

STAAR SURGICAL CO
Form PRE 14A
April 13, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant
Filed by a Party other than the Registrant
Check the appropriate box:
 Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material under §240.14a-12

STAAR Surgical Company
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):
 No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:

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

Edgar Filing: STAAR SURGICAL CO - Form PRE 14A

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

STAAR SURGICAL COMPANY

1911 Walker Avenue

Monrovia, California 91016

_____, 2018

Dear Fellow Shareholders:

You are cordially invited to attend the annual meeting of the stockholders (the “Annual Meeting”) of STAAR Surgical Company (“STAAR” or the “Company”). The Annual Meeting will be held on Thursday, June 14, 2018 at 8:30 a.m. (Pacific time), at STAAR’s headquarters at 1911 Walker Avenue, Monrovia, California, 91016.

2017 was a successful year for STAAR and its investors:

· STAAR achieved record revenue of \$90.6 million in 2017;

· Net loss per share improved from (\$0.30) in 2016 to (\$0.05) in 2017; and

· The Company’s stock price rose approximately 45% during the year (from \$10.70 on January 3, 2017 to \$15.50 on December 29, 2017).

During 2017, we completed our three year (2015 to 2017) transformational base business plan on target and finished the year with a solid foundation for growth. The 2017 investments in the clinical, quality, regulatory, research and development, commercial and operations infrastructure appreciably reinforced STAAR and contributed to our readiness for a stronger growth trajectory in 2018 and beyond. We began to realize this emerging strength in our ICL sales results in Q3 and Q4 of 2017 which combined accounted for 20% growth over the second half of 2016.

We begin 2018 with several exciting developments underway. We have new products in development, a pivotal clinical trial about to begin in Europe to validate the EVO Visian ICL EDOF lens for the treatment of Presbyopia, achieved recent three to five year compliance certifications from regulatory bodies representing Korea and Europe, accomplished additional and strengthened strategic cooperation partnerships around the globe and instituted myriad new programs for our Ophthalmic surgeons including upgraded certified training, practice development and consumer outreach support. We expect to bolster our strategic imperatives for 2018 with additional investment in commercial infrastructure expansion, clinical studies, regulatory compliance and consumer outreach, which we expect will result in a low double digit increase in operating expenses over 2017. We expect revenue growth resulting in greater than \$100 million in revenue in fiscal 2018, fueled by anticipated ICL sales and unit growth in the mid-teens or greater percentage range. In 2018, we expect to continue strong positive cash flow and cash generation. We plan to improve our earnings as compared to 2017 and to achieve good progress on our sustained profitability promise, which we believe is realizable in the three-year planning cycle. Also, we will continue our strategic cooperation, practice development and certified training programs.

Overall, we are enthusiastic about 2018 and look forward to delivering another strong year for our shareholders.

Your vote is important. We encourage you to read the Proxy Statement and vote your shares as soon as possible. Please vote today either by telephone or Internet, or by signing, dating and mailing your proxy card, broker's or other nominee's voting instruction form in the envelop provided. Telephone or Internet voting permits you to vote at your convenience, 24 hours a day, seven days a week. Detailed voting instructions are included on the back of your proxy card, broker's or other nominee's voting instruction form.

I thank you for your continued investment and for the trust you've placed in us. We appreciate your support.

Sincerely,

Caren Mason
President and Chief Executive Officer

STAAR SURGICAL COMPANY

1911 Walker Avenue

Monrovia, California 91016

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The annual meeting of the stockholders of STAAR Surgical Company (the “Annual Meeting”) will take place on Thursday, June 14, 2018, at 8:30 a.m. (Pacific time), at STAAR’s headquarters at 1911 Walker Avenue, Monrovia, California, 91016. The purpose of the meeting is to do the following:

elect the following five director nominees for a term of office expiring at the 2019 annual meeting of stockholders or until their successors are duly elected and qualified: Stephen C. Farrell, Caren Mason, John C. Moore, Louis E. Silverman, and William P. Wall;

approve the Amended and Restated STAAR Surgical Company Omnibus Equity Incentive Plan (the “Restated Plan”) which increases the number of shares of our common stock that are reserved for issuance under the plan by [2.7] million shares, among other changes;

adopt amendments to the existing Amended and Restated Certificate of Incorporation (the “COI”) to make certain changes reflecting current practices in corporate governance and to make certain ministerial and conforming changes;

adopt amendments to the existing Amended and Restated Bylaws (the “Bylaws”) to make certain changes reflecting current practices in corporate governance and to make certain ministerial and conforming changes;

5. adopt amendments to the COI to increase the minimum number of authorized directors from three to five;

6. adopt amendments to the Bylaws to increase the minimum number of authorized directors from three to five;

7. adopt amendments to the COI to reflect that directors may be removed with or without cause;

8. adopt amendments to the Bylaws to reflect that directors may be removed with or without cause;
9. ratify the appointment of BDO USA, LLP as our independent registered public accounting firm for the year ending December 28, 2018;
10. hold an advisory vote to approve annual compensation program for non-employee directors and any increase to the annual compensation program by up to 10% over any two-year period;
11. hold an advisory vote to approve STAAR's compensation of its named executive officers; and
12. transact such other business as may properly come before the meeting or any adjournment or postponement of the meeting.

The Board of Directors recommends a vote "FOR" items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11.

At the 2017 Annual Meeting, due to broker 'non-votes' by over 30% of shares outstanding, STAAR's proposed amendments to the Certificate of Incorporation and Bylaws (Proposals 3, 4, 6, 7, 8 and 9 above) did not obtain the 66 2/3% affirmative approval required of all shares outstanding (although the proposals obtained over 60% approval of all shares outstanding and over 95% approval of all votes cast, except for Proposal No. 3 which received 81.99% approval of all votes cast).

Only stockholders of record at the close of business on April 16, 2018 ("stockholders") are entitled to vote.

As stated in the enclosed Proxy Statement, we are soliciting proxies on behalf of the Board of Directors of STAAR. All proposals presented above are proposals of the Board of Directors.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
STOCKHOLDER MEETING TO BE HELD ON JUNE 14, 2018**

We want to ensure your shares are represented as we conduct a vote on the matters outlined in the proxy statement. If you are unable to attend the meeting, please cast your vote as soon as possible via:

-The Internet at www.proxyvote.com (and following instructions on the proxy card);

-By calling 1-800-690-6903; or

By mail if you request a paper copy of the materials, which will include a proxy card (please see the instructions on the Notice of Availability of Proxy Materials).

You can find our 2018 Proxy Statement, the proxy card and 2017 Annual Report on Form 10-K at www.proxyvote.com. To view materials via the Internet, please follow the instructions set forth on the Notice Regarding Internet Availability mailed on or about _____, 2018 to all stockholders of record as of the close of business on April 16, 2018.

By Order of the Board of Directors,

Samuel Gesten
Chief Legal Officer and Secretary
Monrovia, California
_____, 2018

STAAR SURGICAL COMPANY

TABLE OF CONTENTS

	Page
<u>Questions and Answers about the Annual Meeting and Voting</u>	1
<u>Security Ownership of Principal Stockholders and Management</u>	6
<u>Proposal No. 1: Election of Directors</u>	8
<u>Information Regarding Director Nominees and Executive Officers</u>	8
<u>Compensation of Directors</u>	12
<u>Corporate Governance</u>	13
<u>Compensation Committee Report</u>	17
<u>Compensation Discussion and Analysis</u>	17
<u>Compensation Tables</u>	23
<u>Employment Agreements</u>	28
<u>Employee Benefit Plans</u>	30
<u>Pay Ratio Disclosure</u>	30
<u>Review of Related Person Transactions</u>	31
<u>Audit Committee Report</u>	31
<u>Proposal No. 2: Approval of the Amended and Restated STAAR Surgical Company Omnibus Equity Incentive Plan</u>	32
<u>Proposal No. 3: Approval of the Amended and Restated Certificate of Incorporation</u>	39
<u>Proposal No. 4: Approval of the Amended and Restated Bylaws</u>	40
<u>Proposal No. 5: Amendment to Amended and Restated Certificate of Incorporation to Increase the Minimum Number of Authorized Directors</u>	41

<u>Proposal No. 6: Amendment to Amended and Restated Bylaws to Increase the Minimum Number of Authorized Directors</u>	<u>42</u>
<u>Proposal No. 7: Amendment to Amended and Restated Certificate of Incorporation to Reflect Directors May Be Removed With or Without Cause</u>	<u>43</u>
<u>Proposal No. 8: Amendment to Amended and Restated Bylaws to Reflect that Directors May Be Removed With or Without Cause</u>	<u>44</u>
<u>Proposal No. 9: Ratification of Independent Registered Public Accounting Firm</u>	<u>45</u>
<u>Proposal No. 10: Advisory Vote to approve Annual Compensation Program for Non-Employee Directors and any increase to the annual compensation program by up to 10% over any two-year period</u>	<u>46</u>
<u>Proposal No. 11: Advisory Vote to Approve Executive Compensation</u>	<u>48</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>49</u>
<u>Appendix 1</u>	
<u>Appendix 2</u>	
<u>Appendix 3</u>	

STAAR SURGICAL COMPANY

1911 Walker Avenue

Monrovia, California 91016

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

To Be Held June 14, 2018 at 8:30 a.m. (Pacific Time)

The Board of Directors of STAAR Surgical Company is soliciting your proxy for use at the 2018 Annual Meeting of Stockholders to be held on Thursday, June 14, 2018 at 8:30 a.m. (Pacific time). The Board of Directors is making proxy materials available on the Internet to stockholders on or about _____, 2018.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

Q: Why are you providing this proxy statement?

A: The Board of Directors is soliciting your proxy to vote at the Annual Meeting because you were a stockholder at the close of business on April 16, 2018—the “Record Date” for the Annual Meeting—and as such you are entitled to vote at the meeting. STAAR has made the proxy statement and related materials available to you on the Internet, in connection with this solicitation.

Q: What is included in the proxy materials that I should read?

A: The proxy materials include the following:

- this Proxy Statement; and

- our Annual Report on Form 10-K for fiscal year 2017.

Q: What is the voting requirement to elect the directors and to approve each of the proposals?

In Proposal No. 1, the election of directors, the five persons receiving the highest number of affirmative votes will be elected, subject to STAAR's Director Resignation Policy. Abstentions and broker non-votes have no effect on the vote.

In Proposal No. 2, the approval of the Amended and Restated STAAR Surgical Company Omnibus Equity Incentive Plan to increase the number of shares of our common stock that are reserved for issuance under the plan by [2.7] million shares, and other changes, require the affirmative vote of a majority of votes cast. Abstentions and broker non-votes have no effect on this proposal.

In Proposal No. 3, the adoption of amendments to STAAR's existing Amended and Restated Certificate of Incorporation ("COI") to make certain changes reflecting current practices in corporate governance and to make certain ministerial and conforming changes, requires the affirmative vote of the holders of at least two-thirds of the outstanding shares of common stock entitled to vote on the proposal. Abstentions and broker non-votes will have the same effect as a vote "AGAINST" this proposal.

In Proposal No. 4, the approval of amendments to the Amended and Restated Bylaws ("Bylaws") to effect certain changes reflecting current practices in corporate governance and to make certain ministerial and conforming changes, requires the affirmative vote of holders of at least two-thirds of the outstanding shares of common stock entitled to vote on the proposal. Abstentions and broker non-votes have the same effect as a vote "AGAINST" this proposal.

In Proposal No. 5, the adoption of an amendment to the COI to increase the minimum number of authorized directors from three to five, requires the affirmative vote of the holders of at least two-thirds of the outstanding shares of common stock entitled to vote on the proposal. Abstentions have the same effect as a vote "AGAINST" this proposal. Brokers may vote on this proposal if not instructed by their clients.

In Proposal No. 6, the approval of an amendment to the Bylaws to increase the minimum number of authorized directors from three to five, requires the affirmative vote of the holders of at least two-thirds of the outstanding shares of common stock entitled to vote on the proposal. Abstentions have the same effect as a vote "AGAINST" this proposal. Brokers may vote on this proposal if not instructed by their clients.

In Proposal No. 7, the approval of an amendment to the COI to reflect that directors may be removed with or without cause, requires the affirmative vote of holders of at least two-thirds of the outstanding shares of common stock entitled to vote on the proposal. Abstentions and broker non-votes have the same effect as a vote “AGAINST” this proposal.

In Proposal No. 8, the approval of an amendment to the Bylaws so as to reflect that directors may be removed with or without cause, requires the affirmative vote of the holders of at least two-thirds of the outstanding shares of common stock entitled to vote on the proposal. Abstentions and broker non-votes have the same effect as a vote “AGAINST” this proposal.

In Proposal No. 9, the ratification of the appointment of BDO USA, LLP as our independent registered public accounting firm for the year ending December 31, 2018, requires the affirmative vote of the holders of a majority of the voting power of the issued and outstanding shares of common stock present in person or by proxy and entitled to vote on the proposal. Abstentions have the same effect as a vote “AGAINST” this proposal. Brokers may vote on this proposal if not instructed by their clients.

Proposal No.10 is an advisory vote to approve the annual compensation program for non-executive directors and any increase to the annual compensation program by up to 10% over any two-year period and requires the affirmative vote of the holders of a majority of the voting power of the issued and outstanding shares of common stock present in person or by proxy and entitled to vote on the proposal. Abstentions have the same effect as a vote “AGAINST” the proposal. Broker non-votes have no effect.

Proposal No.11 is an advisory vote to approve the compensation of our named executive officers and requires the affirmative vote of the holders of a majority of the voting power of the issued and outstanding shares of common stock present in person or by proxy and entitled to vote on the proposal. Abstentions have the same effect as a vote “AGAINST” the proposal. Broker non-votes have no effect.

Q:

What are “broker non-votes”?

A: If a beneficial owner who holds shares in “street name” through a broker, bank or other nominee fails to give voting instructions to such broker, bank or other nominee for any matters submitted to stockholders at the 2018 Annual Meeting, such broker, bank or other nominee will be able to vote the beneficial owner’s shares on routine proposals such as the proposal to ratify the selection of our independent registered public accountant, but may not vote the shares on non-routine proposals. When a broker, bank or other nominee votes a client’s shares on routine proposals, those shares are counted for purposes of establishing a quorum for the meeting and for purposes of determining whether a routine proposal is approved, but they will not be counted toward the approval of non-routine proposals as to which brokers, banks and other nominees are not entitled to vote. These missing votes with respect to such

non-routine proposals are called “*broker non-votes*.” Broker non-votes have a variable effect on the approval or disapproval of proposals depending upon the voting standard applicable to the proposal, as described above under the answers to the question, “*What is the voting requirement to elect the directors and to approve each of the proposals?*”

Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?

A: If your shares of STAAR common stock are registered directly in your name with STAAR’s transfer agent, American Stock Transfer & Trust Company, you are a stockholder of record with respect to those shares.

If you hold shares in a stock brokerage account or through a bank, broker or other nominee, you are considered the “beneficial owner” of shares held in street name. As the beneficial owner, you have the right to instruct your broker, bank or nominee how to vote your shares by the various methods described below.

Q: How do I vote before the Annual Meeting?

A: There are three ways to vote before the meeting:

By Internet. If you have Internet access, we encourage you to submit a proxy to vote on www.proxyvote.com by following instructions on the proxy card.

• **By telephone.** You may vote by making a toll-free telephone call from the U.S. or Canada to 1-800-690-6903.

By mail. You can vote by mail by requesting a paper copy of the materials, which will include a proxy card. Please see the instructions on the Notice of Availability of Proxy Materials.

Q: How can I vote at the Annual Meeting?

A: If you are a stockholder of record, you may vote in person at the Annual Meeting, or vote through a representative at the meeting by executing a proper proxy designating that person. The Board of Directors recommends that you grant a proxy via the Internet, telephone or by mail in case you are later unable to attend the Annual Meeting to ensure that your shares will be represented and voted. All properly executed and valid proxies will be voted at the annual meeting in accordance with the instructions provided by the stockholder granting the proxy. If you are a stockholder of record and submit a properly executed proxy but do not indicate your voting instructions, your shares will be voted as recommended by the Board of Directors in this Proxy Statement. If any matters not described in this Proxy Statement are properly presented at the Annual Meeting, the proxy holders will determine how to vote your shares. If the Annual Meeting is postponed or adjourned, the proxy holders can vote your shares on the new meeting date, unless you properly revoke your proxy prior to such time as described below.

If you are a beneficial owner and wish to vote in person, you must obtain a legal proxy from your broker, bank or nominee and present it to the inspectors of election with your ballot at the Annual Meeting.

Q: *How many votes do I have?*

A: You are entitled to one vote for each share of common stock that you hold.

Q: *Can I cumulate votes for the election of directors?*

A: No, STAAR's COI does not provide for cumulative voting for the election of directors. This means you have one vote for each share entitled to vote at the Annual Meeting for each of the five seats subject to election.

Q: *What can I do if I change my mind after I submit a proxy to vote my shares?*

A: If you change your mind after you submit your proxy to vote your shares, you can revoke your proxy before the Annual Meeting by any of the following methods:

By submitting a later-dated proxy with revised voting instructions over the Internet, by telephone or by mail before the shares are voted at the meeting (provided that proxies submitted over the Internet or by telephone will only be accepted until 11:59 p.m. on June 13, 2018)—only your last valid proxy will be counted.

If you are a record holder, by attending the Annual Meeting and voting in person; attending the Annual Meeting in person will not automatically revoke your proxy unless you vote again at the Meeting.

By delivering a written notice to STAAR's Secretary at any time before your proxy is voted at the Annual Meeting revoking your proxy. Such notices should be mailed to the following address: Office of the Secretary, STAAR Surgical Company, 1911 Walker Ave., Monrovia, California 91016.

If you are a beneficial holder, you may submit new voting instructions by contacting your broker, bank or nominee. You may also vote in person at the Annual Meeting if you obtain a valid proxy from your broker, bank or nominee and present it to the inspectors of election with your ballot at the Annual Meeting.

Q: *Who will count the vote?*

- A: An automated system independently maintained by Broadridge Financial Solutions, Inc. will tabulate the vote and submit the results to officers of STAAR who will be designated as the inspectors of election.

Q: What constitutes a quorum?

As of the Record Date, [41,591,573] shares of common stock of STAAR were issued and outstanding. A majority of the outstanding shares, or [20,455,906] shares, present in person or represented by proxy, constitutes a quorum A: for the purpose of electing directors and adopting proposals at the Annual Meeting. Stockholders of record that submit a properly executed and valid proxy will have their shares counted towards the quorum. Abstentions and broker non-votes are also included in establishing a quorum.

Q: Who can attend the Annual Meeting?

Any stockholder as of the Record Date may attend the Annual Meeting. Stockholders of record will be required to show valid identification. Beneficial owners may request admission in advance of the meeting by writing to the Office of the Secretary, STAAR Surgical Company, 1911 Walker Ave., Monrovia, California 91016, or faxing the A: request to (626) 358-3049. You must provide evidence of your ownership of shares with your request, which you can obtain from your broker, bank or nominee. We encourage you or your broker to fax your request and proof of ownership in order to avoid any mail delays.

Q: What authority does my broker have to vote my shares?

A: If you are a beneficial owner holding your shares through a broker, bank or other nominee, and you do not submit voting instructions to your broker, bank or nominee, the broker, bank or other nominee has the ability to vote your shares at the Annual Meeting on matters that are defined as “routine” under applicable rules. The ratification of the selection of BDO USA, LLP to serve as our independent registered public accountants is generally considered a routine matter. None of the other proposals at the Annual Meeting is considered routine and your broker, bank or other nominee has no authority to vote on such proposals without your instruction.

Q: What happens if a nominee for director is unable to serve?

A: If a nominee becomes unavailable for election—a circumstance we do not expect—the Proxy holders may vote for a substitute nominee designated by the Board of Directors.

Q: When are stockholder proposals due for the 2019 Annual Meeting?

A: If a stockholder seeks to include a proposal in the proxy statement for STAAR’s 2019 Annual Meeting, our corporate Secretary must receive the proposal at our offices at 1911 Walker Avenue, Monrovia, California 91016 no later than December 27, 2018 in a form that complies with the regulations of the Securities and Exchange Commission (the “SEC”). If we advance or delay the date of the 2019 Annual Meeting more than 30 days from the anniversary date of the 2018 Annual meeting, stockholder proposals intended to be included in the proxy statement for the 2019 Annual Meeting must be received by us within a reasonable time before STAAR begins to print and mail the proxy statement for the 2019 Annual Meeting. If we determine that the date of the 2019 annual meeting will be advanced or delayed by more than 30 days from the anniversary date of the 2018 Annual Meeting, we will disclose the change in the earliest practicable Quarterly Report on Form 10-Q or in a Current Report on Form 8-K.

Q: Can stockholders propose individuals to be considered as nominees for the 2018 Annual Meeting?

A: Our Bylaws provide that, subject to certain defined exceptions, stockholders may nominate candidates for the Board of Directors or present other business at our annual meeting if they have given timely notice to the Secretary of STAAR, at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year’s annual meeting. Stockholders are advised to review the Bylaws, which contain additional requirements with respect to advance notice of nominations and stockholder proposals.

Q: Who bears the costs of soliciting proxies?

A: STAAR will bear the costs of this solicitation, including the expense of preparing, printing, assembling and mailing this Proxy Statement and any other material used in this solicitation of Proxies. We expect officers and regular

employees of STAAR to communicate with stockholders, banks, brokerage houses, custodians, nominees and others by telephone, facsimile, email or in person to request that Proxies be furnished. No additional compensation will be paid for these services. We will engage a proxy solicitation firm, MacKenzie Partners, Inc., to assist us in communicating with stockholders and others. We will compensate MacKenzie Partners for their services, and we expect their fees not to exceed \$15,000. We will reimburse banks, brokerage firms and other persons representing beneficial owners of Common Stock for their reasonable out-of-pocket expenses in forwarding solicitation materials to the beneficial owners.

Q: Will other business be presented at the Annual Meeting?

As of the date of this Proxy Statement, the Board of Directors knows of no business to be presented for consideration at the Annual Meeting other than those matters described in the Notice of Annual Meeting. If, however, other matters are properly brought before the Annual Meeting, including a motion to adjourn the Annual Meeting to another time or place in order to solicit additional proxies in favor of the recommendations of the Board of Directors, the Proxy holders intend to vote the shares represented by the Proxies on such matters in accordance with the recommendation of the Board of Directors, and the authority to do so is included in the Proxy.

Q: Can I obtain additional information on STAAR's website?

A: STAAR's home page is <http://staar.com>. In the Investor Information—Corporate Governance area of the website you can find the following information:

- Audit Committee Charter;
- Compensation Committee Charter;
- Nominating and Governance Committee Charter;
- Code of Business Conduct and Ethics; and
- Guidelines on Significant Corporate Governance Issues.

SECURITY OWNERSHIP OF PRINCIPAL STOCKHOLDERS AND MANAGEMENT

The following table shows, as of the Record Date, information concerning the shares of common stock beneficially owned by each person known by STAAR to be the beneficial owner of more than 5% of our Common Stock (other than directors and executive officers). This information is based on publicly available information filed with the SEC as of the Record Date.

Name and Address	Shares Beneficially Owned	Percent of Class (1)	
Broadwood Partners, L.P. (2) 724 Fifth Ave., 9th Floor New York, NY 10019	10,881,079	[26.2]%	
Putnam Investments, LLC (3) One Post Office Square Boston, MA 02109	6,297,047	[15.1]%	
Palo Alto Investors, LLC (4) 470 University Ave. Palo Alto, CA 94301	3,496,752	[8.4]%	
Blackrock, Inc. (5) 40 East 52 nd Street New York, NY 10022	2,609,981	[6.3]%	

(1) Based on [41,591,573] shares of common stock outstanding on the Record Date. Under Rule 13d-3 of the Securities Exchange Act of 1934, certain shares may be deemed to be beneficially owned by more than one person (if, for example, a person shares the power to vote or the power to dispose of the shares). As a result, the percentage of outstanding shares of any person as shown in this table does not necessarily reflect the person's actual ownership or voting power with respect to the number of shares of Common Stock actually outstanding on the Record Date.

(2) In its Form 4 filed June 30, 2016, with respect to its ownership of STAAR securities as of June 29, 2016, Broadwood Partners, L.P. state they beneficially own 10,855,179 shares and Neal C. Bradsher states he beneficially owns 25,900 shares.

(3) In its Schedule 13G/A filed on February 7, 2018 with respect to its ownership of STAAR securities as of December 31, 2017, Putnam Investments, LLC and Putnam Investment Management, LLC state they have sole voting power as to no shares, shared voting power as to no shares, sole dispositive power as to 6,297,047 shares, and shared dispositive power as to no shares. The Putnam Advisory Company, LLC states that it has sole voting power as to no shares, shared voting power as to no shares, sole dispositive power as to no shares, and shared dispositive power as to no shares. Putnam Equity Spectrum Fund states that it has sole voting power as to no shares, shared voting power as to no shares, sole dispositive power as to 5,358,488 shares, and shared dispositive power as to no shares.

(4)

Edgar Filing: STAAR SURGICAL CO - Form PRE 14A

In its Schedule 13G/A filed February 14, 2018, with respect to its ownership of STAAR securities as of December 31, 2017, Patrick Lee, MD, Anthony Joonkyoo Yun, MD, and Palo Alto Investors, LLC state they have sole voting power as to no shares, shared voting power as to 3,496,752 shares, sole dispositive power as to no shares, and shared dispositive power as to 3,496,752 shares. Palo Alto Healthcare Master Fund II, L.P. states it has sole voting power as to no shares, shared voting power as to 2,207,678 shares, sole dispositive power as to no shares, and shared dispositive power as to 2,207,678 shares.

In its Schedule 13G/A filed January 23, 2018 with respect to its ownership of STAAR securities as of (5)December 31, 2017, Blackrock, Inc. states that it has sole voting power as to 2,526,030 shares, shared voting power as to no shares, sole dispositive power as to 2,609,981 shares, and shared dispositive power as to no shares.

The following table shows, as of the Record Date, information with respect to the shares of Common Stock beneficially owned by (1) each director and director nominee, (2) each person who is named in the Summary Compensation Table below, and (3) all current executive officers and directors as a group. This information is based on publicly available information filed with the SEC as of the Record Date.

Name (1)	Shares Beneficially Owned		Total (#)	Percent of Class (4)
	Shares of Common Stock Own (2) (#)	Options Exercisable on or before June 14, 2018(3) (#)		
Louis E. Silverman**	23,369	56,335	— 79,704	*
Stephen C. Farrell**	—	61,375	— 61,375	*
John C. Moore**	126,140	64,123	— 190,263	*
William P. Wall**	17,544	39,512	— 57,056	*
Caren Mason	34,846	560,001	— 594,847	[1.4]%
Deborah Andrews	2,500	111,774	— 114,274	*
Hans Blickensdoerfer	113,783	167,638	— 281,421	*
Samuel Gesten	27,482	145,694	— 173,176	*
Keith Holliday	25,656	57,638	— 83,294	*
All current directors and executive officers as a group (9 individuals)	371,320	1,264,090	— 1,635,410	[3.9]%

*Less than 1%.

**

Director or Nominee.

(1) The business address of each person named is c/o STAAR Surgical Company, 1911 Walker Avenue, Monrovia, California 91016.

Pursuant to Rule 13d-3(a), includes all shares of Common Stock over which the listed person has, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise, voting power, which includes the power to vote, or to direct the voting of, the shares, or investment power, which includes the power to (2) dispose, or to direct the disposition of, the shares. STAAR believes that each individual or entity named has sole investment and voting power with respect to shares of Common Stock indicated as beneficially owned by him or her, subject to community property laws, where applicable, except where otherwise noted. Restricted shares are listed even when unvested and subject to forfeiture because the holder has the power to vote the shares.

In accordance with Rule 13d-3(d)(1) under the Securities Exchange Act of 1934, each listed person is deemed the (3) beneficial owner of shares that the person has a right to acquire by exercise of a vested option or other right on or before June 14, 2018 (60 days after the Record Date).

(4) Based on [41,591,573] shares of Common Stock outstanding on the stock records as of the Record Date. The percentages are calculated in accordance with Rule 13d-3(d)(1), which provides that shares not outstanding that are subject to options, warrants, rights or conversion privileges exercisable on or before June 14, 2018 (60 days after

the Record Date) are deemed outstanding for the purpose of calculating the number and percentage that each person owns, but not deemed outstanding for the purpose of calculating the percentage which any other listed person owns.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

Proposal No. 1 is for the election of Stephen C. Farrell, Caren Mason, John C. Moore, Louis E. Silverman, and William P. Wall as directors, each to serve until STAAR's 2019 Annual Meeting of Stockholders and until his or her successor has been duly elected and qualified, or until his or her earlier death, removal or retirement. The authorized number of directors is currently set at five members.

The Board of Directors has nominated Stephen C. Farrell, Caren Mason, John C. Moore, Louis E. Silverman, and William P. Wall for re-election to the Board. Each of these nominees has indicated his or her willingness to serve and, unless otherwise instructed, the Proxy holders will vote the Proxies received by them for those five nominees. If a nominee is unable or unwilling to serve as a director at the time of the Annual Meeting or any continuation, postponement or adjournment of the meeting, the Proxy holders will vote the Proxies for another nominee, if the current Board of Directors designates a nominee to fill the vacancy.

The qualifications of the individual directors upon which the Board of Directors based its nominations are described along with the biography of each nominee below.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE ELECTION OF THE BOARD OF DIRECTORS' NOMINEES.

INFORMATION REGARDING DIRECTOR NOMINEES AND EXECUTIVE OFFICERS

Director Nominees

Caren Mason

Director since June 2014

President and Chief Executive Officer since March 2015

Age 64

Background. Ms. Mason was elected to STAAR's Board of Directors at its 2014 Annual Meeting, and she has served as STAAR's Chief Executive Officer since March 1, 2015. From 2010 to 2012, Ms. Mason served as Chief Executive Officer of Verinata Health, Inc. (f/k/a Artemis Health, Inc.), a provider of non-invasive prenatal genetic sequencing tests for the early identification of fetal chromosomal abnormalities. In February 2013, Verinata was acquired by Illumina. Ms. Mason served as the President, Chief Executive Officer and a Director of Quidel Corporation from 2004 to 2009, a publicly traded company engaged in the development, manufacturing and marketing of rapid diagnostic solutions at the professional point of care in infectious diseases and reproductive health. Prior to joining Quidel, Ms. Mason provided consultative services from 2003 to 2004 for Eastman Kodak Health Imaging as a result of the sale of MiraMedica, Inc., to Eastman Kodak. She served as President and Chief Executive Officer for MiraMedica, Inc., an early phase start up developing computer aided detection software for breast cancer, from 2002 through 2003. Prior to her tenure with MiraMedica, Inc., Ms. Mason served as Chief Executive Officer of eMed Technologies of Lexington, Massachusetts, a teleradiology and picture archiving and communications systems business. Ms. Mason served as General Manager of the Women's Healthcare business and as a General Manager in various capacities for the Services business of General Electric Healthcare from 1996 to 2000. Ms. Mason's additional healthcare experience includes her tenure with Bayer AG/AGFA from 1989 to 1996 where she last held the positions of Senior Vice President for Bayer Corporate Health Care and Senior Vice President for the AGFA Technical Imaging Business Group. Ms. Mason began her career in healthcare with American Hospital Supply/Baxter Healthcare in sales, marketing and managerial roles from 1977 through 1988. Ms. Mason received her B.A. from Indiana University. Ms. Mason's prior corporate governance experience includes both private and public boards with Verinata Health, eMed Technologies, MiraMedica and Quidel Corporation. She currently serves as a director of HealthTell, an early stage life sciences company, and on the Advisory Board for InDevR, Inc., a biotechnology company developing diagnostic and vaccine technologies.

Qualifications. The Board of Directors concluded that in addition to her broad healthcare background and medical device company expertise, Ms. Mason, STAAR's Chief Executive Officer, should serve on its Board of Directors to provide a critical link between management and our Board. Before Ms. Mason became Chief Executive Officer, in 2014 the Board nominated her to serve as an independent director. Ms. Mason has nearly 35 years of senior executive experience at innovative healthcare, life sciences, diagnostic technology, and medical device companies.

Stephen C. Farrell

Director since January 2016

Age 53

Background. Mr. Farrell has served since 2011 as the Chief Executive Officer and a member of the Board of Director of Convey Health Solutions, a private equity sponsored technology-enabled healthcare business process outsourcer. Also, since 2012 he has served as a member of the Board of Directors of BioTime, Inc., a clinical stage biotechnology company focused in the field of regenerative medicine. From 2008 to 2009, Mr. Farrell served as the Executive Vice President and Chief Financial Officer for Stream Global Services, a business process outsourcer. From 1999 to 2007, Mr. Farrell served as President of PolyMedica Corporation, a publicly traded provider of diabetes supplies that was acquired by Medco Health Solutions in 2007. From 2007 to 2014, he served as a member of the Board of Directors of Questcor Pharmaceuticals, a biopharmaceutical company that was acquired by Mallinckrodt PLC. Mr. Farrell spent five years as a Senior Manager at PricewaterhouseCoopers auditing leading public companies from 1994 to 1999. He received his B.A. from Harvard University and earned a M.B.A. at the University of Virginia, Darden School of Business.

Qualifications. The Board of Directors concluded that Mr. Farrell should serve on the Board of Directors because he brings significant operating, financial and board experience to STAAR. He has a strong knowledge of healthcare, having led PolyMedica and Convey Health Solutions, and having served as Chairman of the Audit and Corporate Citizenship Committees for Questcor Pharmaceuticals and BioTime, Inc., and also would qualify as a financial expert. His expertise in healthcare distribution, accounting and financial stewardship will add a valuable skill set and strategic perspective to our Board.

John C. Moore

Director since January 2008

Age 74

Background. From December 2012 through December 2016, Mr. Moore served as a director and Chairman of the Board of Directors of Optovue, Inc., an ophthalmic medical device company. Since May 2014 Mr. Moore has served as Chief Technical Officer of TearSolutions, L.L.C., an ophthalmic pharmaceutical company. Between April 2005 and January 2007, Mr. Moore served as Chief Executive Officer of Notal Vision, an Israel-based ophthalmic company that develops diagnostic solutions for the early detection and monitoring of age-related macular degeneration (AMD). Mr. Moore served as the President and Chief Executive Officer of Laser Diagnostic Technologies, a manufacturer of ophthalmic diagnostic laser devices used for the early detection of glaucoma, from 2000 until 2004 when it was acquired by Carl Zeiss Meditec, Inc. Before this, Mr. Moore was a vice president at Alcon Laboratories, one of the

largest companies in the ophthalmic surgical sector, where he was responsible for pursuing and executing strategic acquisitions and partnerships to broaden that company's product portfolio. Mr. Moore also spent more than 10 years in various leadership roles at Carl Zeiss, Inc., a multinational ophthalmic company with primary businesses in optics, medical, scientific and semiconductor products. Mr. Moore received his B.S. in General Science from University of Rochester.

Qualifications. Mr. Moore's extensive experience in the ophthalmic and medical device industries encompasses both large, well established companies and innovative start-ups. The Board of Directors concluded that Mr. Moore should serve on the Board of Directors because of his familiarity with relevant technical aspects of the ophthalmic industry and the challenges faced by emerging companies in the ophthalmic sector. Throughout his tenure as a STAAR director, Mr. Moore has been an important resource for the Board of Directors, contributing valuable insights in numerous areas, including research and development and international operations in the medical device industry.

Louis E. Silverman

Director since September 2014

Age 59

Background. Since February 2014, Mr. Silverman has served as the Chairman and Chief Executive Officer of privately held Advanced ICU Care, Inc., a health care services company providing tele-ICU monitoring services to hospitals. From June 2012 through February 2014, Mr. Silverman served as a consultant and Board advisor for private equity investors and others regarding health care technology and health care technology service companies, and health care services portfolio investments. From September 2009 through June 2012, Mr. Silverman was Chief Executive Officer of Marina Medical Billing Services, Inc., a revenue cycle management company serving ER physicians nationally. Previously, from September 2008 through August 2009, Mr. Silverman served as President and Chief Executive Officer of Qualcomm-backed health care start-up LifeComm. From August 2000 through August 2008, Mr. Silverman served as the President and Chief Executive officer of Quality Systems, Inc., a publicly traded developer of medical and dental practice management and patient records software. From 1993 through 2000, he served as Chief Operating Officer of CorVel Corporation, a publicly traded national managed care services/technology company. Mr. Silverman earned a B.A. from Amherst College and an M.B.A. from Harvard Business School.

Qualifications. The Board of Directors concluded that Mr. Silverman should serve on the Board of Directors because he brings to the Board of Directors senior executive experience in leadership and corporate strategy from various healthcare technology and services companies.

William P. Wall

Director since September 2015

Age 55

Background. William P. Wall is the managing member of OQ Partners, LLC, a private investment firm based in Lexington, MA. Mr. Wall has served as a Director of Haynes International, Inc. since 2004 and is the Chairman of the Corporate Governance and Nominating Committee and a member of the Audit Committee and Compensation Committee. Mr. Wall also served as a director of Front Yard Residential Corporation from March 2016 to March 2018. From February 2006 until June 2015, Mr. Wall served as general counsel of Abrams Capital Management, LLC, a value-oriented investment firm headquartered in Boston. Prior to joining Abrams Capital, Mr. Wall was a partner at a hedge fund for two years and was employed with Fidelity Investments for seven years, concluding as a Managing Director in its private investment group. Mr. Wall began his career as an Associate at the law firm of Ropes & Gray. Previously, Mr. Wall served as a director of various Abrams Capital and Fidelity portfolio companies, including Prime Motor Group, Nations Equipment Finance, Arena Brands, The Strober Organization and Eightfold Capital Management. Mr. Wall received his B.A. from the University of Massachusetts at Amherst, and an M.P.A. and J.D. from Harvard University.

Qualifications. The Board of Directors concluded that Mr. Wall should serve on the Board of Directors because his legal, investment and regulatory experience has and is expected to continue to support STAAR's on-going growth and development.

Committee Composition:

Below is a summary of our committee structure and membership information as of the date of this Proxy Statement.

Chairperson	Member	Financial Expert
Chairman of the Board	President, CEO	

Audit Committee	Nominating, Governance Committee	Compensation Committee
----------------------------	---	-----------------------------------

Louis E. Silverman
Stephen C. Farrell
Caren Mason
John C. Moore
William P. Wall

All of the directors listed in the chart are independent directors under the rules of the Securities and Exchange Commission and the Nasdaq Marketplace Rules, with the exception of Caren Mason, who serves as STAAR's President and Chief Executive Officer.

Executive Officers

Deborah Andrews

Chief Financial Officer

Age 60

Ms. Andrews has served as Chief Financial Officer since September 2017. From April 2017 to September 2017 she served as STAAR's interim Chief Financial Officer. Prior to that, from September 2013 to April 2017, she served as Chief Accounting Officer. From August 2005 to September 2013 she served as STAAR's Vice President, Chief Financial Officer. She has been employed by STAAR since 1995, serving as Principal Financial Officer from April 2005 to August 2005, Global Controller from 2001 to 2005, Vice President, Finance, of STAAR Surgical AG (Switzerland) from 1999 to 2001, and Assistant Controller from 1995 to 1999. She previously served as an internal auditor for Bourns, Inc., a maker of electronic components, from 1994 to 1995, and an auditor for KPMG Peat Marwick from 1991 to 1994. Since April 2014 she has served on the Board of Directors and Audit and Compensation Committees of BioTime, Inc. Ms. Andrews earned her B.S. in Accounting from California State University, San Bernardino.

Hans-Martin Blickensdoerfer

Senior Vice President, Commercial Operations, Direct Markets Europe and China

Age 53

Mr. Blickensdoerfer, who joined STAAR in January 2005, has over 20 years' experience in the ophthalmic device industry. Initially, he served as STAAR's Vice President, International Marketing from 2005 to 2010, then from 2011 through 2015 he served as President, Europe, Middle East, Africa and Latin America. In 2016, he became Senior Vice President, Commercial Operations for Europe, Middle East, Africa, Latin America and China. Prior to joining STAAR, Mr. Blickensdoerfer served from January 2003 through December 2004 as Vice President of Sales and Marketing for Milvella Ltd., an Australia-based medical device maker, where his duties included both regional and worldwide business planning, product launches and management of European clinical studies. He worked from 2000 through 2002 for Novartis-CIBA Vision, an ophthalmic surgical company, as the Commercial Director for Europe, the Middle East and Africa. Between 1997 and early 2000 he worked for the Ophthalmic Surgical Division of Bausch & Lomb, Inc. as its Area Sales Manager for Central and Eastern Europe. Prior to that time, he worked in sales and product management positions in the Ophthalmic Surgical Division of Chiron Vision and at Chiron Adatomed GmbH. Mr. Blickensdoerfer received his diploma in Marketing and International Management from the University of Mannheim in Germany. He is based in our Nidau, Switzerland facility.

Samuel Gesten

Chief Legal Officer and Secretary

Age 56

Mr. Gesten joined STAAR in April 2012 as Vice President, General Counsel and Secretary. In May 2014, he assumed the role Vice President of Business Development and Chief Legal Officer. In addition to his roles as Chief Legal Officer and Secretary, Mr. Gesten serves as Chief Compliance Officer. From 2009 through 2011, he served as Executive Vice President, General Counsel and as a member of the Executive Committee of Allergan, Inc. Prior to that, he spent 11 years at Thermo Fisher Scientific Inc. in a variety of positions, including General Counsel and Assistant Secretary of the Laboratory Products Group and Vice President, Deputy General Counsel. Prior to his work at Thermo Fisher, Mr. Gesten spent 11 years practicing law. He holds a B.A. in Economics from Brandeis University and a J.D. from Boston University.

Dr. Keith Holliday

Chief Technology Officer

Age 55

Dr. Keith Holliday joined STAAR in August 2015 as Vice President of Research and Development. In March 2017, he assumed the role of the Chief Technology Officer. From 2007 to his arrival at STAAR, he served as Vice President, Research and Development at ReVision Optics where he oversaw the development of their corneal inlay technology that includes a hydrogel inlay for presbyopia correction, delivery devices and clinical methodologies as well as managing first-in-man clinical studies. Previously, he was Director of Laser Technology at Advanced Medical Optics (AMO) and Staff Laser Scientist at VISX. Prior to joining VISX, Dr. Holliday worked primarily in academia. He obtained his first degree in Physics and Electronics from the University of Saint Andrews in Scotland and a Ph.D. from the Laser Physics Centre at the Australian National University. He spent three years at the Swiss Federal Institute of Technology, where he was primarily involved with the utilization of optically active polymers and crystals, to develop materials and techniques for very high density, holographic optical storage and computational systems. Dr. Holliday holds patents in excimer laser beam detection, control and profiling, and methods to correct presbyopia that synergistically take into account the epithelium's response to corneal inlays, and he has also authored 37 peer reviewed publications in the scientific literature plus two book chapters and one single-authored book. He is considered an expert on presbyopia and served as a committee member for the International Society of Presbyopia.

COMPENSATION OF DIRECTORS

Non-employee directors are compensated as follows:

Annual Retainers	(\$)
Board Members	50,000
Board of Directors Chair	25,000
Audit Committee Chair	15,000
Compensation Committee Chair	15,000
Nominating and Governance Chair	15,000
Members of the Audit Committee, Compensation Committee, and Nominating and Governance Committee	5,000

In March 2018, following a review of benchmark data concerning non-employee director compensation of our peer group, our Board approved the following changes to the compensation program for non-employee directors: (i) an increase in the annual director's fee for non-employee directors from \$40,000 to \$50,000, effective April 6, 2018; and (ii) an increase in the annual non-employee director equity grant from a fair market value of \$100,000 to a fair market value of \$110,000, based on a Black Scholes calculation as of the date of grant. In accordance with these changes, each non-employee director was granted an equity grant with a fair market value of \$10,000 on March 15, 2018.

Each non-employee director annually chooses the form of equity he or she receives based on a Black Scholes value of stock options or the fair value of restricted stock. The annual option and restricted stock grants with a fixed value set at \$100,000 were made on June 13, 2017 and were scheduled to vest in full on the earlier of the first anniversary of the grant date or the date of our next annual meeting of stockholders to elect directors. The March 15, 2018 'catch up' equity grants were scheduled to vest in full on the earlier of the first anniversary of the grant date or the date of our next annual meeting of stockholders to elect directors. Equity grants are awarded pursuant to the Company's Omnibus Equity Incentive Plan (Plan). Under the Plan, the total grant date fair value of equity-based awards granted to a non-employee director for services as a non-employee director during any fiscal year may not exceed \$500,000.

The Board of Directors can change the compensation of directors at any time.

2017 Director Compensation

The table below summarizes 2017 compensation of each non-employee director for services as a director, committee member or chairperson, including fees earned or paid in cash, stock awards and stock options.

Name	Fees Earned or Paid in Cash (\$)	Option Awards (\$)(1)	Stock Awards (\$)(1)	Total (\$)
Stephen C. Farrell	65,000	99,939 (2)	—	164,939
John C. Moore	50,000	—	100,003 (3)	150,003
Louis E. Silverman	85,000	49,972 (4)	49,997 (4)	184,969
William P. Wall	75,000	49,972 (5)	49,997 (5)	174,969

Dollar amounts in the Restricted Stock Awards and Option Awards columns reflect the grant date fair value with respect to stock awards and options granted during fiscal year 2017 in accordance with Financial Accounting (1)Standards Board Codification Topic 718 (“FASB ASC Topic 718”). Assumptions used in the calculation of these amounts are included in Note 11 to STAAR’s audited consolidated financial statements for the fiscal year ended December 29, 2017, included in STAAR’s Annual Report on Form 10-K.

Includes compensation related to the following: an option to purchase up to 19,841 shares of common stock, (2)granted on June 13, 2017, which had a grant date fair value of \$99,939. As of the end of fiscal year 2017, the aggregate number of option awards outstanding for Mr. Farrell was 60,169. No stock awards were outstanding.

Includes compensation related to the following: an award of 10,417 shares of restricted stock granted on June 13, (3)2017, which had a grant date fair value of \$100,003. As of the end of fiscal year 2017, the aggregate number of stock and option awards outstanding for Mr. Moore were 10,417 and 52,500, respectively.

(4) Includes compensation related to the following: an award of 5,208 shares of restricted stock granted on June 13, 2017, which had a grant date fair value of \$49,997, and an option to purchase up to 9,921 shares of common stock, which had a grant date fair value of \$49,972. As of the end of fiscal year 2017, the aggregate number of stock and option awards outstanding for Mr. Silverman were 5,208 and 49,921, respectively.

(5) Includes compensation related to the following: an award of 5,208 shares of restricted stock, granted on June 13, 2017, which had a grant date fair value of \$49,997, and an option to purchase up to 9,921 shares of common stock, which had a grant date fair value of \$49,972. As of the end of fiscal year 2017, the aggregate number of stock and option awards outstanding for Mr. Wall were 5,208 and 33,391, respectively.

CORPORATE GOVERNANCE

Since our 2017 Annual Meeting of Stockholders, we have had ongoing dialog with a number of our investors on a variety of topics including potential director candidates and a variety of governance and operational enhancements.

Director Resignation Policy for Uncontested Election of Directors

In an uncontested election of directors (i.e., an election where the only nominees are those recommended by the Board of Directors), any director nominee who receives a greater number of votes “withheld” from his or her election than votes “for” such election shall promptly tender his or her resignation to the Board of Directors following certification of the election results. Within 60 days following the certification of the election results, the Board of Directors, excluding the nominee or director in question, will decide, through a process managed by the Nominating and Governance Committee, whether to accept the resignation. Absent a compelling reason for the director to remain on the Board of Directors, the Board of Directors shall accept the resignation. The Board of Directors will promptly disclose its decision to accept or reject the tendered resignation, which disclosure shall include, if the tendered resignation is rejected, a summary of the reasons underlying their decision to reject the tendered resignation. The Board of Directors believes that this process enhances accountability to stockholders and responsiveness to stockholders’ votes, while allowing the Board appropriate discretion in considering whether a particular director’s resignation would be in the best interests of the Company and our stockholders in limited circumstances.

Special Meeting of Stockholders

Our Bylaws provide that a special meeting of stockholders (i) may be called, for any purpose or purposes, by the Board of Directors, the Chairman of the Board, or the President, and (ii) shall be called by the Secretary if appropriately requested by a person (or group of persons) beneficially owning in the aggregate at least 35% of the Company’s outstanding shares of common stock.

Stock Ownership Guideline

The Board of Directors has adopted guidelines relating to stock ownership. The Guideline provides that non-employee directors are expected, within three years of a non-employee director first joining the Board of Directors, to acquire and hold at least 10,000 shares of our common stock. Stock options do not count toward this requirement. From time to time the Board of Directors will consider and may reset the level of stock ownership that it considers appropriate for the guideline.

Code of Business Conduct and Ethics

STAAR has adopted a Code of Business Conduct and Ethics applicable to the principal executive officer and senior financial executives, including the Chief Financial Officer and the controller of STAAR, as well as all employees and directors of STAAR. The Code of Business Conduct and Ethics is published on our website, at www.staar.com, under “Investor Information—Corporate Governance.” We intend to disclose future amendments to, or waivers from, certain provisions of the Code of Business Conduct and Ethics applicable to senior executives on our website.

Board of Directors Leadership Structure

Since 2005 the Board of Directors has kept the positions of Chief Executive Officer and Chairman of the Board separate and followed a policy that the Chairman of the Board shall be an independent director. The Board of Directors believes that this separation of roles serves the interests of our stockholders at this time.

Board of Directors' Role in Risk Oversight

The Board of Directors is charged with general oversight of the management of STAAR's risks. Our management team is responsible for enterprise risk management on a day-to-day basis. The role of our Board of Directors and its committees is to oversee the risk management activities of management. When reviewing STAAR's strategy, business plan, budgets and major transactions the Board of Directors continuously examines the elements of risk in each proposed activity. For example, the Board of Directors periodically reviews with management the Company's activities to address cyber-risk. Each of the Board of Directors' standing committees assists the Board of Directors in overseeing the management of risk in the area overseen by the committee. In particular, the Audit Committee assists the Board of Directors by reviewing periodic reports from management on the risks related to such matters as financial reporting, internal controls, revenue recognition, treasury management, information technology, insurable risks, and compliance with legal and regulatory requirements. The Compensation Committee oversees risks related to our compensation programs and policies. The Nominating and Corporate Governance Committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to the management of risks associated with board organization, membership and structure, and succession planning for our directors.

Bonus Recoupment Policy

This policy includes standards for seeking the return, or "claw-back," of bonus compensation paid to the Chief Executive Officer or Chief Financial Officer in certain circumstances following a restatement of STAAR's financial statements. The policy provides that if the relevant officer is adjudicated to have engaged in intentional misconduct or fraud, and the Board of Directors determines that the wrongful conduct directly or indirectly made the restatement necessary, we will seek reimbursement of any excess incentive award or bonus paid on the basis of financial performance. The excess incentive award that may be recovered is the difference, if any, between the amount actually paid to the relevant officer and the amount that would have been paid to the officer had the incentive award been calculated based on the financial statements as restated. The claw-back cannot be sought if more than five years have elapsed since the payment of the affected award or bonus or following a change in control.

Compensation Policies and Practices Related to Risk Management

STAAR's Compensation Committee and Board of Directors have analyzed and continue to monitor whether STAAR's compensation practices with respect to executive officers or any of its employees create incentives for risk-taking that could harm STAAR or its business. The Compensation Committee and the Board of Directors have determined that STAAR's compensation practices and policies do not create any risk that is reasonably likely to have a material adverse effect on STAAR.

Meetings of the Board of Directors

The Board of Directors held six meetings during 2017. During 2017, each director attended more than 75% of the total number of Board of Directors meetings and meetings of the committees on which they then served. In addition to Board of Directors meetings, directors are kept informed of our business through personal meetings and other communications, including telephone and electronic contacts with our Chief Executive Officer and others regarding matters of interest and concern to us and our stockholders. Independent directors meet when they deem necessary in an executive session without management and at such other times as may be requested by any independent director.

It is the policy of STAAR to require members of the Board of Directors to attend the Annual Meeting of stockholders, if practicable. All incumbent directors attended the 2017 Annual Meeting of stockholders.

Committees

The Board of Directors has three standing committees: an Audit Committee, a Nominating and Governance Committee, and a Compensation Committee. The Board of Directors has adopted a written charter for each committee to provide for its organization and procedures and to delegate requisite authority for the committee to carry out its purposes.

Nominating and Governance Committee

The principal purposes of the Nominating and Governance Committee are to help ensure that the Board of Directors is appropriately constituted to meet its fiduciary obligations to stockholders and STAAR, and that STAAR has and follows appropriate governance standards. To carry out these purposes, in accordance with its written charter, the Committee periodically does the following:

- identifies individuals qualified to become directors, consistent with criteria approved by the Board of Directors;

• recommends the director nominees to be selected by the Board of Directors for the next annual meeting of stockholders;

• reviews best practices in corporate governance, and recommends to the Board of Directors stockholder-oriented improvements in corporate governance that may be applicable to STAAR; and

- oversees the evaluation of the Board of Directors and management.

In addition to the candidates proposed by the Board of Directors or identified by the Committee, the Committee considers candidates for director suggested by our stockholders in accordance with the procedures described in the Questions and Answers section in response to the question: “*Can stockholders propose individuals to be considered as nominees for the 2018 Annual Meeting?*” Stockholder nominations that comply with those procedures and that meet the criteria outlined below will receive the same consideration that the Committee’s nominees receive.

The process for evaluating prospective nominees for director, including candidates recommended by stockholders, includes meetings from time to time to evaluate biographical information and background material relating to prospective nominees, interviews of selected candidates by members of the Nominating and Governance Committee and other members of the Board, and application of our general criteria for director nominees set forth in our *Guidelines on Significant Corporate Governance Issues*. These criteria include, among other things, the prospective nominee’s integrity, business or other experience and expertise, and independence.

In selecting nominees for the Board of Directors, the Committee evaluates the general and specialized criteria set forth above, identifying the relevant specialized criteria prior to commencement of the recruitment process, considers previous performance if the candidate is a candidate for re-election, and generally considers the candidate’s ability to contribute to the success of STAAR. The Nominating and Governance Committee believes that differences in background, professional experiences, education, skills and viewpoints will enhance the performance of the Board of Directors. The Company has not implemented a formal policy with respect to the consideration of diversity for the composition of the Board of Directors. However, the Nominating and Governance Committee and the Board of Directors believe that a diverse board leads to improved performance by encouraging new ideas, expanding the knowledge base available to management and other directors and fostering a culture that promotes innovation and vigorous deliberation. In considering nominees for service on the Board of Directors, the Nominating and Governance Committee takes into consideration the diversity of professional experience, background, viewpoints and skills of the current and prospective members of the Board of Directors. Examples of this include management experience, financial expertise, medical device industry experience, international experience, and educational background. The Nominating and Governance Committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. The Committee believes that the backgrounds and qualifications of the directors considered as a group should provide a significant breadth of experience, knowledge and abilities to assist the Board in fulfilling its responsibilities. The Nominating and Governance Committee also considers such other relevant factors as it deems appropriate, including the current composition of the Board of Directors.

The Board of Directors’ nominees for the Annual Meeting have been recommended by the Committee and have been nominated by the Board of Directors. The Committee received no formal stockholder recommendations of candidates for election at the 2017 Annual Meeting.

The current members of the Nominating and Governance Committee are William P. Wall, who serves as chair, Stephen C. Farrell and Louis E. Silverman. Each member of the Nominating and Governance Committee is

“independent” as that term is defined under the Listing Rules of the NASDAQ Stock Market. During 2017, the Nominating and Governance Committee held four meetings.

Compensation Committee

Under its written charter, the principal duties of the Compensation Committee are to help ensure that STAAR’s compensation of its senior executives satisfies the following principal requirements:

- alignment with the compensation strategy of STAAR determined by the Board of Directors; and
- enabling STAAR to compete in recruiting and retaining qualified executive officers.

The Compensation Committee makes recommendations to the Board of Directors on all decisions for the total direct compensation of the named executive officers of STAAR, including base salary, annual bonus, long-term equity compensation and perquisites. The Compensation Committee also generally approves company-wide pay increases and discretionary compensation that may be allocated to non-executive employees by management. The Committee also administers STAAR’s equity plan.

The current members of the Compensation Committee are Louis E. Silverman, who serves as chair, John C. Moore and William P. Wall. Each member of the Compensation Committee is “independent” as that term is defined under the Listing Rules of the NASDAQ Stock Market. During 2017, the Compensation Committee held four meetings.

Role of Compensation Consultant

The Compensation Committee has sole authority to retain and terminate a compensation consultant to assist in the evaluation of Chief Executive Officer or senior executive compensation. The Committee periodically consults with Radford, an Aon Hewitt business unit, regarding a variety of topics. The Compensation Committee has assessed the independence of Radford considering the factors set forth in applicable SEC rules and the Listing Rules of the NASDAQ Stock Market and has concluded no conflicts of interest were raised by the work performed by Radford.

Audit Committee

The principal duties of the Audit Committee are to oversee (i) the quality and integrity of STAAR's financial statements, (ii) the qualifications and independence of STAAR's independent registered public accounting firm, and (iii) the performance of STAAR's independent registered public accounting firm. The Committee communicates with management throughout the year to help it assess the performance of STAAR's independent registered public accounting firm for consideration of re-engagement in future years.

The current members of the Audit Committee are Stephen C. Farrell who serves as chair, John C. Moore, and William P. Wall. Each member of the Audit Committee is "independent" as that term is defined under the Audit Committee rules of the SEC and the Listing Rules of the NASDAQ Stock Market. STAAR has determined that Messrs. Farrell and Wall each qualify as an "audit committee financial expert" under the rules of the SEC. In 2017, the Audit Committee met eight times.

Stockholder Communications with Directors

Stockholders may communicate with the chairman of the Board of Directors, the chairman of our Audit Committee or the chairman of our Nominating and Governance Committee, or with our outside directors as a group, by writing to such persons c/o Office of the Secretary, STAAR Surgical Company, 1911 Walker Avenue, Monrovia, California 91016.

The corporate Secretary distributes communications to the Board of Directors or to any individual director or directors, as appropriate, depending on the facts and circumstances outlined in the communication. In that regard, the Board of Directors has requested that certain items that are unrelated to the duties and responsibilities of the Board of Directors should be excluded, such as the following:

- junk mail and mass mailings;
- new product suggestions; and
- resumes and other forms of job inquiries.

In addition, material that is unduly hostile, threatening, illegal or similarly unsuitable will be excluded, with the provision that any communication that is excluded must be made available to any outside director upon request.

EXECUTIVE COMPENSATION

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed with management the following Compensation Discussion and Analysis. Based on its review and discussions with management, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in STAAR's Proxy Statement for 2018.

The Compensation Committee

Louis E. Silverman (Chairman)

John C. Moore

William P. Wall

_____, 2018

COMPENSATION DISCUSSION AND ANALYSIS

General

The following Compensation Discussion and Analysis describes the material elements of compensation for the named executive officers identified in the compensation tables and related disclosures below.

The Compensation Committee of the Board of Directors, to which we refer in this discussion as the "Committee," makes recommendations to the Board of Directors for the total direct compensation including the base salary, annual bonus, long-term equity compensation and perquisites of our named executive officers. Both the Board of Directors and the Committee exercise independent review in making judgments regarding executive compensation.

In 2017, our named executive officers were:

- Caren Mason, *President and Chief Executive Officer*;
- Deborah Andrews, *Chief Financial Officer*;
- Keith Holliday, *Chief Technology Officer*;
- Samuel Gesten, *Chief Legal Officer and Secretary*;
- Hans Blickensdoerfer, *Senior Vice President, Commercial Operations, Europe and China*; and
- Stephen Brown, former *Chief Financial Officer*.

2017 key accomplishments included:

- We achieved record revenue for the year.
- We achieved 17% growth in ICL unit sales, including 20% year over year growth in the second half of 2017.

• We reduced our net loss per share from (\$0.30) in 2016 to (\$0.05) in 2017, with Q3 2017 EPS of \$0.03 and Q4 2017 EPS at breakeven (\$0.00),

• In the first quarter we notified the FDA that we had completed our remediation work and were ready for inspection.

• In July, our Notified Body in the European Union, DEKRA, audited our facilities and then re-certified our facilities as compliant with ISO 13485, the quality standard applicable for medical devices, and re-certified the CE marking for all our currently certified and commercially available medical devices.

• In November, DEKRA performed an unannounced audit and concluded that we remained in compliance.

• We strengthened our leadership team with the appointment of respected surgeon and retired colonel Dr. Scott Barnes as STAAR's first Chief Medical Officer.

We received CE Mark for our EVO+ Visian ICL™ with Aspheric (EDOF) Optic, for commercialization in the European Union from our Notified Body, DEKRA.

We completed a first-in-man clinical trial for the next generation ICL with EDOF and achieved positive results. As a result, in the first quarter of 2018, we commenced enrollment of a multi-site pivotal clinical trial in Europe to support CE Mark approval of a claim that our EVO+ Visian ICL with aspheric (EDOF) optic for the correction/reduction of presbyopia in patients who wish to improve their uncorrected distance, intermediate and near visual acuity with increased spectacle independence.

Clinical Affairs, Medical Affairs and Regulatory Affairs collected, analyzed, and filed clinical data with DEKRA that resulted in approvals that (i) STAAR may expand the age range for the EVO Visian family of ICLs indicated for the correction/reduction of myopia from adults aged 21 to 45 to adults aged 21 to 60 (notified in September 2017), and (ii) STAAR may change the Directions for Use of the myopic EVO Visian ICL family lowering the minimum anterior chamber depth (ACD) from 3.0 mm. to 2.8 mm (notified in January 2018). Each of these changes further increases the addressable market for the product family. These changes relate to EVO products marketed and sold in CE Mark countries (member countries of the European Union, the European Economic Area, and the European Free Trade Association) and in countries that permit regulatory market access based on the CE Mark only regulatory approval for marketing.

- The EVO+ was approved for marketing and sales in India and Canada.

Compensation Program Objectives and Rewards

Compensation Philosophy. The Company is dedicated to pursuing a mix of near, medium, and longer-term business objectives designed to build and increase shareholder value. In the Committee's deliberations on the Company's compensation programs, management, other than the Chief Executive Officer, is involved only to the extent of providing Company performance and market information and recommendations. Our Chief Executive Officer does not participate in the determination of her own compensation, but she joins with the full Board of Directors in the determination of compensation of other named executive officers.

The Committee and management periodically reviews the Radford Global Life Sciences Survey as well as benchmark data regarding our peer group. This data is used to assess the general competitiveness of our recruiting and compensation programs, and to assist the Committee and the Board of Directors in making compensation decisions. The Committee has periodically utilized the services of Radford, a third-party consulting firm, as its compensation consultants since 2013.

The 2017 peer group which was originally recommended by Radford in 2013 and subsequently reviewed and recommended by the Committee and approved by the Board of Directors consisted of the following companies. Several companies in the original peer group are no longer included due to certain merger and acquisition activities in the industry. The members of our peer group for 2017 are:

AngioDynamics

Anika Therapeutics

AtriCure, Inc

Cardiovascular Systems, Inc

CryoLife, Inc

Cutera, Inc

Merit Medical Systems, Inc

Endologix, Inc

The peer group was chosen in 2013 on the basis of industry (medical devices), revenue (between .25x and 4.0x our revenue in 2013), and market capitalization (between .25x and 4.0x our market cap in 2013). We use our peer group as one element of reviewing the appropriateness and competitiveness of our executive compensation plan. Cynosure, Inc., Syneron Medical, Ltd., The Spectranetics Corporation, and Vascular Solutions, Inc. were previously included in the peer group, but were acquired and are no longer independent public corporations.

The Committee's objective is to frame compensation policies and decisions based on (a) overall Company performance and (b) a target base salary at or near the 50th percentile of our peer companies and other industry benchmark data, and (c) a target for total compensation, consisting of base salary, cash bonus potential and long-term equity incentives, at or near the 75th percentile of our peer companies and other industry benchmark data based on achievement of Board-approved metrics.

2017 Results of Advisory Vote to Approve Compensation of Named Executive Officers. At our Annual Meeting held on June 13, 2017 stockholders representing approximately 97% of the voting power present in person or by proxy and entitled to vote on the proposal approved the compensation of our named executive officers. After considering our ability to retain our key executives, attract talented new executives, and the results of the advisory vote attained in 2017, the Committee concluded that we did not need to make substantial changes to the Company's compensation policies. Nevertheless, the Committee periodically evaluates our compensation policies and considers from time to time changes that might more closely align the interests of our executive and other officers with our shareholders.

Elements of Compensation

The elements of compensation that may be earned by our named executive officers include base salary, annual cash bonus, and equity compensation. All components of each named executive officer's compensation are annually reviewed in the context of company performance and individual performance.

Base Salaries. The Committee, with input from the Chief Executive Officer, reviews, considers and approves base salaries at a level necessary to attract and retain the talent the Company needs to achieve its plans. The Board of Directors generally reviews base salaries in the first quarter of each year and approves any changes based upon market data, executive performance, scope of responsibility, and past and potential contribution to our business. For 2017, named executive officer salaries increased 2-4% over 2016 levels, consistent with base salary increases company-wide and industry-wide, with the exception of Ms. Andrews whose salary increased by approximately 12% upon her promotion to Chief Financial Officer in October 2017.

Annual Cash Bonuses. A material element of each named executive officer's compensation program is the opportunity to earn annual performance-based cash bonuses, which are earned based upon achievement of specific corporate financial and non-financial objectives. The Board of Directors has exclusive authority, acting on the recommendation of the Committee, to approve bonuses for our named executive officers based on performance against established financial and non-financial performance criteria.

For 2017, the Committee and the Board of Directors approved an Incentive Bonus Plan that is designed to be funded in whole or in part based on STAAR meeting or exceeding specific revenue, earnings per share (“EPS”), and quarterly as well as year-end cash-on-hand metrics and also meeting specific non-financial objectives. To allow for an accurate year-over-year comparison, and in recognition that over 90% of our revenue is generated outside the U.S., the Board of Directors in 2017 continued its practice of evaluating the Company’s revenue performance on a constant currency basis.

Each of the Company’s current named executive officers has an annual bonus target, as do other key contributors. The Committee reviews, considers and approves bonus targets for named executive officers based on market data and also considers changes in the scope of responsibility and overall performance of individual named executive officers.

Each named executive officer’s base salary and target bonus opportunity for 2017 is provided in the table below. The target bonuses, as a percentage of base salary, remained at the same level as in 2016 for each named executive officer, with the exception of Ms. Andrews whose target bonus opportunity increased from 40% to 45% upon her promotion to Chief Financial Officer in October 2017. Mr. Brown, the former Chief Financial Officer up until April 2017 is also included below.

Named Executive Officer	Base Salary	Target Bonus Payment	Target Bonus Percentage (1)	
Caren Mason	\$ 567,840	\$ 425,880	75	%
Deborah Andrews	\$ 335,000	\$ 150,750	45	%
Keith Holliday	\$ 355,368	\$ 159,916	45	%
Samuel Gesten	\$ 349,524	\$ 157,286	45	%
Hans Blickensdoerfer	\$ 348,829	\$ 154,794	45	%
Stephen Brown	\$ 327,642	\$ 147,439	45	%

Target Bonus Percentage represents the potential bonus earned as a percentage of base salary in the event the Corporation fully achieves pre-established financial and non-financial metrics and goals, and thereby funds the bonus plan at 100%. The amount actually awarded to an officer, which can range from 0 to over 100% of target, varies primarily based on performance of the Corporation as a whole with respect to financial and non-financial measures, and is also subject to adjustment based on the Committee’s subjective evaluation of an officer’s contributions to those results based on atypical facts and circumstances.

The Board of Directors, after consultation with management, approves the revenue, EPS and year-end cash-on-hand targets and the non-financial strategic objectives annually. The attainment of these financial and non-financial objectives is evaluated by the Committee. The Board of Directors must review and approve all bonus recommendations for named executive officers presented by the Committee. The determination of annual bonuses for 2017 performance are described further below under the section entitled “*2017 Bonus and Equity Determinations.*” Over the past five years, no named executive officer has received a bonus in excess of 100% of their target.

Long-Term Equity Compensation. The Committee believes that long-term equity incentive awards serve to align the interests of the executive officers with the interests of our stockholders. Long-term equity incentive awards may be granted in the form of either stock options, restricted shares, restricted stock units or other types of equity or equity-linked compensation. In determining the size of equity grants to our named executive officers, the Committee considers recommendations of the Chief Executive Officer based on peer group data, individual performance and level of responsibility in the company, for those named executive officers reporting to her. For the Chief Executive Officer’s equity grant, the Committee considers company and individual performance as well as peer group data. The Committee recommends to the Board of Directors the allocation among the different forms of equity compensation. The equity grants made in 2017 are described further below under the section entitled “*2017 Bonus and Equity Determinations.*”

Stock options. Stock options, once granted, become valuable if the price of STAAR’s common stock rises above the exercise price at the time of grant. The exercise price of a stock is the closing price of the Company’s common stock on the NASDAQ Stock Market on the date of grant. Under the Company’s Omnibus Equity Incentive Plan (“Plan”) STAAR may not grant stock options having an exercise price below the fair market value of its common stock on the date of grant. STAAR does not grant stock options with a so-called “reload” feature. To encourage retention by providing a long-term incentive, the options typically vest ratably over a three-year period, and have a ten-year life.

Restricted shares/Restricted stock units. Restricted shares and restricted stock units are shares of common stock that STAAR grants subject to forfeiture over a specified period of time. The value of these incentive awards rises and falls with STAAR’s stock price. For time-vesting awards, restricted shares and restricted stock units are forfeited back to STAAR if the grantee’s service to STAAR terminates before the end of the vesting period. Vesting of restricted shares and restricted stock units occurs when the restricted period ends and the grantee obtains full rights of ownership over the shares. Time-vesting restricted shares and restricted stock units provides a long-term incentive by aligning the grantee’s interests with those of the stockholders and encouraging retention through the risk of forfeiture if the grantee ceases working for us during the vesting period.

2017 Bonus and Equity Determinations

As described above, the 2017 bonus plan was funded based upon how the Company performed against financial and non-financial goals pre-approved by the Board of Directors. The 2017 bonus plan included the following components:

As a threshold to begin funding the bonus pool, the Company needed to achieve the following minimum annual financial milestones: a minimum revenue target of \$88.1M (on a constant currency basis) and a minimum EPS target of (\$0.17) (adjusted for pre-determined foreign exchange rate considerations) (collectively referred to as “Minimum Financial Threshold”). If either of these financial targets were not met, then the bonus pool would not fund at all.

In the event the Minimum Financial Threshold was achieved, up to 30% of the bonus pool would fund based upon b) Company performance tied to pre-established non-financial objectives. This element of the bonus pool would fund based on the percentage achievement of specific non-financial objectives.

The Board-approved non-financial objectives related to five categories: (i) achieving internal remediation and quality system rebuild milestones; (ii) achieving key global Clinical Affairs initiatives; (iii) completing targeted global marketing activities; (iv) finalizing a specific number of strategic cooperation agreements with customers; and (v) attaining designated progress goals on certain research and development projects.

In the event the Minimum Financial Threshold was achieved, up to 10% of the bonus pool would fund only upon c) the Company maintaining a specific quarterly and year end cash-on-hand target equal to 80% of our balance sheet cash at December 31, 2016. Thus, the 2017 quarterly and year end cash-on-hand target was \$12.6M.

d) In the event the Minimum Financial Threshold of \$88.1M in total revenue was achieved, thereafter, a portion of the bonus pool would fund at a specific, pre-determined rate based upon the percentage of revenue growth in fiscal year 2017 compared to total annual revenue in fiscal year 2016 (\$82.4M) (on a constant currency basis).

In the event the Minimum Financial Threshold of (\$0.17) EPS loss or better was achieved, thereafter a portion of e) the bonus pool would fund at a specific, pre-determined rate based upon the improvement in EPS (in increments of \$0.01 improvement) in fiscal year 2017 compared to EPS in fiscal year 2016 (\$0.21).

The Board of Directors believes that the targets established for 2017 appropriately balanced attention to near term financial performance with required investments in and progress on infrastructure, clinical and regulatory related plans.

The Company does not disclose the specific details of the regulatory, quality clinical, commercial, and R&D-related performance objectives as it believes their disclosure would provide our competitors, customers and other third parties with significant insights regarding our confidential business strategies that could cause us substantial competitive harm. These goals were approved by the Board of Directors at a level they determined would require substantial and significant effort to be achieved.

In 2017, the Company exceeded the Minimum Financial Thresholds, thus enabling funding of the bonus pool. The Company achieved 14% of the available 30% in bonus plan element (b) related to non-financial objectives. The Company surpassed its quarterly and year end cash-on-hand target, thus funding the bonus pool by an additional 10%. The Company also achieved 2017 revenue of \$90.6M, which funded an additional 10% of the pool. Finally, the Company achieved an EPS of (\$0.05), which funded an additional 38.5% of the bonus pool.

Based on the Company's performance compared to the financial and non-financial goals pre-approved by the Board of Directors, the 2017 bonus pool funded at 72.5%. The Committee did not exercise any subjectivity in funding the 2017 bonus pool or in setting the final payouts.

Named Executive Officer	Base Salary	Bonus Payment	Individual Incentive Target(1)	Bonus Paid(1)
Caren Mason	\$ 567,840	\$ 308,763	75 %	54.4 %
Deborah Andrews	\$ 335,000	\$ 96,778	45 %	28.9 %
Keith Holliday	\$ 355,368	\$ 115,939	45 %	32.6 %
Samuel Gesten	\$ 349,524	\$ 114,032	45 %	32.6 %
Hans Blickensdoerfer	\$ 348,829	\$ 112,256	45 %	32.2 %
Stephen Brown(2)	\$ 327,642	\$ —	45 %	— %

(1) "Individual Incentive Target" and "Bonus Paid" are shown as a percentage of salary. The 2017 bonus paid was 72.5% of each individual's incentive target for all named executive officers in 2017.

- (2) Mr. Brown was Chief Financial Officer until April 2017.

Long-term Equity Awards Granted to Named Executive Officers in 2017. In 2017, the Committee recommended to the Board of Directors that it grant long-term equity compensation to the named executive officers, consistent with the Company's Compensation Philosophy and based upon the individual's performance and benchmark data, in the form of stock option grants and restricted stock units (RSU) which the Board of Directors approved, as follows:

Name and Title	Grant Date	Stock Options (LTIP)(1)	Restricted Stock Units (LTIP)(2)
Caren Mason President and CEO	March 21, 2017	200,000	—
Deborah Andrews Vice President, Chief Financial Officer	November 13, 2017 March 21, 2017	25,000 5,000	12,500 2,500
Keith Holliday Vice President, Chief Technology Officer	March 21, 2017	37,500	18,750
Samuel Gesten Vice President, Chief Legal Officer and Secretary	March 21, 2017	22,500	11,250
Hans Blickensdoerfer Senior Vice President, Commercial Operations, Europe and China	March 21, 2017	22,500	11,250
Stephen Brown Former Vice President, Chief Financial Officer	March 21, 2017	22,500	11,250

The options granted have a 10-year term and become exercisable as follows: one-third on the 1-year anniversary of the grant date and the remaining two-thirds of such options shall become exercisable over the following 24 months in equal amounts on a monthly basis. In the event the options do not evenly divide into 24 months, the remaining

(1) balance of options granted shall become exercisable on the final month of vesting. The exercise price is \$9.30 for those options granted on March 21, 2017 and \$15.25 for those options granted on November 13, 2017, which was the closing price on the NASDAQ Stock Market on the date of grant.

(2) The restricted stock units have a three-year vesting schedule, with one third vesting on the first three anniversaries of the date of grant, subject to continued service.

Change-in-Control Arrangements

Our named executive officers will receive certain severance and other rights from STAAR or a successor company if they are terminated following a change in control of STAAR. Rights of this nature are often termed "double trigger" change-in-control rights. In addition, the Plan provides that, if STAAR has a change in control, options vest

immediately unless the surviving company assumes or replaces the options.

STAAR provides these rights to help it compete with larger, better-capitalized ophthalmic companies in attracting employees. STAAR also recognizes the retention value of equity instruments. Change-in-control rights are intended to do the following:

Reinforce the alignment of employee interest with stockholder interest by providing that, if a major transaction occurs, vesting and exercisability of stock options will accelerate or continue, so the potential equity value of unvested or unexercised options will not be lost; and

Encourage employees to remain with STAAR despite uncertainties while a transaction is under consideration or pending by assuring them that, if they are terminated as a result of a change in control, they will receive continued pay and benefits to cover the disruption in employment.

The specific change-in-control rights to which each named executive officer is entitled are discussed below under “Employment Agreements.”

Severance Arrangements

Each of our named executive officers is entitled to limited continuation of salary and benefits if the officer is terminated under specified circumstances. These arrangements are provided to maintain STAAR’s competitive position in attracting and retaining executive talent and are described further in the section “Employment Agreements” below.

Perquisites

In 2017, the named executive officers received an opportunity to undergo an executive health screening and were eligible to receive an executive life insurance policy with premiums and costs paid by STAAR.

Benefits

The named executive officers participate in a variety of retirement, health and welfare, and paid time-off benefits designed to enable STAAR to attract and retain its workforce in a competitive marketplace. Health and welfare and paid time-off benefits help ensure that STAAR has a productive and focused workforce through reliable and competitive health and other benefits. Pension (for our Switzerland based team members) and retirement savings plans help employees, especially long-serving employees, save and prepare financially for retirement.

STAAR's qualified 401(k) plan allows all employees to contribute up to the limits imposed by the Internal Revenue Code—\$18,000 per employee for 2017 (with a \$6,000 annual catch-up contribution permitted for those over 50 years of age)—on a pre- or after-tax basis. During 2017 STAAR provided an 80% percent match up to the first 6% of the employee's compensation. Officers serving outside the U.S., where Section 401(k) of the Internal Revenue Code is largely inapplicable, receive pension benefits based on local regulations and standards.

COMPENSATION TABLES**Summary Compensation Table**

The following table summarizes the compensation of the named executive officers for each of the three fiscal years ending December 29, 2017, December 30, 2016 and January 1, 2016, respectively. By providing the Grant Date Fair Value of stock and option awards in the table STAAR does not imply any assurance that such values will ever be realized.

Name and Title	Year	Salary (\$)	Bonus (\$)	Option Awards (\$)(1)	Stock Awards (\$)(1)	Change in Pension Value and Non-	All Other Compensation (\$)(2)	Total (\$)
----------------	------	----------------	---------------	-----------------------------	----------------------------	--	--------------------------------------	---------------

Edgar Filing: STAAR SURGICAL CO - Form PRE 14A

						qualified Deferred Compensation Earnings (\$)		
Caren Mason	2017	562,800	308,763	980,300	—	—	14,148	1,866,011
President and Chief	2016	541,154	204,750	387,920	376,000	—	15,987	1,525,811
Executive Officer	2015	423,115	393,750	1,642,488	—	—	25,189	2,484,542
Deborah Andrews(4)	2017	305,315	96,778	226,073	213,875	—	23,014	865,055
Vice President and Chief Financial Officer								
Hans Blickensdoerfer(3)	2017	339,327	112,256	110,284	104,625	32,933	—	699,425
Senior Vice President,	2016	330,973	76,948	155,168	150,400	56,993	—	770,482
Commercial Operations	2015	302,571	137,156	115,589	110,250	50,354	—	715,920
Samuel Gesten	2017	347,175	114,032	110,284	104,625	—	25,386	701,502
Vice President, Chief	2016	337,808	76,352	77,584	75,200	—	25,081	592,025
Legal Officer, and Secretary	2015	330,454	134,739	77,060	51,450	—	24,402	618,105
Keith Holliday	2017	352,214	115,939	183,806	174,375	—	26,974	853,308
Vice President, Chief	2016	340,154	76,883	96,980	94,000	—	27,035	635,052
Technology Officer	2015	120,129	150,750	94,831	266,400	—	79,948	712,058
Stephen Brown(5)	2017	111,932	—	110,284	104,513	—	14,155	340,884
Former, Chief	2016	319,587	72,274	96,980	94,000	—	27,877	610,718
Financial Officer	2015	312,039	127,231	96,324	73,500	—	27,391	636,485

Dollar amounts in the Stock Awards and Option Awards columns reflect the aggregate grant date fair value with respect to stock awards and options granted during fiscal years 2017, 2016 and 2015 calculated in accordance with (1)FASB ASC Topic 718. Assumptions used in the calculation of these amounts for fiscal years 2017 are included in Note 11 to STAAR's audited consolidated financial statements for the fiscal year ended December 29, 2017, included in STAAR's Annual Report on Form 10-K.

- (2) Each element of All Other Compensation is quantified in the subsequent table below.
 (3) Salary and bonus paid in Swiss Francs and converted to U.S. dollars using the average rate for the fiscal year.
 (4) Appointed Chief Financial Officer since September 2017.
 (5) Was Chief Financial Officer until April 2017.

The following table summarizes the elements of “All Other Compensation” listed in the table above for 2017.

Name	Insurance Premiums (\$)	Company Contributions to 401(k) Plans (\$)	Total (\$)
Caren Mason	1,188	12,960	14,148
Deborah Andrews	10,054	12,960	23,014
Hans Blickensdoerfer	—	—	—
Samuel Gesten	12,426	12,960	25,386
Keith Holliday	14,014	12,960	26,974
Stephen Brown	5,082	9,073	14,155

Grants of Plan-Based Awards

for Fiscal Year Ended

December 29, 2017

The following table provides information on stock and option awards granted in 2017 to each of STAAR’s named executive officers and estimated future payouts for non-equity incentive plan awards under STAAR’s executive cash bonus plan. By providing the Grant Date Fair Value of stock and option awards in the table STAAR does not imply any assurance that such values will ever be realized.

Name and Principal Position	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Awards(1)	Estimated Future Payouts Under Equity Incentive Plan Awards(1)	Maximum Awards (\$)	Estimated All Other Stock Awards: Number of Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option (\$/Share)	Grant Date Fair Value of Stock and Option Awards (\$)
		(\$)	(\$)	(\$)	(#)	(#)	(\$/Share)	(#)

Edgar Filing: STAAR SURGICAL CO - Form PRE 14A

Caren Mason		425,880	—	—	—	—	—	—
President, Chief Executive Officer	03/21/2017	—	—	—	—	200,000	9.30	980,300
Deborah Andrews		150,750	—	—	—	—	—	—
Vice President, Chief Financial Officer	03/21/2017	—	—	—	—	5,000	9.30	24,508
	03/21/2017	—	—	—	2,500	—	—	23,250
	11/13/2017	—	—	—	—	25,000	15.25	201,565
	11/13/2017	—	—	—	12,500	—	—	190,625
Hans Blickensdoerfer		154,794	—	—	—	—	—	—
Senior Vice President, Commercial Operations	03/21/2017	—	—	—	—	22,500	9.30	110,284
	03/21/2017	—	—	—	11,250	—	—	104,625
Samuel Gesten		157,286	—	—	—	—	—	—
Chief Legal Officer and Corporate Secretary	03/21/2017	—	—	—	—	22,500	9.30	110,284
	03/21/2017	—	—	—	11,250	—	—	104,625
Keith Holliday		159,916	—	—	—	—	—	—
Chief Technology Officer	03/21/2017	—	—	—	—	37,500	9.30	183,806
	03/21/2017	—	—	—	18,750	—	—	174,375
Stephen Brown		147,439	—	—	—	—	—	—
Former Vice President, Chief Financial Officer	03/21/2017	—	—	—	—	22,500	9.30	110,284
	03/21/2017	—	—	—	11,250	—	—	104,513

- (1) Reflects targeted and maximum cash bonuses for 2017 performance paid in 2018 under STAAR’s cash bonus plan for executive officers.
- (2) Reflects the restricted stock unit awards subject to a three-year schedule with one third vesting on each of the first three anniversaries of the date of grant, subject to continued employment.
- (3) Reflects the aggregate grant date fair value with respect to stock awards and options granted during fiscal year 2017, calculated in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in Note 11 to STAAR’s audited consolidated financial statements for the fiscal year ended December 29, 2017, included in STAAR’s Annual Report on Form 10-K.

Stock awards granted to executive officers in 2017 consisted of restricted stock units scheduled to vest over three years, with one third vesting on each of the first three anniversaries of the date of grant, subject to continued service.

All of the stock options granted to executive officers in 2017 had a ten-year term and a three-year vesting schedule, with one third vesting on the first anniversary of the date of grant and the remaining vesting monthly over 24 months, subject to continued employment.

Outstanding Equity Awards

at Fiscal Year-End

December 29, 2017

The following table shows the number of shares covered by exercisable and unexercisable options and unvested shares of restricted stock held by STAAR’s named executive officers on December 29, 2017.

Option Awards				Stock Awards			
Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)(1)	Option Exercise Price	Option Expiration	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stocks That Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Other Rights That	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other

Edgar Filing: STAAR SURGICAL CO - Form PRE 14A

Name	Exercisable	Unexercisable	(\$)	Date	(#)(2)	(\$)	Have Not Vested (#)	Rights That Have Not Vested (\$)
Caren Mason	10,000	—	15.73	06/08/2024	—	—	—	—
	400,000	—	7.76	03/02/2025	—	—	—	—
	58,333	41,667	7.52	03/17/2026	33,334	516,677	—	—
	—	200,000	9.30	03/20/2027	—	—	—	—
Deborah Andrews	13,331	—	2.91	05/14/2018	—	—	—	—
	25,000	—	5.68	12/14/2020	—	—	—	—
	20,000	—	11.00	03/01/2022	—	—	—	—
	20,000	—	5.34	03/03/2023	—	—	—	—
	10,000	—	15.54	03/06/2024	—	—	—	—
	15,000	—	7.35	04/06/2025	—	—	—	—
	5,000	4,000	7.36	04/03/2026	2,000	31,000	—	—
	—	5,000	9.30	03/20/2027	2,500	38,750	—	—
—	25,000	15.25	11/12/2027	12,500	193,750	—	—	
Hans Blickensdoerfer	25,000	—	5.68	12/14/2020	—	—	—	—
	20,000	—	5.49	03/14/2021	—	—	—	—
	20,000	—	11.00	03/01/2022	—	—	—	—
	20,000	—	5.34	03/03/2023	—	—	—	—
	15,000	—	15.54	03/06/2024	—	—	—	—
	30,000	—	7.35	04/06/2025	—	—	—	—
	23,333	16,667	7.52	03/17/2026	13,334	206,677	—	—
	—	22,500	9.30	03/20/2027	11,250	174,375	—	—

Name	Option Awards				Stock Awards			Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)(1)	Option Exercise Price	Option Expiration	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stocks That Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
	Exercisable	Unexercisable	(\$)	Date	(#)(2)	(\$)	(#)	(\$)
Samuel Gesten	70,000	—	11.02	04/01/2022	—	—	—	—
	20,000	—	5.34	03/03/2023	—	—	—	—
	12,500	—	15.54	03/06/2024	—	—	—	—
	20,000	—	7.35	04/06/2025	—	—	—	—
	11,666	8,334	7.52	03/17/2026	6,667	103,339	—	—
	—	22,500	9.30	03/20/2027	11,250	174,375	—	—
Keith Holliday	25,000	—	7.20	08/18/2025	—	—	—	—
	14,583	10,417	7.52	03/17/2026	8,334	129,177	—	—
	—	37,500	9.30	03/20/2027	18,750	290,625	—	—

(1) Option awards were granted on March 21, 2017 and November 13, 2017. The options granted will become exercisable with one-third vesting on March 21, 2018 or November 13, 2018, respectively, and the remaining two-thirds vesting monthly in equal amounts over the next 24 months.

(2) Stock awards were granted on March 21, 2017 and November 13, 2017. The stock awards vest over three years, with one third vesting on each of the first three anniversaries of the date of grant, subject to continued service.

Option Exercises and Stock Vested as of

Fiscal Year-End December 29, 2017

The table below shows the number of shares of STAAR common stock acquired by named executive officers during 2017 on the exercise of options, and the number of shares of stock subject to stock awards that vested in 2017 for each named executive officer.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting	Value Realized on Vesting (\$)(1)
Caren Mason	—	—	16,666	164,827
Deborah Andrews	26,669	132,757	1,000	9,790
Hans Blickensdoerfer	—	—	6,666	65,927
Samuel Gesten	—	—	3,333	32,963
Keith Holliday	—	—	4,166	41,202
Stephen Brown	34,027	118,329	—	—

(1) The dollar amount shown are determined by multiplying the number of shares that vested by the per-share closing price of the Company's common stock on the vesting date.

Pension Benefits for Fiscal Year Ended**December 29, 2017**

STAAR maintains a pension plan covering employees of its Swiss subsidiary, including Mr. Blickensdoerfer. This plan, which we refer to as the “Swiss Plan,” is classified as a defined benefit plan under guidelines of the Swiss Auditing Chamber’s Auditing Practice Committee and its Accounting Practice Committee, and STAAR accounts for it as a defined benefit plan.

The Swiss Plan is financed by employer and employee contributions, with employers required to match employee contributions. No other named executive officer participates in a defined benefit pension plan.

The table below shows the present value of the pension benefits to which each person is entitled to under the Swiss Plan. The present value assumes that the participant will retire at age 65, the normal retirement age for men under the Swiss Plan. The present value was calculated using the assumptions set forth in Note 10 to the consolidated financial statements in STAAR’s Annual Report on Form 10-K for fiscal year 2017. A participant may elect to receive a lump sum or a monthly annuity payment upon eligibility.

Name	Plan Name	Number of Years Credited Service (#)(1)	Present Value of Accumulated Benefit (\$)	Payments During 2017 (\$)
Hans Blickensdoerfer	Swiss Plan	17	414,825	—

The number of years credited to an employee under the Swiss Plan is determined by applicable government (1) regulations and plan formulae and may be greater than the actual number of years the employee has worked for STAAR.

Change in Control and Termination Payment and Benefit Estimates**As of December 29, 2017**

The table below demonstrates the effect of termination and change-in-control rights held by named executive officers under their employment agreements with us. Each column of the table shows the financial benefit that would have

been received by a named executive officer, on a hypothetical basis, if one of the following events had occurred on December 29, 2017:

termination by STAAR without cause, or by the named executive officer for good reason, prior to a change in control;

termination by STAAR without cause, or by the named executive officer for good reason, following a change in control;

- a change in control of STAAR, without termination of the named executive officer; and
- termination because of disability, irrespective of any change in control.

We are providing this information on a hypothetical basis in accordance with the regulations of the SEC. In fact, no such change in control occurred on December 29, 2017, and none of the named executive officers was terminated on that date. There can be no assurance that a change in control would produce the same or similar results as those described if it occurs on any other date, or if any assumption is not correct when the actual event occurs. Termination “for good reason” generally means that an employer has adversely changed the terms and conditions of employment to such a degree that the executive, under the specific terms of his or her agreement, is entitled to voluntarily resign and to receive severance benefits.

Name	Benefit	Termination w/o Cause or for Good Reason (\$)	Termination w/o Cause or for Good Reason following Change in Control (\$)(2)	Change in Control (\$)(1)	Disability (\$)
Caren Mason	Severance	851,760	1,703,520	(3) —	283,920
	COBRA	40,866	40,866	—	—
	Equity acceleration	—	5,650,344	5,650,344	—
Deborah Andrews	Severance	167,500	36,500	(3) —	—
	COBRA	13,622	27,244	—	—
	Equity acceleration	—	1,202,752	1,202,752	—

Name	Benefit	Termination w/o Cause or for Good Reason (\$)	Termination w/o Cause or for Good Reason following Change in Control (\$)(2)	Change in Control (\$)(1)	Disability (\$)
Hans Blickensdoerfer	Severance	170,499	N47,896	(3) —	—
	Equity acceleration	—	1,822,906	1,822,906	—
Samuel Gesten	Severance	174,762	N64,096	(3) —	—
	COBRA	18,044	36,087	—	—
	Equity acceleration	—	1,256,434	1,256,434	—
Keith Holliday	Severance	177,684	N75,200	(3) —	—
	COBRA	18,044	36,087	—	—
	Equity acceleration	—	1,059,031	1,059,031	—

- (1) Assumes that following a change in control the acquirer or surviving company has not assumed the named executive officer's outstanding equity awards. If the acquirer or surviving company assumes the equity awards issued under the Company's Omnibus Equity Incentive Plan, the equity awards will continue to vest in accordance with their original terms.

Except as otherwise indicated, severance payments are payable on a bi-weekly basis during the severance period.
(2) Ms. Mason would receive her severance payment in a lump sum payable on the 60th day following a termination, regardless of a change in control.

- (3) Severance payments include prior year and current year target bonus amounts paid out at 100%.

EMPLOYMENT AGREEMENTS

Caren Mason, President and Chief Executive Officer

In connection with Ms. Mason's commencement of employment as our President and Chief Executive Officer, we entered into an employment agreement with her effective on March 1, 2015. There is no specific term of service provided for in the agreement. The agreement provides that Ms. Mason is eligible for an initial base salary of \$525,000, subject to periodic adjustment, and an annual target bonus of 75% of her base salary. Pursuant to her employment agreement, Ms. Mason was also granted an initial new hire equity grant of 400,000 stock options and is eligible for periodic additional awards at the discretion of the Board. The agreement also entitles Ms. Mason to participate in all the benefit plans available to similarly situated executives at STAAR, including executive level health and life insurance coverage.

If STAAR terminates Ms. Mason's employment for reasons other than cause (as defined in the agreement) or Ms. Mason resigns for good reason (as defined in the agreement), she will be entitled to 18 months of base salary from the date of termination payable either in eighteen monthly installments or in a lump sum at the option of the Board. Ms. Mason will also be entitled to 18 months of health insurance benefits (COBRA) at her option.

In the event of a change in control, if Ms. Mason resigns within 18 months after the change in control due to a successor company's failure to offer or maintain her in the position of Chief Executive Officer of the successor company or if she is terminated for reasons other than cause within 12 months of the change in control, then she will receive the severance benefits described above plus an amount equal to her bonus, if any, for the year prior to her termination and an amount equal to her target bonus for the year in which the termination occurs. In addition, all of Ms. Mason's equity awards will vest in full.

The severance payment and benefits described above are subject to Ms. Mason's execution and delivery of a general release of claims against the Company. The employment agreement also provides that if any payment or benefit to Ms. Mason would result in a parachute payment under Section 280G of the Internal Revenue Code, such payments and benefits will be reduced to the extent necessary so no portion is subject to an excise tax.

Other Named Executive Officers

We are parties to offer letters with each of our other named executive officers which provide for initial base salaries and target bonuses. The offer letters provide for at-will employment with each of these individuals and do not contain any executory obligations on the part of the Company.

Executive Change in Control Agreements

STAAR has entered into executive change in control retention agreements with certain executive officers and other key employees that provide cash and other severance benefits if there is a change in control of the Company. The Executive Change in Control Agreements with Ms. Andrews, Messrs. Holliday, Blickensdoerfer, and Gesten provide