

ICU MEDICAL INC/DE  
Form DEF 14A  
April 10, 2008

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A INFORMATION**

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

Filed by the Registrant  X

Filed by a Party other than the Registrant  O

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

ICU Medical, Inc.  
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  - (2) Aggregate number of securities to which transaction applies:
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  - (4) Proposed maximum aggregate value of transaction:
  - (5) Total fee paid:
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
  - (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:

**ICU MEDICAL, INC.**

**951 Calle Amanecer**

**San Clemente, California 92673-6213**

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To be held May 16, 2008**

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This Annual Meeting of Stockholders of ICU Medical, Inc. (the Company) will be held by means of remote communication on the Internet at the Company's web site, [www.icumed.com](http://www.icumed.com), and by conference telephone at (800) 901-5259, passcode 37830746, on Friday, May 16, 2008 at 9:00 a.m., Pacific Daylight Time, for the following purposes:

1. To elect three directors of the Company to serve for a term of three years and until their successors have been elected and qualified;
2. To vote on a proposal to approve the 2008 Performance-Based Incentive Plan; and;
3. To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

The Board of Directors has determined that only holders of Common Stock of record at the close of business on March 17, 2008 will be entitled to receive notice of, and to vote at, the Annual Meeting or any adjournment thereof.

You may attend the Annual Meeting by either clicking on [Investors](#) and then clicking on [Annual Meeting](#) on our web site, [www.icumed.com](http://www.icumed.com), or calling (800) 901-5259, passcode 37830746, from a touch-tone telephone. If you hold stock certificates registered in your own name, you will need the control number printed on the attachment to the enclosed proxy card to verify that you are a stockholder of record. If your stock is held in street name by your broker or other nominee, you will need to provide the name of your broker or nominee to gain access to the Annual Meeting.

By Order of the Board of Directors

Scott E. Lamb, Secretary

San Clemente, CA

April 16, 2008

**YOUR VOTE IS IMPORTANT**

**Even though you plan to attend the Annual Meeting in person by means of remote communication, please complete, sign, date and return the enclosed proxy promptly or submit your proxy over the Internet or by telephone. If you attend the Annual Meeting electronically, you may withdraw your proxy and vote in person. You will find information on submitting your proxy over the Internet and by telephone and information about voting in person at the Annual Meeting on the reverse side of this notice.**

**THANK YOU FOR ACTING PROMPTLY**

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***How do I submit my proxy?***

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

- by mailing the enclosed proxy card in the enclosed envelope;
  
- electronically, using the Internet; or
  
- over the telephone by calling a toll-free number.

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

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

***How can I vote my shares in person at the meeting?***

If you are a stockholder of record, you may vote your shares at the Annual Meeting by telecopier or facsimile. The procedures for voting during the Annual Meeting are designed to verify your identity and allow you to vote. You should retain the attachment to the proxy card enclosed with this Proxy Statement on which your unique control number appears. You will need to write this control number on your ballot to verify your identity.

To vote during the meeting, access the Company's website at [www.icumed.com](http://www.icumed.com), then click on the Investors tab, and click on the icon that says Voting Ballot. You may download and print the ballot. Alternatively, you may request that a ballot be faxed to you by calling Investor Relations at (800) 824-7890 any time before 4:00 PM PDT on May 15, 2008. After you have marked your votes and recorded your control number on your ballot, you may fax the ballot to the Company at (949) 366-8368. Ballots must be received before the polls are closed during the Annual Meeting to be counted. We anticipate that the polls will be open from approximately 9:05 to 9:20 AM PDT on May 16, 2008.

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

**Your vote is important. Thank you for voting.**

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**ICU MEDICAL, INC.**

**951 Calle Amanecer**

**San Clemente, California 92673**

**PROXY STATEMENT**

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of ICU Medical, Inc. (the "Company") for use at the Annual Meeting of Stockholders. The Annual Meeting is to be held by means of remote communication on the Internet at the Company's web site, [www.icumed.com](http://www.icumed.com), and by conference telephone at (800) 901-5259, passcode 37830746, on Friday, May 16, 2008 at 9:00 a.m., Pacific Daylight Time, and at any adjournments thereof, for the purposes set forth herein and in the accompanying Notice.

The approximate date of mailing of this Proxy Statement and the accompanying proxy is April 16, 2008. This Proxy Statement was also posted on the Company's web site, [www.icumed.com](http://www.icumed.com), on April 16, 2008.

**Attendance by Remote Communication**

The Annual Meeting will be held entirely by remote communication on the Internet, as permitted by Delaware law. There will be no physical location at which stockholders may attend the Annual Meeting, but stockholders may attend and participate in the meeting electronically. Stockholders who participate in the Annual Meeting by means of remote communication will be deemed to be present in person and will be able to vote during the Annual Meeting at the times that the polls are open. Stockholders who wish to attend the meeting should go to [www.icumed.com](http://www.icumed.com), click on the Investors tab and click on the icon that says "Annual Meeting" or telephone (800) 901-5259, passcode 37830746 at least 10 minutes before the beginning of the meeting to register their attendance and complete the verification procedures to confirm that they were stockholders of record as of March 17, 2008, the record date. Stockholders of record will need to provide the control number on the attachment to the enclosed proxy card to verify their identity.

Beneficial owners whose stock is held for them in street name by their brokers or other nominees may also attend the meeting by going to [www.icumed.com](http://www.icumed.com), clicking on the Investors tab and clicking on the icon that says "Annual Meeting" or telephoning (800) 901-5259, passcode 37830746, at least 10 minutes before the beginning of the meeting. Such beneficial owners may not vote at the meeting, and may only cause their shares to be voted by providing voting instructions to the persons who hold the beneficial owners' shares for them. Beneficial owners will need to provide the name of the broker or other nominee that holds their shares to gain access to the meeting.

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There is additional information about voting at the Annual Meeting on the opposite page. Stockholders may also obtain additional information about accessing and voting at the Annual Meeting by calling Investor Relations at (800) 824-7890.

### **Proxy Information**

A stockholder giving a proxy may revoke it at any time before it is exercised by filing with the Secretary of the Company a written notice of revocation or a duly executed proxy bearing a later date. The powers of the proxy holders will be suspended if the person executing the proxy is present at the Annual Meeting electronically and elects to vote in person. Subject to such revocation or suspension, all shares represented by each properly executed proxy received by the Company will be voted in accordance with the instructions indicated thereon, and if instructions are not indicated, will be voted in favor of (i) the election of the nominees for director named in, or otherwise nominated as set forth in this Proxy Statement, (ii) the proposal to approve the 2008 Performance-Based Incentive Plan, and (iii) in the discretion of the proxy holders, on any other business that comes before the meeting.

**Record Date and Voting**

As of March 17, 2008 the outstanding voting securities of the Company consisted of 13,856,278 shares of \$.10 par value Common Stock. Each stockholder of record at the close of business on March 17, 2008 is entitled to one vote for each share then held on each matter submitted to a vote of stockholders. The presence in person electronically or by proxy of holders of a majority of the issued and outstanding Common Stock will constitute a quorum for the transaction of such business as shall properly come before the meeting.

Directors are elected by a plurality of the votes of the shares present in person electronically or by proxy and entitled to vote on the election of directors. As a result, abstentions have no effect on the election of directors. Generally, stockholder approval of other matters requires the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote on the matter. Shares voted to abstain on such a matter will be treated as entitled to vote on the matter and will thus have the same effect as no votes.

The term broker non-votes refers to shares held by a broker in street name that are present by proxy but are not voted on a matter pursuant to rules prohibiting brokers from voting on non-routine matters without instructions from the beneficial owner of the shares. Broker non-votes on such matters are not counted as entitled to vote on a matter in determining the number of affirmative votes required for approval of the matter, but are counted as present for quorum purposes. The election of directors is generally considered to be routine matters on which brokers may vote without instructions from beneficial owners. Approval of the 2008 Performance-Based Incentive Plan is a non-routine matter on which brokers may not vote without instructions from beneficial owners.



**Security Ownership of Certain Beneficial Owners and Management**

The following table sets forth information as to shares of Common Stock owned as of March 17, 2008, by (i) each person who, insofar as the Company has been able to ascertain, beneficially owned more than five percent of the outstanding Common Stock, (ii) each director, (iii) each nominee for election as a director, (iv) each named executive officer, and (v) all directors and executive officers as a group. Unless otherwise indicated in the footnotes following the table, and subject to community property laws where applicable, the Company believes that the persons as to whom the information is given have sole voting and investment power over the shares listed as beneficially owned. The business address of the George A. Lopez, M.D. Second Family Limited, the Lopez Family Trust and of George A. Lopez, M.D. is 951 Calle Amanecer, San Clemente, California 92673.

	Shares Owned Beneficially (1)	Percent of Class(1)
George A. Lopez, M.D.	4,014,994 (2)	24.5%
George A. Lopez, M.D. Second Family Limited Partnership	1,186,843 (3)	8.6%
Neuberger Berman, Inc. 605 Third Avenue, New York, NY 10158-3698	1,984,777 (12)	14.3%
Columbia Wanger Asset Management, L.P. 227 West Monroe Street, Suite 3000, Chicago, IL 60606	1,951,400 (12)	14.1%
Capital Research Global Investors 333 South Hope Street, Los Angeles, CA 90071-1406	1,019,000 (12)	7.4%
Artisan Partners Limited Partnership 875 East Wisconsin Avenue, Suite 800, Milwaukee, WI 53202	821,100 (12)	5.9%
First Manhattan Company 437 Madison Avenue, 31 <sup>st</sup> Floor, New York, NY 10022	703,604 (12)	5.1%
Jack W. Brown	50,625 (4)	*
John J. Connors	26,375 (5)	*
Michael T. Kovalchik III, M.D.	42,137 (4)	*
Joseph R. Saucedo	39,715 (4)	*
Richard H. Sherman, M.D.	112,176 (4)	*
Robert S. Swinney, M.D.	47,125 (4)(6)	*
Richard A. Costello	41,013 (7)	*
Scott E. Lamb	5,700 (8)	*
Francis J. O'Brien	106,418 (9)	*
Steven C. Riggs	53,243 (10)	*
All directors and executive officers as a group (12 persons)	4,558,850 (11)	27.1%

\* Less than one percent

(1) Based on total shares of Common Stock outstanding plus outstanding options to acquire Common Stock currently exercisable or exercisable within 60 days held by the beneficial owner whose percent of outstanding stock is calculated.

(2) Includes options to acquire 2,498,983 shares. Also includes the 1,186,843 shares owned by the Partnership, as to which shares Dr. Lopez disclaims any beneficial ownership except to the extent described in Note (3). Includes 49,251 shares owned by the Lopez Family Trust. Dr. George A. Lopez is trustee and beneficiary of the Family Trust.

Includes 173,950 shares held by Dr. Lopez as Trustee of the Lopez Charitable Remainder Trust #1 for the benefit of Dr. Lopez.

(3) Dr. George A. Lopez is the general partner of the George A. Lopez, M.D. Second Family Limited Partnership (the Partnership ) and holds a one-percent general partnership interest in the Partnership. As general partner, he has the power to vote and power to dispose of the 1,186,843 shares owned by the Partnership and may be deemed to be a beneficial owner of such shares. Trusts for the benefit of Dr. Lopez s children, the Christopher George Lopez Children s Trust and the Nicholas George Lopez Children s Trust, own a 99% limited partnership interest in the Partnership. Dr. Lopez is not trustee of and has no interest in his children s Trusts. Except to the extent of the undivided one percent general partnership interest in the assets of the Partnership, Dr. Lopez disclaims any beneficial ownership of the shares owned by the Partnership

- (4) Includes options to acquire 39,375 shares.
- (5) Includes options to acquire 24,375 shares.
- (6) Does not include 750 shares owned by Dr. Swinney's wife as to which he has no voting or investment power and disclaims any beneficial ownership.
- (7) Includes options to acquire 41,013 shares.
- (8) Includes options to acquire 5,000 shares.
- (9) Includes options to acquire 97,472 shares.
- (10) Includes options to acquire 52,750 shares.
- (11) Includes options to acquire 2,935,468 shares.
- (12) Information included solely in reliance on information included in a Statement on Schedule 13D or 13G filed with the Securities and Exchange Commission by the indicated holder.

None of the Company's shares owned by its directors or officers has been pledged as security and Company policy prohibits pledging or hypothecating any of the Company's securities owned by its directors and officers.

*Shares of Common Stock of MedScanSonics, Inc., a majority owned subsidiary of the Company*

	<b>Shares Owned Beneficially</b>	<b>Percent of Class</b>
Michael T. Kovalchik III, M.D.	60,000 (1)	2.7%
Richard H. Sherman, M.D.	45,000 (1)	2.1%

All officers and directors as a group (2 persons)	105,000 (2)	4.8%
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(1) All shares owned beneficially consist of options to acquire Common Stock of MedScanSonics, Inc.

(2) Based on total shares of Common Stock outstanding plus outstanding options to acquire Common Stock currently exercisable or exercisable within 60 days held by the beneficial owner whose percent of outstanding stock is calculated.

**ELECTION OF DIRECTORS**

**Nominees and Directors**

Three directors, of the seven directors currently constituting the Board of Directors, are to be elected at the Annual Meeting and to hold office until the 2011 Annual Meeting and until their successors are elected and qualified. The Company's Board of Directors is divided into three classes. Each year a different class of directors is elected at the Annual Meeting to a three-year term.

In the election of directors, the proxy holders intend to vote for the election of John J. Connors, Michael T. Kovalchik, III, M.D., Joseph R. Saucedo, who are now members of the Board and whose current terms of office are expiring. It is not anticipated that the nominees will decline or be unable to serve as directors. If, however, that should occur, the proxy holders will vote the proxies in their discretion for any nominee designated to fill the vacancy by the Company's Nominating/Corporate Governance Committee.

Name	Age	Current		Principal Occupation
		Director since	Term Expires	
George A. Lopez, M.D.	60	1984	2010	Chairman of the Board, President and Chief Executive Officer of the Company
Jack W. Brown	68	1992	2009	