member of the Institute of Medicine of the National Academy of Sciences and former Chair of its Board of Healthcare Services

Member of the American Academy of Arts and Sciences

Member and former Chair of the Medicare Evidence Development and Advisory Committee

Member of the Blue Cross Medical Advisory Panel

Holds an M.D. from Harvard Medical School and a Ph.D. in Biological Chemistry from Harvard University

Select Skills and Qualifications:

Dr. McNeil provides the Board with expertise related to a variety of scientific and medical matters from her broad experience in the academic and health care delivery worlds. Her experience in the health care policy arena uniquely enables her to assess the policy-related implications of the execution of Edwards' innovation strategy. She also brings significant insight into issues faced by medical-related organizations and nicely complements the Board's experience and understanding.

engineering and product development

Member of the boards and executive committees of the Advanced Medical Technology Association (AdvaMed) and the Healthcare Leadership Council; former chairman of the boards of directors of both AdvaMed and California Healthcare Institute (CHI)

Advisory board member for the Leonard D. Schaeffer Center for Health Policy and Economics at the University of Southern California

Trustee of the University of California, Irvine Foundation

Received his Bachelor of Science in Chemical Engineering and an honorary doctoral degree from the Rose-Hulman Institute of Technology

Select Skills and Qualifications:

Mr. Mussallem has an extensive knowledge of the medical device industry in general, and of the people, operations, processes, and products of the Company, in particular, built over a 35-year career with the Company and its predecessor. In addition, in his roles with AdvaMed and other healthcare organizations, he has played a leadership role in the medical device industry and has made important contributions to healthcare policy discussions in California, the United States, and the key global markets that the Company serves. These experiences have established relationships which are helpful in developing the Board's strategic perspective and enhanced his leadership of the Company.

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PROPOSAL 1 ELECTION OF DIRECTORS

Current Class II and III Directors Nominated for Election for Term Expiring in 2016

Nicholas J. Valeriani

Age: 58

Director Since: 2014

Edwards Board Roles:

Compensation and Governance Committee Member

Select Business Experience:

Gary and Mary West Health Institute, an independent, nonprofit medical research organization that works to create new, more effective ways of delivering care at lower costs

Chief Executive Officer since 2012

Johnson & Johnson

Company Group Chairman, Ortho-Clinical Diagnostics from 2009-2012

Member of the Executive Committee

Vice President, Office of Strategy and Growth from 2007 to 2009

Served for 34 years in key positions, including Worldwide Chairman, Medical Devices and Diagnostics, and Corporate Vice President, Human Resources

Member of the board of directors of Robert Wood Johnson University Hospital and the Reagan-Udall Foundation

Received a bachelor's degree in industrial engineering and an MBA from Rutgers University.

Select Skills and Qualifications:

Mr. Valeriani's 37 years of medical device industry experience in a much larger and more complex global company will be extremely helpful as Edwards prepares to meet future requirements as the Company grows and matures. His leadership in areas of strategy and growth will also inform his views on strategy development and in assessing future business opportunities. In addition, his background in human resources will enable him to contribute valuable insights to the Compensation and Governance Committee.

THE BOARD RECOMMENDS A VOTE "FOR" THE ELECTION OF EACH OF THE NOMINEES FOR DIRECTOR

Directors Continuing in Office

The following biographical information for the remainder of our directors continuing in office includes information about the director's age, background, and business experience and the specific experience, qualifications, attributes, or skills that led the Board to conclude that the individual should serve as a director.

Continuing Class I Directors Term Scheduled to Expire in 2016

Robert A. Ingram

Age: 72

Director Since: 2003

Edwards Board Roles:

Chairman of the Compensation and Governance Committee

Other Current Public Company Directorships:

Valeant Pharmaceuticals International, since 2003

Lead Director since 2011, and from 2008 to 2010

Chairman of the Board from 2006 to 2008, and from 2010 to 2011

Cree, Inc., since 2008

William J. Link, Ph.D.

Age: 68

Director since: 2009

Edwards Board Roles:

Audit Committee Member

Other Current Public Company Directorships:

Second Sight Medical Products, Inc., since 2003

Audit, Compensation, and Nominating and Corporate Governance Committee member

Select Business Experience:

Versant Ventures, a venture capital firm investing in early stage healthcare companies

Managing Director and Co-Founder, since 1999

Lead Director since 2011

Regeneron Pharmaceuticals, Inc., since 2014

Other Public Company Directorships in Past Five Years:

Elan Corporation, Chairman, until 2013

Allergan, Inc., until 2012

Lowe's Companies, Inc., until 2011

Pharmaceutical Product Development Inc., until 2011

OSI Pharmaceuticals, Inc., Chairman, until 2010

Select Business Experience:

Hatteras Venture Partners, a venture capital firm that invests in early stage life science companies

General Partner since 2007

GlaxoSmithKline plc

Strategic Advisor to the Chief Executive Officer from January 2010 to December 2012

Vice Chairman, Pharmaceuticals from 2003 through 2009

Select Skills and Qualifications:

Brentwood Venture Capital, since 1998

General Partner

Chiron Vision (acquired by Bausch & Lomb, Inc.), from 1986 until 1997

Founder, Chairman, and Chief Executive Officer

American Medical Optics, Inc. (acquired by Allergan, Inc.), from 1978 until 1986

Founder and President

Before entering the healthcare industry, was an assistant professor in the Department of Surgery at the Indiana University School of Medicine

Earned his bachelor's, master's, and doctoral degrees in Mechanical Engineering from Purdue University

Select Skills and Qualifications:

Dr. Link's corporate leadership and long history successfully commercializing products in the medical device industry provides the Board with a valuable perspective in evaluating the prospects of, and risks associated with, existing business operations. In addition, his extensive experience in identifying new business opportunities and strong technical and engineering background have proved beneficial in assessing the potential for future innovative opportunities.

Mr. Ingram is a seasoned executive and corporate director with extensive knowledge and experience in the management of highly regulated pharmaceutical and medical device companies. His in-depth knowledge and understanding of the regulatory environment and governmental processes, coupled with the relationships he has developed with key governmental officials, have been particularly helpful to the Board's perspective. In 2013, Mr. Ingram was honored with the B. Kenneth West Lifetime Achievement Award from the NACD for exemplifying the principles of director professionalism: integrity, mature confidence, informed judgment, and high performance standards.

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BOARD OF DIRECTORS MATTERS

Continuing Class I Directors Term Scheduled to Expire in 2016

Wesley W. von Schack

Age: 70

Director since: 2010

Edwards Board Roles:

Presiding Director

Audit Committee Member

Other Current Public Company Directorships:

Bank of New York Mellon Corporation, since 2007

Lead Director

Chairman of the Executive Committee

Teledyne Technologies, since 2006

Select Business Experience:

Energy East Corporation, an energy services company (acquired by Iberdrola S.A. in 2008)

Chairman, President, and Chief Executive Officer from 1996 until his retirement in 2009

AEGIS Insurance Services, Inc.

Director since 1997

Chairman since 2006

Chair of Risk Managers Advisory Committee

AEGIS Managing Agency Limited, which manages Syndicate 1225 at Lloyd's of London

Non-executive Director and member of the Audit Committee since 2006

Received his Bachelor of Economics from Fordham University, an MBA from St. John's University, and a Ph.D. from Pace University

Select Skills and Qualifications:

Mr. von Schack's experience of more than 30 years managing operations in the highly regulated energy industry as both a chief executive officer and a chief financial officer, combined with many years of Board experience and audit and compensation committee chairmanships, enable him to contribute his significant insights in assessing and managing the risks and opportunities inherent in complex organizations.

CORPORATE GOVERNANCE POLICIES AND PRACTICES

The Company and the Board take seriously our commitment to good corporate governance. We believe the regular review of our governance practices with current issues and trends in mind, the discussions we hold with our stockholders and advisers, and the practice enhancements we consider as a result, help us to compete more effectively, sustain our successes, and build long-term value for our stockholders. We have demonstrated our commitment to good governance and accountability to stockholders as described in the following chart:

- ü **Annual election of directors** as current terms expire
- ü **Majority vote standard** in uncontested elections
- ü **Stockholders have the right to call special meetings**
- ü **Independent Board,** except our Chief Executive Officer
- ü **Executive session of independent directors held at each Board and committee meeting**
- ü **Independent Presiding Director** provides strong independent leadership of our Board by, among other things, presiding at executive sessions in connection with every Board meeting
- ü **Retirement policy for directors**
- ü **Annual Board and committee self-evaluations, as well as periodic peer reviews**
- ü **Nonemployee directors expected to hold net shares upon vesting or exercise of equity awarded after 2011 until cease to serve on the Board**
- ü **Senior management succession planning considered at each regularly scheduled Board meeting**
- ü **Active stockholder engagement**
- ü **Robust code of ethics in our Global Business Practice Standards**
- ü **Issued first corporate sustainability report**
- ü **"Clawback" policy** for performance-based compensation.

No pledging or hedging of Edwards' securities by directors, executives, employees with a title of "vice president" or above, and "insiders" under our insider trading policy

No stockholder rights plan ("poison pill")

No supermajority voting provisions in the Company's organizational documents

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BOARD OF DIRECTORS MATTERS

Director Independence. Under the corporate governance rules of the New York Stock Exchange ("NYSE"), a majority of the members of the Board must satisfy the NYSE criteria for "independence." No director qualifies as independent unless the Board affirmatively determines that the director has no material relationship with the Company (either directly or as a partner, stockholder, or officer of an organization that has a relationship with the Company). The Board has determined that each of Messrs. Bowlin, Cardis, Gallahue, Ingram, Valeriani and von Schack, and Drs. Link and McNeil is independent under the NYSE rules. Mr. Mussallem is not independent as a result of his position as our Chief Executive Officer. The Board also previously determined that Mr. Pyott, who resigned from the Board in 2014, was independent during his Board service.

Corporate Governance Guidelines. Our Board has adopted a set of Corporate Governance Guidelines (the "Governance Guidelines") to assist the Board and its committees in performing their duties and serving the best interests of the Company and its stockholders. The Governance Guidelines cover topics including, but not limited to, director selection and qualification, director responsibilities and operation of the Board, director access to management and independent advisors, director compensation, director orientation and continuing education, succession planning, recoupment of performance-based compensation, and the annual evaluations of the Board. The Governance Guidelines are available on our website at *www.edwards.com* under "Investors" Corporate Governance and Responsibility."

Board Leadership Structure. Our Chief Executive Officer also serves as the Chairman of the Board. This leadership structure has been in place since we first became a public company in 2000. This approach is commonly used by other public companies in the United States, and our Board believes it has been effective for our Company as well. Under this model, the Company has experienced strong financial and operational growth over its 15 years as a public company, more recently providing a return of 193% to stockholders from 2009-2014. We have a single leader, and our Chairman and Chief Executive Officer is seen by customers, business partners, investors, and others as providing strong leadership for the Company in the communities we serve and in our industry. We believe these positive factors may explain why this subject has not been controversial to our investors. Our Board believes that combining the roles of Chairman and Chief Executive Officer has fostered a more constructive and cooperative relationship between the Board and management, and that their communications are more open and effective than they would be under a different structure. Our Board also believes that, given its size and constructive working relationships, changing the existing structure would not improve the Board's performance. The directors bring a broad range of leadership experience to the boardroom and regularly contribute to the thoughtful discussion involved in overseeing the affairs of the Company. All directors are well-engaged in their responsibilities, express their views, and are open to the opinions expressed by other directors.

Our Board believes that it is important to have an active, engaged, and independent Board. Our Governance Guidelines provide that a substantial majority of our Board and all of the members of our Audit Committee and Compensation Committee will be independent under the applicable rules of the NYSE. All members of our Board, other than the Chairman, are independent. In order to assure that the independent directors are not inappropriately influenced by management, the non-management members of the Board meet in executive session, without management, in conjunction with each regularly scheduled meeting of the Board and each committee, and otherwise, as deemed necessary. These executive sessions allow directors to speak candidly on any matter of interest, without the CEO or other members of management present. Our Governance Guidelines provide that if our Chairman is also our Chief Executive Officer, or if our Chairman is otherwise not independent, our independent directors shall annually select an independent director to serve as Presiding Director. Mr. von Schack is currently designated as the Presiding Director and, as such, he presides at the executive sessions of the Board. In addition, among other things, the Presiding Director serves as a liaison between the independent members of the Board and the Chairman and other members of management, providing feedback to management from the Board's executive sessions, coordinating the activities of the independent directors, including calling meetings of the independent directors as necessary and appropriate to address their responsibilities, and provides advice and counsel to the Chairman.

Board Role in Risk Oversight. Effective risk oversight is an important priority of the Board. Its role includes understanding the critical risks in the business, allocating the responsibilities for risk oversight among the full Board and its committees, evaluating the Company's risk management processes, and facilitating open communication between management and the directors.

While the Board oversees risk management, the Company's management is charged with managing risk and bringing to the Board's attention the most material risks. We have robust internal processes that facilitate the identification and management of risks and regular communication with the Board or the Audit Committee.

The Board implements its risk oversight function both as a whole and through delegation to its committees. Both committees play significant roles in carrying out the risk oversight function.

The Audit Committee oversees risks related to the financial statements, the financial reporting process and accounting matters. It also regularly reviews enterprise-wide risk management, focusing primarily on manufacturing processes and supplier quality, product development processes and systems, and regulatory compliance issues. The Audit Committee also regularly reviews treasury risks (insurance, credit, debt, currency risk and hedging programs), legal and compliance risks, information technology infrastructure and cyber-security risks, and other risk management functions. In addition, the Audit Committee considers risks to the Company's reputation and reviews risks related to the sustainability of our operations. The Audit Committee periodically receives reports on and discusses the risk management process and reviews significant risks and exposures identified by management, the internal auditors or the independent public accountants.

The Compensation Committee considers risks related to succession planning, the attraction and retention of talent, and risks relating to the design of compensation programs and arrangements. As part of its normal review of these risks, the Compensation Committee considers the Company's compensation policies and practices to determine if their structure or implementation provides incentives to employees to take unnecessary or inappropriate risks that could have a material adverse effect on the Company. The Compensation Committee also reviews compensation and benefits plans affecting employees in addition to those applicable to executive officers. The Compensation Committee has determined that the implementation and structure of the compensation policies and practices do not encourage unnecessary and inappropriate risks that are could have a material adverse effect on the Company. The Compensation

Committee further determined that the Company's compensation programs and practices appropriately encourage employees to maintain a strong balance sheet, improve operating performance, and create value for stockholders, without encouraging unreasonable or unrestricted risks. In making these determinations, the Compensation Committee considered the views of the Company's compensation staff and legal counsel, as well as its Compensation Consultant (as defined below).

The full Board considers strategic risks and opportunities and regularly receives detailed reports from the committees regarding risk oversight in their areas of responsibility. Our Board believes that the processes it has established for overseeing risk would be effective under a variety of leadership frameworks and therefore do not materially affect its choice of leadership structure as described under "Board Leadership Structure" above.

Meetings of the Board. During the year ended December 31, 2014, the Board held seven meetings. Each director attended at least 75% of the total of all meetings of the Board and any applicable committee held during the period of his or her tenure in 2014, other than Mr. Pyott, who attended 64% of such meetings prior to his resignation from the Board.

The Company encourages, but does not require, its directors to attend the annual meeting of stockholders. All of our directors attended our 2014 annual meeting.

Board Composition. Our Board currently has fixed the number of directors at nine, one of whom (Mr. Bowlin) is scheduled to retire on the date of the Annual Meeting.

Excluding Mr. Bowlin, the ages of our directors range from 51 to 74, with an average age of 66. Their lengths of service range from two months to 15 years, with an average tenure on our Board of approximately seven years. None of our directors serves on the board of directors of more than three other public companies.

Committees of the Board. To facilitate independent director review, and to make the most effective use of the directors' time and capabilities, we have established the Audit Committee and the Compensation and Governance Committee. The Board is permitted to establish other committees from time to time as it deems appropriate.

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BOARD OF DIRECTORS MATTERS

Audit Committee

John T. Cardis, Chair
William J. Link, Ph.D.
Wesley W. von Schack

Each member is "independent," "financially literate," and an "audit committee financial expert" under applicable rules of the NYSE and the SEC.

Dr. Link was appointed to the Audit Committee in October 2014, replacing David E.I. Pyott, who was an Audit Committee member until he resigned from the Board in October 2014.

The Audit Committee held eleven meetings in 2014.

The responsibilities of the Audit Committee are included in its written charter, which is posted on our website at *www.edwards.com* under "Investors" Corporate Governance and Responsibility."

As described more fully in the Audit Committee charter, the primary purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities relating to the integrity of the Company's financial statements; compliance with legal and regulatory requirements; adherence to policies regarding ethics and business practices; the independent registered public accounting firm's qualifications, performance, and independence; the performance of the Company's internal audit function; the Company's investment and hedging activities, and enterprise-wide risk management practices. Management is responsible for the preparation, presentation, and integrity of the Company's financial statements, as well as adoption of accounting and financial reporting principles and internal controls, and procedures designed to reasonably assure compliance with accounting standards, applicable laws, and regulations. The Company has a full-time internal audit function that reports to the Audit Committee and to management and is responsible for, among other things, objectively reviewing and evaluating the adequacy, effectiveness, and quality of the Company's system of internal controls. The Company also has a Chief Responsibility Officer who manages the Company's ethics and compliance programs and reports to the Audit Committee.

The Audit Committee appoints, retains, terminates, determines compensation for, and oversees the independent registered public accounting firm, reviews the scope of the audit by the independent registered public accounting firm, and inquires into the effectiveness of the Company's accounting and internal control functions. The Audit Committee also assists the Board in establishing and monitoring ethics and compliance with the Global Business Practice Standards of the Company. The Company's Global Business Practice Standards are posted on our website at *www.edwards.com* under "Investors" Corporate Governance and Responsibility." The Audit Committee also reviews, with the Company's management and the independent registered public accounting firm, the Company's policies and procedures with respect to risk assessment and risk management.

The Audit Committee organizes its activities at each meeting through the use of a periodic agenda, incorporating additional agenda items as suggested by Audit Committee members or to address current Company events. At each regularly scheduled meeting, the Audit Committee receives reports from the senior members of the Company's financial management team and the Chief Responsibility Officer. Additionally, the Audit Committee meets in executive sessions and without others present at each of its regularly scheduled meetings, with the Company's independent registered public accounting firm, and, periodically, with the Vice President of Internal Audit, the Company's Chief Financial Officer, the Company's Chief Responsibility Officer, and the Company's General Counsel, in addition to sessions without any others present.

Compensation and Governance Committee

Robert A. Ingram, Chair
Mike R. Bowlin
Barbara J. McNeil, M.D., Ph.D.
Nicholas J. Valeriani

Each member is "independent" under the rules of the NYSE, a "nonemployee director" under Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and an "outside director" as defined in Treasury Regulation § 1.162- 27(3).

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Mr. Valeriani was appointed to the Compensation Committee in November 2014, replacing Dr. Link who was a Compensation Committee member until that time.

The Compensation Committee held five meetings in 2014.

The responsibilities of the Compensation Committee are included in its written charter, which is posted on our website at *www.edwards.com* under "Investors" Corporate Governance and Responsibility."

The Compensation Committee determines the compensation of executive officers and recommends to the Board the compensation of outside directors, exercises the authority of the Board concerning employee benefit plans, advises the Board on other compensation and employee benefit matters, and oversees the evaluation of the Board and management. The Compensation Committee also advises the Board on board committee structure and membership and corporate governance matters.

The Compensation Committee may, and has, delegated authority to the CEO to grant rights in, or options to purchase, shares of the Company's common stock to eligible employees who are not executive officers. In 2014, the Compensation Committee retained the services of Semler Brossy Consulting Group as its independent compensation Consultant ("Compensation Consultant"). See "Compensation Discussion and Analysis Compensation Process" for additional information regarding the Compensation Committee's engagement of its Compensation Consultant.

In addition, the Compensation Committee makes recommendations to the Board regarding candidates for election as directors of the Company and is otherwise responsible for matters relating to the nomination of directors. The Compensation Committee maintains formal criteria for selecting director nominees who will best serve the interests of the Company and its stockholders. These criteria are described in more detail below under "Board Criteria and Diverisity Policy." In addition to these requirements, the Compensation Committee also evaluates whether the candidate's skills and experience are complementary to the existing Board members' skills and experience, as well as the need of

the Board for operational, management, financial, international, technological, or other expertise. The members of the Compensation Committee interview candidates that meet the criteria and the Compensation Committee selects nominees that it believes best suit the needs of the Board. From time to time, the Compensation Committee may engage the services of an executive search firm to assist the Compensation Committee in identifying and evaluating candidates for the Board. The Compensation Committee will consider qualified candidates for director nominees suggested by the Company's stockholders. Stockholders can suggest qualified candidates for director nominees by writing to the Secretary of the Company at One Edwards Way, Irvine, California 92614. Submissions received that meet the criteria described above are forwarded to the Compensation Committee for further review and consideration. The Compensation Committee does not intend to evaluate candidates proposed by stockholders any differently than other candidates.

Board Criteria and Diversity Policy. The Compensation Committee is responsible for identifying, evaluating, and recommending to the Board, individuals qualified to be directors of the Company. The Compensation Committee's charter sets forth the membership criteria against which potential director candidates are evaluated. These written membership criteria state that the Company "seeks a board with diversity of background among its members, including diversity of experience, gender, race, ethnic, or national origin, and age." In performing this responsibility, the Compensation Committee considers women and minority candidates consistent with the membership criteria and the Company's non-discrimination policies. The Compensation Committee also considers fundamental qualities of intelligence, honesty, perceptiveness, good judgment, maturity, high ethics and standards, integrity, fairness, and responsibility; a background that demonstrates an understanding of business and financial affairs and the complexities of a large, multifaceted, global business, governmental, or educational organization; and the ability to hold independent opinions and express them in a constructive manner. Of equal importance, the Compensation Committee and the Board seek individuals who are compatible and able to work well with other directors and executives. The satisfaction of these criteria is implemented and assessed through ongoing consideration of directors and potential nominees by the Compensation Committee and the Board, with a discussion of Board succession planning held at every regularly scheduled meeting of the Board. These discussions have included review of current director skills against an established skills matrix and consideration of each director's retirement horizon, as well as the Board's self-evaluation and peer evaluation processes, as described below under "Board Evaluations." Based upon these activities and its review of the current composition of the Board, the Compensation Committee and the Board believe that these criteria have been satisfied. As a result, the members of the Board represent diverse backgrounds and experience in many areas, including financial, industrial, entrepreneurial, and educational.

Board Evaluations. The Board conducts an annual self-evaluation every July or August, soliciting each director's views on, among other things, Board and committee performance and effectiveness, size, composition, agenda, processes, and schedule. In addition, for the past several years, the directors have considered the results of peer evaluations conducted specifically to seek feedback on directors' personal interactions and skills. Our Board views the self- and peer-evaluation processes as an integral part of its commitment to cultivating excellence and best practices in its performance.

Board Retirement Policy. In July 2014, the Board adopted a retirement policy that no director shall stand for election to the Board after reaching the age of 75.

Succession Planning. Our Board is actively engaged and involved in talent management to identify and cultivate our future leaders. At every Board meeting, directors discuss the Company's leadership and talent development. Our directors also have an opportunity to meet with leaders of our Company, including executive officers, business group leaders,

and functional leaders, through regular reports to the Board from senior management, technology showcases, and meals with management. In addition, Board members have freedom of access to all employees, and have made site visits to meet local management.

We maintain a robust mid-year and annual performance review process for our employees, as well as a leadership development program that cultivates our leadership principles in our future leaders. Management develops leadership at lower levels of our organization by identifying key talent, cultivating the skills and capabilities that will allow these individuals to become future leaders.

Sustainability Report. Edwards issued its first Sustainability Report in December 2014, discussing programs and practices we have in place to promote ethical business practices, good governance, and the well-being and health of our environment, employees, and the communities in which we live and work. We look forward to continuing to refine our approach to sustainability, identifying additional opportunities to enhance our practices, and continuing to report our progress.

Communications With the Board. Any interested party who desires to contact any member of the Board, including the Presiding Director or the non-management members of the Board as a group, may write to any member or members of the Board at: Board of Directors, c/o Secretary, Edwards Lifesciences Corporation, One Edwards Way, Irvine, California 92614. Communications will be received by the Secretary of the Company and, after initial review and determination of the nature and appropriateness of such communications, will be distributed to the appropriate members of the Board depending on the facts and circumstances described in the communication.

DIRECTOR COMPENSATION

Director Compensation Table 2014

The following table presents the 2014 nonemployee director compensation paid or awarded to each individual who served as a nonemployee director at any time during 2014. The compensation paid to Mr. Mussallem is presented in the "Executive Compensation" disclosures beginning on page 40. Mr. Mussallem does not receive additional compensation for his service as a director.

Mr. Bowlin	$23,000	$199,983	$36,580	$259,833
Mr. Cardis	72,000	199,983		271,983
Mr. Ingram	5,000	240,031		245,031
Dr. Link	5,000	240,031		245,031
Dr. McNeil	5,000	240,031		245,031
Mr. Pyott(3)	11,000	199,983	36,580	247,563
Mr. von Schack	36,000	240,031		276,031
Mr. Valeriani(4)	20,000		200,029	220,029

(1) Consists of annual retainer fees and meeting fees for service as a director and a member of Board committees. Please see the "Retainers and Fees" section below. Excludes retainer fees deferred into stock-based awards, as described in footnote 2 below.

(2) Includes annual retainer fee converted into a stock award or option award, as the case may be, under the Nonemployee Directors Program (as defined below).

Amounts disclosed in these columns reflect the aggregate grant-date fair value of the stock award or option award, as applicable, granted to our nonemployee directors during 2014 as determined under the principles used to calculate the grant-date fair value of equity awards for purposes of our financial statements. For a discussion of the assumptions and methodologies used to value the awards reported in these columns, please see the discussion of stock awards and option awards contained in Note 13 of the "Notes to Consolidated Financial Statements" in our 2014 Annual Report.

Please see the information under "Nonemployee Directors Stock Incentive Program" and "Outstanding Nonemployee Director Equity Awards" below for the grant-date fair value of each stock and option award granted to our nonemployee directors in 2014 as well as the stock and option awards held by each nonemployee director at the end of 2014.

(3) Mr. Pyott resigned from the Board effective as of October 3, 2014.

(4) Mr. Valeriani joined the Board effective as of November 13, 2014.

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BOARD OF DIRECTORS MATTERS

Retainers and Fees. Nonemployee directors received the following retainers and fees in 2014:

Annual Retainer	
Nonemployee Director	$40,000
Presiding Director	$20,000
Compensation Committee Chair	$18,000
Audit Committee Chair	$20,000
Fees per Committee Meeting Attended	$1,000

A director may elect to receive stock options or restricted shares in lieu of the annual cash retainers as described in "Deferral Election Program" below. Retainers are paid in advance, and fees are paid in arrears. Directors beginning service during the year receive a prorated amount of the retainer.

Nonemployee Directors Program. In order to align the nonemployee directors' interests more closely with the interests of our stockholders, we have implemented our Nonemployee Directors Stock Incentive Program (the "Nonemployee Directors Program"), pursuant to which each nonemployee director receives an annual grant of options for up to 20,000 shares of our common stock, or a restricted stock unit award for up to 8,000 units with respect to shares of our common stock, or a combination of options and restricted stock units with a maximum value of $200,000. The Compensation Committee recommends to the Board for its approval the actual amount and type of award for each year.

The annual equity award is granted on the day after our annual meeting of stockholders. The option exercise price is the closing price of our common stock on the grant date. Options are valued as of the grant date using the Black-Scholes valuation model, and the restricted stock units are valued at the fair market value of the common stock on the grant date.

On May 9, 2014, each nonemployee director, (other than Messrs. Gallahue and Valeriani, who had not yet been appointed to the Board), received 2,342 restricted stock units as an annual grant (the grant-date fair value of such award was $199,983, determined as noted in footnote (2) to the table above).

These restricted stock unit awards vest 100% upon completion of one year of service on the Board measured from the grant date, subject to earlier vesting

in the event of the nonemployee director's death or disability. Once such restricted stock units vest, the shares must be held until the nonemployee director no longer serves on the Board.

In addition to the equity awards described above, upon a nonemployee director's initial election to the Board, the director receives a grant of a number of stock options determined by dividing $200,000 by the fair value of an option on the grant date estimated using the Black-Scholes valuation model and rounding up to the nearest whole share. These initial equity awards vest one third each year over three years from the grant date, subject to the nonemployee director's continued service on the Board, and subject to earlier vesting in the event of the nonemployee director's death or disability. The exercise price of an option is the closing price of our common stock on the date of the award. With respect to initial stock option awards granted after May 14, 2013, the shares of our common stock issued upon exercise of the options must be held until the nonemployee director no longer serves on the Board. On November 13, 2014, Mr. Valeriani received an initial equity award of 5,768 stock options (the grant-date fair value of such award was $200,029, determined as noted in footnote (2) to the table above).

Deferral Election Program. In lieu of all or part of a nonemployee director's annual cash retainer, the director may elect to receive either a stock option or a grant of restricted shares under the Nonemployee Directors Program. If a director makes a timely election to receive stock options, such options are granted on the date the cash retainer would otherwise have been paid, and the number of shares subject to the option is equal to four times the number of shares that could have been purchased on the grant date with the amount of the director's cash retainer that was foregone to receive the award. The options are exercisable and vested in full on the grant date, and the exercise price per share is the fair market value of the common stock on the grant date. If a director makes a timely election to receive a restricted share award, the shares are granted on the date the cash retainer would otherwise have been paid, and the number of shares granted is equal to the portion of the cash retainer to be paid in the form of restricted shares divided by the fair market value per share of the common stock on the grant date. The restrictions on the restricted shares lapse upon the completion of one year of board service from the date of grant.

On May 9, 2014, Messrs. Bowlin and Pyott each received 1,874 stock options in lieu of his annual cash retainer (the grant-date fair value of each such award was $36,580, determined as noted in footnote (2) to the table above). On the same date, Messrs. Ingram and von Schack, and Drs. Link and McNeil each received a grant of 469 restricted shares in lieu of his or her annual cash retainer (the grant-date fair value of each such award was $40,048, determined as noted in footnote (2) to the table above).

Directors' Stock Ownership Guidelines and Holding Requirement. Under the stock ownership guidelines, each nonemployee director is expected to own shares of our common stock equal to eight (8) times the amount of the annual cash retainer paid to the nonemployee directors. Stock that is counted toward meeting the guideline includes any common

shares owned outright, restricted stock, restricted stock units, and 25% of the value of vested, in-the-money stock options. Upon vesting or exercise of equity awarded after 2011, each director is required to hold the underlying common stock (net of any shares sold to cover the exercise price and applicable taxes) until the director ceases to serve on the Board. The holding requirement does not apply to equity awards directors elect to receive in lieu of their cash retainers. Other than Mr. Valeriani, who joined the Board in November 2014, and Mr. Gallahue, who joined the Board in February 2015, all of our directors have exceeded their target ownership levels.

Expense Reimbursement Policy. Directors are reimbursed for travel expenses related to their attendance at Board and committee meetings as well as for the costs of attending director continuing education programs.

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BOARD OF DIRECTORS MATTERS

Outstanding Nonemployee Director Awards

The following table sets forth, as of December 31, 2014, the options held by, and stock awards to acquire shares of our common stock granted to, each nonemployee director who served on the Board in 2014 under our Nonemployee Directors Program:

Mr. Bowlin	05/08/2009	$31.75	2,522	
	05/14/2010	50.31	1,592	
	05/11/2012	84.68	1,890	
	05/15/2013	71.14	2,250	
	05/09/2014	85.39	1,874	
	05/09/2014			2,342
Total			10,128	2,342
Mr. Cardis	05/09/2014			2,342
Total				2,342
Mr. Ingram	05/09/2014			469(2)
	05/09/2014			2,342
Total				2,811
Dr. Link	05/09/2014			469(2)
	05/09/2014			2,342
Total				2,811
Dr. McNeil	05/13/2011	88.25	1,814	
	05/09/2014			469(2)
	05/09/2014			2,342
Total			1,814	2,811
Mr. Pyott				
Mr. von Schack	05/09/2014			469(2)

	05/09/2014			2,342
Total				2,811
Mr. Valeriani	11/13/2014	124.55	5,768(1)	
Total				

(1) Initial stock option award vests one third annually over three years from the grant date, subject to the nonemployee director's continued service on the Board.

(2) Annual retainer fees deferred into options and restricted shares under the deferral election program.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding beneficial ownership of the Company's common stock as of February 27, 2015 by each stockholder known by the Company to own beneficially more than 5% of the common stock. Percent of beneficial ownership is based upon 107,823,819

shares of the Company's common stock outstanding as of February 27, 2015. Unless otherwise indicated, the Company believes that the stockholders listed have sole voting and investment power with respect to all shares, subject to applicable community property laws.

Principal Stockholders:		
Capital Research Global Investors(1) 333 South Hope Street Los Angeles, CA 90071	8,813,400	8.20%
The Vanguard Group, Inc.(2) 100 Vanguard Blvd. Malvern, PA 19355	8,665,085	8.10%
BlackRock, Inc.(3) 40 East 52nd Street New York, NY 10022	7,452,307	7.00%
Capital World Investors(4) 333 South Hope Street Los Angeles, CA 90071	5,439,400	5.00%

(1) Based solely on information contained in the Schedule 13G/A filed with the SEC by Capital Research Global Investors, on its own behalf, on February 13, 2015. The Schedule 13G/A indicates Capital Research Global Investors has sole voting power and sole dispositive power for 8,813,400 shares.

(2) Based solely on information contained in the Schedule 13G/A filed with the SEC by The Vanguard Group, Inc., on its own behalf, on February 11, 2015. The Schedule 13G/A indicates The Vanguard Group, Inc. has sole voting power for 183,893 shares, shared dispositive power for 171,747 shares, and sole dispositive power for 8,493,338 shares.

(3) Based solely on information contained in the Schedule 13G/A filed with the SEC by BlackRock, Inc. on its own behalf, on February 9, 2015. The Schedule 13G/A indicates BlackRock, Inc. has sole voting power for 6,467,319 shares and sole dispositive power for 7,452,307 shares.

(4) Based solely on information contained in the Schedule 13G/A filed with the SEC by Capital World Investors, on its own behalf, on February 13, 2015. The Schedule 13G/A indicates Capital World Investors has sole voting and sole dispositive power for 5,439,400 shares.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding beneficial ownership of the Company's common stock as of February 27, 2015 by (i) each of the Named Executive Officers; (ii) each of our directors; and (iii) all of our directors and executive officers as a group.

The number of shares subject to options that each beneficial owner has the right to acquire on or before April 29, 2014, and restricted stock units with restrictions that will lapse prior to that date, are listed

separately under the column "RSUs and Shares Underlying Options." These shares are not deemed exercisable for purposes of computing the beneficial ownership of any other person. Percent of beneficial ownership is based upon 107,823,819 shares of the Company's common stock outstanding as of February 27, 2015. Unless otherwise indicated, the Company believes that the stockholders listed have sole voting and investment power with respect to all shares, subject to applicable community property laws.

Named Executive Officers, Executive Officers, and Directors:				
Mr. Mussallem	392,653	1,407,872	1,800,525	1.67%
Mr. Ullem	7,238	21,879	29,117	*
Mr. Bobo	22,922	142,350	165,272	*
Ms. Szyman				*
Mr. Verguet	49,053	182,287	231,340	*
Mr. Bowlin	77,423	10,128	87,551	*
Mr. Cardis	40,392		40,392	*
Mr. Gallahue				*
Mr. Ingram	28,199		28,199	*
Dr. Link	19,679		19,679	*
Dr. McNeil	30,325	1,814	32,139	*
Mr. von Schack	21,776		21,776	*
Mr. Valeriani				*
All directors and executive officers as a group (17 persons)	770,936	2,073,702	2,844,638	2.63%

* Less than 1%

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EXECUTIVE COMPENSATION AND OTHER INFORMATION

EXECUTIVE OFFICERS

Set forth below is the biographical information regarding our current executive officers, other than Mr. Mussallem, whose biographical information is set forth under "Proposal No. 1 Election of Directors Director Nominees" above. None of the executive officers has any family relationship with any other executive officer or any of our directors.

Donald E. Bobo, Jr., age 53. Mr. Bobo has been Corporate Vice President, Heart Valve Therapy since 2007 and is responsible for the Company's global surgical heart valve business, including valve replacement and repair devices and valve manufacturing operations. In 2015, he also assumed responsibility for the Company's strategy and corporate development activities and will focus on the development of the Company's heart failure program. Mr. Bobo has more than 30 years of experience in the medical products and healthcare industry in various operating roles including vice president and general manager of transcatheter mitral repair and vice president of corporate strategy. Prior to joining Edwards Lifesciences in 1995, he served as director and general manager of the non-invasive monitoring business unit of InnerSpace Medical. Currently, Mr. Bobo serves on the board of Innerspace Neuro Inc. and on the board and executive committee of the California Healthcare Institute (CHI). He received a bachelor's degree in mathematics from Bob Jones University, and a master's degree in engineering from the University of Southern California.

Catherine M. Szyman, age 48. Ms. Szyman has been Corporate Vice President, Critical Care since January 2015. Prior to 2015, she was employed for more than 20 years at Medtronic, Inc., where she served as its Senior Vice President of Channel Management from June 2014. Previously, she served as Senior Vice President and President of Medtronic's diabetes business from August 2009 to June 2014, overseeing research, development, operations, sales, and marketing for the Company's insulin infusion pumps and continuous glucose monitoring systems. Prior to that, she held a variety of leadership roles at Medtronic, including Senior Vice President of Corporate Strategy and Innovation, Vice President and General Manager of Endovascular Innovations, and Vice President of Finance for the Vascular Business. Ms. Szyman previously served on the boards of Tornier, Inspire Medical Systems, and the California Healthcare Institute (CHI). She graduated from the University of St. Thomas and earned her MBA from Harvard Business School.

Scott B. Ullem, age 48. Mr. Ullem became Corporate Vice President, Chief Financial Officer in January 2014. Prior to

joining the Company, he served from May 2010 to December 2013 as Vice President and Chief Financial Officer of Bemis Company Inc., a publicly traded manufacturer of packaging products and pressure sensitive materials. Mr. Ullem served from 2008 to May 2010 as the Vice President, Finance of Bemis. Before joining Bemis, Mr. Ullem was a Managing Director at Banc of America Securities from 2005 to 2008. Prior to that, he spent 14 years at Goldman Sachs, where his final position was as Managing Director in the investment banking services group. Mr. Ullem earned a Bachelor's degree from DePauw University and an MBA from Harvard Business School.

Patrick B. Verguet, age 57. Mr. Verguet has been Corporate Vice President, Europe, Middle East and Africa of the Company since 2004, and has been responsible for operations in Canada and Latin America since 2010 and 2012, respectively. Since 1984, he served the Company (or its predecessor) in various positions including Vice President of Sales, Europe; Global Business Director for hemofiltration; Business Unit/Country Manager for the Company's operations in Western Europe; General Manager of the Company's operations in Utah; and Vice President and General Manager of the Company's Cardiac Surgery Systems business. Mr. Verguet holds a degree as Doctor in Pharmacy from the University of Besançon.

Huimin Wang, M.D., age 58. Dr. Wang has been Corporate Vice President, Japan and Asia Pacific since 2010. From 2004 to 2010, he served as Corporate Vice President, Japan and Intercontinental and was Corporate Vice President, Japan from 2000 to 2004. Previously, he was a representative director of Baxter Limited, a Japan corporation, through September 2002. Dr. Wang earned his Doctor of Medicine degree from Kagoshima University in Japan and was a Resident and Staff Physician in anesthesiology at Keio University Hospital in Tokyo. He earned his MBA from the University of Chicago. Dr. Wang is a Visiting Associate Professor at Keio University.

Larry L. Wood, age 49. Mr. Wood has been Corporate Vice President, Transcatheter Heart Valve Therapy since 2007, and is responsible for the Company's key initiatives in transcatheter heart valve replacement. Most recently, from March 2004 to February 2007, he served as Vice President and General Manager, Percutaneous Valve Interventions. Since 1985, Mr. Wood served the Company (or its predecessor) in positions including manufacturing management, regulatory affairs and strategic and clinical marketing, primarily for the Heart Valve Therapy business. Mr. Wood holds an MBA from Pepperdine University.

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EXECUTIVE COMPENSATION AND OTHER INFORMATION

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis describes and provides disclosure about the objectives and policies underlying our compensation programs for our 2014 named executive officers ("NEOs"), who were:

- Michael A. Mussallem, CEO;
- Scott B. Ullem, CFO;
- Donald E. Bobo, Jr., Corporate Vice President, Heart Valve Therapy, Strategy and Corporate Development;
- Patrick B. Verguet, Corporate Vice President, Europe, Middle East, Africa, Canada, and Latin America; and
- Larry L. Wood, Corporate Vice President, Transcatheter Heart Valve Therapy.

Executive Summary. Edwards is the global leader in the science of heart valves and hemodynamic monitoring. Driven by a passion to help patients, the Company partners with clinicians to develop innovative technologies in the areas of structural heart disease and critical care monitoring, enabling them to save and enhance lives. Our business is complex, competitive, and highly regulated. Managing our business well in this challenging environment has contributed significantly to our success. This requires talented and energetic leaders who work toward our goals and drive our continued success.

Pay for Performance Philosophy. The Compensation Committee strongly believes that executive compensation should be tied to performance and strives to create a pay-for-performance culture. Our compensation objectives are to offer programs that emphasize performance-based compensation and align the financial interests of our executives with those of our stockholders. As described in more detail below under "Elements of Compensation," we use three primary indicators of performance to determine annual incentive compensation: company-wide financial measures, company-wide operational and strategic goals, and individual performance.

Long-term incentive awards have been granted predominantly in the form of stock options and performance-based restricted stock units ("PBRSUs") based on relative total stockholder return ("TSR") in order to align the interests of our executives with those of our stockholders. We believe this combination of vehicles measures absolute and relative stock price performance.

2014 Financial and Operating Performance and Incentive Plan Outcomes. In 2014, our financial and operating performances were strong. We achieved significant growth and exceeded our financial goals. Through the introduction of innovative new products, we extended our leadership in all of our businesses. At the same time, we made encouraging progress on the milestones that should create future value. We are particularly gratified to see the meaningful impact that our dedicated employees are having in helping so many patients around the world.

Notable accomplishments in 2014 included:

- Total sales increased 13 percent on a non-GAAP basis
- A strong 73 percent gross margin
- Diluted earnings per share growth of 8 percent on a non-GAAP basis
- Launch of Edwards SAPIEN XT transcatheter heart valve in the United States
- In Europe, Edwards SAPIEN 3 set a new standard in transcatheter heart valve technology
- Investment of 15 percent of our sales in research and development

Repurchase of 4.4 million shares for $301 million

Settlement of all outstanding patent litigation with a major competitor resulting in a one-time payment of $750 million plus quarterly royalty payments through April 2022

A $50 million contribution to the Edwards Lifesciences Foundation

Our market value nearly doubled from $7.2 billion to $13.6 billion

These and other achievements produced strong year-over-year growth in non-GAAP revenue, net income, and free cash flow, the three financial goals used to measure achievement for our annual cash incentive plan. Our annual incentive plan for corporate employees funded at 171% of target, reflecting our performance for the year. After taking into account individual performance, payouts for the NEOs ranged from 180% to 200% of their Incentive Pay Objective (as defined below). In comparison, in 2013 our CEO elected to receive no cash bonus, and the payment to the other NEOs ranged from 46% to 60% of their Incentive Pay Objectives. We believe payouts over these two years demonstrate our continued adherence to a pay-for-performance philosophy.

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Stock Performance. Over the past five years, our stock price has increased 193%, outperforming the S&P 500 and our medical products peer group, the S&PHEI. The cumulative total return listed below assumes an initial investment of $100 on December 31, 2009, reinvestment of dividends, and adjustment for any stock splits.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN

Total Cumulative Return	12/31/09	12/31/10	12/31/11	12/31/12	12/31/13	12/31/14
Edwards Lifesciences	$100	$186	$163	$208	$151	$293
S&P 500	$100	115	117	136	180	205
S&PHEI	$100	97	102	121	154	194

One indicator of our pay for performance culture is the relationship of the CEO's total direct compensation to total stockholder return. Over the past five years, 74% of the CEO's total direct compensation has been tied to the performance of the Company's stock. In 2013, a year when total stockholder return was down, the CEO's total direct compensation was also lower, and the following year the CEO did not receive a base salary increase. In 2014, a year when total stockholder return was up, so was the CEO's total direct compensation.

Changes to Compensation Programs and Stockholder Engagement. At our 2014 annual meeting, 88% of votes cast voted for our advisory executive compensation proposal, reflecting stockholders' continued strong support of our executive compensation programs. Even so, the Compensation Committee and the Board took into account additional feedback we received from our stockholder engagement efforts in 2014 and made certain changes to our compensation programs that we believe are in the best interests of stockholders and the Company. The chart below summarizes the key messages we heard, what actions we have taken, and when the changes are effective.

Eliminate "single-trigger" vesting of equity awards upon change in control	Eliminated automatic vesting upon a change in control ("single-trigger") for future equity grants Instead, equity will vest upon a change in control only if (1) employment terminates under certain circumstances ("double trigger"), or (2) the awards are terminated in the transaction	All equity awards beginning with the May 2015 annual grants
All equity should have a three-year vesting period	For future stock option grants, changed schedule to vest monthly over 36-months for retirement-eligible executives, including the CEO	All equity awarded after November 2014
Comparator companies for executive compensation include too many larger	Made changes to comparator companies including (1) removed Covidien Plc due to its acquisition by Medtronic, Inc., (2) removed Allergan, Inc. and Medtronic, Inc. because they have significantly higher revenue and market capitalization than we have, and Masimo	Used to make executive compensation

companies	Corporation because it has significantly lower revenue and market capitalization, and (3) replaced them with Illumina Inc. and Intuitive Surgical Inc. because they are closer to us in size, with reasonably similar business models	decisions in February 2015

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EXECUTIVE COMPENSATION AND OTHER INFORMATION

Compensation Program Highlights. The Compensation Committee engages in a periodic review of our executive compensation and benefits programs and makes changes as appropriate to reflect our compensation philosophy and objectives, and to serve the best interests of our stockholders.

We align executive compensation with the interests of our stockholders

Executive compensation programs are designed to avoid excessive risk and to foster sustainable growth

We adhere to executive compensation best practices

ü

Pay for Performance. Approximately 88% of the total direct compensation (as defined below) of our CEO and an average of 76% of our other NEOs is performance-based.

ü

Three-Year Vesting. Equity compensation is structured to vest over a minimum period of three years, subject to limited exceptions. We removed monthly vesting over two years on future stock option awards for certain retirement-eligible executives.

ü

Performance-Based Equity. Our PBRSUs vest based on our relative TSR over a three-year period.

ü

"Double Trigger" in the Event of a Change in Control. Severance benefits are paid, and equity compensation awarded beginning in May 2015 vests, only upon a "double trigger" basis in connection with a change in control.

ü

Linkage Between Performance Measures and Strategic Objectives. Performance measures for incentive compensation are linked to both strategic and operating objectives designed to create long-term stockholder value and hold executives accountable for individual and Company performance.

ü

Annual Stockholder Approval of Long-Term Stock Program Shares. We provide stockholders an annual opportunity to vote on proposed increases to the number of shares available for grant under the Long-Term Stock Program.

ü

Use Tally Sheets. The Compensation Committee annually reviews "tally sheets" reflecting all compensation elements.

ü

Robust Executive Stock Ownership Guidelines. Executives are required to hold Edwards Lifesciences stock with a value not less than six times salary for our CEO and three times salary for each other NEO. Fifty percent of net shares received as equity compensation must be retained if the guideline has not been met.

ü

CEO Stock Ownership. Our CEO continues to increase his direct ownership of Edwards' stock each year by retaining all shares after RSU vesting, and in 2013 by investing $5 million in a stock acquisition.

ü

Modest Perquisites. We provide modest perquisites, and have a business rationale for the perquisites that we do provide.

ü

"Clawback" Policy. We maintain a recoupment policy for performance-based compensation.

ü

Independent Compensation Consultant. The Compensation Committee engages an independent compensation consulting firm that provides us with no other services.

No excise tax gross-ups for executive officers.

No repricing or buyout of underwater stock options.

No pledging of Edwards' securities by directors, executives, employees with a title of "vice president" or above, and "insiders" under our insider trading policy.

No hedging of Edwards' securities by directors, executives, employees with a title of "vice president" or above, and "insiders" under our insider trading policy.

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Compensation Philosophy and Objectives for NEOs. Our compensation programs are designed to attract, retain, motivate, and engage executives with superior leadership and management capabilities to enhance stockholder value. Within this overall philosophy, our objectives are to:

- offer programs that place a higher emphasis on performance-based compensation than fixed compensation;
- align the financial interests of executives with those of our stockholders; and
- provide compensation that is competitive.

We strongly believe that a significant amount of compensation for the NEOs should be composed of short- and long-term incentives, or at-risk pay, to focus the executives on competitive and strategic initiatives. The amount of such short- and long-term incentive compensation is dependent on achievement of our annual goals, individual performance, and long-term increases in the value of our stock.

The target total direct compensation for each NEO consists of (i) base salary, (ii) Incentive Pay Objective (as defined below), and (iii) long-term incentive awards (presented using their grant-date fair values). The following charts illustrate the portions of the 2014 target total direct compensation for the CEO and the average for the NEOs other than the CEO.

Compensation Process. The Compensation Committee is responsible for discussing, evaluating, and approving the compensation for the CEO and the other NEOs, including the specific objectives and target performance levels to be included in our executive compensation plans. The CEO and other members of our executive leadership team develop our strategic plan as well as operating drivers. These plans are reviewed and approved by the Board. The CEO then provides input to the Compensation Committee regarding our plan and strategic objectives. In addition, the CEO and the Corporate Vice President, Human Resources, provide recommendations to the Compensation Committee regarding compensation of the NEOs (other than the CEO). The Compensation Committee determines the compensation of the CEO and reviews and approves the compensation of our other NEOs.

The CEO and the Corporate Vice President, Human Resources, are invited to, and regularly attend, Compensation Committee meetings as non-voting guests. The Compensation Committee regularly meets in executive session without participation by the CEO or other management representatives. Meetings of the Compensation Committee may only be called by members of the Compensation Committee. In addition, our CEO and our Corporate Vice President, Human Resources, meet with the Compensation Consultant in preparation for Compensation Committee meetings, and the Compensation Consultant also regularly attends Compensation Committee meetings.

2014 CEO
Target Total Direct Compensation Pay Mix

2014 Named Executive Officers (other than CEO)
Average Target Total Direct Compensation Pay Mix

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Independent Compensation Consultant. The Compensation Consultant has been retained by and reports to the Compensation Committee and provides executive and director compensation consulting services to the Compensation Committee.

The Compensation Consultant does not provide any other services to us. The Compensation Committee has assessed the independence of the Compensation Consultant pursuant to the NYSE rules and determined that the Compensation Consultant is independent, and free of conflicts of interest with us or any of our directors or executive officers.

Use of Competitive Data. We generally position each NEO's total direct compensation to approximate the median for comparable positions at competitive peer companies. However, in determining the appropriate positioning level of each NEO's total direct compensation and each component of compensation for an NEO, the Compensation Committee also takes into account its assessment of the Company's or business unit's general performance, as applicable for each executive, and the executive's tenure, experience, level of individual performance, and potential to contribute to our future growth. Accordingly, an NEO's actual compensation may be higher or lower than the median for the position based on the Compensation Committee's assessment of these other factors. We have the flexibility to change positioning for one or more executives in the future if the Compensation Committee determines that changes are appropriate.

Consistent with our philosophy of emphasizing pay for performance, total cash compensation is designed to pay above the pay positioning levels when we exceed our goals and below the pay positioning levels when we do not achieve our goals. In the event threshold levels of performance are not attained, no annual incentive payment is earned. For purposes of establishing the value of equity awards, stock options are valued as of the grant date using the Black-Scholes valuation model, restricted stock units are valued at the fair market value of the underlying shares at the grant date, and PBRSUs are valued using a Monte Carlo simulation model. Except as otherwise noted above or described below, the Compensation Committee's executive compensation determinations are subjective and the result of the Compensation Committee's business judgment, which is informed by the experiences of the members of the Compensation Committee as well as the input from, and peer group data provided by, the Compensation Consultant. In order to establish competitive compensation market data for the NEOs, the Compensation Consultant uses public proxy information from companies primarily in the medical device industry. These peer companies are chosen based on their market capitalization, revenue, complexity, geographic location, and the extent to which the Compensation Committee believes they compete with us for executive talent (the "Comparator Group"). The composition of the Comparator Group is reviewed periodically to monitor the appropriateness of the profiles of the companies included so that the group continues to reflect our competitive market and provides statistical reliability. The review of the Comparator Group for pay decisions in 2014 was conducted in July 2013. For 2014, the Comparator Group consisted of the following companies:

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Allergan, Inc.	Masimo Corp.
Becton Dickinson & Co.	Medtronic, Inc.
Boston Scientific Corp.	PerkinElmer, Inc.
C. R. Bard, Inc.	ResMed, Inc.
CareFusion, Inc.	St. Jude Medical, Inc.
Covidien plc	Stryker Corp.
Hologic, Inc.	Thoratec Corp.
Hospira, Inc.	Varian Medical Systems, Inc.
Integra Lifesciences Holding Corp	Zimmer Holdings, Inc.

In 2014, the Compensation Committee made changes to the comparator group used to make 2015 executive compensation decisions, including (1) removing Covidien Plc due to its acquisition by Medtronic, Inc., (2) removing Allergan, Inc. and Medtronic, Inc. because they have significantly higher revenue and market capitalization than we have, and Masimo Corporation because it has significantly lower revenue and market capitalization, and (3) replacing them with Illumina Inc. and Intuitive Surgical Inc., because they are closer to us in size, with reasonably similar business models.

As of December 31, 2014, the Company ranked at the 55th percentile of this group in terms of market capitalization. Compensation data are generally regressed for market capitalization to ensure that the data are not distorted by larger companies. Regression analysis is a commonly used technique to size-adjust data, which allows for more statistically valid comparisons. The key measure used in our regression model is market capitalization. Based on this measure, the regression formula correlates and adjusts the raw data for base salary, total cash compensation, and total direct compensation to predict those items based on the market capitalization for each of the Comparator Group companies.

Although data from the Comparator Group are the primary data input for compensation decisions for the NEOs, the Compensation Committee also considers compensation data for companies in the high technology, life sciences, and medical device industries reported in the following nationally

recognized surveys: Hewitt Total Compensation Management Executive Compensation United States, Radford Global Lifesciences Survey, Radford U.S. Executive Survey, Mercer Benchmark Database (Executive Positions), and SIRS Executive Compensation Survey. These data are used to verify the reasonableness of the results from the Comparator Group related to base salary and total cash compensation. The Compensation Committee considers the survey data generally, without focusing on any one particular group or subset of companies included in the data (other than the Comparator Group identified above). The Compensation Committee believes it is appropriate to refer to these additional data because we compete with these types of companies for executive talent. If the results of the Comparator Group vary significantly from the data from the other surveys, the Compensation Committee will consider such information in its decision-making process. To date, reference to the data from the other surveys has not resulted in a change to the decisions based on the Comparator Group.

When compared to similar positions at our 2014 Comparator Group companies, total direct compensation and the elements of compensation (base salary, total cash compensation, and long-term incentive award value) approximated or were below the median for all of the NEOs, except that Mr. Verguet's salary and total cash compensation are positioned higher than the median as a result of past pay decisions to reflect the higher cost of living in Switzerland and the impact of currency conversion.

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Elements of Compensation. The compensation package for each NEO consists primarily of (a) base salary; (b) an annual cash incentive payment based on attainment of pre-established financial measures, operating goals, and individual performance; and (c) long- term stock-based incentive awards. Each of

these three components of compensation is intended to promote one or more of our objectives of designing executive compensation that is competitive, is performance-based, and aligns the interests of the executives with our stockholders.

Elements of Compensation Summary

Base Salary	Provides fixed compensation component payable in cash Provides a certain level of security and continuity from year to year Helps attract and retain qualified executives	In addition to competitive data, the executive's responsibilities, tenure, prior experience, and expertise; individual performance; future potential; and internal equity are considered
Annual Cash Incentive Payment (see Annual Cash Incentive section below) Performance-based and not guaranteed	Provides variable compensation component payable in cash to motivate and reward executives for performance against annually established corporate financial measures, operating and strategic goals, and individual objectives Recognizes individuals based on their contributions	Incentive plan funding is determined by multiplying: Financial Measurement Achievement (based on revenue growth, net income, and free cash flow targets set at the beginning of the year) X KOD Achievement (as defined below) (based on corporate and business unit objectives determined at the beginning of the year) The incentive payment is further modified by achievement of individual performance objectives determined at the beginning of the year (up to a maximum of 200% of pre-established Incentive Pay Objective)
Long-Term Incentive Awards 75% stock options 25% PBRSUs Performance-based and not guaranteed	Enhance our value (and, ultimately create stockholder value) by aligning executives' interests directly with those of stockholders, and providing participants with an incentive to manage the Company from the perspective of an owner Stock options tie our executives' pay directly to stockholder value creation over the long-term PBRSUs are measured against relative TSR Retain qualified employees	The size and composition of long-term incentive awards are determined annually based on competitive total direct compensation pay positioning guidelines using market reference data from the Comparator Group, along with the individual executive's level of responsibilities, ability to contribute to and influence our long-term results, and individual performance

Benefits	Provide a safety net to protect against financial catastrophes that can result from illness, disability, or death A benefit program that is competitive with other companies with which we compete for executive talent supports recruiting and retention of our executives	Executives are eligible to participate in benefit programs on terms as are generally offered to other employees
Perquisites	Assists in attracting and retaining our executives by enhancing the competitiveness of the executive's compensation in a relatively inexpensive way Enable executives to perform their responsibilities efficiently, maximize their working time and minimize distractions	Modest perquisites consistent with market practices

Base Salary. Please see the "Elements of Compensation Summary" above for additional information regarding the base salary element. The Compensation Committee generally reviews each NEO's base salary in February and any approved changes are effective with the first pay period in April. The base salary for the CEO is established in a similar manner and is described more fully under "Employment and Post-Termination Agreements" below. Mr. Mussallem's base salary was not increased for 2014. Base salaries in 2014 for the other NEOs were increased between 3% and 6% over the level in effect for 2013 in order to help maintain market competitiveness and recognize internal roles and contributions.

Annual Cash Incentive Payment. All of the NEOs and many other management and non-management level salaried employees (approximately 2,500 employees) participated in the Edwards Lifesciences Incentive Plan (the "Incentive Plan"). Please see the "Elements of Compensation Summary" chart above for additional information regarding the annual cash incentive payment.

The Incentive Plan for the NEOs is structured to preserve the tax deductibility of payments under the Incentive Plan. As such, targets for all NEOs have been established and expressed as maximum amounts payable under the Incentive Plan. The Compensation Committee may then use "negative discretion" to reduce the payment based on performance results. By setting a high amount that can then be reduced, we are advised that the Incentive Plan meets the requirements of Section 162(m) ("Section 162(m)") of the Internal Revenue Code (the "Code"). See "Tax and Accounting Implications Policy Regarding Section 162(m)" below. A reduction from the maximum amount is not necessarily a negative reflection on performance. In applying negative discretion, the Compensation Committee also utilizes for each NEO a reference objective for annual cash incentive payments, the "Incentive Pay Objective," as the amount of incentive payment that will be earned for expected performance. For 2014, Incentive Pay Objectives (as a percentage of their base salary) for the NEOs approximated the median of the Comparator Group.

Anticipating the application of negative discretion, the Compensation Committee utilizes the Incentive Pay Objective for the NEOs so that the total cash compensation (base salary plus incentive payment for expected performance) will be at approximately the median of the Comparator Group. The accompanying "Grants of Plan-Based Awards in Fiscal Year 2014" table reports the maximum amounts payable and the Incentive Pay Objective (reported in the table as "Target") established for each NEO.

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In 2014, the NEO Incentive Plan would be initially funded at maximum if at least one of the following financial performance thresholds were met: revenue growth of at least 5.5%, net income of at least $335.1 million, or free cash flow of at least $388.0 million, with all numbers being calculated on a non-GAAP basis consistent with internal management processes. All three thresholds were satisfied in 2014.

The Compensation Committee then proceeded to apply its negative discretion to determine annual cash incentive payments for the NEOs. In doing so, the Compensation Committee considered first the overall Incentive Plan funding levels, discussed in more detail below, followed by an assessment of individual performance, as compared to pre-established objectives and overall. An individual's incentive payment may range from 0% 200% of his or her Incentive Pay Objective, subject to the maximum limit discussed above. Each of these two steps is discussed in more detail below:

(1) Incentive Plan Funding

The Compensation Committee, after consultation with management, sets annual incentive performance goals each year based on the financial and operating goals in our business plan for the year. Incentive Plan funding for the year is determined when achievement of the predetermined financial measures and operational goals are known.

The following illustration shows how the Incentive Plan is funded:

First, the Board assesses the percentage of achievement of pre-established Company financial measures. No funding is earned if actual performance associated with at least one of the financial goals does not exceed the pre-established minimum threshold. If we achieved the maximum level specified for each financial goal, the maximum funding for this measure would be 175%.

For 2014, our financial goals, and the corresponding weightings, were as follows: revenue growth (50% weighting); net income (30% weighting); and free cash flow (20% weighting). The following table sets forth the target level for each goal as well as the level of achievement required to earn the various levels of financial measure achievement. Interpolation is applied for results between the levels shown in the chart.

Based on the performance levels in the chart below, the funding for our financial measures was 168%.

2014 Company Financial Performance Measures*

Min	1.0%	$278.0	$338.0

100% (Target)	5.5%	335.1	388.0
Max	10.0%	392.0	438.0
Actual	**13.3%**	**$375.6**	**$448.6**

* Performance measures used in setting and determining incentive compensation are not calculated in accordance with GAAP and reflect adjustments for items such as litigation income and expenses, charitable foundation contributions, business development transactions, discontinued products, release of tax reserves, sales return reserves associated with transcatheter heart valve therapy product upgrades, and other special items.

** Defined as cash flow from operations less capital expenditures.

Second, the financial measure achievement is multiplied by the level of achievement of pre-established key operating drivers (the "KODs"). We establish KODs each year to address specific business initiatives consistent with our confidential internal strategic and operating plans. The KODs address specific business units, products, and product lines, and focus the executive team on the areas and initiatives most important to our future success. We have established a range of performance for each KOD with the expectation that the target range should be achievable with the expected level of performance. Performance within the expected range results in a multiplier of 100%. Performance below the range is considered sub-optimal and will result in a multiplier below 100%. Performance above the range is considered extraordinary and results in a multiplier above 100%. Actual individual KOD performance can range from 0% to 200%, yet the aggregate KOD multiplier may not exceed 150%.

In 2014, there were six KODs: lead the global transformation of aortic valve disease treatment; broaden the development of transcatheter mitral valve replacement therapies; drive acute care monitoring to standard-of-care in appropriate patients; engage workforce, expand capabilities, and simplify processes; submit SAPIEN 3 PMA; and business excellence. The Board determined in its judgment that overall KOD performance for 2014 was 102%.

Based on the formula above, combining financial performance of 168% with KOD performance of 102%, the Compensation Committee arrived at actual Incentive Plan funding for corporate level employees for 2014 at 171%.

(2) Individual Performance

Individual performance objectives for the CEO are established by the Compensation Committee, and the individual performance objectives for each NEO (other than the CEO) are established collaboratively by the CEO and each such executive. The Compensation

Committee believes each executive has an appropriate number of meaningful individual performance objectives. In choosing the individual performance objectives, the CEO and the Compensation Committee strive to create objectives, the attainment of which are designed to implement our strategic and operating plans, with a focus on the achievement of the financial measures and operational goals within each executive's individual area of responsibility.

These objectives are considered in the aggregate to determine an overall performance assessment for each NEO for the purposes of the compensation formula. Although some of the individual performance objectives are expressed in qualitative terms that require subjective evaluation, objectives also include several quantitative measures. However, the assessment of the overall performance for each NEO involves a subjective process. The CEO reviews the performance of each NEO (other than the CEO) with the Compensation Committee and recommends a performance assessment for each executive. The Compensation Committee assesses the CEO's performance. The Compensation Committee then exercises subjective judgment, reviewing the individual performance objectives, the overall performance of the individual executive against all of his or her individual objectives, taken together, and the executive's performance relative to the environment and to other executives. There is no formal weighting of the individual performance objectives. Individual performance may impact an executive's cash incentive payment determined based on financial measures and KOD achievement, subject to an overall cap on incentive payments of 200% of the Incentive Pay Objective.

The individual performance objectives established by the Compensation Committee for the CEO and the other NEOs and the factors considered by the Compensation Committee for 2014 are described below.

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Mr. Mussallem

Develop and execute corporate strategy; achieve Company financial goals and KODs; increase stockholder value; drive innovation and product leadership; attract and retain talented employees; promote a culture of ethical business practices and social responsibility; and provide leadership as Board Chairman.

The Compensation Committee found that Mr. Mussallem broadly achieved all of his objectives, noting that Edwards' financial results demonstrated impressive growth, and that he oversaw important product-specific and infrastructure-related strategic initiatives, as well as successful settlement of the litigation with Medtronic.

Mr. Bobo

Develop, evolve, and execute the strategy for the Surgical Heart Valve business to consistently deliver sales growth and achieve the financial goals for the Surgical Heart Valve business; meet 2014 product development KODs; attract, develop, and retain talented employees; promote a culture of customer focus, innovation, operational excellence, and quality compliance.

The Compensation Committee noted Mr. Bobo's leadership to achieve strong Surgical Heart Valve financial results, oversee development of the new product pipeline, and ensure operational excellence.

Mr. Ullem

Execute his onboarding plan; ensure the Company's financial reporting maintains the highest integrity; drive to achieve 2014 KODs and financial goals; maintain a high standard of investor relations; optimize the Company's capital structure; enhance stockholder returns; execute company-wide Information Technology initiatives; and attract, develop, and retain talented employees.

The Compensation Committee noted that Mr. Ullem had a strong assimilation to the role of Chief Financial Officer, led the development of solid financial planning, ensured timely and accurate financial reporting, continued to build investor confidence, and focused on global talent development.

Mr. Verguet

Achieve 2014 European, Canadian, and Latin American KODs and financial goals; drive new product introductions in Europe, Eastern Europe, Middle East, Africa, and Canada; drive innovation and product leadership; enhance leadership in key franchises; attract, develop, and retain talented employees; and promote a culture of ethical business practices and social responsibility.

The Compensation Committee noted Mr. Verguet's leadership abilities to continually achieve results above those expected, the strong SAPIEN 3 product introduction to Europe, and his continued focus on talent development across all geographies.

Mr. Wood

Develop, evolve, and execute the strategy for the Transcatheter Heart Valve business to strengthen our leadership position, consistently deliver sales growth and achieve the financial goals for the Transcatheter Heart Valve business; drive innovation and 2014 product development KODs; attract, develop, and retain talented employees; promote a culture of customer focus, innovation, operational excellence, and quality compliance.

The Compensation Committee noted Mr. Wood's leadership to deliver impressive Transcatheter Heart Valve financial results as well as successful European SAPIEN 3 and US SAPIEN XT product introductions.

Committee Review Process. The Compensation Committee generally meets each February to review and approve annual incentive payments for the prior year and to set incentive performance targets for the current year. The Compensation Committee may adjust the incentive payment levels based on financial measure achievement, KOD achievement, individual performance, and TSR. In February 2015, after reviewing the Company's 2014 performance versus financial and operational goals, TSR performance, and business segment performance, the Compensation Committee awarded incentive payments totaling $4,958,949 to the NEOs. The amount awarded to the NEOs ranged between 180% 200% of the Incentive Pay Objective for the NEOs. The amount awarded to each NEO for 2014 is reported in the accompanying "Summary Compensation" table. The incentive payments were paid in March 2015.

Long-Term Incentive Awards. Since 2012, our long-term incentive awards consisted of stock options and PBRSUs. For 2014, stock options were weighted 75% of the total long-term incentive award, and PBRSUs were weighted 25% of the total long-term incentive award. We use options to tie our executives' pay directly to stockholder value creation over the long-term and PBRSUs to measure relative TSR. We believe measuring a combination of absolute and relative TSR results in a balanced program that appropriately aligns our executives' pay with stockholder value. Stock options were weighted more heavily than PBRSUs in 2014. PBRSUs awarded in 2014 are based on our TSR relative to a fixed spread around the median of the TSR of a subset of 39 companies in the S&P Healthcare Equipment Index that are also on the S&P 500 and S&P 400 Midcap Index (the "S&PHEI Companies"). The PBRSUs granted in May 2014 vest on May 8, 2017 according to the following scale:

Maximum*	+7.5% points from median	175% of Target Award
Target	Median	100% of Target Award
Threshold*	7.5% points from median	25% of Target Award
	More than 7.5% from median	0% of Target Award

* The maximum and threshold performance levels are consistent with historical spreads between the 75th percentile and median, and the 25th percentile and median.

Stock options granted to Messrs. Verguet, Bobo, Ullem, and Wood vest annually over four years and have a seven-year term. Stock options granted to Mr. Mussallem in 2014 vest monthly over twenty-four months, each with a seven-year term, consistent with vesting standards established for all executives who were retirement eligible before May 12, 2011. In November 2014, the Board amended the Long-Term Stock Program to remove monthly vesting of stock options over 24 months. Beginning with the annual equity grants in May 2015, stock options granted to retirement-eligible executives, including Messrs. Mussallem and Verguet, will vest monthly over 36 months.

At the Compensation Committee meeting immediately preceding the stockholder meeting in May of each year, the Compensation Committee generally determines the size of the long-term incentive award for each NEO.

In keeping with our commitment to provide a total compensation package that emphasizes at-risk components of pay, long-term incentives for 2014 comprised, on average, 66% of the value of the NEOs' total direct compensation package.

For 2014, the CEO evaluated each NEO's performance (other than his own), as discussed previously (see "Compensation Process" above), and established specific recommendations for the Compensation Committee's consideration. Accordingly, the Compensation Committee established awards for the NEOs (other than the CEO) based on these recommendations and the Committee's assessment of the factors noted above for each executive. The Compensation Committee evaluated the CEO's performance using the same criteria as discussed above in "Compensation Process" to establish the appropriate award for the CEO.

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Awards are granted under the Long-Term Stock Program, which was last approved by the stockholders in May 2014. Stock options granted during 2014 have an exercise price equal to the closing price on the day of the regular Board meeting held on the next day following Compensation Committee approval. The awards made to the NEOs for 2014 are set forth in the accompanying "Grants of Plan-Based Awards in Fiscal Year 2014" table.

Special Equity Awards. In addition, in 2014 we granted special equity awards to recognize outstanding performance of certain of our officers, including certain NEOs. Mr. Verguet was awarded a special equity grant of 3,750 stock options for exceptional regional performance. Mr. Wood was awarded a special equity grant of 2,501 stock options for his contribution to a $394 million patent infringement jury verdict against Medtronic, Inc. These special stock option awards vest annually over four years. Messrs. Ullem and Wood were awarded special equity awards of 568 and 1,135 restricted stock units, respectively, for their contribution to the settlement of patent matters with Medtronic valued at over $1 billion to Edwards. The restricted stock units subject to these special equity awards are schedule to vest 50% three years after the grant date and 50% four years after grant.

Stock Ownership Guidelines and Holding Requirement. Under our guidelines, executives are expected to own shares of Edwards' stock as follows:

6 times base salary	3 times base salary

All of the NEOs are in compliance with the ownership guidelines.

Stock ownership guidelines were established to create additional owner commitment and to emphasize stockholder value creation. Expected ownership levels are adjusted as the executives' annual base salaries change. Executives who have not met the guidelines must hold 50% of the net shares of our common stock acquired in connection with the exercise of stock options and the vesting of restricted stock and restricted stock unit awards (after satisfaction of applicable taxes and, in the case of options, payment of the exercise price) until the guidelines are met. In the event an executive achieved the guideline but was unable to maintain the ownership level due to a decline

in the price of our common stock, the 50% holding requirement would be reinstated.

Prohibition on Pledging and Hedging. We have adopted a policy prohibiting directors, the executive leadership team, employees with a title of "vice president" or above, and employees designated as "insiders" under our insider trading policy from (1) holding the Company's securities in a margin account or otherwise pledging the Company's securities as collateral for a loan; and (2) hedging the Company's securities, including entering into short-sales, options, puts, calls, and sales against the box, as well as derivative transactions including swaps, forwards, futures, collars, and exchange funds. To our knowledge, none of our NEOs has engaged in hedging or pledging with respect to our common stock.

Market Timing of Equity Awards. We do not have any program, plan, or practice to time equity grants in coordination with the release of material information. Annual equity awards for the NEOs are generally made at the Compensation Committee meeting in May of each year. Any other equity awards to the NEOs, including grants to new hires, are generally made on the date of the next regularly scheduled Board meeting.

Benefits and Perquisites. The NEOs are eligible to participate in employee benefit programs generally offered to other of our employees including, for all NEOs located in the United States, the Edwards Lifesciences Corporation 401(k) Savings and Investment Plan ("401(k)"), which provides for a Company matching contribution. We match contributions dollar for dollar up to the first 3% of cash compensation, and 50% on the next 2%. In addition, we provide certain other perquisites to its NEOs that are not generally available to our employees.

The Compensation Committee conducts an annual review of the competitiveness of our perquisite program, including its individual components and levels, against the perquisite programs of companies in the Comparator Group. As a result of these reviews, the Compensation Committee may make adjustments from time to time in the benefits and perquisites provided as it determines to be appropriate.

We believe that providing these perquisites enhances the competitiveness of the executive's compensation in a relatively inexpensive way. These perquisites are described below and reported in the "Summary Compensation Table."

Our perquisite program for the NEOs includes the following:

Car Allowance. An annual car allowance is paid as follows: $13,200 for the CEO, and $10,800 for the other U.S.-based NEOs. An executive residing outside of the U.S. is entitled to an amount in local currency that provides the executive with similar car benefits as those received by an executive in the U.S. It is intended to cover expenses related to the lease, purchase, insurance, and maintenance of a vehicle, and mileage for business use. The car allowance is provided in recognition of the need to have executives visit customers, business partners, and other stakeholders in order to fulfill their job responsibilities.

Executive Physical Examination. The Company paid $3,285 for each annual executive physical examination received by an NEO. This benefit encourages the proactive management of the executive's health, helping best position the executive team to be able to address the ongoing and day-to-day issues we face.

Perquisite Allowance. NEOs receive a fixed annual allowance for certain expenses. The CEO receives $40,000 (plus two club memberships that are being used for corporate business purposes, at a combined cost of $9,573 in 2014), and the other NEOs each receive $20,000. This benefit recognizes the diverse nature of expenses that have a business nexus that may be incurred by our executives. The allowance may also be used to cover certain personal financial, estate, and tax planning costs, as we believe that it is appropriate for the executives to have professional assistance in managing their total compensation permitting them to focus their full attention on growing and managing our business.

Pension. Mr. Verguet participates in our pension plan applicable to our salaried employees at our Nyon, Switzerland facility (see the section "Pension Benefits" below). We do not have any pension plans in which any of the other NEOs participate.

Deferred Compensation. We have adopted a deferred compensation plan for the NEOs and certain other management employees to enable them to save for retirement by deferring their income and the associated tax to a future date or termination of employment. Under the Executive Deferred Compensation Plan (the "EDCP"), return on

compensation deferred by participants is based on investment alternatives selected by the participant. We believe that the EDCP is comparable to similar plans offered by companies in the Comparator Group.

The amounts deferred and accrued under the EDCP for the NEOs are reported below in the "Summary Compensation Table" and the "Nonqualified Deferred Compensation Plans" table.

Employment and Post-Termination Agreements. We have entered into an employment agreement with the CEO and an offer letter with the CFO, as well as change in control severance agreements with the CEO and our other NEOs as discussed below. Messrs. Bobo, Ullem, and Wood are eligible to participate in a general severance plan for eligible employees to receive severance benefits upon an involuntary termination of employment due to the elimination of their position or a reduction in workforce.

Chief Executive Officer Employment Agreement. We entered into an amended and restated employment agreement with Mr. Mussallem on March 9, 2009, which was approved by the Compensation Committee and provides for, among other things, his appointment as Chief Executive Officer, an annual base salary, bonus, and long-term incentive awards as determined by the Board, and, in certain circumstances, severance payments upon termination of employment.

Mr. Mussallem's base salary is reviewed and may be adjusted annually based on the Compensation Committee's review of the Comparator Group data in consultation with the Compensation Consultant, and Mr. Mussallem's performance. The Compensation Committee followed the same philosophy and programs described above for executives in determining 2014 compensation for Mr. Mussallem. In addition, the Compensation Committee reviewed a tally sheet, which affixed a dollar amount to all components of Mr. Mussallem's compensation, including current compensation, equity awards, and benefits.

The Compensation Committee believes, after reviewing Mr. Mussallem's total direct compensation, individual performance, and contribution to our financial results during 2014, that Mr. Mussallem's total compensation and each component thereof were in line with our compensation philosophy and objectives.

If Mr. Mussallem's employment is involuntarily terminated by us without "cause," as defined in the employment agreement, we are required to pay certain

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severance benefits, provided he is not receiving the severance benefits under his change in control severance agreement. The material terms of the severance arrangement are described in the section "Potential Payments upon Termination or Change in Control" below.

Offer Letter with CFO. In order to encourage Mr. Ullem to join the Company as CFO, the Company described certain offered terms of employment in an offer letter in December 2013. The terms of Mr. Ullem's offer were negotiated with him.

Pursuant to the offer letter, Mr. Ullem's base salary was set at an annual rate of $525,000, his Incentive Pay Objective for 2014 was set at $380,000, and the Company agreed to recommend him for an annual equity award in May 2014 with a grant-date fair value of $1,300,000.

Mr. Ullem would also be considered for the following equity awards, which were granted in February 2014:

- As a special inducement to join the Company, an "inducement" option grant with a grant-date fair value of $1,750,000. The options vest in 25% installments annually over four years.

- To make up for certain benefits Mr. Ullem forfeited from his prior employment in connection with joining the Company, a "buyout" award of restricted stock units with a grant-date fair value of $3,500,000. These restricted stock units vest in 25% installments annually over four years.

In addition, Mr. Ullem received a signing bonus and certain relocation benefits in connection with his relocation to California. If Mr. Ullem's employment is terminated under certain circumstances, he would be entitled to a severance payment and be required to repay a portion of his signing bonus and relocation benefits, as described in the section "Potential Payments upon Termination or Change in Control" below.

Change in Control Severance Agreements. We have entered into agreements with the NEOs pursuant to which such individuals will be provided certain payments and benefits in the event of termination of employment following a change in control of the Company. We believe that these agreements enhance the likelihood of retaining the services of the executives in the event we were to become an acquisition target and allow the NEOs to continue to focus their attention

on our business operations, stockholder value, and the attainment of long-term and short-term objectives without undue concern over their employment or financial situations. The material terms of the agreements are described in the section "Potential Payments upon Termination or Change in Control," below.

We believe that the level of severance payments is fair and reasonable based on the value we would derive from the services provided by the executives with change in control severance agreements prior to, and following, a change in control.

Tax and Accounting Implications Policy Regarding Section 162(m). Section 162(m) generally limits the corporate deduction for annual compensation deemed paid to the NEOs, excluding the CFO, to $1,000,000 per individual, unless that compensation qualifies as performance-based under Section 162(m). The Compensation Committee considers the impact of this tax code provision and attempts, to the extent practical and consistent with our compensation philosophy, to implement compensation policies and practices that maximize the tax benefits to the Company. The Long-Term Stock Program is a stockholder-approved plan under which compensation may be designed to satisfy the performance-based compensation exception under Section 162(m). We believe our stock option and PBRSU awards will qualify as performance-based compensation not subject to the $1,000,000 limitation. The awards to the NEOs under the Incentive Plan are currently intended to qualify as performance-based compensation so as not to be subject to the $1,000,000 limitation.

The Compensation Committee recognizes the importance of preserving our ability to design compensation programs to attract and retain skilled and qualified individuals in a highly competitive market. The Compensation Committee will continue to design salary, annual incentive bonuses, and long-term incentive compensation in a manner that the Compensation Committee believes prudent or necessary to hire and retain our NEOs, and some of the compensation deemed paid to these executives may be nondeductible.

2015 Compensation Decisions. The Board made changes to the Long-Term Stock Program effective in 2015 as discussed above in "Changes to Compensation Programs and Stockholder Feedback."

COMPENSATION AND GOVERNANCE COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the "Compensation Discussion and Analysis" disclosure with management. Based on this review and discussion, the Compensation Committee recommended to the Board that the "Compensation Discussion and Analysis" be included in our Proxy Statement distributed in connection with our 2015 Annual Meeting of Stockholders.

The Compensation and Governance Committee:
Robert A. Ingram (Chairperson)
Mike R. Bowlin
Barbara J. McNeil, M.D., Ph.D.
Nicholas J. Valeriani

EXECUTIVE COMPENSATION

The "Summary Compensation Table" quantifies the value of the different forms of compensation earned by or awarded to our NEOs for 2014. The primary elements of each NEO's total compensation reported in the table are base salary, annual bonus, and long-term equity incentives consisting of stock options, PBRSUs, and restricted stock units. NEOs also received the other benefits listed in the "All Other Compensation" column of the "Summary Compensation Table," as further described in the footnotes to the table.

The "Summary Compensation Table" should be read in conjunction with the tables and narrative descriptions that follow. A description of the material terms of each NEO's base salary and annual bonus is provided immediately following the "Summary Compensation Table." The "Grants of Plan-Based Awards in Fiscal Year 2014" table, and the accompanying description of the material terms of the stock options and stock unit awards granted in 2014, provides information regarding the long-term equity incentives awarded to NEOs in 2014. The "Outstanding Equity Awards at 2014 Fiscal Year-End" and "Option Exercises and Stock Vested in Fiscal Year 2014" tables provide further information on the NEOs' potential realizable value and actual value realized with respect to their equity awards.

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Summary Compensation Table

The following table sets forth a summary, for the years indicated, of the compensation of the principal executive officer, the principal financial officer, and our three other most highly compensated executive officers whose total compensation for 2014 was in excess of $100,000 and who were serving as executive officers at the end of 2014. No other executive officers that would have otherwise been includable in the table on the basis of total compensation for 2014 have been excluded by reason of their termination of employment or change in executive status during that year.

Mr. Mussallem	2014	900,000		1,375,688	4,126,298	2,123,820		90,764	8,616,570
Chairman of the Board									
and	2013	879,808		1,482,117	4,125,859			124,166	6,611,950
Chief Executive									
Officer	2012	825,000		1,875,735	3,661,715	881,000		144,436	7,387,886
Mr. Ullem	2014	508,846	250,000	3,876,387	2,724,810	682,290		42,436	8,084,769
Corporate Vice									
President,	2013								
Chief Financial Officer	2012								
Mr. Verguet	2014	604,818		299,063	977,247	806,214	464,706	72,068	3,224,116
Corporate Vice									
President	2013	607,782		275,035	824,507	264,367	421,604	90,508	2,483,803
	2012	582,431		307,384	698,926	350,503	465,866	78,361	2,483,471
Mr. Wood	2014	466,452		426,300	1,024,819	688,275		58,594	2,664,440
Corporate Vice									
President	2013	440,646		318,592	955,541	128,520		61,636	1,904,935
	2012	407,848		400,697	914,167	237,943		63,791	2,024,446
Mr. Bobo	2014	469,740		337,125	1,013,511	658,350		56,363	2,535,089
Corporate Vice									
President	2013	440,646		318,592	955,541	166,320		49,376	1,930,475
	2012	407,848		400,697	914,167	250,875		51,230	2,024,817

(1)

Amounts shown for 2014 include amounts that were deferred into the EDCP as follows: Mr. Mussallem $45,500; Mr. Ullem $0; Mr. Verguet $0; Mr. Bobo $208,801; and Mr. Wood $20,098. The EDCP is more fully described in the section following the "Nonqualified Deferred Compensation Plans" table below.

Mr. Verguet's compensation is converted from Swiss Francs to United States dollars. The conversion rate was determined by averaging the monthly intercompany exchange rate for the year. Mr. Verguet's base salary expressed in Swiss Francs for 2014, 2013, and 2012 was CHF 579,900, 562,345, and 543,970, respectively.

(2)

Amount shown for 2014 reflects the signing bonus paid to Mr. Ullem pursuant to the terms of his offer letter.

(3)

The amounts reported in these columns reflect the aggregate grant-date fair value of the stock awards and option awards during the applicable year. These values have been determined under the principles used to calculate the grant-date fair value of equity awards for purposes of our financial statements. For a discussion of the assumptions and methodologies used to value the awards reported in these columns, please see the discussion of stock awards and option awards contained in Note 13 of the "Notes to Consolidated Financial Statements" in our 2014 Annual Report.

The table below sets forth the grant-date fair value determined in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 for the PBRSUs awarded in fiscal 2014, 2013, and 2012 based upon the probable outcome of the performance- related vesting conditions as of the grant date (we judged the "target" level of performance to be the probable outcome as of the grant date of the awards),and the grant-date fair value of these awards assuming that the maximum level of performance was achieved:

Mr. Mussallem	2014	$1,375,688	$2,407,453
	2013	1,375,173	2,406,552
	2012	1,767,458	3,093,052
Mr. Ullem	2014	326,250	570,938
	2013		
	2012		
Mr. Verguet	2014	299,063	523,359
	2013	275,035	481,310
	2012	307,384	537,922
Mr. Wood	2014	326,250	570,938
	2013	318,592	557,536
	2012	400,697	701,220
Mr. Bobo	2014	337,125	589,969
	2013	318,592	557,536
	2012	400,697	701,220

(4)

Amounts shown in this column for 2014 were earned under the Incentive Plan based on achievement of performance criteria for 2014, as described in the "Compensation Discussion and Analysis." Amounts shown for Mr. Bobo include $329,175 deferred into the EDCP. Amounts earned but not deferred were paid to the executives in 2014.

(5)

Mr. Verguet participates in our pension plan for salaried employees at our Nyon, Switzerland facility (see the section, "Pension Benefits" below). The amounts shown include employer contributions and investment earnings, and do not include regular employee contributions of approximately $126,947 in 2014, $114,845 in 2013, and $60,723 in 2012; and additional voluntary employee contributions of approximately $1,342,094 in 2014, $1,981,272 in 2013, and $1,689,173 in 2012. The amount of Mr. Verguet's regular employee contributions to the Nyon pension plan is reflected in the total amount included in the "Base Salary" column of the "Summary Compensation Table" for the applicable fiscal year.

(6)

The "All Other Compensation" column includes the following amounts paid to the NEOs for the year ended December 31, 2014. The amounts disclosed are the actual costs to us of providing these benefits.

401(k) Company Match	$10,400	$ 7,815		$10,400	$10,400
EDCP Company Contribution	26,000			13,399	14,619

Car Allowance or Company Car Lease Payments	13,200	10,800	$34,011	10,800	10,800
Officer Perquisites Flexible Allowance (includes, among other things, financial planning expenses, airline club dues, club membership dues, home office supplies, personal travel expenses)	40,000	20,000	*18,836	20,000	20,000
Reimbursement for Annual Physical Examination Expenses		3,285		3,285	
Life Insurance Premiums	1,164	536	19,221	710	544
Totals	$90,764	$42,436	$72,068	$58,594	$56,363

*

Converted from Swiss Francs to United States dollars. The conversion rate was determined by averaging the monthly intercompany exchange rate for the year.

Employment Agreements. We entered into an amended and restated employment agreement with Mr. Mussallem on March 9, 2009, and agreed to certain terms of employment with Mr. Ullem in a binding offer letter in connection with his joining the Company in 2014, as described in the "Compensation Discussion

and Analysis" section above. The Company does not have employment agreements with the other NEOs. Post-termination benefits are discussed in the "Potential Payments upon Termination or Change in Control" section below.

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EXECUTIVE COMPENSATION AND OTHER INFORMATION

Grants of Plan-Based Awards in Fiscal Year 2014

The following table provides certain summary information concerning each grant of an incentive award made to NEOs in 2014 under a compensation plan.

05/08/2014	05/08/2014	1,080,000(3)	2,160,000				191,600(7)	$83.88	$83.8
05/08/2014	05/08/2014			12,650	22,137				
02/20/2014	02/20/2014	380,000	760,000				87,518(8)	68.10	68.1
02/20/2014	02/20/2014					51,396(5)			
05/08/2014	05/08/2014						40,300(9)	83.88	83.8
05/08/2014	05/08/2014			3,000	5,250				
07/10/2014	07/10/2014					568(6)			
02/20/2014	02/20/2014	403,107(3)	806,214				3,751(10)	68.10	68.1
05/08/2014	05/08/2014						37,300(8)	83.88	83.8
05/08/2014	05/08/2014			2,750	4,812				
02/20/2014	02/20/2014	350,000(3)	700,000				2,501(10)	68.10	68.1
05/08/2014	05/08/2014						40,300(8)	83.88	83.8
05/08/2014	05/08/2014			3,000	5,250				
07/10/2014	07/10/2014					1,135(6)			
05/08/2014	05/08/2014	350,000(3)	700,000	3,100	5,425				
07/10/2014	07/10/2014					1,135(6)			

(1)

Our practice is to grant equity-based awards on the date of the Board meeting on the next day following the Compensation Committee's approval of the grants.

(2)

These are awards payable under the Incentive Plan for 2014. See the discussion on "Annual Cash Incentive Payment" at page 31 for additional information. Amounts for Mr. Verguet were converted from Swiss Francs to United States dollars using an exchange rate of 1.0171 CHF/USD.

(3)

The awards to Messrs. Mussallem, Verguet, Wood, and Bobo under the Incentive Plan for 2014 were intended to qualify as performance-based compensation so as not to be subject to the $1,000,000 limitation under Section 162(m). See the discussions at page 31 on "Annual Cash Incentive Payment" and on "Incentive Pay

Objective" for additional information. The amounts set forth above represent the Incentive Pay Objective anticipated to be paid for performance that meets pre-established objectives, after the exercise of negative discretion by the Compensation Committee.

(4)

These are PBRSUs granted under the Long-Term Stock Program that vest based on a combination of certain length of service and market conditions. The material terms of the options are described in the section "Equity Incentive Plan Awards Performance-Based Restricted Stock Units" below.

(5)

These restricted stock units are the "buyout" restricted stock units granted to Mr. Ullem pursuant to his offer letter. The restricted stock units vest in four equal annual installments beginning on the first anniversary of the grant date. The material terms of the restricted stock units are described in the section "Equity Incentive Plan Awards Restricted Stock Units" below.

(6)

These restricted stock units were granted to Messrs. Ullem and Wood for their contributions to the settlement of patent matters with Medtronic valued at over $1 billion to Edwards. The restricted stock units vest at a rate of 50% of the total number of units on each of the third and fourth anniversaries of the grant date. The material terms of the restricted stock units vest are described in the section "Equity Incentive Plan Awards Restricted Stock Units" below.

(7)

Options to acquire common stock are granted under the Long-Term Stock Program. Consistent with vesting standards established for executives who were retirement eligible before May 12, 2011, the options vest and become exercisable in twenty-four equal monthly installments, and are subject to the executive's continued employment with the Company. The material terms of the options are described in the section "Equity Incentive Plan Awards Options" below.

(8)

These options to acquire common stock are granted under the Long-Term Stock Program. The options vest and become exercisable in four equal annual installments beginning on May 8, 2014. The material terms of the options are described in the section "Equity Incentive Plan Awards Options" below.

(9)

These options to acquire common stock are the "inducement" stock options granted to Mr. Ullem pursuant to his offer letter. The options vest in four equal annual installments beginning on the first anniversary of the grant date. The material terms of the options are described in the section "Equity Incentive Plan Awards Options" below.

(10)

These options to acquire common stock were granted to Mr. Verguet for exceptional regional performance and to Mr. Wood for his contribution to a $394 million patent infringement jury verdict against Medtronic. The options vest in four equal annual installments beginning on the first anniversary of the grant date. The material terms of the options are described in the section "Equity Incentive Plan Awards Options" below.

(11)

The amounts reported in this column reflect the grant-date fair value of the stock award or option award determined under the principles used to calculate the grant-date fair value of equity awards for purposes of our financial statements. For the assumptions and methodologies used to value the awards, see footnote 2 to the "Summary Compensation Table" above.

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Non-Equity Incentive Plan Awards. The material terms of the non-equity incentive plan awards reported in the table above are described in the "Compensation Discussion and Analysis" section of this Proxy Statement under the heading, "Elements of Compensation Annual Cash Incentive Payment."

Equity Incentive Plan Awards. Each of the equity incentive awards reported in the table above was granted under, and is subject to, the terms of the Long-Term Stock Program. The Compensation Committee administers the Long-Term Stock Program and has authority to interpret the plan provisions and make all required determinations thereunder. Additional terms of the equity incentive plan awards reported in the table above are described in the

"Compensation Discussion and Analysis" section under the heading, "Elements of Compensation Long-Term Incentive Awards" and in the footnotes accompanying the table above. The terms of the accelerated vesting provisions for equity awards are described in this section and in the section titled "Potential Payments Upon a Termination or Change in Control."

The table above reports awards of stock options granted to our NEOs in 2014. Each option represents a contractual right to receive one share of Company common stock if the option becomes vested and is exercised, subject to payment of the exercise price of the option by the award holder. The terms of each option are summarized in the chart below:

Maximum Term (Expiration Date)	7 years from grant date
Exercise Price Per Share	Fair market value of a share of common stock on the grant date
Vesting Schedule Regular (all option grants in the chart above awarded to Messrs. Ullem, Verguet, Bobo, and Wood)	25% annually over four years following the grant date
Vesting Schedule Retirement-Eligible (awards granted before May 2015 to certain retirement-eligible executives, including Mr. Mussallem)	Monthly over 24 months following the grant date
Vesting Schedule Retirement-Eligible (awards granted beginning in May 2015 to all retirement-eligible executives, including Messrs. Mussallem and Verguet)	Monthly over 36 months following the grant date
Effect of Change in Control (awards granted before May 2015)	Accelerated vesting upon a change in control of the Company
Effect of Change in Control (awards granted beginning in May 2015)	No automatic acceleration upon a change in control of the Company; accelerated vesting upon a change in control with either (1) a specified termination of employment (a "double-trigger") under the NEO's change in control severance agreement, or (2) termination of the awards in connection with the change in control
Effect of Termination of Employment of Retirement-Eligible NEOs (Messrs. Mussallem and Verguet)	Unvested options held by the NEO will immediately terminate and be forfeited Vested options held by the NEO will remain exercisable and will terminate on the earlier of five years from termination date and the normal expiration date
Effect of Termination of Employment of Non-Retirement-Eligible NEOs (Messrs. Bobo, Ullem, and Wood)	Unvested options held by the NEO will immediately terminate and be forfeited

	Vested options held by the NEO will remain exercisable and will terminate on the earlier of 90 days from termination date and the normal expiration date
Dividend Rights	No dividend rights

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The table above reports awards of restricted stock units granted to our NEOs in 2014. Each restricted stock unit represents a contractual right to receive one share of Company common stock if the applicable time-based vesting requirements applicable to the award are satisfied, as summarized in the chart below.

Vesting Schedule	50% after 3 years, 100% after 4 years Mr. Ullem's "buyout" award vests 25% annually over 4 years
Effect of Change in Control (awards granted before May 2015)	Accelerated vesting upon a change in control of the Company
Effect of Change in Control (awards granted beginning in May 2015)	No automatic acceleration upon a change in control of the Company; accelerated vesting upon a change in control with either (1) a specified termination of employment (a "double-trigger") under the NEO's change in control severance agreement, or (2) termination of the awards in connection with the change in control
Effect of Termination of Employment of Retirement-Eligible NEOs (including Messrs. Mussallem and Verguet)	The RSUs held by the NEO will vest 25% for each full year of employment from the grant date Unvested RSUs held by the NEO will immediately terminate and be forfeited
Effect of Termination of Employment of Non-Retirement-Eligible NEOs (including Messrs. Bobo, Ullem, and Wood)	Unvested RSUs held by the NEO will immediately terminate and be forfeited
Dividend Rights	Dividend equivalent units may be paid or credited, either in cash or in actual or phantom shares of common stock, on outstanding restricted stock units; however, to date we have never paid a dividend on our common stock

The table above reports awards of PBRSUs granted to our NEOs in 2014. Each PBRSU represents a contractual right to receive one share of our common stock if the applicable performance-based and time-based vesting requirements applicable to the award are satisfied, as summarized in the chart below.

Right and Vesting Schedule	Receive 0% to 175% of the target number of shares subject to the award based on TSR measured over a 3-year performance period compared to comparator companies, generally subject to continued employment through the applicable vesting date
TSR Definition	The average of the closing price of a share for each trading day during the three months ending on the first day of the performance period compared to the average of the closing price of a share for each trading day during the three months ending on last day of the performance period
	Upon a change in control:

Effect of Change in Control (awards granted before May 2015)	during the performance period, the PBRSUs will accelerate and immediately vest at 100% of the target level, or after the last day of the performance period and prior to the applicable scheduled time-based vesting date, subject to the executive's continued employment, will vest as to the number of units that otherwise would have become vested on the vesting date based on actual performance
Effect of Change in Control (awards granted beginning in May 2015)	No automatic acceleration upon a change in control of the Company; accelerated vesting upon a change in control with either (1) a specified termination of employment (a "double-trigger") under the NEO's change in control severance agreement, or (2) termination of the awards in connection with the change in control
Effect of Termination due to Death, Disability, Retirement, or by the Company Without "Cause" or by the NEO for "Good Reason"	Any unvested PBRSUs will remain eligible to vest at the end of the performance period based on actual attainment of the performance goals, and the NEO will receive a pro-rata portion of the shares subject to the award (after giving effect to the performance conditions) based on the NEO's whole months of service with the Company during the performance period
Effect of any Other Termination of Employment	Any unvested PBRSUs held by the NEO will terminate and be forfeited
Compensation Committee Determination, Vesting Date	At the meeting of the Compensation Committee in May after the end of the performance period, the Compensation Committee will determine the exact number of shares issuable. Payout will be interpolated on a linear basis between the points indicated in the vesting summaries below
Dividend Rights	Dividend equivalent units may be paid or credited, either in cash or in actual or phantom shares of common stock, on outstanding restricted stock units; however, to date we have never paid a dividend on our common stock

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Performance Period	Begins April 30, 2014 and ends on April 30, 2017
Comparator Companies	S&PHEI Companies on the grant date and are still publicly traded companies on the last day of the performance period

	Performance Levels	**TSR vs Median of S&PHEI Companies**	**Payout as a Percentage of Target**
Performance Criteria	Maximum	+7.5% points from median	175% of Target Award
	Target	Median	100% of Target Award
	Threshold	7.5% points from median	25% of Target Award
	No Payout	More than 7.5% from median	0% of Target Award

Performance Period	Begins March 31 on the year of grant and ends on March 31 three years later
Comparator Companies	Companies in the Morgan Stanley Healthcare Product Companies Index ("RXP") on the grant date and are still publicly traded companies on the last day of the performance period

	Performance Levels	**TSR Percentile Rank vs. RXP**	**Payout as a Percentage of Target**
Performance Criteria	Maximum	75th Percentile and Above	175% of Target Award
	Target	50th Percentile	100% of Target Award
	Threshold	25th Percentile	25% of Target Award
	No Payout	Less than 25th Percentile	0% of Target Award

Outstanding Equity Awards at 2014 Fiscal Year-End

The following table provides certain summary information concerning outstanding equity awards held by the NEOs as of December 31, 2014, including the vesting schedules for the portions of these awards that had not vested as of that date:

Mr. Mussallem	05/08/2008	80,000		$27.77	05/07/2015				
	05/07/2009	416,000		31.47	05/06/2016				
	05/13/2010	300,000		50.96	05/12/2017				
	05/12/2011	190,700		89.23	05/11/2018				
	05/09/2012	166,400		85.45	05/08/2019				
	05/14/2013	185,484	48,816(2)	71.57	05/13/2020				
	05/08/2014	55,882	135,718(2)	83.88	05/07/2021				
	04/04/2011					684(3)	$ 87,128		
	04/03/2012					1,480(3)	188,522		
	05/09/2012							16,100(4)	$2,050,818
	04/03/2013					1,282(3)	163,301		
	05/14/2013							27,625(4)	3,518,873
	05/08/2014							12,650(4)	1,611,357
Total		1,394,466	184,534			3,446		56,375	
Mr. Ullem	02/20/2014		87,518(5)	68.10	02/19/2021				
	05/08/2014		40,300(5)	83.88	05/07/2021				
	02/20/2014					51,396(6)	6,546,822		
	05/08/2014							3,000(4)	382,140
	07/10/2014					568(3)	72,352		
Total			127,818			51,964		3,000	
Mr. Verguet	05/07/2009	80,000		31.47	05/06/2016				
	05/13/2010	64,000		50.96	05/12/2017				

	05/12/2011	27,675	9,225(5)	89.23	05/11/2018				
	05/09/2012	14,450	14,450(5)	85.45	05/08/2019				
	05/14/2013	10,225	30,675(5)	71.57	05/13/2020				
	02/20/2014		3,751(5)	68.10	02/19/2021				
	05/08/2014		37,300(5)	83.88	05/07/2021				
	05/09/2012							2,800(4)	356,664
	05/14/2013							5,525(4)	703,775
	05/08/2014							2,750(4)	350,295
Total		196,350	95,401					11,075	
Mr. Wood	05/13/2010	76,800		50.96	05/12/2017				
	05/12/2011	34,800	11,600(5)	89.23	05/11/2018				
	05/09/2012	18,900	18,900(5)	85.45	05/08/2019				
	05/14/2013	11,850	35,550(5)	71.57	05/13/2020				
	02/20/2014		2,501(5)	68.10	02/19/2021				
	05/08/2014		40,300(5)	83.88	05/07/2021				
	05/09/2012							3,650(4)	464,937
	05/14/2013							6,400(4)	815,232
	05/08/2014							3,000(4)	382,140
	07/10/2014					1,135(3)	$ 144,576		
Total		142,350	108,851					13,050	

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Mr. Bobo	05/13/2010	76,800		$50.96	05/12/2017		
	05/12/2011	34,800	11,600(5)	89.23	05/11/2018		
	05/09/2012	18,900	18,900(5)	85.45	05/08/2019		
	05/14/2013	11,850	35,550(5)	71.57	05/13/2020		
	05/08/2014		41,900(5)	83.88	05/07/2021		
	05/09/2012					3,650(4)	$ 464,937
	05/14/2013					6,400(4)	815,232
	05/08/2014					3,100(4)	394,878
Total		142,350	107,950				