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

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarter ended: July 2, 2016

Commission File Number: 001-14041

HAEMONETICS CORPORATION

(Exact name of registrant as specified in its charter)

Massachusetts	**04-2882273**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

400 Wood Road, Braintree, MA 02184

(Address of principal executive offices)

Registrant's telephone number, including area code: **(781) 848-7100**

Indicate by check mark whether the registrant (1.) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) (2.) has been subject to the filing requirements for at least the past 90 days.

Yes ☑ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☑ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer ☑ Accelerated filer o Non-accelerated filer o Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.)

Yes o No ☑

The number of shares of $0.01 par value common stock outstanding as of July 28, 2016: 51,297,382

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ITEM 1. FINANCIAL STATEMENTS

HAEMONETICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited in thousands, except per share data)

	Three Months Ended	
	July 2, 2016	**June 27, 2015**
Net revenues	$ 209,956	$ 213,413
Cost of goods sold	118,900	110,874
Gross profit	91,056	102,539
Operating expenses:		
Research and development	11,437	11,321
Selling, general and administrative	87,500	87,612
Total operating expenses	98,937	98,933
Operating (loss) income	(7,881)	3,606
Interest and other expense, net	(2,177)	(2,009)
(Loss) income before provision for income taxes	(10,058)	1,597
Provision for income taxes	288	1,864
Net loss	**$ (10,346)**	**$ (267)**
Net loss per share - basic	$ (0.20)	$ (0.01)
Net loss per share - diluted	$ (0.20)	$ (0.01)
Weighted average shares outstanding		
Basic	51,021	51,360
Diluted	51,021	51,360
Comprehensive loss	$ (11,233)	$ (2,627)

The accompanying notes are an integral part of these consolidated financial statements.

HAEMONETICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	July 2, 2016	April 2, 2016
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 118,248	$ 115,123
Accounts receivable, less allowance of $2,351 at July 2, 2016 and $2,253 at April 2, 2016	149,668	157,093
Inventories, net	189,431	187,028
Prepaid expenses and other current assets	32,248	28,842
Total current assets	489,595	488,086
Property, plant and equipment, net	339,666	337,634
Intangible assets, less accumulated amortization of $190,638 at July 2, 2016 and $190,816 at April 2, 2016	198,121	204,458
Goodwill	268,589	267,840
Deferred tax asset, long term	7,572	7,055
Other long-term assets	13,848	14,055
Total assets	**$ 1,317,391**	**$ 1,319,128**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable and current maturities of long-term debt	$ 46,804	$ 43,471
Accounts payable	36,799	39,674
Accrued payroll and related costs	44,330	35,798
Other liabilities	71,040	66,608
Total current liabilities	198,973	185,551
Long-term debt, net of current maturities	352,908	364,529
Long-term deferred tax liability	21,416	21,377
Other long-term liabilities	28,534	26,106
Total stockholders' equity:		
Common stock, $0.01 par value; Authorized — 150,000,000 shares; Issued and outstanding — 51,059,107 shares at July 2, 2016 and 50,932,348 shares at April 2, 2016	511	509
Additional paid-in capital	445,138	439,912
Retained earnings	305,838	316,184
Accumulated other comprehensive loss	(35,927)	(35,040)
Total stockholders' equity:	715,560	721,565
Total liabilities and stockholders' equity	**$ 1,317,391**	**$ 1,319,128**

The accompanying notes are an integral part of these consolidated financial statements.

HAEMONETICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited in thousands)

	Three Months Ended	
	July 2, 2016	**June 27, 2015**
Cash Flows from Operating Activities:		
Net loss	$ (10,346)	$ (267)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Non-cash items:		
Depreciation and amortization	22,544	22,255
Asset impairments	1,766	—
Stock compensation expense	1,840	3,164
Unrealized gain from hedging activities	(907)	(186)
Provision for losses on accounts receivable and inventory	2,571	1,742
Other non-cash operating activities	257	271
Change in operating assets and liabilities:		
Change in accounts receivable, net	8,239	6,524
Change in inventories	(3,721)	(2,410)
Change in prepaid income taxes	(932)	(369)
Change in other assets and other liabilities	1,126	3,699
Change in accounts payable and accrued expenses	8,258	(25,173)
Net cash provided by operating activities	30,695	9,250
Cash Flows from Investing Activities:		
Capital expenditures	(22,479)	(24,246)
Proceeds from sale of property, plant and equipment	87	116
Other acquisitions and investments	—	(3,000)
Net cash used in investing activities	(22,392)	(27,130)
Cash Flows from Financing Activities:		
Payments on long-term real estate mortgage	—	(276)
Net (decrease) increase in short-term loans	(1,261)	4,380
Repayment of term loan borrowings	(7,114)	—
Proceeds from employee stock purchase plan	1,980	2,263
Proceeds from exercise of stock options	1,409	2,893
Share repurchases	—	(39,032)
Net cash used in financing activities	(4,986)	(29,772)
Effect of exchange rates on cash and cash equivalents	(192)	(806)
Net Change in Cash and Cash Equivalents	3,125	(48,458)
Cash and Cash Equivalents at Beginning of Period	115,123	160,662
Cash and Cash Equivalents at End of Period	**$ 118,248**	**$ 112,204**
Supplemental Disclosures of Cash Flow Information:		
Interest paid	$ 2,072	$ 2,068
Income taxes paid	$ 1,541	$ 1,625
Transfers from inventory to fixed assets for placement of Haemonetics equipment	$ 1,764	$ 2,925

The accompanying notes are an integral part of these consolidated financial statements.

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Our accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of our management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. All intercompany transactions have been eliminated. Operating results for the three months ended July 2, 2016 are not necessarily indicative of the results that may be expected for the full fiscal year ending April 1, 2017, or any other interim period. Operating results for the three months ended June 27, 2015 include the correction of an understatement of the provision for income taxes in fiscal 2015, which was determined to be immaterial to all periods impacted. Absent this correction, our net income for the three months ended June 27, 2015 would have been $1.0 million higher than the amount included in the accompanying Consolidated Statements of Loss and Comprehensive Loss. These unaudited consolidated financial statements should be read in conjunction with our audited consolidated financial statements and footnotes included in our annual report on Form 10-K for the fiscal year ended April 2, 2016.

We consider events or transactions that occur after the balance sheet date but prior to the issuance of the financial statements to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. Refer to Note 10, *Commitments and Contingencies*, for information pertaining an arbitration matter that arose after the balance sheet date but prior to the issuance of the financial statements. There were no other significant subsequent events identified.

Our fiscal year ends on the Saturday closest to the last day of March. Fiscal year 2017 includes 52 weeks with each quarter having 13 weeks. Fiscal year 2016 included 53 weeks with the first three quarters having 13 weeks and the fourth quarter having 14 weeks.

2. RECENT ACCOUNTING PRONOUNCEMENTS

Standards Implemented

In June 2014, the FASB issued ASU No. 2014-12, *Compensation—Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period*. ASU No. 2014-12 requires that a performance target that affects vesting and could be achieved after the requisite service period be treated as a performance condition. A reporting entity should apply existing guidance in ASC 718, Compensation—Stock Compensation, as it relates to such awards. ASU No. 2014-12 is effective in our first quarter of fiscal 2017 with early adoption permitted using either of two methods: (i) prospective to all awards granted or modified after the effective date; or (ii) retrospective to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter, with the cumulative effect of applying ASU No. 2014-12 as an adjustment to the opening retained earnings balance as of the beginning of the earliest annual period presented in the financial statements. The adoption of ASU No. 2014-12 did not have a material effect on our financial position or results of operations.

In August 2015, the FASB issued ASU No. 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*. Part I of ASU No. 2015-12 designates contract value as the only required measure for fully benefit-responsive investment contracts. Part II simplifies the investment disclosure requirements under Topics 820, 960, 962, and 965 for employee benefits plans and Part III provides a measurement date practical expedient for fiscal periods that do not coincide with a month-end date. ASU No. 2015-12 is effective for fiscal years beginning after December 15, 2015 with early adoption permitted. The adoption of ASU No. 2015-12 did not have a material effect on our financial position or results of operations.

3. EARNINGS PER SHARE ("EPS")

The following table provides a reconciliation of the numerators and denominators of the basic and diluted earnings per share computations.

(In thousands, except per share amounts)	Three Months Ended July 2, 2016	Three Months Ended June 27, 2015
Basic EPS		
Net loss	$ (10,346)	$ (267)
Weighted average shares	51,021	51,360
Basic loss per share	**$ (0.20)**	**$ (0.01)**
Diluted EPS		
Net loss	$ (10,346)	$ (267)
Basic weighted average shares	51,021	51,360
Net effect of common stock equivalents	—	—
Diluted weighted average shares	51,021	51,360
Diluted loss per share	**$ (0.20)**	**$ (0.01)**

Basic earnings per share is calculated using our weighted-average outstanding common shares. Diluted earnings per share is calculated using our weighted-average outstanding common shares including the dilutive effect of stock awards as determined under the treasury stock method. For the three months ended July 2, 2016 and June 27, 2015, we recognized a net loss; therefore we excluded the impact of outstanding stock awards from the diluted loss per share calculation as their inclusion would have an anti-dilutive effect.

4. STOCK-BASED COMPENSATION

During the first quarter of fiscal 2017, the Company's Board of Directors appointed a new President and Chief Executive Officer of the Company, effective May 16, 2016. In connection with this appointment, the employee was granted an initial equity grant with a preliminary estimated fair value of $1.5 million and initial annual equity grant with a preliminary estimated fair value of $3.8 million, each consisting of 50% performance share units, 25% restricted stock units and 25% non-qualified stock options. The performance share units vest on the last day of a three year performance period contingent upon the employee's continued employment with the Company and the achievement of the performance conditions established by the Company's Compensation Committee. The restricted stock units and the exercise price of the stock options will be determined by the fair market value of the Company's common stock at the time of grant and will vest in equal installments over a four year period.

In addition, the employee may purchase up to $2 million of the Company's stock during the first six months of employment and the Company will grant performance share units equal to the number of shares purchased. The performance share units granted under this award will vest on the last day of a three year performance period. The grant would be conditioned upon the employee's continued employment with the Company and the achievement of the performance conditions established by the Compensation Committee.

5. PRODUCT WARRANTIES

We generally provide warranty on parts and labor for one year after the sale and installation of each device. We also warrant our disposables products through their use or expiration. We estimate our potential warranty expense based on our historical warranty experience and periodically assess the adequacy of our warranty accrual, making adjustments as necessary.

(In thousands)	Three Months Ended July 2, 2016	Three Months Ended June 27, 2015
Warranty accrual as of the beginning of the period	$ 420	$ 531
Warranty provision	163	172
Warranty spending	(234)	(266)
Warranty accrual as of the end of the period	**$ 349**	**$ 437**

6. INVENTORIES

Inventories are stated at the lower of cost or market and include the cost of material, labor and manufacturing overhead. Cost is determined using the first-in, first-out method.

(In thousands)	July 2, 2016	April 2, 2016
Raw materials	$ 61,098	$ 62,062
Work-in-process	14,644	13,180
Finished goods	113,689	111,786
Total inventories	**$ 189,431**	**$ 187,028**

7. GOODWILL

During fiscal 2016, as a result of our annual impairment test, we determined that the estimated fair value of all of our reporting units exceeded their respective carrying values, with the exception of EMEA, for which we recorded a goodwill impairment charge. As of that test date, the reporting unit that was most at risk of impairment in future periods was the Americas Blood Center and Hospital, which had an excess fair value over carrying value of approximately 25.8% and allocated goodwill of $175.9 million. We believe that our assumptions used to determine the fair value of the Americas Blood Center and Hospital reporting unit were reasonable. If different assumptions were to be used, particularly with respect to estimating future cash flows, or if actual operating results and cash flows of the Americas Blood Center and Hospital differ from the estimated operating results and related cash flows, there is the potential that an impairment charge could result in future periods. Additionally, changes to the discount rate or the long-term growth rate could also give rise to an impairment in future periods. During the first quarter of fiscal 2017, there were no new or additional impairment indicators associated with this reporting unit.

8. DERIVATIVES AND FAIR VALUE MEASUREMENTS

We manufacture, market and sell our products globally. For the three months ended July 2, 2016, 40.1% of our sales were generated outside the U.S. in local currencies. We also incur certain manufacturing, marketing and selling costs in international markets in local currency.

Accordingly, our earnings and cash flows are exposed to market risk from changes in foreign currency exchange rates relative to the U.S. Dollar, our reporting currency. We have a program in place that is designed to mitigate our exposure to changes in foreign currency exchange rates. That program includes the use of derivative financial instruments to minimize, for a period of time, the impact on our financial results from changes in foreign exchange rates. We utilize foreign currency forward contracts to hedge the anticipated cash flows from transactions denominated in foreign currencies, primarily the Japanese Yen and the Euro, and to a lesser extent the Swiss Franc, Australian Dollar, Canadian Dollar and the Mexican Peso. This does not eliminate the impact of the volatility of foreign exchange rates, but because we generally enter into forward contracts one year out, rates are fixed for a one-year period, thereby facilitating financial planning and resource allocation.

Designated Foreign Currency Hedge Contracts

All of our designated foreign currency hedge contracts as of July 2, 2016 and April 2, 2016 were cash flow hedges under ASC Topic 815, *Derivatives and Hedging*. We record the effective portion of any change in the fair value of designated foreign currency hedge contracts in Other Comprehensive Loss until the related third-party transaction occurs. Once the related third-party transaction occurs, we reclassify the effective portion of any related gain or loss on the designated foreign currency hedge contracts to earnings. In the event the hedged forecasted transaction does not occur, or it becomes probable that it will not occur, we would reclassify the amount of any gain or loss on the related cash flow hedge to earnings at that time. We had designated foreign currency hedge contracts outstanding in the contract amount of $116.8 million as of July 2, 2016 and $107.4 million as of April 2, 2016.

During the three months ended July 2, 2016, we recognized net losses of $1.0 million in earnings from our cash flow hedges, compared to recognized net gains of $4.0 million during the three months ended June 27, 2015. For the three months ended July 2, 2016, a $1.9 million loss, net of tax, was recorded in Accumulated Other Comprehensive Loss to recognize the effective portion of the fair value of any designated foreign currency hedge contracts that are, or previously were, designated as foreign currency cash flow hedges, as compared to a gain of $1.2 million, net of tax, for the three months ended June 27, 2015. At

July 2, 2016, losses of $5.9 million, net of tax, will be reclassified to earnings within the next twelve months. Substantially all currency cash flow hedges outstanding as of July 2, 2016 mature within twelve months.

Non-Designated Foreign Currency Contracts

We manage our exposure to changes in foreign currency on a consolidated basis to take advantage of offsetting transactions and balances. We use foreign currency forward contracts as a part of our strategy to manage exposure related to foreign currency denominated monetary assets and liabilities. These foreign currency forward contracts are entered into for periods consistent with currency transaction exposures, generally one month. They are not designated as cash flow or fair value hedges under ASC Topic 815. These forward contracts are marked-to-market with changes in fair value recorded to earnings. We had non-designated foreign currency hedge contracts under ASC Topic 815 outstanding in the contract amount of $50.4 million as of July 2, 2016 and $48.8 million as of April 2, 2016.

Interest Rate Swaps

On December 21, 2012, we entered into two interest rate swap agreements (the "Swaps") on a total notional amount of $250.0 million of debt. The Swaps are amortizing and mature on August 1, 2017. We designated the Swaps as cash flow hedges of variable interest rate risk associated with $250.0 million of indebtedness. As of July 2, 2016, the notional amount of these Swaps was $200.0 million. For three months ended July 2, 2016 and June 27, 2015, we recorded nominal activity in Accumulated Other Comprehensive Loss to recognize the effective portion of the fair value of interest rate swaps that qualify as cash flow hedges.

Fair Value of Derivative Instruments

The following table presents the effect of our derivative instruments designated as cash flow hedges and those not designated as hedging instruments under ASC Topic 815 in our consolidated statements of loss and comprehensive loss for the three months ended July 2, 2016:

(In thousands)	Amount of (Loss) Gain Recognized in Accumulated Other Comprehensive Loss	Amount of (Loss) Gain Reclassified from Accumulated Other Comprehensive Loss into Earnings	Location in Consolidated Statements of Income and Comprehensive (Loss) Income	Amount of Gain (Loss) Excluded from Effectiveness Testing *	Location in Consolidated Statements of Income and Comprehensive Loss
Derivative Instruments					
Designated foreign currency hedge contracts, net of tax	$ (1,933)	$ (1,024)	Net revenues, COGS, and SG&A	$ 102	Interest and other expense, net
Non-designated foreign currency hedge contracts	—	—		(352)	Interest and other expense, net
Designated interest rate swaps, net of tax	$ (116)	$ —	Interest and other expense, net	$ —	

* We exclude the difference between the spot rate and hedge forward rate from our effectiveness testing.

We did not have fair value hedges or net investment hedges outstanding as of July 2, 2016 or April 2, 2016. As of July 2, 2016, no deferred tax assets were recognized for designated foreign currency hedges.

ASC Topic 815 requires all derivative instruments to be recognized at their fair value as either assets or liabilities on the balance sheet. We determine the fair value of our derivative instruments using the framework prescribed by ASC Topic 820, *Fair Value Measurements and Disclosures*, by considering the estimated amount we would receive or pay to sell or transfer these instruments at the reporting date and by taking into account current interest rates, currency exchange rates, current interest rate curves, interest rate volatilities, the creditworthiness of the counterparty for assets and our creditworthiness for liabilities. In certain instances, we may utilize financial models to measure fair value. Generally, we use inputs that include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; other observable inputs for the asset or liability; and inputs derived principally from, or corroborated by, observable market data by correlation or other means. As of July 2, 2016, we have classified our derivative assets and liabilities within Level 2 of the fair value hierarchy prescribed by ASC 815, as discussed below, because these observable inputs are available for substantially the full term of our derivative instruments.

The following tables present the fair value of our derivative instruments as they appear in our consolidated balance sheets as of July 2, 2016 and April 2, 2016:

(In thousands)	Location in Balance Sheet	As of July 2, 2016	As of April 2, 2016
Derivative Assets:			
Designated foreign currency hedge contracts	Other current assets	$ 561	$ 427
Designated interest rate swaps	Other current assets	—	—
		$ 561	**$ 427**
Derivative Liabilities:			
Designated foreign currency hedge contracts	Other current liabilities	$ 4,817	$ 4,056
Designated interest rate swaps	Other current liabilities	211	154
		$ 5,028	**$ 4,210**

Other Fair Value Measurements

Fair value is defined as the exit price that would be received from the sale of an asset or paid to transfer a liability, using assumptions that market participants would use in pricing an asset or liability. The fair value guidance establishes the following three-level hierarchy used for measuring fair value:

- Level 1 — Inputs to the valuation methodology are quoted market prices for identical assets or liabilities.
- Level 2 — Inputs to the valuation methodology are other observable inputs, including quoted market prices for similar assets or liabilities and market-corroborated inputs.
- Level 3 — Inputs to the valuation methodology are unobservable inputs based on management's best estimate of inputs market participants would use in pricing the asset or liability at the measurement date, including assumptions about risk.

Our money market funds carried at fair value are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices.

Fair Value Measured on a Recurring Basis

Financial assets and financial liabilities measured at fair value on a recurring basis consist of the following as of July 2, 2016 and April 2, 2016.

	As of July 2, 2016			
(In thousands)	Level 1	Level 2	Level 3	Total
Assets				
Money market funds	$ 67,018	$ —	$ —	$ 67,018
Designated foreign currency hedge contracts	—	561	—	561
	$ 67,018	**$ 561**	**$ —**	**$ 67,579**
Liabilities				
Designated foreign currency hedge contracts	$ —	$ 4,817	$ —	$ 4,817
Designated interest rate swaps	—	211	—	211
	$ —	**$ 5,028**	**$ —**	**$ 5,028**

	As of April 2, 2016			
	Level 1	Level 2	Level 3	Total
Assets				
Money market funds	$ 72,491	$ —	$ —	$ 72,491
Designated foreign currency hedge contracts	—	427	—	427
Designated interest rate swaps	**$ 72,491**	**$ 427**	**$ —**	**$ 72,918**
Liabilities				
Designated foreign currency hedge contracts	$ —	$ 4,056	$ —	$ 4,056
Designated interest rate swaps	—	154	—	154
	$ —	**$ 4,210**	**$ —**	**$ 4,210**

For the three months ended July 2, 2016, non-designated foreign currency hedge contracts were not significant and are not disclosed separately in the above table.

Other Fair Value Disclosures

The Term Loan (which is carried at amortized cost), accounts receivable and accounts payable approximate fair value.

9. INCOME TAXES

We conduct business globally and report our results of operations in a number of foreign jurisdictions in addition to the United States. Our reported tax rate is generally lower than the U.S. federal statutory rate as the income tax rates in the foreign jurisdictions in which we operate are generally lower than the U.S. statutory tax rate.

During the three months ended July 2, 2016 and June 27, 2015 we reported an income tax provision of $0.3 million and $1.9 million, respectively, representing effective tax rates of (2.9)% and 116.7%, respectively.

The income tax provision for the three months ending July 2, 2016 was primarily attributable to applying the Company's estimated annual effective tax rate to its year-to-date consolidated loss before provision for income taxes, and includes a discrete tax provision of $1.4 million for an uncertain tax position that was triggered by a reduction in workforce during the quarter ended July 2, 2016 in one of our foreign subsidiaries. We had previously negotiated a tax holiday under which we were required to maintain certain levels of headcount for a multiyear period which we will not satisfy as a result of our workforce reduction. We are subject to a potential tax assessment related to historical tax years as a result of the impact of the workforce reduction approved in the quarter ending July 2, 2016. The tax provision associated with this tax reserve establishment was partially offset by the tax benefit provided on our year-to-date loss. We are in a three year cumulative loss position in the U.S.

and, accordingly, maintain a valuation allowance against our U.S. deferred tax assets. As a result we have not recognized a tax benefit related to the U.S. pre-tax loss generated for the three months ending July 2, 2016. We also maintain a valuation allowance against certain foreign deferred tax assets which we have concluded are not more-likely-than-not realizable and accordingly have not recognized a tax benefit for those jurisdictions.

The income tax provision for the three months ending June 27, 2015 was primarily attributable to applying the Company's estimated annual effective tax rate to its year-to-date consolidated income before provision for income taxes, and includes a discrete tax provision of $1.0 million to increase the deferred tax liability related to amortizable goodwill as a result of the statutory capital gains tax rate in Puerto Rico increasing from 15% to 20%.

Unrecognized Tax Benefits

Unrecognized tax benefits represent uncertain tax positions for which reserves have been established. As of July 2, 2016 we had $3.8 million of unrecognized tax benefits, of which $1.9 million would impact the effective tax rate, if recognized. As of April 2, 2016, we had $2.5 million of unrecognized tax benefits, of which $0.6 million would impact the effective tax rate, if recognized.

During the quarter ended July 2, 2016 our unrecognized tax benefits were increased by $1.3 million due to establishing a tax reserve related to a potential tax assessment associated with a foreign subsidiary's historical tax years as a result of a reduction in workforce which impacts a previously negotiated tax holiday.

The following table summarizes the activity related to our gross unrecognized tax benefits for the fiscal periods ended July 2, 2016 and April 2, 2016:

(In thousands)	**July 2, 2016**	**April 2, 2016**
Beginning balance	$ 2,523	$ 7,070
Additions for tax positions of prior years	1,290	340
Reductions of tax positions	—	(4,158)
Closure of statute of limitations	—	(729)
Ending balance	**$ 3,813**	**$ 2,523**

As of July 2, 2016 we anticipate that the liability for unrecognized tax benefits for uncertain tax positions could change by up to $1.7 million in the next twelve months, as a result of closure of various statutes of limitations or settlements.

Our historic practice has been and continues to be to recognize interest and penalties related to Federal, state and foreign income tax matters in income tax expense. Approximately $0.5 million and $0.4 million of gross interest and penalties were accrued at July 2, 2016 and April 2, 2016, respectively and is not included in the amounts above. There was a tax expense associated with accrued interest and penalties of $0.1 million for the quarter ended July 2, 2016.

We conduct business globally and, as a result, file consolidated and separate Federal, state and foreign income tax returns in multiple jurisdictions. In the normal course of business, we are subject to examination by taxing authorities throughout the world. With a few exceptions, we are no longer subject to U.S. federal, state, or local income tax examinations for years before 2012 and foreign income tax examinations for years before 2011.

10. COMMITMENTS AND CONTINGENCIES

We are presently engaged in various legal actions, and although the total liability cannot be determined at the present time, based on consultation with counsel, we believe that any such liability will not materially affect our consolidated financial position or our results of operations.

Italian Employment Litigation

Our Italian manufacturing subsidiary is party to several actions initiated by employees of the facility in Ascoli-Piceno, Italy where we have ceased manufacturing operations. These include actions claiming (i) working conditions and minimum salaries should have been established by either a different classification under their national collective bargaining agreement or a different agreement altogether, (ii) certain solidarity agreements, which are arrangements between the Company, employees

and the government to continue full pay and benefits for employees who would otherwise be terminated in times of low demand, are void, and (iii) payment of the extra time used for changing into and out of the working clothes at the beginning and end of each shift.

In addition, a union represented in the Ascoli plant has filed an action claiming that the Company discriminated against it in favor of three other represented unions by (i) interfering with an employee referendum, (ii) interfering with an employee petition to recall union representatives from office, and (iii) excluding the union from certain meetings.

Finally, we have been added as defendants on claims filed against Pall Corporation prior to our acquisition of the plant in August 2012. These claims relate to agreements to "freeze" benefit allowances for a certain period in exchange for Pall's commitments on hiring and plant investment.

The total amount of damages claimed by the plaintiffs in these matters is approximately $4.5 million. At this point in the proceedings, we believe the losses are unlikely and therefore no amounts have been accrued. In the future, we may receive other similar claims or adverse rulings from the courts which changes our judgment on these cases.

SOLX Arbitration

In July 2016, H2 Equity, LLC, formerly known as Hemerus Corporation, filed an arbitration claim for $17 million in milestone and royalty payments allegedly owed as part of our acquisition of the filter and storage solution business from Hemerus Medical, LLC ("Hemerus") in fiscal 2014. The acquired storage solution is referred to as SOLX.

At the closing in April 2013, Haemonetics paid Hemerus a total of $24 million and agreed to a $3 million milestone payment due when the U.S. Food and Drug Administration ("FDA") approved a new indication for SOLX (the “24-Hour Approval”), using a filter acquired from Hemerus. We also agreed to make future royalty payments up to a cumulative maximum of $14 million based on the sale of products incorporating SOLX over a ten year period.

Due to performance issues with the Hemerus filter, Haemonetics filed for, and received, the 24-Hour Approval using a Haemonetics filter. Accordingly, Haemonetics did not pay Hemerus the $3 million milestone payment because the 24-Hour Approval was obtained using a Haemonetics filter, not a Hemerus filter. In addition, we have not paid any royalties to date as we have not made any commercial sales of products incorporating SOLX.

H2 Equity claims, in part, that we owe them $3 million for the receipt of the SOLX 24-Hour Approval despite the use of a Haemonetics filter to obtain the approval and that we have failed to make commercially reasonable efforts to market and sell products incorporating SOLX. We believe that we have meritorious defenses to these claims.

It is not possible to accurately evaluate the likelihood or amount of any potential losses related to this claim and therefore no amounts have been accrued.

Product Recall

In June 2016, we issued a voluntary recall of certain leukoreduction filters within our Blood Center franchise in the United States. The filters, which were yielding higher than expected levels of leukocytes in collected blood, are commonly used by our U.S. blood center customers. As a result of the recall, blood collected using these filters had to be labeled as non-leukoreduced unless tested further for adequate leukocyte counts. We determined that the affected filters were distributed between April and June 2016; credits have been issued to customers who returned affected filters purchased during this period.

During the three months ended July 2, 2016, we recorded total charges of $3.4 million associated with the recall, which consisted of $2.3 million of estimated sales returns, $1.0 million of net inventory reserves for the affected filters on-hand that had not yet been shipped to customers and $0.1 million of freight expenses. Our estimate of sales returns was based on preliminary returns data received to date, however, actual customer returns are not expected to conclude until the second quarter of fiscal 2017.

Additionally, we have been notified by a blood center group purchasing organization that their members will seek reimbursement for losses sustained as a result of the recall. As a result, we believe we will receive customer claims in future periods. However, at this time we do not yet have sufficient information to develop an estimate or range of estimates of the potential losses associated with future customer claims as we are not able to quantify the maximum exposure and accordingly,

we did not record any charges associated with such claims during the three months ended July 2, 2016. We have insurance policies in place which may provide coverage for certain types of potential claims. We will assess the potential for insurance recoveries as we receive more information about customer claims in future reporting periods.

We believe we are adequately reserved for the recall based on the known and available data received to date, however, incremental charges may be recorded in future periods as additional customer returns and claims data becomes available.

11. SEGMENT AND ENTERPRISE-WIDE INFORMATION

We determine our reportable segments by first identifying our operating segments, and then by assessing whether any components of these segments constitute a business for which discrete financial information is available and where segment management regularly reviews the operating results of that component. Our operating segments are based primarily on geography. North America Plasma is a separate operating segment with dedicated segment management due the size and scale of the plasma business. We aggregate components within an operating segment that have similar economic characteristics.

The Company's reportable segments are as follows:

- Japan
- Europe, Middle East and Africa (collectively "EMEA")
- North America Plasma
- All Other

The Company has aggregated the following two operating segments into the All Other reportable segment based upon their similar operational and economic characteristics, including similarity of operating margin:

- Americas Blood Center and Hospital
- Asia - Pacific

In periods prior to the fourth quarter of fiscal 2016, the Company believed a single reportable segment was consistent with its basic organizational structure and believed aggregation was consistent with its primary basis for decision making. As a result, prior year segment information has been restated to conform with the current reportable segments.

During the first quarter of fiscal 2017, management reorganized its operating segments such that certain components of All Other are now reported as components of EMEA. Accordingly, the prior year numbers have been updated to reflect this reclassification as well as other changes within the cost reporting structure that occurred in the first quarter of fiscal 2017. These changes did not have an impact on our ability to aggregate Americas Blood Center and Hospital with Asia - Pacific.

Management measures and evaluates the Company's operating segments based on operating margin. Management excludes certain corporate expenses from segment operating income. In addition, certain amounts that management considers to be non-recurring or non-operational are excluded from segment operating income because management evaluates the operating results of the segments excluding such items. These items include restructuring and restructuring related costs, deal amortization, and asset impairments. Although these amounts are excluded from segment operating income, as applicable, they are included in the reconciliations that follow. Management measures and evaluates the Company's net revenues and operating income on a constant currency basis, therefore segment information is presented on a constant currency basis.

Selected information by business segment is presented below:

	Three Months Ended	
(In thousands)	**July 2, 2016**	**June 27, 2015**
Net revenues		
Japan	$ 14,566	$ 17,595
EMEA	45,741	48,811
North America Plasma	73,475	64,443
All Other	78,020	80,219
Net revenues (constant currency)	211,802	211,068
Effect of exchange rates	(1,846)	2,345
Net revenues (reported)	**$ 209,956**	**$ 213,413**

(In thousands)	Three Months Ended July 2, 2016	Three Months Ended June 27, 2015
Segment operating income		
Japan	$ 6,121	$ 7,682
EMEA	10,048	10,526
North America Plasma	27,277	26,156
All Other	25,636	28,635
Segment operating income (constant currency)	69,082	72,999
Corporate operating expenses (constant currency)	(48,451)	(49,252)
Non-GAAP operating income (constant currency)	20,631	23,747
Effect of exchange rates	(1,306)	2,080
Non-GAAP operating income (reported)	19,325	25,827
Unallocated amounts		
Restructuring and restructuring related costs	18,816	14,816
Deal amortization	7,075	7,405
Asset impairments	1,315	—
Operating (loss) income	**$ (7,881)**	**$ 3,606**

In connection with the global strategic review of our business portfolio, we organized our current products into four franchises for purposes of evaluating their growth potential: Plasma, Blood Center, Cell Processing and Hemostasis Management. Management reviews revenue trends based on these franchises.

Net revenues by franchise are as follows:

(In thousands)	Three Months Ended July 2, 2016	Three Months Ended June 27, 2015	% Increase/ (Decrease)
Plasma	$ 97,649	$ 88,527	10.3 %
Blood Center	70,943	83,083	(14.6)%
Cell Processing	26,076	27,813	(6.2)%
Hemostasis Management	15,288	13,990	9.3 %
Net revenues	$ 209,956	$ 213,413	(1.6)%

Net revenues generated in our principle operating regions on a reported basis are as follows:

	Three Months Ended July 2, 2016	Three Months Ended June 27, 2015
United States	$ 125,700	$ 120,695
Japan	14,964	14,734
Europe	40,367	50,288
Asia	26,992	25,520
Other	1,933	2,176
Net revenues	**$ 209,956**	**$ 213,413**

12. RESTRUCTURING

On an ongoing basis, we review the global economy, the healthcare industry, and the markets in which we compete to identify opportunities for efficiencies, enhance commercial capabilities, align our resources and offer our customers better solutions. In order to realize these opportunities, we undertake restructuring-type activities to transform our business.

During the first quarter of fiscal 2017, in connection with our global strategic review, we launched the first phase of a restructuring program designed to reposition our organization and improve our cost structure. The first phase includes both a reduction of headcount and operating costs as well as projects to simplify product lines. In the later phases of the restructuring program, we may also take steps to modify our manufacturing operations to align with our strategic direction.

We expect to incur approximately $26 million of restructuring and restructuring related charges, comprised of $17 million in termination benefits and $9 million in other related exit costs. Substantially all of these charges result in cash outlays expected to be incurred during fiscal 2017. Savings from this program are estimated to be approximately $40 million in fiscal 2017. Subsequent phases of the program may require restructuring charges in future fiscal years. During the first quarter of fiscal 2017, we incurred $17.7 million of restructuring and restructuring related charges under this program. Additionally, during the first quarter of fiscal 2017, we recorded $1.1 million of restructuring and restructuring related charges under a prior program.

The following summarizes the restructuring activity for the three months ended July 2, 2016:

(In thousands)	Severance and Other Employee Costs	Other Costs	Accelerated Depreciation	Asset Write Down	Total Restructuring
Balance at April 2, 2016	$ 8,752	$ —	$ —	$ —	$ 8,752
Costs incurred	15,840	212	—	334	16,386
Payments	(7,134)	(212)	—	—	(7,346)
Non-cash adjustments	—		—	(334)	(334)
Balance at July 2, 2016	$ 17,458	$ —	$ —	$ —	$ 17,458

The substantial majority of restructuring expenses have been included as a component of selling, general and administrative expense in the accompanying consolidated statements of loss. As of July 2, 2016, we had a restructuring liability of $17.5 million, of which, approximately $16.5 million is payable within the next twelve months.

In addition to the restructuring expenses included in the table above, we also incurred $2.4 million of costs that do not constitute as restructuring under ASC 420, which we refer to as restructuring related costs. These costs consist primarily of expenditures directly related to our restructuring initiative and include program management, implementation of the global strategic review initiatives and accelerated depreciation.

The tables below present restructuring and restructuring related costs by reportable segment:

Restructuring costs	**Three Months Ended**	
(in thousands)	**July 2, 2016**	**June 27, 2015**
Japan	$ 874	$ 9
EMEA	3,074	20
North America Plasma	375	—
All Other	12,063	9,430
Total	$ 16,386	$ 9,459

Restructuring related costs	**Three Months Ended**	
(in thousands)	**July 2, 2016**	**June 27, 2015**
Japan	$ 1	$ 144
EMEA	26	242
North America Plasma	—	40
All Other	2,403	4,931
Total	$ 2,430	$ 5,357

Total restructuring and restructuring related costs	**$ 18,816**	**$ 14,816**

13. CAPITALIZATION OF SOFTWARE DEVELOPMENT COSTS

For costs incurred related to the development of software to be sold, leased or otherwise marketed, we apply the provisions of ASC 985-20, *Software - Costs of Software to be Sold, Leased or Marketed*, which specifies that costs incurred internally in researching and developing a computer software product should be charged to expense until technological feasibility has been established for the product. Once technological feasibility is established, all software costs should be capitalized until the product is available for general release to customers.

We capitalized $3.7 million and $3.9 million in software development costs for ongoing initiatives during the three months ended July 2, 2016 and June 27, 2015, respectively. At July 2, 2016 and April 2, 2016, we have a total of $57.4 million and $54.9 million of capitalized software costs, respectively, of which $14.4 million are related to in-process software development initiatives for both periods. During the three months ended July 2, 2016, $2.5 million of capitalized costs were placed into service. The costs capitalized for each project are included in intangible assets in the consolidated financial statements. We review these assets for impairment at least annually. During the three months ended July 2, 2016, we impaired $1.1 million of capitalized software. The impairment charge is classified within cost of goods sold on our consolidated statements of loss.

14. ACCUMULATED OTHER COMPREHENSIVE LOSS

The components of Accumulated Other Comprehensive Loss are as follows:

(In thousands)	**Foreign Currency**	**Defined Benefit Plans**	**Net Unrealized Gain/Loss on Derivatives**	**Total**
Balance as of April 2, 2016	$ (22,499)	$ (7,492)	$ (5,049)	$ (35,040)
Other comprehensive income/(loss) before reclassifications[(1)]	138	—	(2,049)	(1,911)
Amounts reclassified from Accumulated Other Comprehensive Loss[(1)]	—	—	1,024	1,024
Net current period other comprehensive income/(loss)	138	—	(1,025)	(887)
Balance as of July 2, 2016	$ (22,361)	$ (7,492)	$ (6,074)	$ (35,927)

[(1)] Presented net of income taxes, the amounts of which are insignificant.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with both our interim consolidated financial statements and notes thereto which appear elsewhere in this Quarterly Report on Form 10-Q and our annual consolidated financial statements, notes thereto and the MD&A contained in our fiscal year 2016 Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on June 1, 2016. The following discussion may contain forward-looking statements and should be read in conjunction with the "Cautionary Statement Regarding Forward-Looking Information."

Our Business

Haemonetics is a global healthcare company dedicated to providing innovative products to customers involved in the processing, handling and analysis of blood. We offer a comprehensive portfolio of integrated devices and information management with the goal of helping improve clinical outcomes and reduce costs for blood and plasma collectors, hospitals, and patients around the world.

Blood and its components (plasma, platelets, and red cells) have many vital and frequently life-saving clinical applications. Plasma is used for patients with major blood loss and is manufactured into pharmaceuticals to treat a variety of illnesses and hereditary disorders such as hemophilia. Red cells treat trauma patients or patients undergoing surgery with high blood loss, such as open heart surgery or organ transplant. Platelets treat cancer patients undergoing chemotherapy. Blood is essential to a modern healthcare system.

Haemonetics develops and markets a wide range of devices and solutions to serve our customers in the blood industry. We provide plasma collection systems and software to enable plasma fractionators to make pharmaceuticals that improve patients' lives. We provide analytical devices for measuring blood characteristics such as hemostasis that enable healthcare providers to better understand their patients' condition before beginning medical procedures. Haemonetics makes blood processing systems and software to help blood donation enterprises more efficiently collect and track life giving blood components such as red blood cells and platelets. Finally, Haemonetics supplies systems and software that facilitate blood transfusions and cell processing.

Products

We recently undertook a global strategic review of our business portfolio to identify which end markets and product franchises have the strongest growth opportunities. As a result of that review, we organized our current products into four franchises for purposes of evaluating their growth potential: Plasma, Blood Center, Cell Processing and Hemostasis Management. "Plasma" includes plasma collection devices and disposables, plasma donor management software and anticoagulant and saline sold to plasma customers. "Blood Center" includes blood collection and processing devices and disposables for red cells, platelets and whole blood as well as related donor management software. "Cell Processing" includes surgical blood salvage systems, specialized blood cell processing systems, disposables and blood transfusion management software. "Hemostasis Management" includes devices and methodologies for measuring coagulation characteristics of blood, such as our TEG® Hemostasis Analyzer.

Plasma

Our portfolio of products and services is designed to support multiple facets of plasma collector operations. We have a long-standing commitment to understanding our customers' collection and fractionation processes. As a result, we deliver product quality and reliability; design equipment that is durable, dependable, and easy to use; comprehensive training and support, and strong business continuity practices.

We offer "one stop shopping" to our plasma collection customers, enabling them to source from us the full range of products necessary for plasma collection and storage, including PCS® brand plasma collection equipment and disposables, plasma collection containers, and intravenous solutions, including saline. We also offer a robust portfolio of integrated information technology platforms for plasma customers to manage their donors, operations, and supply chain. Our products automate the donor interview and qualification process; streamline the workflow process in the plasma center; provide the controls necessary to evaluate donor suitability; determine the ability to release units collected; and manage unit distribution. With our software solutions, plasma collectors can manage processes across the plasma supply chain, react quickly to business changes, and identify opportunities to reduce costs.

Blood Center

We offer automated blood component and manual whole blood collection systems to blood collection centers to collect blood products efficiently and cost effectively. We also market the MCS® (Multicomponent Collection System) brand apheresis equipment which is designed to collect specific blood components integrated from the donor. Utilizing the MCS® automated platelet collection protocols, blood centers collect one or more therapeutic “doses” of platelets during a single donation. The MCS® two-unit protocol or double red cell collection device helps blood collectors optimize the collection of red cells by automating the blood separation function, eliminating the need for laboratory processing, and enabling the collection of two units of red cells from a single donor thus maximizing the amount of red cells collected per eligible donor and helping to mitigate red cell shortages in countries where this problem exists. Blood collectors can also use the MCS® system to collect one unit of red cells and a "jumbo" (double) unit of plasma, or one unit of red cells and one unit of platelets from a single donor. The MCS® plasma protocol, which provides the possibility of collecting 600-800ml of plasma for either transfusion to patients or for use by the pharmaceutical industry, completes the comprehensive portfolio of different blood component collection options on this device.

We also offer products for manual whole blood collection and processing. Our disposable whole blood collection and component storage sets offer flexibility in collecting a unit of whole blood and the subsequent production and storage of the red blood cell, platelet, and/or plasma products, including options for in-line or dockable filters for leukoreduction of any blood component.

Blood Center software solutions improve efficiencies and help ensure donor safety. This includes solutions for blood drive planning, donor recruitment and retention, blood collection, component manufacturing and distribution. Combined, our solutions help blood collectors improve the safety, regulatory compliance, and efficiency of blood collection and supply.

Cell Processing

We offer a range of solutions that significantly improve a hospital's systems for acquiring blood, storing it in the hospital, and dispensing it efficiently and correctly. Over the last few years, hospitals have become increasingly aware of their need to control costs and improve patient safety by managing blood more effectively. Our products and integrated solution platforms help hospitals optimize performance of blood acquisition, storage, and distribution.

The Cell Saver® system is a surgical blood salvage system targeted to procedures that involve medium to high-volume blood loss, such as cardiovascular surgeries. It has become the standard of care for high blood-loss surgeries.

The OrthoPAT® surgical blood salvage system is targeted to orthopedic procedures, such as hip and knee replacements, which involve slower, lower volume blood loss that often occurs well after surgery. The system is designed to remain with the patient following surgery, to recover blood and produce a washed red cell product for autotransfusion.

With the ACP® (Automated Cell Processor) brand, we offer a solution to automate the washing and freezing of red cell components. The automated red cell washing procedure removes plasma proteins within the red cell units to provide a safer product for transfusion to frequently transfused patients, neonates, or patients with a history of transfusion reactions. The automated glycerolization and deglycerolization steps are required to prepare red cells for frozen storage.

Our Cell Processing software products help hospitals track and safely deliver stored blood products. SafeTrace Tx® is our software solution that helps manage blood product inventory, perform patient cross-matching, and manage transfusions. In addition, our BloodTrack® suite of solutions manages tracking and control of blood products from the hospital blood center through to transfusion to the patient. “Smart” blood storage devices located in or near operating suites, emergency rooms, and other parts of the hospital dispense blood units with secure control and automated traceability for efficient documentation. With our more comprehensive offerings, hospitals are better able to manage processes across the blood supply chain and identify increased opportunities to reduce costs and enhance processes.

Hemostasis Management

Our TEG® Thrombelastograph Hemostasis Analyzer system is a blood diagnostic instrument that measures a patient's hemostasis or the ability to form and maintain blood clots. By understanding a patient’s clotting ability, clinicians can better plan for the patient’s care, deciding in advance whether to start or discontinue use of certain drugs or, determine the likelihood of the patient's need for a transfusion and which blood components will be most effective in stopping bleeding. Such planning supports better care, which can lead to lower hospital costs through a reduction in unnecessary donor blood transfusions, reduced adverse transfusion reactions, and shorter intensive care unit and hospital stays.

Recent Developments

Restructuring Initiative

During the first quarter of fiscal 2017, in connection with our global strategic review, we launched the first phase of a restructuring program designed to reposition our organization and improve our cost structure. The first phase includes both a reduction of headcount and operating costs as well as projects to simplify product lines. In the later phases of the restructuring program, we may also take steps to modify our manufacturing operations to align with our strategic direction.

We expect to incur approximately $26 million of restructuring and restructuring related charges, comprised of $17 million in termination benefits and $9 million in other related exit costs. Substantially all of these charges result in cash outlays expected to be incurred during fiscal 2017. Savings from this program are estimated to be approximately $40 million in fiscal 2017. Subsequent phases of the program may require restructuring charges in future fiscal years. During the first quarter of fiscal 2017, we incurred $17.7 million of restructuring and restructuring related charges under this program and estimate that we achieved savings of approximately $7 million. Additionally, during the first quarter of fiscal 2017, we recorded $1.1 million of restructuring and restructuring related charges under a prior program.

Product Recall

In June 2016, we issued a voluntary recall of certain leukoreduction filters within our Blood Center franchise in the United States. The filters, which were yielding higher than expected levels of leukocytes in collected blood, are commonly used by our U.S. blood center customers. As a result of the recall, blood collected using these filters had to be labeled as non-leukoreduced unless tested further for adequate leukocyte counts. We determined that the affected filters were distributed between April and June 2016; credits have been issued to customers who returned affected filters purchased during this period. During the three months ended July 2, 2016, we recorded total charges of $3.4 million associated with the recall. Additionally, we have been notified by a blood center group purchasing organization that their members will seek reimbursement for losses sustained as a result of the recall. As a result, we believe we will receive customer claims in future periods. We have insurance policies in place which may provide coverage for certain types of potential claims. We will assess the potential for insurance recoveries as we receive more information about customer claims in future reporting periods.

We believe we are adequately reserved for the recall based on the known and available data received to date, however, incremental charges may be recorded in future periods as additional customer returns and claims data becomes available.

Declines in U.S. Blood Center Collections

The demand for whole blood disposable products in the U.S. declined in fiscal 2016 and 2015 due to a rapid decline in demand for blood products associated with actions taken by hospitals to improve blood management techniques and protocols. During the first three months of fiscal 2017, we continued to see a decline in U.S. blood center collections market.

In response to this trend, U.S. blood center collection groups now prefer single source vendors for their whole blood collection products and are primarily focused on obtaining the lowest average selling prices. We expect the market to remain price focused and highly competitive for the foreseeable future.

Apheresis Red Cell Collection Arrangements

During fiscal 2016, the American Red Cross and two group purchasing organizations representing other U.S. blood collectors ("Blood Center GPOs") pursued arrangements for apheresis red cell collections. The resulting American Red Cross contract and the recommendations by both Blood Center GPOs that their members use our competitor's technology continue to negatively affect red cell revenues and gross margins. The American Red Cross contract is expected to result in our gaining 100% share of their apheresis red cell collection business and higher sales volumes, but at lower prices. The impact of the price concessions began in the third quarter of fiscal 2016, while the transition to a higher share of the American Red Cross' business is ongoing. The expected negative impact on fiscal 2017 operating income as a result of the American Red Cross contract and expected market share losses among members of the Blood Center GPOs is approximately $12 million. Red cell disposable revenues in the U.S. totaled $6.9 million and $9.6 million during the three months ended July 2, 2016 and June 27, 2015, respectively.

Double Dose Collections

While we market our platelets products globally, the dynamics of each market are significantly different. Despite modest increases in the demand for platelets in Europe and Japan, improved collection efficiencies that increase the yield of platelets per collection and more efficient use of collected platelets have resulted in a flat market for automated collections and related disposables in these countries.

Within this flat market, the use of "double dose" collection methods in Europe and Japan has increased. Double dose collections involve collecting two therapeutic platelet doses from one donor. Competition in double dose collection technology is intense and has negatively impacted our sales in a number of markets where these collections are prevalent. Increased use of double dose collections in Japan has negatively impacted our revenue and gross profit from platelet collection disposables in that market.

Financial Summary

	Three Months Ended		
(In thousands, except per share data)	**July 2, 2016**	**June 27, 2015**	**% Increase/ (Decrease)**
Net revenues	$ 209,956	$ 213,413	(1.6)%
Gross profit	$ 91,056	$ 102,539	(11.2)%
% of net revenues	*43.4 %*	*48.0 %*	
Operating expenses	$ 98,937	$ 98,933	— %
Operating (loss) income	$ (7,881)	$ 3,606	n/m
% of net revenues	*(3.8)%*	*1.7 %*	
Interest and other expense, net	$ (2,177)	$ (2,009)	8.4 %
(Loss) income before provision for income taxes	$ (10,058)	$ 1,597	n/m
Provision for income taxes	$ 288	$ 1,864	n/m
% of pre-tax income	*(2.9)%*	*116.7 %*	
Net loss	$ (10,346)	$ (267)	n/m
% of net revenues	*(4.9)%*	*(0.1)%*	
Net loss per share - diluted	$ (0.20)	$ (0.01)	n/m

Net revenues decreased 1.6% for the three months ended July 2, 2016, as compared to the same period of fiscal 2016. Without the effect of foreign exchange, net revenues increased 0.3% for the three months ended July 2, 2016, as compared to the same period of fiscal 2016. Revenue increases in Plasma and Hemostasis Management were more than offset by declines in our Blood Center and Cell Processing franchises during the three months ended July 2, 2016.

We recorded operating losses during the three months ended July 2, 2016, as compared to operating income in the same period of fiscal 2016. Operating income decreased for the three months ended July 2, 2016 primarily as a result of the Whole Blood filter recall charges recognized in the quarter, product mix, including the relative sales growth of our lower margin plasma liquid solutions, pricing pressure in the U.S. blood center business and increased restructuring and restructuring related costs partially offset by cost savings initiatives.

We recorded net losses during the three months ended July 2, 2016, and in the same period of fiscal 2016. The change in net loss is primarily attributable to the decrease in operating income described above, offset by a decrease in the income tax provision for three months ended July 2, 2016.

RESULTS OF OPERATIONS

Net Revenue by Geography

(In thousands)	Three Months Ended July 2, 2016	June 27, 2015	% Increase/ (Decrease)
United States	$ 125,700	$ 120,695	4.1 %
International	84,256	92,718	(9.1)%
Net revenues	$ 209,956	$ 213,413	(1.6)%

Our principal operations are in the U.S., Europe, Japan and other parts of Asia. Our products are marketed in approximately 100 countries around the world through a combination of our direct sales force, independent distributors and agents. Our revenue generated outside the U.S. approximated 40.1% and 43.4% of total net revenues for the three months ended July 2, 2016 and June 27, 2015, respectively. International sales are generally conducted in local currencies, primarily Japanese Yen, Euro, Chinese Yuan and Australian Dollars. Our revenue was negatively impacted by changes in the value of these currencies relative to the U.S. Dollar.

We have placed foreign currency hedges to mitigate our exposure to foreign currency fluctuations. Relative weakness in the Japanese Yen and Euro to the U.S. Dollar is expected to negatively impact revenue and operating income during fiscal 2017.

Please see the section entitled “Foreign Exchange” in this discussion for a more complete explanation of how foreign currency affects our business and our strategy for managing this exposure.

Net Revenue by Franchise

(In thousands)	Three Months Ended July 2, 2016	June 27, 2015	% Increase/ (Decrease)
Plasma	$ 97,649	$ 88,527	10.3 %
Blood Center	70,943	83,083	(14.6)%
Cell Processing	26,076	27,813	(6.2)%
Hemostasis Management	15,288	13,990	9.3 %
Net revenues	$ 209,956	$ 213,413	(1.6)%

Plasma

Plasma revenue increased 10.3% for the three months ended July 2, 2016, as compared to the same period of fiscal 2016. Without the effect of foreign exchange, plasma revenue increased 12.3% for the three months ended July 2, 2016, as compared to the same period of fiscal 2016. The revenue growth was primarily driven by an increase of $10.6 million or 13.1% in Plasma disposables. This growth was the result of continued strong performance in the U.S. and includes the impact of increased sales of plasma liquid solutions, which contributed $5.4 million to the growth during the three months ended July 2, 2016.

Blood Center

Platelet

Platelet revenue declined by 12.9% for the three months ended July 2, 2016 as compared to the same period of fiscal 2016. Without the effect of foreign exchange, platelet revenue decreased 11.5% for the three months ended July 2, 2016, as compared to the same period of fiscal 2016. The decrease during the first quarter of fiscal 2017, excluding the impact of foreign exchange, was primarily the result the continued market shift toward double dose collection techniques in Japan. This decrease was partially offset by growth in the Middle East and Latin America.

Red Cell and Whole Blood

Red cell revenue decreased 25.6% for the three months ended July 2, 2016, as compared to the same period of fiscal 2016. Without the effect of foreign exchange, red cell revenue decreased 24.8% for the three months ended July 2, 2016, as compared to the same period of fiscal 2016. The decrease during the three months ended July 2, 2016 was driven by price reductions in our principle red cell market in the U.S. which was largely attributable to the contract we entered into with the American Red Cross during the second quarter of fiscal 2016, as well as the selection of competitive technologies by Blood Center GPOs, as discussed above. We continue to expect revenue to decline as a result of these factors.

Whole blood revenue decreased 18.0% for the three months ended July 2, 2016, as compared to the same period of fiscal 2016. Without the effect of foreign exchange, whole blood revenue decreased 16.2% for the three months ended July 2, 2016, as compared to the same period of fiscal 2016. Whole blood revenue continued to decrease due to declines in the U.S. whole blood market.

Cell Processing

Cell Salvage

Cell Salvage revenues consist primarily of the Cell Saver and OrthoPAT products. Revenues from our OrthoPAT decreased 20.3% for the three months ended July 2, 2016, as compared to the same period of fiscal 2016. Without the effect of foreign exchange, OrthoPAT disposables revenue decreased 16.9% for the three months ended July 2, 2016, as compared to the same period of fiscal 2016. Better blood management has reduced orthopedic blood loss and continues to impact demand for OrthoPAT. Recent trends in blood management, particularly the adoption of tranexamic acid to treat and prevent orthopedic post-operative blood loss, continue to lessen hospital use of OrthoPAT. Cell Saver revenue during the three months ended July 2, 2016 declined 2.2% compared to the same period of fiscal 2016. Without the effect of foreign exchange, Cell Saver revenue had a modest increase of 2.0% for the three months ended July 2, 2016, as compared with the same period of fiscal 2016. In the U.S., modest growth was amplified by the clearing of backorders from the fourth quarter of fiscal 2016, partially offset by declines in Russia related to the timing of tenders.

Software

Cell Processing software revenue includes BloodTrack®, SafeTrace Tx® and other hospital software. Revenue of Cell Processing software for the three months ended July 2, 2016 was flat compared to the same period of fiscal 2016. Without the effect of foreign exchange, Cell Processing software revenue increased by 1.3% due to SafeTrace Tx® growth in the U.S. and BloodTrack® growth in the global markets.

Hemostasis Management

Revenue from our Hemostasis Management products increased 9.3% for the three months ended July 2, 2016, as compared to the same period of fiscal 2016. Without the effect of foreign exchange, Hemostasis Management revenues increased 11.5% for the three months ended July 2, 2016, as compared to the same period of fiscal 2016. The revenue increase was primarily attributable to the growth of TEG disposables, principally in the U.S. and China. We have now moved into full market release of the TEG 6s device in Australia and certain European countries, and are continuing our limited market release in the U.S. Full market release in the U.S. is expected in late fiscal 2017, concurrent with an additional clearance.

Gross Profit

(In thousands)	Three Months Ended July 2, 2016	June 27, 2015	% Increase/ (Decrease)
Gross profit	$ 91,056	$ 102,539	(11.2)%
% of net revenues	43.4%	48.0%	

Gross profit decreased 11.2% for the three months ended July 2, 2016, as compared to the same period of fiscal 2016. Without the effect of foreign exchange, gross profit decreased 7.8% for the three months ended July 2, 2016, as compared to the same period of fiscal 2016. The gross profit margin decreased by 460 basis points for the three months ended July 2, 2016, as compared to the same period of fiscal 2016. The decrease in the gross profit margin during the three months ended July 2, 2016 was primarily due to the effect of the Whole Blood product recall, product mix, including the relative sales growth of our plasma liquid solutions, price reductions in our blood center business, declines in our Japan platelet business, an impairment charge related to capitalized software and foreign exchange. These declines were partially offset by cost savings from productivity programs, including the fiscal 2017 restructuring initiatives. Gross profit margin continues to be impacted by the inefficiency of underutilized productive capacity.

Operating Expenses

(In thousands)	Three Months Ended July 2, 2016	June 27, 2015	% Increase/ (Decrease)
Research and development	$ 11,437	$ 11,321	1.0 %
% of net revenues	5.4%	5.3%	
Selling, general and administrative	$ 87,500	$ 87,612	(0.1)%
% of net revenues	41.7%	41.1%	
Total operating expenses	$ 98,937	$ 98,933	— %
% of net revenues	47.1%	46.4%	

Research and Development

Research and development expenses increased 1.0% for the three months ended July 2, 2016, as compared to the same period of fiscal 2016. Without the effect of foreign exchange, research and development expenses decreased 0.3% for the three months ended July 2, 2016, as compared to the same period of fiscal 2016. The decrease, on a constant currency, basis for the three months ended July 2, 2016 was primarily driven by reduced spending on several projects to better align with our long-term product plans and global strategic review. This decrease was partially offset by increased restructuring and restructuring related costs of $1.5 million.

Selling, General and Administrative

Selling, general and administrative expenses decreased 0.1% for the three months ended July 2, 2016, as compared to the same period of fiscal 2016. Without the effect of foreign exchange, selling, general, and administrative expenses decreased 0.3% for the three months ended July 2, 2016, as compared to the same periods of fiscal 2016. The decrease for the three months ended July 2, 2016 was primarily the result of cost reduction initiatives, partially offset by an increase in restructuring and restructuring related costs of $3.3 million.

Interest and Other Expense, Net

Interest and other expense, net increased 8.4% for the three months ended July 2, 2016, as compared to the same period of fiscal 2016. Interest expense from our term loan borrowings constitutes the majority of expense reported in both periods. The effective interest rate on total debt outstanding for the three months ended July 2, 2016 was 1.9%.

Income Taxes

We conduct business globally and report our results of operations in a number of foreign jurisdictions in addition to the United States. Our reported tax rate is generally lower than the U.S. federal statutory rate as the income tax rates in the foreign jurisdictions in which we operate are generally lower than the U.S. statutory tax rate.

The reported income tax benefit rate for the three months ended July 2, 2016 was (2.9)%, as compared to a reported income tax provision rate of 116.7% for the three months ended June 27, 2015.

The change in our reported tax rate, as noted above, is primarily the result of the Company incurring a loss during the quarter ended July 2, 2016 as compared to earning income during the quarter ended June 27, 2015. During the current period, we recorded a $0.3 million tax provision, which relates to a $1.4 million discrete tax provision associated with the establishment of a tax reserve, partially offset by the tax benefit recorded on the year-to-date loss. During the quarter ended June 27, 2015, we recorded a tax expense of $1.9 million which was primarily related to the tax provision recorded on the year-to-date income as well as a discrete tax provision of $1.0 million to increase the deferred tax liability related to amortizable goodwill as a result of the statutory capital gains tax rate in Puerto Rico increasing from 15% to 20%.

We are in a three year cumulative loss position in the U.S. and, accordingly, maintain a valuation allowance against our U.S. deferred tax assets. We also maintain a valuation allowance against certain foreign deferred tax assets which we have concluded are not more-likely-than-not realizable.

Liquidity and Capital Resources

The following table contains certain key performance indicators we believe depict our liquidity and cash flow position:

(Dollars in thousands)	July 2, 2016	April 2, 2016
Cash & cash equivalents	$ 118,248	$ 115,123
Working capital	$ 290,622	$ 302,535
Current ratio	2.5	2.6
Net debt[(1)]	$ (281,464)	$ (292,877)
Days sales outstanding (DSO)	64	58
Disposable finished goods inventory turnover	5.2	4.6

[(1)]Net debt position is the sum of cash and cash equivalents less total debt.

In fiscal 2017, we expect to incur approximately $26 million of restructuring and restructuring related charges in connection with the first phase of our restructuring program that was launched during the first quarter of fiscal 2017, which is designed to reposition our organization and improve our cost structure. During the first quarter of fiscal 2017, we incurred approximately $17.7 million of restructuring and restructuring related charges under this program.

Debt

On August 1, 2012, we entered into a credit agreement ("Credit Agreement") with certain lenders (together, “Lenders”) which provided for a $475.0 million Term Loan and a $50.0 million revolving loan (the “Revolving Credit Facility”), and together with the Term Loan, (the “Credit Facilities”). The Credit Facilities had a term of five years and mature on August 1, 2017. Interest was based on the Adjusted LIBOR plus a range of 1.125% to 1.500% depending on achievement of leverage ratios and customary credit terms which included financial and negative covenants.

On June 30, 2014, we modified our existing Credit Facilities by extending the maturity date to July 1, 2019, extending the principal repayments of the Term Loan, and modifying certain restrictive covenants to allow greater operational flexibility and enhanced near term liquidity. In addition, the amended Credit Agreement provides for a $100.0 million revolving credit facility and establishes interest rates in the range of LIBOR plus 1.125% – 1.500%, depending on certain conditions. No additional amounts were borrowed as a result of this modification. The fair value of debt approximates its current value of approximately $401.0 million as of July 2, 2016. During the three months ended July 2, 2016, we paid $7.1 million in principal repayments for the Term Loan. We were in compliance with the leverage and interest coverage ratios specified in the Credit Agreement as well as all other bank covenants as of July 2, 2016.

Cash Flows

(In thousands)	Three Months Ended July 2, 2016	Three Months Ended June 27, 2015	Increase/ (Decrease)
Net cash provided by (used in):			
Operating activities	$ 30,695	$ 9,250	$ 21,445
Investing activities	(22,392)	(27,130)	4,738
Financing activities	(4,986)	(29,772)	24,786
Effect of exchange rate changes on cash and cash equivalents[(1)]	(192)	(806)	614
Net increase (decrease) in cash and cash equivalents	$ 3,125	$ (48,458)	

[(1)]The balance sheet is affected by spot exchange rates used to translate local currency amounts into U.S. Dollars. In accordance with U.S. GAAP, we have removed the effect of foreign currency throughout our cash flow statement, except for its effect on our cash and cash equivalents.

Net cash provided by operating activities increased by $21.4 million during the three months ended July 2, 2016, as compared to the three months ended June 27, 2015. Cash provided by operating activities increased primarily due to a working capital inflow driven by an increase in accrued expenses. The increase in accrued expenses was due to an increase in accrued payroll due to the timing of the pay periods and an increase in restructuring reserves related to the fiscal 2017 restructuring initiative. This decrease was partially offset by a decrease in accounts payable.

Net cash used in investing activities decreased by $4.7 million during the three months ended July 2, 2016, as compared to the three months ended June 27, 2015. The decrease in cash used in investing activities was primarily the result of $3.0 million of acquisition costs incurred in the prior year period. A reduction in capital expenditures during the three months ended June 27, 2015 as compared to the prior year period also contributed to the decrease.

Net cash used in financing activities decreased by $24.8 million during the three months ended July 2, 2016, as compared to the three months ended June 27, 2015. This was primarily due to $39 million of cash used to repurchase shares during the three months ended June 27, 2015. This decrease was partially offset by $7.1 million of term loan repayments during the three months ended July 2, 2016.

Concentration of Credit Risk

Concentrations of credit risk with respect to trade accounts receivable are generally limited due to our large number of customers and their diversity across many geographic areas. A portion of our trade accounts receivable outside the United States, however, include sales to government-owned or supported healthcare systems in several countries, which are subject to payment delays and local economic conditions. Payment is dependent upon the financial stability and creditworthiness of those countries' national economies.

We have not incurred significant losses on receivables. We continually evaluate all receivables for potential collection risks associated with the availability of government funding and reimbursement practices. If the financial condition of customers or the countries' healthcare systems deteriorate such that their ability to make payments is uncertain, allowances may be required in future periods.

Inflation

We do not believe that inflation had a significant impact on our results of operations for the periods presented. Historically, we believe we have been able to mitigate the effects of inflation by improving our manufacturing and purchasing efficiencies, by increasing employee productivity, and by adjusting the selling prices of products. We continue to monitor inflation pressures generally and raw materials indices that may affect our procurement and production costs. Increases in the price of petroleum derivatives could result in corresponding increases in our costs to procure plastic raw materials.

Foreign Exchange

During the three months ended July 2, 2016, approximately 40% of our sales were generated outside the U.S., generally in foreign currencies, yet our reporting currency is the U.S. Dollar. We also incur certain manufacturing, marketing and selling costs in international markets in local currency. Our primary foreign currency exposures relate to sales denominated in Euro, Japanese Yen, Chinese Yuan and Australian Dollars. We also have foreign currency exposure related to manufacturing and other operational costs denominated in Swiss Francs, Canadian Dollars, and Mexican Pesos. The Yen, Euro, Yuan and Australian Dollar sales exposure is partially mitigated by costs and expenses for foreign operations and sourcing products denominated in foreign currencies. Since our foreign currency denominated Yen, Euro, Yuan and Australian Dollar sales exceed the foreign currency denominated costs, whenever the U.S. Dollar strengthens relative to the Yen, Euro, Yuan or Australian Dollar, there is an adverse effect on our results of operations and, conversely, whenever the U.S. Dollar weakens relative to the Yen, Euro, Yuan or Australian Dollar, there is a positive effect on our results of operations. For Swiss Francs, Canadian Dollars and Mexican Pesos, our primary cash flows relate to product costs or costs and expenses of local operations. Whenever the U.S. Dollar strengthens relative to these foreign currencies, there is a positive effect on our results of operations. Conversely, whenever the U.S. Dollar weakens relative to these currencies, there is an adverse effect on our results of operations.

We have a program in place that is designed to mitigate our exposure to changes in foreign currency exchange rates. That program includes the use of derivative financial instruments to minimize, for a period of time, the unforeseen impact on our financial results from changes in foreign exchange rates. We utilize forward foreign currency contracts to hedge the anticipated cash flows from transactions denominated in foreign currencies, primarily Japanese Yen and Euro, and to a lesser extent Swiss Francs, Australian Dollars, Canadian Dollars, and Mexican Pesos. This does not eliminate the volatility of foreign exchange rates, but because we generally enter into forward contracts one year out, rates are fixed for a one-year period, thereby facilitating financial planning and resource allocation.

These contracts are designated as cash flow hedges. The final impact of currency fluctuations on the results of operations is dependent on the local currency amounts hedged and the actual local currency results.

Recent Accounting Pronouncements

Standards to be Implemented

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU No. 2014-09 stipulates that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve this core principle, an entity should apply the following steps: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the entity satisfies a performance obligation. ASU No. 2014-09 will be effective for annual reporting periods beginning after December 15, 2017, including interim periods within those reporting periods. Early adoption is permitted for annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. The impact of adopting ASU No. 2014-09 on our financial position and results of operations is being assessed by management.

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*. ASU No. 2014-15 defines management's responsibility to assess an entity's ability to continue as a going concern, and to provide related footnote disclosures in certain circumstances. This guidance will be effective for all entities in the first annual period ending after December 15, 2016; however, early adoption is permitted. Management does not believe that the adoption of ASU No. 2014-15 will have a material effect on our financial position or results of operations.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. ASU No. 2016-01 requires entities to measure equity investments that do not result in consolidation and are not accounted for under the equity method at fair value with changes recognized in net income. However, an entity may choose to measure equity investments that do not have readily determinable fair values at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. It also simplifies the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment. ASU No. 2016-01 also requires separate presentation of financial assets and financial liabilities by measurement category and form of financial asset and liability. ASU No. 2016-01 is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption of certain provisions is permitted. Management does not believe that the adoption of ASU No. 2016-01 will have a material effect on our financial position or results of operations.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. ASU No. 2016-02 is intended to increase the transparency and comparability among organizations by recognizing lease asset and lease liabilities on the balance sheet, including those previously classified as operating leases under current U.S. GAAP, and disclosing key information about leasing arrangements. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Earlier adoption is permitted. The impact of adopting ASU No. 2016-02 on our financial position and results of operations is being assessed by management.

In March 2016, the FASB issued ASU No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*. The purpose of ASU No. 2016-08 is to clarify the guidance on principal versus agent considerations. It includes indicators that help to determine whether an entity controls the specified good or service before it is transferred to the customer and to assist in determining when the entity satisfied the performance obligation and as such, whether to recognize a gross or a net amount of consideration in their consolidated statement of operations. The effective date and transition requirements are consistent with ASU No. 2014-09. The impact of adopting ASU No. 2016-08 on our financial position and results of operations is being assessed by management.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation- Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*. The purpose of the update is to simplify several areas of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. ASU No. 2016-09 is effective for annual reporting periods after December 15, 2016, including interim periods within those fiscal periods. Early adoption is permitted. The impact of adopting ASU No. 2016-09 on our financial position and results of operations is being assessed by management.

In April 2016, the FASB issued ASU No. 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing*. The guidance clarifies that entities are not required to assess whether promised goods or services are performance obligations if they are immaterial in the context of the contract. ASU No. 2016-10 also addresses how to determine whether promised goods or services are separately identifiable and permits entities to make a policy election to treat shipping and handling costs as fulfillment activities. In addition, it clarifies key provisions in Topic 606 related to

licensing. The effective date and transition requirements are consistent with ASU No. 2014-09. The impact of adopting ASU No. 2016-10 on our financial position and results of operations is being assessed by management.

Cautionary Statement Regarding Forward-Looking Information

Statements contained in this report, as well as oral statements we make which are prefaced with the words “may,” “will,” “expect,” “anticipate,” “continue,” “estimate,” “project,” “intend,” “designed,” and similar expressions, are intended to identify forward looking statements regarding events, conditions, and financial trends that may affect our future plans of operations, business strategy, results of operations, and financial position. These statements are based on our current expectations and estimates as to prospective events and circumstances about which we can give no firm assurance. Further, any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made. As it is not possible to predict every new factor that may emerge, forward-looking statements should not be relied upon as a prediction of our actual future financial condition or results.

These forward-looking statements, like any forward-looking statements, involve risks and uncertainties that could cause actual results to differ materially from those projected or anticipated, including: the effects of disruption from the manufacturing transformation making it more difficult to maintain relationships with employees and timely deliver high quality products, changes in executive management, changes in operations as a result of our global strategic review, asset revaluations to reflect current business conditions, technological advances in the medical field and standards for transfusion medicine and our ability to successfully implement products that incorporate such advances and standards, demand for whole blood and blood components, product quality, market acceptance, regulatory uncertainties, including the receipt or timing of regulatory approvals, the effect of economic and political conditions, the impact of competitive products and pricing, blood product reimbursement policies and practices, foreign currency exchange rates, changes in customers’ ordering patterns including single-source tenders, the effect of industry consolidation as seen in the plasma and blood center markets, the effect of communicable diseases and the effect of uncertainties in markets outside the U.S. (including Europe and Asia) in which we operate and other risks detailed under Item 1A. Risk Factors included in this report. The foregoing list should not be construed as exhaustive.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our exposure relative to market risk is due to foreign exchange risk and interest rate risk.

Foreign Exchange Risk

See the section entitled Foreign Exchange for a discussion of how foreign currency affects our business. It is our policy to mitigate, for a period of time, the unforeseen impact on our financial results of fluctuations in foreign exchange rates by using derivative financial instruments known as forward contracts to hedge anticipated cash flows from forecasted foreign currency denominated sales and expenses. We do not use the financial instruments for speculative purposes. We estimate the change in the fair value of all forward contracts assuming both a 10% strengthening and weakening of the U.S. Dollar relative to all other major currencies. In the event of a 10% strengthening of the U.S. Dollar, the change in fair value of all forward contracts would result in a $6.8 million increase in the fair value of the forward contracts; whereas a 10% weakening of the U.S. Dollar would result in a $7.0 million decrease in the fair value of the forward contracts.

Interest Rate Risk

Our exposure to changes in interest rates is associated with borrowings on our credit facility, all of which is variable rate debt. All other long-term debt is at fixed rates. Total outstanding debt under our credit facility as of July 2, 2016 was $401.0 million with an interest rate of 1.875% based on prevailing LIBOR rates. An increase of 100 basis points in LIBOR rates would result in additional annual interest expense of $4.0 million. On December 21, 2012, we entered into interest rate swap agreements to effectively convert $250.0 million of borrowings from a variable rate to a fixed rate. The interest rate swaps qualify for hedge accounting treatment as cash flow hedges. The major risks from interest rate swaps include changes in the interest rates affecting the fair value of such instruments, potential increases in interest expense due to market increases in floating interest rates and the creditworthiness of the counterparties in such transactions. We continuously monitor the creditworthiness of our counterparties.

ITEM 4. CONTROLS AND PROCEDURES

We conducted an evaluation, as of July 2, 2016, under the supervision and with the participation of our management, including our Chief Executive Officer and Corporate Controller (the Company's principal executive officer and principal financial officer, respectively) regarding the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rule 13a-15 under the Securities Exchange Act of 1934 (the "Exchange Act"). Because the material weakness in our internal control over financial reporting related to accounting for income taxes that existed as of April 2, 2016 has not yet been fully remediated, the Chief Executive Officer and Corporate Controller concluded that our disclosure controls and procedures are not effective as of July 2, 2016. We have advised our audit committee of this deficiency in our internal control over financial reporting, and the fact that this deficiency constitutes a "material weakness."

A material weakness in internal control over financial reporting is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis by our internal controls.

Because such a material weakness was determined to exist, we performed additional procedures to ensure our consolidated financial statements included in this quarterly report on Form 10-Q are presented fairly, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the United States.

As we continue to evaluate and work to improve our internal control over financial reporting, management may determine that it is necessary to take additional measures to address control deficiencies or may determine that it is necessary to modify the remediation plan described below. The operation of the control change will need to be observed for a period of time before management is able to conclude that the material weakness has been remediated. If not remediated, this material weakness could result in a material misstatement to our consolidated financial statements. Management continues to monitor implementation of its remediation plan and timetable and believes the efforts described below will effectively remediate the material weaknesses

We are undertaking steps to strengthen our controls over accounting for income taxes, including:

- Increasing oversight by our management in the calculation and reporting of certain tax balances of our non-U.S. operations;
- Enhancing policies and procedures relating to account reconciliation and analysis;
- Augmenting our tax accounting resources;
- Increasing communication to information providers for tax jurisdiction specific information; and
- Strengthening communication and information flows between the tax department and the controllers group.

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-a5(f). The Company's internal control system was designed to provide reasonable assurance to the Company's management and Board of Directors regarding the preparation and fair presentation of published financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Controls

Except as noted in the preceding paragraphs, there has not been any change in our system of internal control over financial reporting during the quarter ended July 2, 2016 that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

Italian Employment Litigation

Our Italian manufacturing subsidiary is party to several actions initiated by employees of the facility in Ascoli-Piceno, Italy where we have ceased manufacturing operations. These include actions claiming (i) working conditions and minimum salaries should have been established by either a different classification under their national collective bargaining agreement or a different agreement altogether, (ii) certain solidarity agreements, which are arrangements between the Company, employees and the government to continue full pay and benefits for employees who would otherwise be terminated in times of low demand, are void, and (iii) payment of the extra time used for changing into and out of the working clothes at the beginning and end of each shift.

In addition, a union represented in the Ascoli plant has filed an action claiming that the Company discriminated against it in favor of three other represented unions by (i) interfering with an employee referendum, (ii) interfering with an employee petition to recall union representatives from office, and (iii) excluding the union from certain meetings.

Finally, we have been added as defendants on claims filed against Pall Corporation prior to our acquisition of the plant in August 2012. These claims relate to agreements to "freeze" benefit allowances for a certain period in exchange for Pall's commitments on hiring and plant investment.

As of July 2, 2016, the total amount of damages claimed by the plaintiffs in these matters is approximately $4.5 million. At this point in the proceedings, we believe the losses are unlikely and therefore no amounts have been accrued. In the future, we may receive other similar claims or adverse rulings from the courts which changes our judgment on these cases.

SOLX Arbitration

In July 2016, H2 Equity, LLC, formerly known as Hemerus Corporation, filed an arbitration claim for $17 million in milestone and royalty payments allegedly owed as part of our acquisition of the filter and storage solution business from Hemerus Medical, LLC ("Hemerus") in fiscal 2014. The acquired storage solution is referred to as SOLX.

At the closing in April 2013, Haemonetics paid Hemerus a total of $24 million and agreed to a $3 million milestone payment due when the U.S. Food and Drug Administration ("FDA") approved a new indication for SOLX (the “24-Hour Approval”), using a filter acquired from Hemerus. We also agreed to make future royalty payments up to a cumulative maximum of $14 million based on the sale of products incorporating SOLX over a ten year period.

Due to performance issues with the Hemerus filter, Haemonetics filed for, and received, the 24-Hour Approval using a Haemonetics filter. Accordingly, Haemonetics did not pay Hemerus the $3 million milestone payment because the 24-Hour Approval was obtained using a Haemonetics filter, not a Hemerus filter. In addition, we have not paid any royalties to date as we have not made any commercial sales of products incorporating SOLX.

H2 Equity claims, in part, that we owe them $3 million for the receipt of the SOLX 24-Hour Approval despite the use of a Haemonetics filter to obtain the approval and that we have failed to make commercially reasonable efforts to market and sell products incorporating SOLX. We believe that we have meritorious defenses to these claims.

It is not possible to accurately evaluate the likelihood or amount of any potential losses related to this claim and therefore no amounts have been accrued.

Item 1A. Risk Factors

In addition to the other information set forth in this report, careful consideration should be given to the factors discussed in Part 1, “Item 1A. Risk Factors” in the Company's Annual Report on Form 10-K for the year ended April 2, 2016, which could materially affect the Company's business, financial condition or future results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. [Removed and Reserved]

Item 6. Exhibits

10.1	Performance Share Unit Agreement between Haemonetics Corporation and Christopher Simon dated as of June 29, 2016.
10.2	Amended and Restated 2007 Employee Stock Purchase Agreement (as amended and restated on July 21, 2016).
10.3	Haemonetics Corporation Worldwide Executive Bonus Plan as adopted on July 21, 2016.
31.1	Certification pursuant to Section 302 of Sarbanes-Oxley Act of 2002, of Christopher Simon, President and Chief Executive Officer of the Company
31.2	Certification pursuant to Section 302 of Sarbanes-Oxley of 2002, of Dan Goldstein, Vice President, Corporate Controller of the Company
32.1	Certification Pursuant to 18 United States Code Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of Christopher Simon, President and Chief Executive Officer of the Company
32.2	Certification Pursuant to 18 United States Code Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of Dan Goldstein, Vice President, Corporate Controller of the Company
101*	The following materials from Haemonetics Corporation on Form 10-Q for the quarter ended July 2, 2016, formatted in Extensible Business Reporting Language (XBRL); (i) Consolidated Statements of Income and Comprehensive Income, (ii) Consolidated Balance Sheets, (iii) Consolidated Statements of Cash Flows, and (iv) Notes to Consolidated Financial Statements.

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* In accordance with Rule 406T of Regulation S-T, the XBRL-related information in Exhibit 101 to this Form 10-Q is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act, is deemed not filed for the purposes of section 18 of the Exchange Act, and otherwise is not subject to liability under these sections.

† Agreement, plan, or arrangement related to the compensation of officers or directors

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HAEMONETICS CORPORATION

8/1/2016 By: /s/ Christopher Simon

Christopher Simon,
President and Chief Executive Officer
(Principal Executive Officer)

8/1/2016 By: /s/ Dan Goldstein

Dan Goldstein, Vice President, Corporate Controller
(Principal Financial Officer)

EXHIBIT 10.1

HAEMONETICS CORPORATION

2005 LONG-TERM INCENTIVE COMPENSATION PLAN

PERFORMANCE SHARE UNIT AGREEMENT

WITH

Christopher Simon

HAEMONETICS CORPORATION
PERFORMANCE SHARE UNIT AGREEMENT
UNDER 2005 LONG-TERM INCENTIVE COMPENSATION PLAN

THIS PERFORMANCE SHARE UNIT AGREEMENT ("Agreement"), dated as of June 29, 2016 ("Grant Date") by and between Haemonetics Corporation, a Massachusetts Corporation ("Company"), and Christopher Simon ("Employee"), is entered into as follows:

WHEREAS, the Company has established the Haemonetics Corporation 2005 Incentive Compensation Plan, as amended, ("Plan"), a copy of which has been provided to Employee, and which Plan is made a part hereof; and

WHEREAS, the Compensation Committee of the Board of Directors of the Company ("Committee") has determined that the Employee shall be granted a Performance Share Unit award pursuant to Article 10 (Other Stock Unit Awards) of the Plan with respect to the Company's $0.01 par value Common Stock ("Stock"), subject to the restrictions as hereinafter set forth;

NOW, THEREFORE, the parties hereby agree as follows:

1. Grant of Performance Share Units.

Subject to the terms and conditions of this Agreement and of the Plan, the Company hereby grants to the Employee a target award ("Target Award") of 26,210 Performance Share Units ("PSUs"). Each unit represents the right to receive one share of Stock. Subject to satisfaction of the terms and conditions of this Agreement and the Plan, the PSUs shall be settled in Stock. No dividend equivalent rights are payable with respect to the PSUs.

2. Vesting Schedule.

(a) Vesting. The interest of the Employee in the PSUs shall vest, if at all, on May 10, 2019, (the "Maturity Date") according to the vesting schedule on *Schedule A* ("Vesting Schedule"), and also conditioned upon the Employee's continued employment with the Company through the Maturity Date.

(i) *Calculation of Revenue Metric*. The Revenue Performance Metric is determined by comparing Revenue to the Target Revenue on *Schedule A*. "Revenue" equals fiscal 2019 revenue determined in accordance with GAAP. Both Target Revenue and Revenue may be adjusted by the Committee to reflect mergers, acquisitions and divestures completed

during the Performance Period and changes in GAAP which affect the comparability of results.

(ii) *Calculation of Operating Income Metric*. The Operating Income Metric is determined by comparing Operating Income to the Target Operating Income on *Schedule A*. "Operating Income" equals fiscal 2019 operating income determined in accordance with GAAP excluding cash severance, restructuring charges, restructuring related spending, non-cash charges related to transformation activity, impairment charges, and deal amortization. Both Operating Income and Target Operating Income may be adjusted by the Committee to reflect mergers, acquisitions and divestures completed during the Performance Period and changes in the Company's accounting practices and changes in GAAP which affect the comparability of results.

(iii) *Calculation of Expense Metric*. The Expense Metric is determined by comparing the General and Administrative Expense as a percentage of revenue, as determined in accordance with the Company's accounting practices, to the Target Expense on *Schedule A*. "General and Administrative Expense" equals selling, general and administrative expense reported on the Company's fiscal 2019 GAAP income statement, minus all expenses in that item related to sales and marketing in the Company's accounting records. Both revenue and selling, general and administrative expense may be adjusted by the Committee to reflect mergers, acquisitions and divestures completed during the Performance Period and changes in the Company's accounting policies and changes in GAAP which affect comparability of results.

(iv) *Calculation of Customer Facing Metric*. The Customer Facing Metric is determined by comparing the number of full time employment positions at the Company and its subsidiaries which are primarily engaged in sales, sales support, business development, clinical sales, donor sales, field service, global maketing, market intelligence, patience sales, software implementation, product and regional marketing and customer service, including software and hardware maintenance, and excluding all others such as Franchise Marketing, legal Enterprise Information Technology, Human Resources, Finance, Procurement, Regulatory, Quality, Manufacturing, Research and Development.

(v) *Weighting of Metrics.* In calculating the Share Payout, the Committee shall weigh each of the four Performance Metrics in accordance with the "Weight" column on *Schedule A*.

(vi) *Profit Requirement.* Notwithstanding the satisfaction of the Performance Metrics and the employment requirement, no Share Payout shall be made

under this Agreement unless the Company achieves positive net income of at least one (1) dollar ($1.00) for the Performance Period (the "Profit Requirement").

(vii) *Negative Discretion.* The Committee may exercise negative discretion consistent with Section 162(m) of the Code to reduce the payment under this Agreement.

(viii) *Payment Timing.* Subject to any earlier payment made under Section 2(f) below, any Share Payout shall be made by the Company in a single payment of shares of Stock (subject to applicable tax withholding) no earlier than the Maturity Date and later than July 31, 2019 following certification by the Committee of the achievement of the Profit Requirement.

(b) Employment Required. Except as otherwise provided in this Section 2, if the Employee ceases to be an employee of the Company prior to the Maturity Date, the PSUs granted to the Employee hereunder shall not vest and instead shall be forfeited. In such event, vesting shall not be pro-rated between the Grant Date and the Maturity Date.

(c) Disability. If such termination of employment is because of the Employee's Disability while in the employ of the Company, then the continued employment requirement for the Employee shall cease to apply and the Profit Requirement for the PSUs shall be determined as of the End of the Performance Period and paid in accordance with Section 2(a) above; provided, however, that number of shares of Stock paid to the Employee shall be multiplied by a fraction, the numerator of which is the number of days elapsed from the Grant Date to the date of the Employee's Disability, and denominator of which is 1095.

(d) Death. If the termination of employment is because of the death of the Employee while in the employ of the Company, then the continued employment requirement for the Employee shall cease to apply and the Profit Requirement for the PSUs shall be determined as of the End of Performance Period and paid in accordance with Section 2(a) above; provided, however, that the number of shares of Stock to be paid to the Employee's estate shall be multiplied by a fraction, the numerator of which is the number of days elapsed from the Grant Date to the date of the Employee's death, and the denominator of which is 1095.

(e) Qualifying Retirement. If such termination of employment is because of the Employee's Qualifying Retirement while in the employ of the Company, then the continued employment requirement for the Employee shall cease to apply and the Profit Requirement for the PSUs shall be determined as of the End of the Performance Period and paid in accordance with Section 2(a) above; provided, however, that the number of shares of Stock to be paid to the Employee shall be multiplied by a fraction, the numerator of which is the number of days elapsed from the Grant Date to the date of the Employee's Qualifying Retirement, and the denominator of which is 1095.

(f) Change in Control. Notwithstanding anything to the contrary contained in any employment agreement, severance agreement or Change in Control agreement between the Company and the Employee, if a Change in Control of the Company occurs prior to the Maturity Date and while the Employee is in the employ of the Company, then the continued employment requirement for the Employee shall cease to apply and the Share Payout as a Percentage of Target Award for the PSUs shall be determined in accordance with Section 2 above adjusted pro rata to reflect partial fiscal year, if necessary; provided, however, that the achievement of the Profit Requirement shall be determined by reference to the Company's achievement of the Profit Requirement as the close of the fiscal year quarter occurring on or immediately before the Change in Control and any Share Payout shall be made in a single payment of shares of Stock (subject to applicable tax withholding) no earlier than the date of the Change in Control and no later than ten (10) calendar days after the date of the Change in Control.

(g) Special Definitions. For purposes of this Agreement, the following terms have the meanings set forth below:

(1) "Change in Control" means the earliest to occur of the following events.

(A) a person, or any two or more persons acting as a group, and all affiliates of such person or persons, who prior to such time owned less than thirty-five percent (35%) of the then outstanding shares of the Common Stock, shall acquire such additional shares of the Common Stock in one or more transactions, or series of transactions, such that following such transaction or transactions such person or group and affiliates beneficially own thirty-five percent (35%) or more of the Common Stock outstanding,

(B) closing of the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, and

(C) the consummation of any merger, reorganization, consolidation or share exchange unless the persons who were the beneficial owners of the outstanding shares of the common stock of Company immediately before the consummation of such transaction beneficially own more than 50% of the outstanding shares of the common stock of the successor or survivor entity in such transaction immediately following the consummation of such transaction. For purposes of this definition, the percentage of the beneficially owned shares of the successor or survivor entity described above shall be determined exclusively by reference to the shares of the successor or survivor entity which result from the beneficial ownership of shares of Common Stock by the persons described above immediately before the consummation of such transaction.

Notwithstanding the foregoing, none of the above events or conditions shall constitute a Change in Control for purposes of this Agreement unless the event

or condition also constitutes a "Change in Control Event" for purposes of Treas. Reg. §1. 409A-3(i)(5).

(2) "Disability" has the meaning given it in Article 2 of the Plan; provided, however, that the Employee must also be considered to be "disabled" for purposes of Treas. Reg. §1.409A-3(i)(4).

(3) "Performance Period" shall mean the three (3) year period beginning on April 3, 2016 and ending on March 30, 2019 (the "End of the Performance Period").

(4) "Qualifying Retirement" shall mean that the Employee voluntarily retires from the employ of the Company at or after both attaining age fifty-five (55), completing five (5) consecutive years of service. For purposes of this Agreement, a "year of service" shall mean a twelve (12) month period of continuous full-time employment with the Company (determined without regard to any breaks in service due to any paid leave of absence or any unpaid leave of absence authorized in writing by the Company).

3. Restrictions, Forfeiture and Clawback.

(a) No Transfer. The PSUs granted hereunder may not be sold, transferred, pledged, assigned, encumbered, or otherwise alienated or hypothecated.

(b) Forfeiture. Except as provided for in Section 2, if the Employee's employment with the Company terminates for any reason**,** the balance of the PSUs subject to the provisions of this Agreement which have not vested at the time of the Employee's termination of employment shall be forfeited by the Employee, and the Employee shall have no future rights with respect to any such unvested PSUs.

(c) Clawback. This award and any resulting payment or Shares is subject to set-off, recoupment, or other recovery or "clawback" as required by applicable law or by any Company policy on the clawback of compensation, as amended from time to time.

4. Delivery of Shares.

The means of settlement of vested PSUs is that the Company shall deliver to the Employee a certificate or certificates, or at the election of the Company make an appropriate book entry, for the number of shares of Stock equal to the number of the Employee's PSUs that vest and are payable as specified in Section 2. An Employee shall have no further rights with regard to PSUs once the underlying Stock has been so delivered.

5. Employee Shareholder Rights.

Neither the Employee nor any person claiming through the Employee, will have any of the rights or privileges of a stockholder of Haemonetics with respect to the PSUs unless and until Stock has

been issued, recorded on the records of the Company or its transfer agent, and delivered to the Employee. No dividend equivalents shall be paid on PSUs with respect to any cash dividends declared during any periods of time prior delivery of the shares of Stock.

6. Adjustments or Changes in Capitalization.

Adjustments as a result of changes in corporate capitalization and the like or as a result of a corporate transaction shall be made in accordance with Article 4 of the Plan.

7. Disability or Death of Employee.

Any Stock delivered pursuant to Section 4 shall be delivered to the Employee if legally competent or to a legally designated guardian or representative if the Employee is legally incompetent. If the Employee is not then living, the Stock shall be delivered to the representative of the Employee's estate.

8. Taxes.

The Employee acknowledges and agrees that any income or other taxes due from the Employee with respect to the PSUs issued pursuant to this Agreement, including Social Security and Medicare taxes that may be owed on account of the vesting of the PSUs (unless the Company elects to withhold such payroll taxes at a later time in accordance with applicable law), and federal, state and local income taxes that may be owed on account of payment of the PSUs, shall be the Employee's responsibility. By accepting this grant, the Employee agrees and acknowledges that the Company promptly may withhold from the Employee's compensation, including but not limited to Stock delivered pursuant to Section 4, the amount of taxes the Company is required to withhold pursuant to this Agreement, unless the Employee shall satisfy such withholding obligation to the Company as provided in Article 17 of the Plan.

9. Data Privacy Consent.

As a condition of the grant, the Employee consents to the collection, use and transfer of the Employee's personal data as described in this Section 9. The Employee understands that the Company and its subsidiaries hold certain personal information about the Employee, including the Employee's name, home address and telephone number, date of birth, social insurance (or security) number or identification number, salary, nationality, job title, any shares of Stock or directorships held in the Company (or any of its subsidiaries), details of all options or any other entitlement to shares of Stock awarded, canceled, exercised, vested, unvested or outstanding in the Employee's favor, for the purpose of implementing, managing and administering the Plan ("Data"). The Employee further understands that the Company and/or a subsidiary may transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of the Employee's participation in the Plan, and that the Company and/or a subsidiary may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. The Employee understands that these recipients may be located in the European Economic Area, or elsewhere, such as the United

States or Canada, and that the recipient's country may have different data privacy laws and protections than the Employee's country. The Employee authorizes them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Employee's participation in the Plan, including any requisite transfer of such Data to a broker or other third party with whom the Employee may elect to deposit any shares of Common Stock acquired pursuant to the Plan as may be required for the administration of the Plan and/or the subsequent holding of shares of Common Stock on the Employee's behalf. The Employee understands that Data will be held only as long as is necessary to implement, administer and manage the Employee's participation in the Plan. The Employee understands that the Employee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to it or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Employee's local Human Resources representative. Refusal or withdrawal of consent may, however, affect the Employee's ability to exercise or realize benefits from the grant or the Plan. For more information on the consequences of the Employee's refusal to consent or withdrawal of consent, the Employee understands that the Employee may contact the Employee's local Human Resources representative.

10. Miscellaneous.

(a) Enforcement. The Company shall not be required (i) to transfer on its books any shares of Stock of the Company which shall have been sold or transferred in violation of any of the provisions set forth in this Agreement, or (ii) to treat as owner of such shares or to accord the right to vote as such owner or to pay dividends to any transferee to whom such shares shall have been so transferred.

(b) Further Acts. The parties agree to execute such further instruments and to take such action as may reasonably be necessary to carry out the intent of this Agreement.

(c) Notice. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon delivery to the Employee at her/his address then on file with the Company.

(d) No Guarantee of Employment. Nothing contained in the Plan or this Agreement shall be construed or deemed by any person under any circumstances to bind the Company to grant the Employee any right to remain an Employee of the Company during the vesting period or otherwise.

(e) Entire Agreement. This Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof. The Agreement is subject to and shall be construed in accordance with the terms of the Plan, and words or phrases defined in the Plan shall have the same meaning for purposes of this Agreement unless the context clearly requires otherwise.

(f) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts and applicable federal law, without regard to applicable conflicts of laws.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized representative, and the Employee has accepted this agreement, all as of the Grant Date first above written.

HAEMONETICS CORPORATION

_____

_____
Signature of Employee

_____
Date:

RETAIN A COPY OF THIS AGREEMENT FOR YOUR RECORDS

Schedule A

Performance Metrics	**Performance Targets**											**Weight**
Target Revenue (millions)	$908.0	$910.4	$912.8	$915.2	$917.6	$920.0	$922.0	$924.0	$926.0	$928.0	$930.0	33.3%
Target Operating Income (millions)	$144.1	$149.3	$154.5	$159.6	$164.8	$170.0	$171.0	$172.0	$173.0	$174.0	$175.0	33.3%
Target Expense (percentage of GAAP revenue)	16%	15.7%	15.4%	15.1%	14.8%	14.5%	14.2%	13.9%	13.6%	13.3%	13%	16.7%
Target Customer Facing Positions	737	739	740	742	743	745	746	748	749	750	752	16.7%
Payout Percentage	**50%**	**60%**	**70%**	**80%**	**90%**	**100%**	**110%**	**120%**	**130%**	**140%**	**150%**	-

Performance results in between levels shall be interpolated linearly (e.g. 95% performance, 95% payout; 115% performance, 115% payout).

In calculating the Share Payout, the Committee shall weigh each of the four Performance Metrics in accordance with the “Weight” column.

EXHIBIT 10.2

Haemonetics Corporation

2007 Employee Stock Purchase Plan (as amended)

On April 7, 2016 (the “Effective Date”), the Board of Directors adopted this amended and restated 2007 Employee Stock Purchase Plan, which shall govern all grants of options under the Plan made after the Effective Date. For the terms and conditions of the Plan applicable to an Option granted before the Effective Date, refer to the version of the Plan in effect as of the date such option was granted.

1. Purpose

It is the purpose of this 2007 Employee Stock Purchase Plan (as amended) to provide a means whereby eligible employees may purchase Common Stock of Haemonetics Corporation (the "Company") through payroll deductions. It is intended to provide a further incentive for employees to promote the best interests of the Company and to encourage stock ownership by employees in order that they may participate in the Company's economic growth.

It is the intention of the Company that the Plan qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Internal Revenue Code and the provisions of this Plan shall be construed in a manner consistent with the Code.

2. Definitions

The following words or terms, when used herein, shall have the following respective meanings:

(a) "Plan" shall mean the 2007 Employee Stock Purchase Plan, as it may be amended from time to time.

(b) "Company" shall mean Haemonetics Corporation, a Massachusetts corporation.

(c) "Account" means the Employee Stock Purchase Account established for a Participant under Section 7 hereunder.

(d) "Basic Compensation" shall mean the regular rate of salary or wages in effect immediately prior to a Purchase Period, including sales commissions, before any deductions or withholdings, but shall exclude overtime, bonuses and amounts paid in reimbursement for expenses.

(e) "Board of Directors" shall mean the Board of Directors of Haemonetics Corporation.

(f) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(g) "Committee" shall mean the Stock Purchase Plan Committee appointed and acting in accordance with the terms of the Plan.

(h) "Common Stock" shall mean shares of the Company's common stock with a par value of $.01 per share.

(i) "Effective Date" shall have the meaning set forth in the preamble.

(j) "Eligible Employees" shall mean all persons employed by (i) the Company or (ii) any subsidiary corporation of the Company (as defined in Section 424(f) of the Code) that has been designated by the Board of Directors, or the Committee if one has been appointed, from time to time as eligible to be a participating subsidiary under the Plan, but excluding:

(i) Persons whose customary employment is less than twenty hours per week or five months or less per year; and

(ii) Persons who are deemed for purposes of Section 423(b)(3) of the Code to own stock possessing 5% or more of the total combined voting power or value of all classes of stock of the Company, its parent or a subsidiary.

For purposes of the Plan, employment will be treated as continuing intact while a Participant is on military leave, sick leave, or other bona fide leave of absence, for up to 90 days or so long as the Participant's right to re-employment is guaranteed either by statute or by contract, if longer than 90 days.

(k) "Exercise Date" shall mean the last day of a Purchase Period; provided, however, that if such date is not a business day, "Exercise Date" shall mean the immediately preceding business day.

(l) "Participant" shall mean an Eligible Employee who elects to participate in the Plan under Section 6 hereunder.

(m) Except as provided below, there shall be two "Purchase Periods" in each full calendar year during which the Plan is in effect, one commencing on November 1st of each calendar year and continuing through April 30 of such calendar year, and the second commencing on May 1st of each calendar year and continuing through October 31st of such calendar year. The last Purchase Period shall end on October 31, 2026.

(n) "Purchase Price" shall mean the lower (i) 85% of the fair market value of a share of Common Stock for the first business day of the relevant Purchase Period, or (ii) 85% of such value on the relevant Exercise Date. If the shares of the Common Stock are listed on any national securities exchange, the fair market value per share of Common Stock on a particular day shall be the closing price, if

any, on the largest such exchange. If there are no sales of the shares of Common Stock on such particular day, the fair market value of a share of Common Stock shall be determined by the fair market value of a share of Common Stock on the nearest date prior to the Exercise Date. If the fair market value cannot be determined under the preceding sentences, it shall be determined in good faith by the Committee.

3. Grant of Option to Purchase Shares

Each Eligible Employee shall be granted an option effective on the first day of each Purchase Period to purchase shares of Common Stock. The term of the option shall be the length of the Purchase Period. The number of shares subject to each option shall be the quotient of the aggregate payroll deductions in the Purchase Period authorized by each Participant in accordance with Section 6 divided by the Purchase Price, but in no event greater than 1,600 shares per option. Notwithstanding the foregoing, (i) no employee shall be granted an option which permits his right to purchase shares under the Plan and under all other Code Section 423(b) employee stock purchase plans of the Company or any parent or subsidiary corporation to accrue at a rate which exceeds in any one calendar year $25,000 of the fair market value of the Common Stock as of the date the option to purchase is granted.

4. Shares

There shall be 3,200,000 shares of Common Stock reserved for issuance to and purchase by Participants under the Plan, subject to adjustment as herein provided. The shares of Common Stock subject to the Plan shall be shares of authorized but unissued Common Stock. Shares of Common Stock not purchased under an option terminated pursuant to the provisions of the Plan may again be subject to options granted under the Plan.

The aggregate number of shares of Common Stock which may be purchased pursuant to options granted hereunder, the number of shares of Common Stock covered by each outstanding option, the maximum number of shares that may be granted in any Purchase Period and the purchase price for each such option shall by appropriately adjusted for any increase or decrease in the number of outstanding shares of Common Stock resulting from a stock split or other subdivision or consolidation of shares of Common Stock or for other capital adjustments or payments of stock dividends or distributions or other increases or decreases in the outstanding shares of Common Stock effected without receipt of consideration by the Company.

If the Board of Directors or the Committee determines that on a given Exercise Date the number of shares with respect to which options are to be exercised may exceed: (a) the number of shares then available for sale under the Plan; or (b) the number of shares available for sale under the Plan on the first day of one or more of the Purchase Periods in which such Exercise Date is to occur (each, an “Offering Date”), the Board of Directors or the Committee may make a pro rata allocation of the shares remaining available for purchase on such Offering Date or Exercise Date, as applicable, and will either continue the Purchase Period then in effect or terminate any one or more Purchase Periods then in effect pursuant to Section 17, below. Such allocation method will be

“bottom up,” with the result that all option exercises for one (1) share will be satisfied first, followed by all exercises for two (2) shares, and so on, until all available shares have been exhausted. Any amount remaining in a Participant’s payroll account following such allocation will be returned to the Participant and will not be carried over to any future Purchase Period.

5. Administration

The Plan shall be administered by the Board of Directors or a Stock Purchase Plan Committee appointed from time to time by the Board of Directors. All members of the Committee shall serve at the discretion of the Board. The Board of Directors or the Committee, if one has been appointed, is vested with full discretionary authority and control to administer the Plan, including determining eligibility, construing the terms of the Plan, remedying any ambiguities or inconsistencies, supplying any omissions, and making, administering and interpreting such equitable rules and regulations regarding the Plan as it may deem advisable, including, without limitation, adopting sub-plans applicable to particular participating subsidiaries of the Company or locations, which sub-plans may be designed to be outside the scope of Section 423 of the Code. The Board of Directors', or the Committee's, if one has been appointed, determinations as to the interpretation and operation of the Plan shall be final and conclusive. No member of the Board of Directors or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any option granted under the Plan. The Board of Directors or the Committee may designate separate Purchase Periods under the Plan (the terms of which need not be identical) in which Eligible Employees of one or more participating subsidiaries will participate, even if the dates of the applicable Purchase Periods of each such offering are identical. The Board of Directors or the Committee may delegate, to the maximum extent permitted under applicable law or legal requirements, any or all of its authority under this Plan to such senior officer(s) or other employees of the Company as the Board of Directors or the Committee may designate. Notwithstanding any such delegation of authority, the Board of Directors or the Committee may itself take any action under the Plan in its discretion at any time.

6. Election to Participate

An Eligible Employee may elect to become a Participant in the Plan for a Purchase Period by completing a "Stock Purchase Agreement" form at least ten (10) days (or such shorter period as the Board of Directors or the Committee may specify in writing) prior to the first day of the Purchase Period for which the election is made. Such Stock Purchase Agreement shall be in such form as shall be determined by the Board of Directors or the Committee. The election to participate shall be effective for the Purchase Period for which it is made and shall continue to be in effect for subsequent Purchase Periods unless and until a Participant files a notice of cancelation under Section 9. There is no limit on the number of Purchase Periods for which an Eligible Employee may elect to become a Participant in the Plan. In the Stock Purchase Agreement, the Eligible Employee shall authorize regular payroll deductions of any full percentage of his Basic Compensation, but in no event less than two percent (2%) nor more than fifteen percent (15%) of his Basic Compensation. An Eligible Employee may not change his

authorization except as otherwise provided in Section 9. Options granted to Eligible Employees who have failed to execute a Stock Purchase Agreement within the time periods prescribed by the Plan will automatically lapse. Notwithstanding a Participant's election in his Stock Purchase Agreement, the Company may reduce a Participant's payroll deductions to prevent a Participant from exceeding the limitations set forth in Section 3.

7. Employee Stock Purchase Account

An Employee Stock Purchase Account will be established for each Participant in the Plan for bookkeeping purposes, and payroll deductions made under Section 6 will be credited to such Accounts. However, prior to the purchase of shares in accordance with Section 8 or withdrawal from or termination of the Plan in accordance with the provisions hereof, the Company may use for any valid corporate purpose all amounts deducted from a Participant's wages under the Plan and credited for bookkeeping purposes to his Account.

The Company shall be under no obligation to pay interest on funds credited to a Participant's Account, whether upon purchase of shares in accordance with Section 8 or upon distribution in the event of withdrawal from or termination of the Plan as herein provided.

8. Purchase of Shares

Each Eligible Employee who is a Participant in the Plan automatically and without any act on his part will be deemed to have exercised his option on each Exercise Date to the extent that the balance then in his Account under the Plan is sufficient to purchase at the Purchase Price whole shares of the Common Stock subject to his option. Any balance remaining in the Participant's Account which represents less than the Purchase Price of a whole share shall be carried forward and credited for use in the next Purchase Period. If the Employee chooses not to participate in the next Purchase Period, any balance will be refunded to him in cash. Notwithstanding the foregoing, any balance remaining in a Participant's Account at the end of a Purchase Period as a result of aggregate payroll deductions having exceeded the limitations set forth in Section 3 shall be refunded to the Participant in cash without interest.

9. Withdrawal

A Participant who has elected to authorize payroll deductions for the purchase of shares of Common Stock may cancel his election by written notice of cancellation delivered to the office or person designated by the Company to receive Stock Purchase Agreements ("Cancellation"), but any such notice of Cancellation must be so delivered not later than ten (10) days before the relevant Exercise Date.

A Participant will receive in cash, as soon as practicable after delivery of the notice of Cancellation, the amount credited to his Account. Any Participant who so withdraws from the Plan may again become a Participant at the start of the next Purchase Period in accordance with Section 6.

Upon dissolution or liquidation of the Company or a merger or consolidation in which the Company is not the surviving entity every option outstanding hereunder shall

terminate, in which event each Participant shall be refunded the amount of cash then in his Account.

10. Issuance of Stock Certificates

The shares of Common Stock purchased by a Participant shall, for all purposes, be deemed to have been issued and sold at the close of business on the Exercise Date. Prior to that date none of the rights or privileges of a stockholder of the Company, including the right to vote or receive dividends, shall exist with respect to such shares.

Within a reasonable time after the Exercise Date, the Company shall either, as the Board of Directors or the Committee may direct, issue and deliver a certificate for, or make an entry on the Company's books and records evidencing the transfer of, the number of shares of Common Stock purchased by a Participant for the Purchase Period. Such certificate or book entry shall be registered either in the Participant's name, jointly in the names of the Participant and his spouse, or in the name of the Participant or his spouse as guardian for their children, as the Participant shall designate in his Stock Purchase Agreement. Such designation may be changed at any time by filing notice thereof with the party designated by the Company to receive such notices. The Board of Directors or the Committee may, at its discretion, choose to deliver shares of Common Stock purchased by Participants for a Purchase Period to a broker designated by the Board of Directors or the Committee to hold shares for the benefit of the Participants.

11. Termination of Employment

(a) Upon a Participant's termination of employment for any reason, other than death, no payroll deduction may be made from any compensation due him and the entire balance credited to his Account shall be automatically refunded.

(b) Upon the death of a Participant, no payroll deduction shall be made from any compensation due him at time of death, and the entire balance in the deceased Participant's Account shall be paid in cash to the Participant's designated beneficiary, if any, under a group insurance plan of the Company covering such employee, or otherwise to his estate.

12. Rights not Transferable

The right to purchase shares of Common Stock under this Plan is exercisable only by the Participant during his lifetime and is not transferable by him. If a Participant attempts to transfer his right to purchase shares under the Plan, he shall be deemed to have requested withdrawal from the Plan and the provisions of Section 9 hereof shall apply with respect to such Participant.

13. No Guarantee of Continued Employment

Granting of an option under this Plan shall imply no right of continued employment with the Company for any Eligible Employee.

14. Notice

Any notice which an Eligible Employee or Participant files pursuant to this Plan shall be in writing and shall be delivered personally or by mail addressed to Haemonetics Corporation, 400 Wood Road, Braintree, Massachusetts 02184 Attn: Chief Legal Officer.

Any notice to a Participant or an Eligible Employee shall be conspicuously posted in the Company's principal office or shall be mailed addressed to the Participant or Eligible Employee at the address designated in the Stock Purchase Agreement or in a subsequent writing.

15. Application of Funds

All funds deducted from a Participant's wages in payment for shares purchased or to be purchased under this Plan may be used for any valid corporate purpose provided that the Participant's Account shall be credited with the amount of all payroll deductions as provided in Section 7.

16. Government Approvals or Consents

This Plan and any offering and sales to Eligible Employees under it are subject to any governmental approvals or consents that may be or become applicable in connection therewith. Subject to the provisions of Section 17, the Board of Directors of the Company may make such changes in the Plan and include such terms in any offering under this Plan as may be necessary or desirable, in the opinion of counsel, to comply with the rules or regulations of any governmental authority, or to be eligible for tax benefits under the Code or the laws of any state.

17. Amendment of the Plan

The Board of Directors may, without the consent of the Participants, amend the Plan at any time, provided that no such action shall adversely affect options theretofore granted hereunder, and provided that no such action by the Board of Directors without approval of the Company's stockholders may: (a) increase the total number of shares of Common Stock which may be purchased by all Participants; or (b) change the class of corporations whose employees may be eligible to receive options under the Plan.

For purposes of this Section 17, administrative changes to the Plan’s administration, including changes to the length of the Purchase Period and the establishment or revisions of foreign currency exchange ratios, and termination of the Plan by the Board of Directors pursuant to Section 18, shall not be deemed to be an action which adversely affects options granted under the Plan.

18. Term of the Plan

The Plan, as amended, shall become effective on the Effective Date, provided that it has been approved by the stockholders of the Company. The Plan shall continue in effect through December 31, 2026, provided, however, that the Board of Directors shall have the right to terminate the Plan at any time. In the event of the expiration of the Plan or its termination, all options then outstanding under the Plan shall automatically be cancelled and the entire amount credited to the Account of each Participant hereunder shall be refunded to each such Participant.

19. Withholding of Additional Income Taxes

By electing to participate in the Plan, each Participant acknowledges that the Company is required to withhold taxes with respect to the amounts deducted from the Participant's compensation and accumulated for the benefit of the Participant under the

Plan and each Participant agrees that the Company may deduct additional amounts from the Participant's compensation, when amounts are added to the Participant's account, used to purchase Common Stock or refunded, in order to satisfy such withholding obligation. Each Participant further acknowledges that when Common Stock is purchased under the Plan, the Company may be required to withhold taxes with respect to all or a portion of the difference between the fair market value of the Common Stock purchased and its purchase price, and each Participant agrees that such taxes may be withheld from compensation otherwise payable to such Participant. It is intended that tax withholding will be accomplished in such a manner that the full amount of payroll deductions elected by the Participant under Section 6 will be used to purchase Common Stock. However, if amounts sufficient to satisfy applicable tax withholding obligations have not been withheld from compensation otherwise payable to any Participant, then, notwithstanding any other provisions of the Plan, the Company may withhold such taxes from the Participant's accumulated payroll deductions and apply the net amount to the purchase of Common Stock, unless the Participant pays to the Company, prior to the exercise date, an amount sufficient to satisfy such withholding obligations. Each Participant further acknowledges that the Company may be required to withhold taxes in connection with the disposition of stock acquired under the Plan and agrees that the Company may take whatever action it considers appropriate to satisfy such withholding requirements, including deducting from compensation otherwise payable to such Participant an amount sufficient to satisfy such withholding requirements or conditioning any disposition of Common Stock by the Participant upon the payment to the Company of an amount sufficient to satisfy such withholding requirements.

20. <u>Corporate Transactions</u>.

(a) In the event of a proposed Corporate Transaction (as defined below), each option under the Plan will be assumed by such successor corporation or a parent or subsidiary of such successor corporation, unless the Board of Directors or the Committee, in the exercise of its sole discretion and in lieu of such assumption, determines to (x) terminate the Plan as of the end of the Purchase Period immediately preceding the effective date of the Corporate Transaction and promptly refund to Participants all payroll deductions accumulated through such effective date or (y) shorten the Purchase Period then in progress by setting a new Exercise Date (the “New Exercise Date”). If the Board of Directors or the Committee determines to shorten the Purchase Period then in progress, the Board of Directors or the Committee will notify each Participant in writing at least ten (10) business days prior to the New Exercise Date, that the Exercise Date for the Participant’s option has been changed to the New Exercise Date and that either:

(i) the Participant’s option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Purchase Period as provided in Section 9; or

(ii) the Company will pay to the Participant on the New Exercise Date an amount in cash, cash equivalents, or property as determined by the Board of Directors or the Committee that is equal to the excess, if any, of (x) the fair market value of the shares subject to the option over (y) the Purchase Price due

had the Participant's option been exercised automatically under Subsection (a)(i) above. In addition, all remaining accumulated payroll deduction amounts will be returned to the Participant.

(b) For purposes of this Section 20, an option granted under the Plan will be deemed to be assumed if, in connection with the Corporate Transaction, the option is replaced with a comparable option with respect to shares of capital stock of the successor corporation or parent thereof. The determination of option comparability will be made by the Board of Directors or the Committee prior to the Corporate Transaction and its determination will be final, binding and conclusive on all persons.

(c) "Corporate Transaction" means the earliest to occur of the following events:

(i) a person, or any two or more persons acting as a group, and all affiliates of such person or persons, who prior to such time owned less than thirty-five percent (35%) of the then outstanding shares of Common Stock, shall acquire such additional shares of Common Stock in one or more transactions, or series of transactions, such that following such transaction or transactions such person or group and affiliates beneficially own thirty-five percent (35%) or more of Common Stock outstanding;

(ii) closing of the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, and;

(iii) there is a consummation of any merger, reorganization, consolidation or share exchange unless the persons who were the beneficial owners of the outstanding shares of Common Stock immediately before the consummation of such transaction beneficially own more than 50% of the outstanding shares of the common stock of the successor or survivor entity in such transaction immediately following the consummation of such transaction. For purposes of this Section 20(c)(iii), the percentage of the beneficially owned shares of the successor or survivor entity described above shall be determined exclusively by reference to the shares of the successor or survivor entity which result from the beneficial ownership of shares of common stock of the Company by the persons described above immediately before the consummation of such transaction.

21. <u>General</u>

Except as specifically provided in a retirement or other benefit plan of the Company or a participating subsidiary of the Company, participation in the Plan will not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or a participating subsidiary of the Company, and will not affect any benefits under any other benefit plan of any kind or any benefit plan subsequently instituted under which the availability or amount of benefits is related to level of compensation. The Plan is not a "Retirement Plan" or "Welfare Plan" under the Employee Retirement Income Security Act of 1974, as amended.

Whenever the context of this Plan permits, the masculine gender shall include the feminine and neuter genders.

As Amended December 3, 2012 –	To adjust available shares under Section 4 to reflect share dividend
As Amended April 7, 2016 –	To increase the number of shares available under the Plan, extend the Plan's term and make administrative revisions, including updated price calculations and treatment in a change of control transaction.

Haemonetics Corporation

Worldwide Executive Bonus Plan

1. Background and Purpose.

1.1 Purpose. The purpose of the Haemonetics Corporation Worldwide Executive Bonus Plan (the "**Plan**") is to provide incentive compensation to those eligible employees who contribute significantly to the growth, profitability and success of the Company's business goals and achieve their individual performance goals. The Committee may choose, with respect to each Performance Period, to grant Awards under the Plan as either Target Awards or Incentive Pool Awards, as more fully described below.

Awards under the Plan are intended to qualify as performance-based compensation deductible by the Company under the qualified performance-based compensation exception to Section 162(m) of the Code.

1.2 Effective Date. The Plan is effective as of April 3, 2016 (the "**Effective Date**"), subject to approval by the Company's shareholders at the first annual meeting of shareholders to occur after the Effective Date, and shall remain in effect until it has been terminated pursuant to Section 8.6.

2. Definitions. The following terms shall have the following meanings:

2.1 "**Affiliate**" means any corporation or other entity controlled by the Company.

2.2 "**Award**" means an award granted pursuant to the Plan, the payment of which shall be contingent on the attainment of Performance Goals with respect to a Performance Period, as determined by the Committee pursuant to Section 6.1.

2.3 "**Base Salary**" means the Participant's annualized rate of base salary on the first day of the Performance Period before (i) deductions for taxes or benefits and (ii) deferrals of compensation pursuant to any Company or Affiliate-sponsored plans.

2.4 "**Board**" means the Board of Directors of the Company, as constituted from time to time.

2.5 "**Cause**" means:

(a) If the Participant is a party to an employment agreement with the Company or an Affiliate which determines all principle aspects of the employment relationship and such agreement provides for a definition of Cause, the definition contained therein; or

(b) If no such agreement exists, or if such agreement does not define Cause:

(i) the Participant's conviction of (or a plea of guilty or nolo contendere to) a felony or any other crime involving moral turpitude, dishonesty, fraud, theft or financial impropriety; or

(ii) a determination by the Company that the Participant has (i) failed to perform substantially the Participant's duties (other than any such failure resulting from the Participant's Disability), (ii) engaged in illegal conduct, an act of dishonesty or gross misconduct, or (iii) willfully violated a Company policy or the Participant's fiduciary duty to the Company.

2.6 "**Code**" means the U.S. Internal Revenue Code of 1986, as amended from time to time, including any regulations or authoritative guidance promulgated thereunder and successor provisions thereto.

2.7 "**Committee**" means the committee appointed by the Board to administer the Plan pursuant to Section 3.1.

2.8 "**Company**" means Haemonetics Corporation, a Massachusetts corporation, and any successor thereto.

2.9 "**Covered Employee**" has the meaning set forth in Section 162(m)(3) of the Code.

2.10

"**Determination Date**" means the earlier of: (a) the 90th day of the Performance Period, or (b) the date on which 25% of the Performance Period has elapsed. The Determination Date shall be a date on which the outcome of the Performance Goals are substantially uncertain.

2.11

"**Disability**" means, unless otherwise defined in an employment agreement between the Participant and the Company, the Participant's inability, due to physical or mental incapacity resulting from injury, sickness or disease, for one hundred and eighty days in any twelve-month period to perform the Participant's duties in connection with his or her employment with the Company, as determined by the Committee.

2.12

"Incentive Pool" means the aggregate amount that may be paid under all Awards with respect to a Performance Period, determined in accordance with Section 5.2.

2.13

"**Incentive Pool Award**" means the maximum award payable under the Plan to a Participant for a particular Performance Period, expressed as a percentage of an Incentive Pool.

2.14

"**Maximum Target Award**" means as to any Participant for any Plan Year $3,000,000. The Maximum Target Award limit shall be pro-rated for any Award payable with respect to a Performance Period that is shorter than one year.

2.15

"**Negative Discretion**" means the discretion of the Committee to reduce or eliminate the size of an Award in accordance with Section 6.1(c) of the Plan.

2.16

"**Participant**" means as to any Performance Period, the CEO and the members of the Executive Council of the Company who are designated by the Committee to participate in the Plan for that Performance Period.

2.17

"**Performance Criteria**" means the performance criteria upon which the Performance Goals for a particular Performance Period are based, which, unless and until the Committee or Board proposes to shareholders and shareholders approve a change in Performance Criteria, may include any of the following:

(a)
revenue;

(b)
earnings per share;

(c)
operating income;

(d)
net income (before or after taxes);

(e)
cash flow (including, but not limited to, operating cash flow and free cash flow);

(f)
gross profit;

(g)
growth in any of the preceding measures;

(h)
gross profit return on investment;

(i)
gross margin return on investment;

(j)
working capital;

(k)
gross margins;

(l)
EBIT;

(m)
EBITDA;

(n)
return on equity;

(o)
return on assets;

(p)
return on capital;

(q)
revenue growth;

(r)
total shareholder return;

(s)
economic value added;

(t)
customer satisfaction;

(u)
technology leadership;

(v)
number of new patents;

(w)
employee retention;

(x)
market share;

(y)
market segment share;

(z)
product release schedules

(aa)
new product innovation;

(bb)
cost reduction through advanced technology;

(cc)
brand recognition/acceptance;

(dd)
product ship targets;

(ee)
stock value;

(ff)
net earnings (before or after taxes);

(gg)
diluted earnings per share (before or after taxes);

(hh)
net revenues or net revenue growth;

(ii)
net operating profit (before or after taxes);

(jj)
return on invested capital or sales;

(kk)
cash flow return on capital;

(ll)
operating margins;

(mm)
improvements in capital structure;

(nn)
budget and expense management;

(oo)
productivity ratios;

(pp)
expense targets;

(qq)
margins;

(rr)
operating efficiency;

(ss)
working capital targets;

(tt)
enterprise value;

(uu)
safety record; and

(vv)
completion of acquisitions or business expansion.

Such Performance Criteria may relate to the performance of the Company as a whole, a business unit, division, department, individual or any combination of these and may be applied on an absolute basis and/or relative to one or more peer group companies or indices, or any combination thereof, using GAAP or non-GAAP accounting, as the Committee shall determine.

2.18

"**Performance Goals**" means the goals selected by the Committee, in its discretion to be applicable to a Target Award or Incentive Pool for any Performance Period. Performance Goals shall be based upon one or more Performance Criteria. Performance Goals may include a threshold level of performance below which no Award will be paid and levels of performance at which specified percentages of the Target Award or Incentive Pool will be paid and may also include a maximum level of performance above which no additional Target Award or Incentive Pool amount will be paid.

2.19

"**Performance Period**" means the period for which performance is calculated, which unless otherwise indicated by the Committee, shall be the Plan Year.

2.20

"**Plan**" means the Haemonetics Corporation Worldwide Executive Bonus Plan, as hereafter amended from time to time.

2.21

"**Plan Year**" means the Company's fiscal year.

2.22

"**Pro-rated Award**" means an amount equal to the Award otherwise payable to the Participant for a Performance Period in which the Participant was actively employed by the Company or an Affiliate for only a portion thereof, multiplied by a fraction, the numerator of which is the number of days the Participant was actively employed by the Company or an Affiliate during the Performance Period and the denominator of which is the number of days in the Performance Period.

2.23

"**Target Award**" means the target award payable under the Plan to a Participant for a particular Performance Period, expressed as a percentage of the Participant's Base Salary. In special circumstances, the target award may be expressed as a fixed amount of cash.

3. Administration.

3.1

Administration by the Committee. The Plan shall be administered by the Committee which shall consist of not less than two (2) members of the Board. Each member of the Committee shall qualify as an "outside director" under Section 162(m) of the Code. Members of the Committee shall be appointed by the Board.

3.2

Authority of the Committee. Subject to the provisions of the Plan and applicable law, the Committee shall have the power, in addition to other express powers and authorizations conferred on the Committee by the Plan, to: (i) designate Participants; (ii)

determine the terms and conditions of any Award; (iii) determine whether, to what extent, and under what circumstances Awards may be forfeited or suspended; (iv) interpret, administer, reconcile any inconsistency or ambiguity, correct any defect and/or supply any omission in the Plan or any instrument or agreement relating to, or Award granted under, the Plan; (v) establish, amend, suspend, or waive any rules for the administration, interpretation and application of the Plan; (vi) adopt such procedures and subplans as are necessary or appropriate to permit participation in the Plan by employees who are foreign nationals or employed outside of the United States; and (vii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

3.3

Decisions Binding. All determinations and decisions made by the Committee, the Board, and any delegate of the Committee pursuant to the provisions of the Plan shall be final, conclusive and binding on all persons, and shall be given the maximum deference permitted by law.

3.4

Delegation by the Committee. The Committee, in its sole discretion, may delegate all or part of its authority and powers under the Plan to one or more directors and/or officers of the Company; provided, however, that the Committee may not delegate its responsibility to (i) make Awards to executive officers; (ii) make Awards which are intended to constitute qualified performance-based compensation under Section 162(m) of the Code; or (iii) certify the satisfaction of the Performance Goals pursuant to Section 6.1 in accordance with Section 162(m) of the Code.

3.5

Agents; Limitation of Liability. The Committee may appoint agents to assist in administering the Plan. The Committee and each member thereof shall be entitled to, in good faith, rely or act upon any report or other information furnished to it or him by any officer or employee of the Company, the Company's certified public accountants, consultants or any other agent assisting in the administration of the Plan. Members of the Committee and any officer or employee of the Company acting at the direction or on behalf of the Committee shall not be personally liable for any action or determination taken or made in good faith with respect to the Plan, and shall, to the extent permitted by law, be fully indemnified and protected by the Company with respect to any such action or determination.

4. Eligibility and Participation.

4.1

Eligibility. Only the CEO and such other executives of the Company who are designated by the Committee as eligible to participate in the Plan.

4.2

Participation. The Committee, in its discretion, shall select, no later than the Determination Date, the persons who shall be Participants for the Performance Period. Only eligible individuals who are designated by the Committee to participate in the Plan with respect to a particular Performance Period may participate in the Plan for that Performance Period. An individual who is designated as a Participant for a given Performance Period is not guaranteed or assured of being selected for participation in any subsequent Performance Period.

4.3

New Hires; Newly Eligible Participants. A newly hired or newly eligible employee who becomes a Participant after the Committee has established the terms of an Incentive Pool shall not be eligible to receive an Incentive Pool Award until the next Performance Period. A newly hired or newly eligible employee may instead be granted a Pro-rated Award in the form of a Target Award. The amount of any Award paid to such Participant shall not exceed that proportionate amount of the Maximum Target Award set forth in Section 2.14.

4.4

Leaves of Absence. If a Participant commences an approved leave of absence (other than a long-term disability leave) for a portion of a Performance Period, the Participant will be eligible to receive a Pro-rated Award reflecting participation for the period during which he or she was actively employed and not any period when he or she was on leave. A Participant will be treated as actively employed by the Company during the first thirty days of an approved leave of absence.

4.5

Long-Term Disability. If an employee of the Company or an Affiliate is approved for long-term disability leave prior to the beginning of the Performance Period, the employee shall not be eligible to participate in the Plan until the employee returns to active employment on a part-time or full-time basis. If the employee is able to return for a portion of the Performance Period, the employee will receive a Pro-rated Award in the form of a Target Award. If an employee is approved for long-term disability leave after the start of the Performance Period, then the employee will be eligible for a Pro-rated Award.

4.6

Mid-Year Changes. If a Participant’s Base Salary, position, title or status as a part-time or full-time employee of the Company or an Affiliate changes during the Performance Period, the Participant’s Award shall be pro-rated to reflect the change. The effective date of the change shall be determined in accordance with Section 4.7.

4.7

Change in Eligibility Status. Subject to the foregoing requirements of this Section 4, changes in eligibility status and mid-year changes in employment status shall be administered as follows:

Type of Change	Change On or Before the 15th of the Month	Change After the 15th of the Month
New Employee of Company or Affiliate	Participant eligible on first day of employment	Participant eligible on first day of month following first day of employment
Transfer or Status Change Affecting Award or Base Salary	Change effective on status change date	Change effective on first day of month following status change date
Leave of Absence or Long-Term Disability Start	No eligibility in that month	Eligible for portion of month in active employment
Leave of Absence or Long Term Disability Return	Eligible for portion of month in active employment	No eligibility in that month; eligibility 1st of next month

5. Terms of Awards.

5.1 Determination of Target Awards or Incentive Pool Awards. Prior to, or reasonably promptly following the commencement of each Performance Period, but no later than the Determination Date, the Committee, in its sole discretion, shall determine whether Awards for the Performance Period will be in the form of either Target Awards or Incentive Pool Awards and shall establish the Target Award or Incentive Pool Award for each Participant. The payment of Target Awards and Incentive Pool Awards shall be conditioned on the achievement of the Performance Goals for the Performance Period. In no event may any Incentive Pool Award exceed 100% of the total Incentive Pool for the Performance Period nor may the sum of the Incentive Pool Awards for all Participants exceed 100% of the total Incentive Pool for the Performance Period.

5.2 Determination of Performance Goals and Performance Formula. Prior to, or reasonably promptly following the commencement of, each Performance Period, but no later than the Determination Date, the Committee, in its sole discretion, shall establish in writing the Performance Goals for the Performance Period and shall prescribe a formula for determining (i) the aggregate amount of the Incentive Pool or (ii) the percentage of the Target Award for each individual participant, which may be payable based upon the level of attainment of the Performance Goals for the Performance Period. The Performance Goals shall be based on one or more Performance Criteria, each of which may carry a different weight, and which may differ from Participant to Participant.

5.3 Adjustments. The Committee is authorized, in its sole discretion, to provide in

an Award whether or not it shall adjust or modify the calculation of a Performance Goal for a Performance Period in connection with any one or more of the following events:

(a) asset write-downs;

(b) significant litigation or claim judgments or settlements;

(c) the effect of changes in tax laws, accounting standards or principles, or other laws or regulatory rules affecting reporting results;

(d) any reorganization and restructuring programs;

(e) unusual or infrequent items as described in management's discussion and analysis of financial condition and results of operations appearing in the Company's annual report to shareholders for the applicable year or period;

(f) acquisitions or divestitures;

(g) any other specific unusual or nonrecurring events or objectively determinable category thereof;

(h) foreign exchange gains and losses; and

(i) a change in the Company's fiscal year.

Unless the Board expressly provides otherwise, no adjustment shall be made if the effect would be to cause an Award to fail to qualify as performance-based compensation under Section 162(m) of the Code.

6. Payment of Awards.

6.1 Determination of Awards; Certification.

(c) Following the completion of each Performance Period, the Committee shall determine the extent to which the Performance Goals have been achieved or

exceeded. If the minimum Performance Goals established by the Committee are not achieved, then no payment will be made.

(d)

To the extent that the Performance Goals are achieved, the Committee shall certify in writing, in accordance with the requirements of Section 162(m) of the Code, the extent to which the Performance Goals applicable to the Incentive Pool, if any, and to each Participant have been achieved and shall then determine, in accordance with the prescribed formula, the amount of each Participant's Award.

(e)

In determining the amount of the Incentive Pool and each Award, the Committee may reduce or eliminate the amount of the Incentive Pool and/or an Award by applying Negative Discretion if, in its sole discretion, such reduction or elimination is appropriate. The exercise of Negative Discretion with respect to an Award shall not result in an increase in the amount of any Award of any other Participant.

(f)

In no event shall the amount paid pursuant to a Target Award or any Incentive Pool Award for any Plan Year exceed the Maximum Target Award.

(g)

In no event shall any payment be made under this Plan if the Plan has not been approved by the Company’s shareholders.

6.2

Form and Timing of Payment. Except as otherwise provided herein, as soon as practicable following the Committee's certification pursuant to Section 6.1 for the applicable Performance Period, and in no event later than March 15 of the calendar year following the end of the Plan Year, each Participant shall receive a cash lump sum payment of his or her Award, less required withholding.

6.3

Employment Requirement. Except as otherwise provided in Section 7, no Award shall be paid to any Participant who is not actively employed by the Company or an Affiliate, or on an approved leave of absence or long-term disability leave, on the last day of the Performance Period.

6.4

Deferral of Awards. The Committee, in its sole discretion, may permit a Participant to defer the payment of an Award that would otherwise be paid under the Plan. Any deferral election shall be subject to Section 409A of the Code and such rules and procedures as shall be determined by the Committee in its sole discretion.

7.

Termination of Employment.

7.1

Employment Requirement. Except as otherwise provided in Section 7.2, if a Participant's employment terminates for any reason prior to the last day of the Performance Period, all of the Participant's rights to an Award for the Performance Period shall be forfeited. However, the Committee, in its sole discretion, may pay a Pro-rated Award, subject to the Committee's certification that the Performance Goals for the Performance Period have been met. Such Pro-rated Award will be paid at the same time and in the same manner as Awards are paid to other Participants. Notwithstanding the foregoing, if a Participant's employment is terminated for Cause, the Participant shall in all cases forfeit any Award not already paid.

7.2

Termination of Employment Due to Death or Disability. If a Participant's employment is terminated by reason of his or her death or Disability during a Performance Period the Participant or his or her beneficiary will be paid a Pro-rated Award. In the case of a Participant's Disability, the employment termination shall be deemed to have occurred on the date that the Committee determines that the Participant is Disabled. Payment of such Pro-rated Award will be made at the same time and in the same manner as Awards are paid to other Participants.

8.

General Provisions.

8.1

Compliance with Legal Requirements. The Plan and the granting of Awards shall be subject to all applicable federal and state laws, rules and regulations, and to such approvals by any regulatory or governmental agency as may be required.

8.2

Non-transferability. A person's rights and interests under the Plan, including any Award previously made to such person or any amounts payable under the Plan may not be assigned, pledged, or transferred, except in the event of the Participant's death, to a designated beneficiary in accordance with the Plan, or in the absence of such designation, by will or the laws of descent or distribution.

8.3

No Right to Employment. Nothing in the Plan or in any notice of Award shall confer upon any person the right to continue in the employment of the Company or any Affiliate or affect the right of the Company or any Affiliate to terminate the employment of any Participant.

8.4

No Right to Award. Unless otherwise expressly set forth in an employment agreement signed by the Company and a Participant, a Participant shall not have any right to any Award under the Plan until such Award has been paid to such Participant and

participation in the Plan in one Performance Period Year does not connote any right to become a Participant in the Plan in any future Performance Period.

8.5

Withholding. The Company shall have the right to withhold from any Award, any federal, state or local income and/or payroll taxes required by law to be withheld and to take such other action as the Committee may deem advisable to enable the Company and Participants to satisfy obligations for the payment of withholding taxes and other tax obligations relating to an Award.

8.6

Amendment or Termination of the Plan. The Board or the Committee may, at any time, amend, suspend or terminate the Plan in whole or in part; provided, however, that, no amendment that requires shareholder approval for the Plan to continue to comply with Section 162(m) of the Code shall be effective unless approved by the requisite vote of the shareholders of the Company. Notwithstanding the foregoing, no amendment shall materially and adversely affect the rights of any Participant to Awards allocated prior to such amendment, suspension or termination.

8.7

Unfunded Status. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between the Company and any Participant, beneficiary or legal representative or any other person. To the extent that a person acquires a right to receive payments under the Plan, such right shall be no greater than the right of an unsecured general creditor of the Company. All payments to be made hereunder shall be paid from the general funds of the Company and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts except as expressly set forth in the Plan. The Plan is not intended to be subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA).

8.8

Governing Law. The Plan shall be construed, administered and enforced in accordance with the laws of the Commonwealth of Massachusetts without regard to conflicts of law.

8.9

Beneficiaries. To the extent that the Committee permits beneficiary designations, any payment of Awards due under the Plan to a deceased Participant shall be paid to the beneficiary duly designated by the Participant in accordance with the Company's practices. If no such beneficiary has been designated or survives the Participant, payment shall be made by will or the laws of descent or distribution.

8.10

Section 162(m) of the Code; Bifurcation of the Plan. It is the intent of the Company that the Plan and the Awards made under the Plan to Participants who are or may

become persons whose compensation is subject to Section 162(m) of the Code satisfy any applicable requirements to be treated as qualified performance-based compensation under Section 162(m) of the Code. The provisions of the Plan may at any time be bifurcated by the Board or the Committee so that certain provisions of the Plan or any Award intended to satisfy the applicable requirements of Section 162(m) of the Code are only applicable to persons whose compensation is subject to Section 162(m) of the Code.

8.11

Section 409A of the Code. It is intended that payments under the Plan qualify as short-term deferrals exempt from the requirements of Section 409A of the Code. In the event that any Award does not qualify for treatment as an exempt short-term deferral, it is intended that such amount will be paid in a manner that satisfies the requirements of Section 409A of the Code. The Plan shall be interpreted and construed accordingly.

8.12

Expenses. All costs and expenses in connection with the administration of the Plan shall be paid by the Company.

8.13

Section Headings. The headings of the Plan have been inserted for convenience of reference only and in the event of any conflict, the text of the Plan, rather than such headings, shall control.

8.14

Severability. In the event that any provision of the Plan shall be considered illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining provisions of the Plan, but shall be fully severable, and the Plan shall be construed and enforced as if such illegal or invalid provision had never been contained therein.

8.15

Gender and Number. Except where otherwise indicated by the context, wherever used, the masculine pronoun includes the feminine pronoun; the plural shall include the singular, and the singular shall include the plural.

8.16

Non-exclusive. Nothing in the Plan shall limit the authority of the Company, the Board or the Committee to adopt such other compensation arrangements, as it may deem desirable for any Participant.

8.17

Notice. Any notice to be given to the Company or the Committee pursuant to the provisions of the Plan shall be in writing and directed to the Secretary of the Company at 400 Wood Road, Braintree, MA 02169.

8.18

Successors. All obligations of the Company under the Plan with respect to Awards granted hereunder shall be binding upon any successor to the Company, whether the

existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the assets of the Company.

8.19 Clawback. All Awards are subject to the Company's Clawback Policy as in effect from time to time and, in accordance with such policy, may be subject to the requirement that the Awards be repaid to the Company after they have been distributed to the Participant. The action permitted to be taken by the Board under this Section 8.19 is in addition to, and not in lieu of, any and all other rights of the Board and/or the Company under applicable law and shall apply notwithstanding anything to the contrary in the Plan or an Award.

EXHIBIT 31.1

CERTIFICATION

I, Christopher Simon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Haemonetics Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

8/1/2016

/s/ Christopher Simon

Christopher Simon, President and Chief Executive Officer (Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

I, Dan Goldstein, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Haemonetics Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

8/1/2016

/s/ Dan Goldstein

Dan Goldstein, Vice President, Corporate Controller

(Principal Financial Officer)

EXHIBIT 32.1

Certification Pursuant To
18 USC. Section 1350,
As Adopted Pursuant To
Section 906 of the Sarbanes/Oxley Act of 2002

In connection with the Quarterly Report of Haemonetics Corporation (the "Company") on Form 10-Q for the period ended July 2, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christopher Simon, President and Chief Executive Officer of the Company, certify, pursuant to Section 1350 of Chapter 63 of Title 18, United States Code, that this Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

8/1/2016

/s/ Christopher Simon

Christopher Simon,

President and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Haemonetics and will be retained by Haemonetics and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

Certification Pursuant To
18 USC. Section 1350,
As Adopted Pursuant To
Section 906 of the Sarbanes/Oxley Act of 2002

In connection with the Quarterly Report of Haemonetics Corporation (the "Company") on Form 10-Q for the period ended July 2, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dan Goldstein, Vice President and Corporate Controller of the Company, certify, pursuant to Section 1350 of Chapter 63 of Title 18, United States Code, that this Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

8/1/2016

/s/ Dan Goldstein

Dan Goldstein,

Vice President and Corporate Controller

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Haemonetics and will be retained by Haemonetics and furnished to the Securities and Exchange Commission or its staff upon request.