

## *Corporate Governance Principles*

### **I. Introduction**

The Board of Directors of CONMED Corporation (the “Company”), acting on the recommendation of its Corporate Governance and Nominating Committee, has developed and adopted a set of corporate governance principles (the “Guidelines”) to promote the functioning of the Board and its committees and to set forth a common set of expectations as to how the Board should perform its functions.

### **II. Board Composition**

The composition of the Board should balance the following goals:

- The size of the Board should facilitate substantive discussions of the whole Board in which each director can participate meaningfully.
- The composition of the Board should encompass a broad range of skills, expertise, industry knowledge, diversity of opinion and contacts relevant to the Company’s business. With respect to diversity, the Board believes that diversity should be considered with respect to experience in managing companies both public and private, in financial matters, in experience with United States and international business, and in the medical field.
- A majority of the Board shall consist of directors who are neither officers nor employees of the Company or its subsidiaries (and have not been officers or employees of the Company or its subsidiaries in the past three years), do not have a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, and are otherwise “independent” under the rules of the Nasdaq Stock Market, Inc.

### **III. Selection of Chairman of the Board and Chief Executive Officer**

The Board is free to select its Chairman and the Company’s Chief Executive Officer in the manner it considers in the best interests of the Company at any given point in time. The Chairman of the Board should, however, be independent.

### **IV. Selection of Directors**

*Nominations.* The Board is responsible for selecting the nominees for election to the Company’s Board of Directors. The Company’s Corporate Governance and Nominating Committee is responsible for recommending to the Board a slate of directors or one or more nominees to fill vacancies occurring between annual meeting of stockholders.

*Criteria.* The Board should, based on recommendation of the Corporate Governance and Nominating Committee, select new nominees for the position of independent director considering the following criteria.

- Personal qualities and characteristics, accomplishments and reputation in the business community;
- Current knowledge and contacts in the communities in which the Company does business and in the Company's industry or other industries relevant to the Company's business;
- Ability and willingness to commit adequate time to Board and committee matters;
- The fit of the individual's skills and personality with those of other directors and potential directors in building a Board that is effective, collegial and responsive to the needs of the Company; and
- Diversity of viewpoints, background, experience and other demographics.

*Invitation.* The invitation to join the Board should be extended by the Board itself via the Chairman of the Board and CEO of the Company.

*Majority Vote for Uncontested Elections.* In uncontested elections, a director nominee who does not receive a majority of votes cast for election or re-election, as the case may be, is expected to tender his or her resignation to the Board. The Nominating and Governance Committee, or another duly authorized committee of the Board, will recommend to the full Board whether to accept or reject the tendered resignation generally within 90 days after certification of the election results. The Company will publicly disclose the determination regarding the tendered resignation and the rationale behind the decision in a current report on Form 8-K, or another periodic filing, to be filed with the Securities and Exchange Commission.

*Orientation and Continuing Education.* Management, working with the Board, will provide an orientation process for new directors, including background material on the Company, its business plan, its risk profile, and meetings with senior management. Periodically, management should prepare additional educational sessions for directors on matters relevant to the Company, its business plan and risk profile.

## **V. Independent Director Term Limits**

Independent directors are expected to offer not to stand for reelection upon having completed 15 years of service as a director. For directors who have completed 15 years of service as a director during their terms, the expectation is that they will offer not to stand for reelection but will complete their terms. Notwithstanding the foregoing, the expected retirement can be waived if the Corporate Governance and Nominating Committee determines

that there is good cause for such a waiver and that a waiver would be in the best interests of the Company.

Non-independent directors are not subject to the 15 year tenure limit described above.

The Company does not believe that there should be any specified retirement age, as this should be reviewed on an individual basis.

## **VI. Board Meetings and Role of Chairman**

The Board currently plans at least four meetings each year, with further meetings to occur or action to be taken by unanimous consent at the discretion of the Board. The meetings will usually consist of committee meetings and the Board meeting.

The agenda for each Board meeting will be prepared by the Chairman of the Board. The Chairman of the Board will also prepare an expected schedule of meetings at the beginning of each year. Management will seek to provide to all directors an agenda and appropriate materials in advance of meetings, although the Board recognizes that this will not always be consistent with the timing of transactions and the operations of the business and that in certain cases it may not be possible.

Materials presented to the Board or its committees should be as concise as possible, while still providing the desired information needed for the directors to make an informed judgment.

## **VII. Executive Sessions and Role of the Chairman of the Board**

To ensure free and open discussion and communication among the non-management directors of the Board, the non-management directors will meet in executive sessions periodically, with no members of management present. The Chairman of the Board will preside at the executive sessions of the independent directors, and will convey any communications from the independent directors to the CEO. The Chairman of the Board will also be the spokesperson for the independent directors to investors and any other constituency, as appropriate.

## **VIII. The Committees of the Board and the Responsibilities**

The Company shall have at least the committees required by the rules of the Nasdaq Stock Exchange. Currently, these are the Audit Committee, the Compensation Committee and a nominating/corporate governance committee, which in our Company is called the Corporate Governance and Nominating Committee. Each of these three committees must have a written charter satisfying the rules of the Nasdaq Stock Exchange, with each charter specifying the responsibilities of each respective committee. Oversight of risk management and of the Company's ethics policies shall be functions of the entire Board of Directors.

All directors, whether members of a committee or not, are invited to make suggestions to a committee chair for additions to the agenda of his or her committee or to request that an item from a committee agenda to be considered by the Board. Each committee chair will give a periodic report of his or her committee's activities to the Board, and will provide prior notice of any meetings to the Chairman who is, *ex officio*, invited to attend any Committee meeting.

Except as permitted by NASDAQ Rule 5605 each of the Corporate Governance and Nominating Committee, the Audit Committee and the Compensation Committee shall be composed of directors who are not officers or employees of the Company or its subsidiaries (and have not been officers or employees of the Company or its subsidiaries in the past three years), do not have a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, and are otherwise "independent" under the rules of the NASDAQ Stock Market, Inc. or otherwise required by law. The required qualifications for the members of each committee shall be set out in the respective committees' charters. A director may serve on more than one committee for which he or she qualifies.

## **IX. Management Succession**

At least annually, the Board shall review and concur in a succession plan, developed by management, addressing the policies and principles for selecting a successor to the CEO, both in an emergency situation and in ordinary course of business. The succession plan should indicate an assessment of the experience, performance, skills and planned career paths for possible successors to the CEO.

## **X. Executive Compensation**

1. *Evaluating and Approving Compensation for the CEO.* The Board, acting through the Compensation Committee, evaluates the performance of the CEO and the Company against the Company's goals and objectives, and approves the compensation level of the CEO.
2. *Evaluating and Approving the Compensation of Management.* The Board, acting through the Compensation Committee, evaluates and approves the proposals for overall compensation policies applicable to executive officers.

## **XII. Board Compensation**

The Board should conduct a review at least once every three years of the components and amount of Board compensation in relation to other similarly situated companies. Board compensation should be consistent with market practices but should not be set at a level that would call into question the Board's objectivity.

## **XI. Expectations of Directors**

The business and affairs of the Company shall be managed by or under the direction of the Board in accordance with New York law. In performing their duties, the primary responsibility of the directors is to exercise their business judgment in the best interests of the Company and its Shareholders. The Board has developed a number of specific expectations of directors to promote the discharge of this responsibility and the efficient conduct of the Board's business.

1. *Commitment and Attendance.* All independent and management directors should make every effort to attend meetings of the Board and meetings of committees of which they are members. Members may attend by telephone or video conference to mitigate conflicts.
2. *Participation in Meetings.* Each director should be sufficiently familiar with the business of the Company, including its financial statements and capital structure, and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves. Upon request, management will make appropriate personnel available to answer any questions a director may have about any aspect of the Company's business. Directors should also review the materials provided by management and advisors in advance of the meetings of the Board and its committees and should arrive prepared to discuss the issues presented.
3. *Loyalty and Ethics.* In their roles as directors, all directors owe a duty of loyalty to the Company. This duty of loyalty mandates that the best interests of the Company take precedence over any interests possessed by a director.

The Company has adopted a Code of Business Conduct and Ethics, including a compliance program to enforce the Code. Certain portions of the Code deal with activities of the directors, particularly with respect to transactions in securities of the Company, potential conflicts of interest, the taking of the corporate opportunities for personal use, and competing with the Company. Directors should be familiar with the Code's provisions in these areas and should consult with the Company's counsel in the event of any issues.

4. *Other Directorships.* The Company values the experience directors bring from the other boards on which they serve, but recognizes that those boards may also present demands on a director's time and availability and may present conflicts or legal issues. Directors should advise the Chair of the Corporate Governance and Nominating Committee, the Chairman and the CEO before accepting membership on the other boards of directors or other significant commitments involving affiliation with other businesses or governmental units.
5. *Contact with Management.* All directors are invited to contact the CEO at any time to discuss any aspect of the Company's business. Directors also have complete access to other members of management. The board expects that there will be frequent opportunities for directors to meet with the CEO and other members of management in Board and committee meetings and in other formal or informal settings.

6. *Contact with other Constituencies.* It is important that the Company speak to employees and outside constituencies with a single voice, and that management serve as the primary spokesperson. To the extent that it may be appropriate for the independent directors to address any constituency, the Chairman of the Board shall be the spokesperson for the independent directors.
7. *Confidentiality.* The proceedings and deliberations of the Board and its committees are confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.
8. *Attendance at Annual Shareholder Meeting.* All directors are expected, absent exceptional circumstances, to attend the Annual Meeting of Shareholders.
9. *Stock Ownership.* All directors are expected to comply with the Company's stock ownership guidelines, which shall be made available for public review on the Company's web site.

#### **XIV. Evaluating Board Performance**

The Board, acting through the Corporate Governance and Nominating Committee, should conduct a self-evaluation at least annually to determine whether it is functioning effectively. The Corporate Governance and Nominating Committee should periodically consider the mix of skills and experience that directors bring to the Board to assess whether the Board has the necessary tools to perform its oversight function effectively.

Each committee of the Board should conduct a self-evaluation at least annually and report the results to the Board, acting through the Corporate Governance and Nominating Committee. Each committee's evaluation must compare the performance of the committee with the requirements of its written charter, if any.

#### **XV. Reliance on Management and Outside Advice**

In performing its functions, the Board is entitled to rely on the advice, reports and opinions of management, counsel, accountants, auditors and other expert advisors. The Board shall have the authority to retain and approve the fees and retention terms of its outside advisors.