





**Cyberonics, Inc.****CYBX NASDAQ****Advanced Medical Equipment**

Market Capitalization USD:

**\$791.71 mm****CONCERN LEVEL: AVERAGE**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap. 
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance. 
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less. 
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

**CEO: Daniel Jeffrey Moore****Age: 51****CEO Since: 2007**

	2009	2010	2011
<b>Base Salary</b>	\$474,808	\$500,673	\$545,231
<b>Discretionary Bonus</b>	\$0	\$0	\$0
<b>Annual Cash Incentive</b>	\$425,000	\$525,566	\$558,580
<b>Benefits and Perquisites</b>	\$12,364	\$9,019	\$9,568
<b>TOTAL ANNUAL COMPENSATION</b>	<b>\$912,172</b>	<b>\$1,035,258</b>	<b>\$1,113,379</b>
<b>Increase in Post-Retirement Benefits</b>	\$0	\$0	\$0
<b>Stock Option Awards</b>	\$935,018	\$357,804	\$600,115
<b>Stock Awards</b>	\$523,500	\$977,114	\$4,958,385
<b>TOTAL COMPENSATION</b>	<b>\$2,694,985</b>	<b>\$2,370,176</b>	<b>\$6,671,879</b>
<b>Median of Other Named Executive Officers Total Compensation</b>	\$1,400,467	\$1,400,467	\$1,828,168
<b>Value Realized on Exercise of Stock Option</b>	\$0	\$0	\$107,880
<b>Value Realized on Vesting of Stock</b>	\$765,312	\$766,000	\$2,256,736
<b>TOTAL REALIZED EQUITY COMPENSATION</b>	<b>\$765,312</b>	<b>\$766,000</b>	<b>\$2,364,616</b>

Proxy Date: 2 Aug 2012

Annual Meeting Date: 19 Sep 2012

Equity Reserves: 16.47%

Stock Option Run Rate: 1.01%

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## Performance Comparison

■ S&P500 ■ Industry ■ CYBX



## Peer Comparisons (TRBC) =Advanced Medical Equipment

### Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
<b>CYBX</b>	<b>Cyberonics, Inc.</b>	<b>\$2,694,985</b>	<b>\$2,370,176</b>	<b>\$6,671,879</b>	<b>\$791,709,508</b>
BRKR	Bruker Corporation	\$809,748	\$1,183,444	\$892,100	\$2,243,596,934
PKI	PerkinElmer, Inc.	\$5,825,388	\$7,948,297	\$12,819,181	\$2,172,315,631
THOR	Thoratec Corporation	\$2,660,617	\$3,851,202	\$4,474,166	\$1,949,965,530
VOLC	Volcano Corporation	\$2,009,762	\$2,945,086	\$3,213,446	\$1,555,108,831
MAKO	MAKO Surgical Corp.	\$2,708,184	\$3,628,580	\$4,218,867	\$1,418,253,546
NXTM	NxStage Medical, Inc.	\$578,155	\$2,434,378	\$1,686,528	\$1,142,583,136

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

### Pay Peer Group

Abiomed, Inc., AngioDynamics, Inc., ArthroCare Corporation., Conceptus Incorporated, Endologix Inc., Exactech, Inc., HeartWare International, Inc., Insulet Corporation, MAKO Surgical Corporation, Masimo Corporation, Nuvasive, Inc., NxStage Medical, Inc., The Spectranetics Corporation, Thoratec Corporation, Wright Medical Group, Inc., and ZOLL Medical Corporation.

### Performance Peer Group

NA

## COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Arthur L. Rosenthal	Chairman	65	Male	5	Outside
Jon T. Tremmel	Member	66	Male	2	Outside
Joseph E. Laptewicz	Member	63	Male	4	Outside