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: June 30, 2018

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), and (2) has been subject to such filing requirements for 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, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑		Accelerated filer o
Non-accelerated filer o	(Do not check if a smaller reporting company)	
		Smaller reporting company o
		Emerging growth company o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. 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 August 3, 2018: 51,691,865

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ITEM 1. FINANCIAL STATEMENTS

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

	Three Months Ended	
	June 30, 2018	July 1, 2017
Net revenues	$ 229,347	$ 210,951
Cost of goods sold	146,103	119,286
Gross profit	83,244	91,665
Operating expenses:		
Research and development	9,406	8,193
Selling, general and administrative	68,545	66,861
Total operating expenses	77,951	75,054
Operating income	5,293	16,611
Gain on divestiture	—	8,000
Interest and other expense, net	(1,978)	(1,359)
Income before provision for income taxes	3,315	23,252
Provision for income taxes	6,134	3,115
Net (loss) income	**$ (2,819)**	**$ 20,137**
Net (loss) income per share - basic	$ (0.05)	$ 0.38
Net (loss) income per share - diluted	$ (0.05)	$ 0.38
Weighted average shares outstanding		
Basic	52,119	52,443
Diluted	52,119	52,811
Comprehensive (loss) income	(7,538)	23,766

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

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

	June 30, 2018	March 31, 2018
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 192,106	$ 180,169
Accounts receivable, less allowance of $2,327 at June 30, 2018 and $2,111 at March 31, 2018	151,336	151,226
Inventories, net	175,329	160,799
Prepaid expenses and other current assets	32,246	28,983
Total current assets	551,017	521,177
Property, plant and equipment, net	315,873	332,156
Intangible assets, less accumulated amortization of $256,675 at June 30, 2018 and $249,278 at March 31, 2018	148,730	156,589
Goodwill	210,903	211,395
Deferred tax asset	3,774	3,961
Other long-term assets	10,871	12,061
Total assets	**$ 1,241,168**	**$ 1,237,339**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable and current maturities of long-term debt	$ 17,043	$ 194,259
Accounts payable	65,393	55,265
Accrued payroll and related costs	45,828	69,519
Other liabilities	65,731	65,660
Total current liabilities	193,995	384,703
Long-term debt, net of current maturities	330,838	59,423
Deferred tax liability	10,606	6,526
Other long-term liabilities	31,670	34,258
Total stockholders' equity		
Common stock, $0.01 par value; Authorized — 150,000,000 shares; Issued and outstanding — 51,641,159 shares at June 30, 2018 and 52,342,965 shares at March 31, 2018	516	523
Additional paid-in capital	507,394	503,955
Retained earnings	189,859	266,942
Accumulated other comprehensive loss	(23,710)	(18,991)
Total stockholders' equity	674,059	752,429
Total liabilities and stockholders' equity	**$ 1,241,168**	**$ 1,237,339**

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	
	June 30, 2018	July 1, 2017
Cash Flows from Operating Activities:		
Net (loss) income	$ (2,819)	$ 20,137
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Non-cash items:		
Depreciation and amortization	26,415	21,789
Gain on divestiture	—	(8,000)
Stock-based compensation expense	3,379	1,343
Impairment of assets	21,170	—
Provision for losses on accounts receivable and inventory	(352)	928
Other non-cash operating activities	19	658
Change in operating assets and liabilities:		
Change in accounts receivable	(1,577)	2,203
Change in inventories	(15,058)	1,417
Change in prepaid income taxes	72	817
Change in other assets and other liabilities	(1,214)	8,998
Change in accounts payable and accrued expenses	(6,913)	(11,865)
Net cash provided by operating activities	23,122	38,425
Cash Flows from Investing Activities:		
Capital expenditures	(27,514)	(13,721)
Proceeds from divestiture	—	9,000
Proceeds from sale of property, plant and equipment	250	981
Net cash used in investing activities	(27,264)	(3,740)
Cash Flows from Financing Activities:		
Term loan borrowings	347,780	—
Repayment of term loan borrowings	(253,728)	(11,856)
Proceeds from employee stock purchase plan	1,780	1,622
Proceeds from exercise of stock options	2,831	6,430
Share repurchases	(80,000)	—
Net increase in short-term loans	—	255
Net cash provided by (used in) financing activities	18,663	(3,549)
Effect of exchange rates on cash and cash equivalents	(2,584)	1,039
Net Change in Cash and Cash Equivalents	11,937	32,175
Cash and Cash Equivalents at Beginning of Period	180,169	139,564
Cash and Cash Equivalents at End of Period	**$ 192,106**	**$ 171,739**
Supplemental Disclosures of Cash Flow Information:		
Interest paid	$ 2,361	$ 1,825
Income taxes paid	$ 1,817	$ 2,151
Transfers from inventory to fixed assets for placement of Haemonetics equipment	$ 1,799	$ 1,338

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

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

Basis of Presentation

The accompanying unaudited consolidated financial statements of Haemonetics Corporation ("Haemonetics" or the "Company") presented herein have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") 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 U.S. 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 June 30, 2018 are not necessarily indicative of the results that may be expected for the full fiscal year ending March 30, 2019 or any other interim period. We have assessed our ability to continue as a going concern. As of June 30, 2018, we have concluded that substantial doubt about our ability to continue as a going concern does not exist. 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 March 31, 2018.

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 5, *Earnings Per Share*, for information pertaining to the completion of an accelerated share repurchase that occurred after the balance sheet date but prior to the issuance of the financial statements.

2. RECENT ACCOUNTING PRONOUNCEMENTS

Standards Implemented

Revenue from Contracts with Customers (Topic 606)

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASC Update 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.

In March 2016, the FASB issued ASC Update No. 2016-08, Revenue from Contracts with Customers (Topic 606): *Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*. The purpose of ASC Update 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.

In April 2016, the FASB issued ASC Update 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. ASC Update 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.

We adopted Topic 606 on April 1, 2018, using the modified retrospective method. Under this method, entities recognize the cumulative effect of applying the new standard at the date of initial application with no restatement of comparative periods presented. The cumulative effect of applying the new standard resulted in an increase to opening retained earnings of $1.5 million upon adoption of Topic 606 in April 2018, primarily related to deferred revenue associated with software contracts. Software revenue accounts for approximately 8.1% and 7.5% of our total revenue for the three months ended June 30, 2018 and three months ended July 1, 2017, respectively. The new standard has been applied only to those contracts that were not completed as of March 31, 2018. The impact of adopting ASU 2014-09 was not significant to individual financial statement line items in the consolidated balance sheet and consolidated statement of (loss) income and comprehensive (loss) income.

Other Recent Accounting Pronouncements

In October 2016, the FASB issued ASC Update No. 2016-16, Income Taxes (Topic 740). The guidance requires companies to recognize the income tax effects of intercompany sales and transfers of assets, other than inventory, in the income statement as income tax expense (or benefit) in the period in which the transfer occurs. We adopted ASC Update No. 2016-16 during the first quarter of fiscal 2019. The adoption of ASC Update No. 2016-16 did not have a material impact on our consolidated financial statements.

In August 2016, the FASB issued ASC Update No. 2016-15, Statement of Cash Flow (Topic 230). The guidance reduces diversity in how certain cash receipts and cash payments are presented and classified in the consolidated statements of cash flows. We adopted ASC Update No. 2016-15 during the first quarter of fiscal 2019. The adoption of ASC Update No. 2016-15 did not have a material impact on our consolidated financial statements.

In May 2017, the FASB issued ASC Update No. 2017-09, Compensation - Stock Compensation: Scope of Modification Accounting (Topic 718). The guidance clarifies when to account for a change to the terms or conditions of a share-based payment award as a modification. We adopted ASC Update No. 2017-09 during the first quarter of fiscal 2019. The adoption of ASC Update No. 2017-09 did not have a material impact on our consolidated financial statements.

3. 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 fiscal 2018, we launched a Complexity Reduction Initiative (the "2018 Program"), a company-wide restructuring program designed to improve operational performance and reduce cost, freeing up resources to invest in accelerated growth. This program includes a reduction of headcount and operating costs which will enable a more streamlined organizational structure. We expect to incur aggregate charges between $50 million and $60 million associated with these actions, of which we expect $35 million to $40 million will consist of severance and other employee costs and the remainder will consist of other exit costs, primarily related to third party services. These charges, substantially all of which will result in cash outlays, will be incurred as the specific actions required to execute on these initiatives are identified and approved and are expected to continue through fiscal 2020. During the three months ended June 30, 2018, we incurred $3.4 million of restructuring and turnaround costs under this program. Total cumulative charges under this program are $40.0 million.

During fiscal 2017, we launched a restructuring program (the "2017 Program") designed to reposition our organization and improve our cost structure. During the three months ended June 30, 2018, there were nominal restructuring and turnaround charges recorded under this program. During the three months ended July 1, 2017, we incurred $2.5 million of restructuring and turnaround charges under this program. The 2017 Program is substantially complete.

The following table summarizes the activity for restructuring reserves related to the 2018 Program and the 2017 Program for the three months ended June 30, 2018, substantially all of which relates to employee severance and other employee costs:

(In thousands)	2018 Program	2017 Program	Total
Balance at March 31, 2018	$ 27,129	$ 1,406	$ 28,535
Costs incurred, net of reversals	(268)	(24)	(292)
Payments	(6,947)	(903)	(7,850)
Non-cash adjustments	(137)	—	(137)
Balance at June 30, 2018	$ 19,777	$ 479	$ 20,256

The substantial majority of restructuring costs during the three months ended June 30, 2018 and the three months ended July 1, 2017 have been included as a component of selling, general and administrative expenses in the accompanying consolidated statements of (loss) income. As of June 30, 2018, we had a restructuring liability of $20.3 million, of which $18.1 million is payable within the next twelve months.

In addition to the restructuring costs included in the table above, during the three months ended June 30, 2018, we also incurred costs of $3.6 million that do not constitute restructuring under ASC 420, *Exit and Disposal Cost Obligations*, which we refer to

as turnaround costs. These costs, substantially all of which have been included as a component of selling, general and administrative expenses in the accompanying consolidated statements of (loss) income, consist primarily of expenditures directly related to our restructuring actions and include program management, costs associated with the implementation of outsourcing initiatives and recent accounting standards.

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

Restructuring costs	**Three Months Ended**	
(In thousands)	**June 30, 2018**	**July 1, 2017**
Japan	$ 11	$ 109
EMEA	124	10
North America Plasma	(40)	—
All Other	(387)	937
Total	$ (292)	$ 1,056

Turnaround costs	**Three Months Ended**	
(In thousands)	**June 30, 2018**	**July 1, 2017**
Japan	$ —	$ —
EMEA	28	6
North America Plasma	10	152
All Other	3,603	1,269
Total	$ 3,641	$ 1,427
Total restructuring and turnaround costs	**$ 3,349**	**$ 2,483**

4. 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 impacted by the jurisdictional mix of earnings in any given period as the foreign jurisdictions in which we operate have tax rates that differ from the U.S. statutory rate. Our reported tax rate of 185% for the three months ended June 30, 2018 is higher than the U.S. statutory tax rate primarily as a result of asset impairment expense of $21.2 million recorded in pretax income for which no tax benefit was recognized as a result of the valuation allowance maintained against our deferred tax assets in the impacted jurisdiction, refer to Note 8, *Property, Plant and Equipment* for additional details. Our effective tax rate was also negatively impacted by the U.S. tax reform provisions related to Global Intangible Low Taxed Income that became effective in fiscal 2019.

During the three months ended June 30, 2018 and July 1, 2017, we reported an income tax provision of $6.1 million and $3.1 million, respectively. The change in our tax provision for the three months ended June 30, 2018 was primarily the result of an increase in the tax expense of our U.S. entity, which is impacted by the U.S. tax reform provisions discussed in more detail below, as well as changes in the jurisdictional mix of earnings and other foreign items. The income tax provision for the three months ended June 30, 2018 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 benefit of $1.4 million related to stock compensation windfall tax benefits. Our tax provision for the three months ended July 1, 2017 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 $0.4 million for international items and tax reserves.

During fiscal 2018, the Tax Cuts and Jobs Act (the "Act") was enacted in the United States. The Act reduced the U.S. federal corporate tax rate from 35% to 21%, required companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously tax deferred and created new taxes on certain foreign sourced earnings. In December 2017, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 118, which directs taxpayers to consider the impact of the U.S. legislation as “provisional” when it does not have the necessary information available, prepared or analyzed (including computations) in reasonable detail to complete its accounting for the change in tax law.

As of June 30, 2018, we had not completed our accounting for the tax effects of the enactment of the Act, however, we have

made a reasonable estimate of the effects on our existing deferred tax balances and the one-time transition tax. During the three months ended June 30, 2018, we recognized an immaterial adjustment to the provisional tax expense estimate recorded related to the Act. We will continue to refine our calculations as additional analysis is completed. In addition, our estimates may also be affected as we gain a more thorough understanding of the tax law.

We have incorporated the other impacts of tax reform that became effective in fiscal 2019 including the provisions related to Global Intangible Low Taxed Income, Foreign Derived Intangible Income, Base Erosion Anti Abuse Tax, as well as other provisions which limit tax deductibility of expenses.

We are in a three year cumulative loss position in the U.S. and, accordingly, maintain a valuation allowance against certain U.S. deferred tax assets. Additionally, we also maintain a valuation allowance against certain other deferred tax assets primarily in Switzerland, Puerto Rico, Luxembourg and France which we have concluded are not more-likely-than-not realizable.

5. EARNINGS PER SHARE ("EPS")

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

	Three Months Ended	
(In thousands, except per share amounts)	**June 30, 2018**	**July 1, 2017**
Basic EPS		
Net (loss) income	$ (2,819)	$ 20,137
Weighted average shares	52,119	52,443
Basic (loss) income per share	**$ (0.05)**	**$ 0.38**
Diluted EPS		
Net (loss) income	$ (2,819)	$ 20,137
Basic weighted average shares	52,119	52,443
Net effect of common stock equivalents	—	368
Diluted weighted average shares	52,119	52,811
Diluted (loss) income per share	**$ (0.05)**	**$ 0.38**

Basic earnings per share is calculated using our weighted-average outstanding common stock. Diluted earnings per share is calculated using our weighted-average outstanding common stock including the dilutive effect of stock awards as determined under the treasury stock method. For the three months ended June 30, 2018, 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. For the three months ended July 1, 2017, weighted average shares outstanding, assuming dilution, excludes the impact of 0.7 million anti-dilutive shares.

Share Repurchase Plan

On February 6, 2018, we announced that our Board of Directors authorized the repurchase of up to $260 million of our outstanding common stock from time to time, based on market conditions, through March 30, 2019.

In May 2018, we completed a $100.0 million repurchase of our common stock pursuant to an accelerated share repurchase agreement ("ASR") entered into with Citibank N.A ("Citibank") in February 2018. The total number of shares repurchased under the ASR was approximately 1.4 million at an average price per share upon final settlement of $72.51.

In June 2018, we entered into a new ASR with Citibank to repurchase approximately $80.0 million of the Company's common stock. Pursuant to the terms of the ASR, in June 2018, we paid Citibank $80.0 million in cash and received an initial delivery of approximately 0.7 million shares of our common stock based on a closing market price of the Company's common stock on the New York Stock Exchange on June 5, 2018 of $95.42. This initial delivery of shares represented approximately 80% of the notional amount of the ASR. On August 1, 2018, the ASR was completed and an additional 0.2 million shares were delivered upon settlement. The total number of shares repurchased under the ASR was approximately 0.9 million at an average price per share upon final settlement of $93.83.

As of August 7, 2018, the total remaining authorization for repurchases of the Company's common stock under our share repurchase program was $80 million.

6. REVENUE

Our revenue recognition policy is to recognize revenues from product sales, software and services in accordance with ASC Topic 606, *Revenue from Contracts with Customers*. Revenue is recognized when obligations under the terms of a contract with a customer are satisfied; this occurs with the transfer of control of the Company's goods or services. We consider revenue to be earned when all of the following criteria are met: we have a contract with a customer that creates enforceable rights and obligations; promised products or services are identified; the transaction price, or the consideration we expect to receive for transferring goods or providing services, is determinable and we have transferred control of the promised items to the customer. A promise in a contract to transfer a distinct good or service to the customer is identified as a performance obligation. A contract's transaction price is allocated to each performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Some of the Company's contracts have multiple performance obligations. For contracts with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation based on the estimated standalone selling prices of the good or service in the contract. For goods or services for which observable standalone selling prices are not available, the Company uses an expected cost plus a margin approach to estimate the standalone selling price of each performance obligation.

As of June 30, 2018, the Company had $19.8 million of its transaction price allocated to remaining performance obligations related to executed contracts with an original duration of one year or more. The Company expects to recognize approximately 56% of this amount as revenue within the next twelve months and the remaining balance thereafter.

The Company adopted the new standard as of April 1, 2018, using the modified retrospective method. Under this method, entities recognize the cumulative effect of applying the new standard at the date of initial application with no restatement of comparative periods presented. The cumulative effect of applying the new standard resulted in an increase to opening retained earnings of $1.5 million upon adoption of Topic 606 on April 1, 2018, primarily related to deferred revenue associated with software revenue. The new standard has been applied only to those contracts that were not completed as of March 31, 2018.

The impact of adopting was not significant to individual financial statement line items in the consolidated balance sheet as of June 30, 2018 or in the consolidated statements of (loss) income and comprehensive (loss) income for the three months ended June 30, 2018.

Product Revenues

The majority of the Company's performance obligations related to product sales are satisfied at a point in time. Product sales consist of the sale of our disposable blood component collection and processing sets and the related equipment. The Company's performance obligation related to product sales is satisfied upon shipment or delivery to the customer based on the specified terms set forth in the customer contract. Shipping and handling activities performed after a customer obtains control of the good are treated as fulfillment activities and are not considered to be a separate performance obligation. Revenue is recognized over time for maintenance plans provided to customers that provide services beyond the Company's standard warranty period. Payment terms between customers related to product sales vary by the type of customer, country of sale, and the products or services offered and could result in an unbilled receivable or deferred revenue balance depending on whether the performance obligation has been satisfied (or partially satisfied).

For product sales to distributors, we recognize revenue for both equipment and disposables upon shipment to distributors, which is when our performance obligations are complete. Our standard contracts with our distributors state that title to the equipment passes to the distributors at point of shipment to a distributor's location. The distributors are responsible for shipment to the end customer along with any installation, training and acceptance of the equipment by the end customer. Payments from distributors are not contingent upon resale of the product.

We also place equipment at customer sites. While we retain ownership of this equipment, the customer has the right to use it for a period of time provided they meet certain agreed to conditions. We recover the cost of providing the equipment from the sale of our disposables.

Software and Other Revenues

To a lesser extent, the Company enters into other types of contracts including certain software licensing arrangements to provide software solutions to support our plasma, blood collection and hospital customers. A significant portion of our software sales are perpetual licenses typically accompanied by significant implementation services related to software customization as well as other professional and technical services. We generally recognize revenue from the sale of perpetual licenses and related

customization services over time (the Company is creating or enhancing an asset that the customer controls) using an input method which requires us to make estimates of the extent of progress toward completion of the contract. When we provide other services, including in some instances hosting, technical support and maintenance, we recognize these fees and charges over time (the customer simultaneously receives and consumes benefits), as performance obligations for these services are satisfied during the contract period. Certain of our software licensing arrangements are term-based licenses that include a per-collection or a usage-based fee related to the use of the license and the related technical support and hosting services. For these usage-based arrangements, we apply the revenue recognition exception resulting in revenue recognition occurring upon the later of actual usage or satisfaction of the related performance obligations. The payment terms for software licensing arrangements vary by customer pursuant to the terms set forth in the customer contract and result in an unbilled receivable or deferred revenue balance depending on whether the performance obligation has been satisfied (or partially satisfied).

Significant Judgments

Revenues from product sales are recorded at the net sales price, which includes estimates of variable consideration related to rebates, product returns and volume discounts. These reserves are based on estimates of the amounts earned or to be claimed on the related sales. Management's estimates take into consideration historical experience, current contractual and statutory requirements, specific known market events and trends, industry data, and forecasted customer buying and payment patterns. Overall, these reserves reflect the Company’s best estimates of the amount of consideration to which it is entitled based on the terms of the contract. The amount of variable consideration included in the net sales price is limited to the amount that is probable not to result in a significant reversal in the amount of the cumulative revenue recognized in a future period. Revenue recognized in the current period related to performance obligations satisfied in prior periods was not material.

Contract Balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and customer advances and deposits (contract liabilities) on the consolidated balance sheets. The difference in timing between billing and revenue recognition primarily occurs in software licensing arrangements, resulting in contract assets and contract liabilities.

As of June 30, 2018 and April 1, 2018, the Company had contract assets of $4.0 million and $2.7 million, respectively. The change is primarily due to the delay in billings compared to the revenue recognized. Contract assets are classified as other current assets and other long-term assets on the consolidated balance sheet.

As of June 30, 2018 and April 1, 2018, the Company had contract liabilities of $17.3 million and $16.6 million, respectively. During the three months ended June 30, 2018, we recognized $7.4 million of revenue that was included in the above April 1, 2018 contract liability balance. Contract liabilities are classified as other current liabilities and other long-term liabilities on the consolidated balance sheet.

Practical Expedients

The Company elected not to disclose the value of transaction price allocated to unsatisfied performance obligations for contracts with an original expected length of one year or less. When applicable, the Company has also elected to use the practical expedient to not adjust the promised amount of consideration for the effects of a significant financing component if it is expected, at contract inception, that the period between when the Company transfers a promised good or service to a customer, and when the customer pays for that good or service, will be one year or less.

7. 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)	June 30, 2018	March 31, 2018[1]
Raw materials	$ 49,437	$ 52,997
Work-in-process	12,474	10,774
Finished goods	113,418	97,028
Total inventories	**$ 175,329**	**$ 160,799**

[1] We have corrected the classification of inventory in the prior period. This correction did not change total inventories and did not have a financial statement impact.

8. PROPERTY, PLANT AND EQUIPMENT

As part of our acquisition of the whole blood business from Pall Corporation ("Pall") in fiscal 2012, Pall agreed to manufacture and install in one of our facilities a filter media manufacturing line (the "HDC line") for which we agreed to pay Pall approximately $15.0 million (plus pre-approved overages). Pall also agreed to supply media to us for use in leukoreduction filters until such time as we accepted the HDC line.

In May 2018, we entered into a long-term supply agreement with Pall under which Pall will continue to supply media to us for use in leukoreduction filters. As a condition of the supply agreement, we agreed to accept the HDC line and to make a final payment of $9.0 million to Pall for the HDC line.

As a result of the decision to continue to source media for our leukoreduction filters from Pall rather than producing them internally, we do not expect to utilize the HDC line for future production and expect that the asset's future cash flows will not be sufficient to recover its carrying value of $19.8 million. Accordingly, during the first quarter of fiscal 2019 we recorded $19.8 million of impairment charges for the HDC line.

We also impaired $1.4 million of property, plant and equipment as a result of our review of non-core and underperforming assets and our decision to discontinue the use of or investment in certain assets. This impairment, as well as the impairment of the HDC line, were included within cost of goods sold on the consolidated statements of (loss) income and impacted the All Other reporting segment.

Additionally, we have changed the estimated useful lives of our PCS2 devices as these will be replaced by the NexSys PCS™ which we began placing during the second quarter of fiscal 2019. During the three months ended June 30, 2018, we incurred $3.9 million of depreciation expense related to this change in estimate.

9. 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 $0.7 million and $3.1 million in software development costs for ongoing initiatives during the three months ended June 30, 2018 and July 1, 2017, respectively. At June 30, 2018 and March 31, 2018, we had a total of $72.5 million and $71.8 million of capitalized software costs, respectively, of which $7.8 million and $17.7 million are related to in-process software development initiatives. During the three months ended June 30, 2018, there were $10.6 million capitalized costs placed into service. We did not place any capitalized costs into service during the three months ended July 1, 2017. The costs capitalized for each project are included in intangible assets in the consolidated financial statements.

10. 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.

	Three Months Ended	
(In thousands)	June 30, 2018	July 1, 2017
Warranty accrual as of the beginning of the period	$ 316	$ 176
Warranty provision	157	442
Warranty spending	(198)	(241)
Warranty accrual as of the end of the period	**$ 275**	**$ 377**

11. NOTES PAYABLE AND LONG-TERM DEBT

On June 15, 2018, we entered into a credit agreement with certain lenders which provided for a $350.0 million term loan ("Term Loan") and a $350.0 million revolving loan ("Revolving Credit Facility" and together with the Term Loan, the "Credit Facilities"). The Credit Facilities expire on June 15, 2023. Interest on the Credit Facilities is established using LIBOR plus 1.13% - 1.75%, depending on our leverage ratio. Under the Credit Facilities, we are required to maintain certain leverage and interest coverage ratios specified in the credit agreement as well as other customary non-financial affirmative and negative covenants. A portion of the net proceeds of $347.8 million was used to pay down the $253.7 million remaining outstanding balance on our 2012 credit agreement, as amended in fiscal 2014. The remainder of the proceeds are available to be used to support the launch of our NexSys PCS device and for general corporate purposes. At June 30, 2018, $350.0 million was outstanding under the Term Loan with an effective interest rate of 3.625% and no amount was outstanding on the Revolving Credit Facility. We also have $44.1 million of uncommitted operating lines of credit to fund our global operations under which there are no outstanding borrowings as of June 30, 2018.

We have required scheduled principal payments of $13.1 million during fiscal 2019, $17.5 million during fiscal 2020, $17.5 million during fiscal 2021, $17.5 million during fiscal 2022, and $214.4 million during fiscal 2023.

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 June 30, 2018.

12. DERIVATIVES AND FAIR VALUE MEASUREMENTS

We manufacture, market and sell our products globally. During the three months ended June 30, 2018, 38.0% of our sales were generated outside the U.S., generally in foreign 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. However, 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 June 30, 2018 and March 31, 2018 were cash flow hedges under ASC 815, *Derivatives and Hedging* ("ASC 815"). We record the effective portion of any change in the fair value of designated foreign currency hedge contracts in other comprehensive income 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 $79.0 million as of June 30, 2018 and $86.0 million as of March 31, 2018. At June 30, 2018, gains of $1.2 million, net of tax, will be reclassified to earnings within

the next twelve months. Substantially all currency cash flow hedges outstanding as of June 30, 2018 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 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 815 outstanding in the contract amount of $39.3 million as of June 30, 2018 and $36.3 million as of March 31, 2018.

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 815 in our consolidated statements of (loss) income and comprehensive (loss) income for the three months ended June 30, 2018:

(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 (Loss) Income and Comprehensive (Loss) Income	Amount of Gain (Loss) Excluded from Effectiveness Testing	Location in Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income
Designated foreign currency hedge contracts, net of tax	$ 1,165	$ (858)	Net revenues, COGS and SG&A	$ 424	Other expense, net
Non-designated foreign currency hedge contracts	—	—		$ 921	Other expense, net
Designated interest rate swaps, net of tax	$ —	$ —		$ —	

We did not have fair value hedges or net investment hedges outstanding as of June 30, 2018 or March 31, 2018. As of June 30, 2018, no deferred tax assets were recognized for designated foreign currency hedges.

ASC 815 requires all derivative instruments to be recognized at their fair values as either assets or liabilities on the balance sheet. We determine the fair value of our derivative instruments using the framework prescribed by ASC 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 June 30, 2018, 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 June 30, 2018 and March 31, 2018:

(In thousands)	Location in Balance Sheet	As of June 30, 2018	As of March 31, 2018
Derivative Assets:			
Designated foreign currency hedge contracts	Other current assets	$ 1,620	$ 780
Non-designated foreign currency hedge contracts	Other current assets	18	324
		$ 1,638	**$ 1,104**
Derivative Liabilities:			
Designated foreign currency hedge contracts	Other current liabilities	$ 579	$ 1,445
Non-designated foreign currency hedge contracts	Other current liabilities	159	138
		$ 738	**$ 1,583**

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 June 30, 2018 and March 31, 2018.

	As of June 30, 2018		
(In thousands)	Level 1	Level 2	Total
Assets			
Money market funds	$ 76,408	$ —	$ 76,408
Designated foreign currency hedge contracts	—	1,620	1,620
Non-designated foreign currency hedge contracts	—	18	18
	$ 76,408	**$ 1,638**	**$ 78,046**
Liabilities			
Designated foreign currency hedge contracts	$ —	$ 579	$ 579
Non-designated foreign currency hedge contracts	—	159	159
	$ —	**$ 738**	**$ 738**

	As of March 31, 2018		
	Level 1	Level 2	Total
Assets			
Money market funds	$ 75,450	$ —	$ 75,450
Designated foreign currency hedge contracts	—	780	780
Non-designated foreign currency hedge contracts	—	324	324
Designated interest rate swaps	—	—	—
	$ 75,450	**$ 1,104**	**$ 76,554**
Liabilities			
Designated foreign currency hedge contracts	$ —	$ 1,445	$ 1,445
Non-designated foreign currency hedge contracts	—	138	138
	$ —	**$ 1,583**	**$ 1,583**

Other Fair Value Disclosures

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

13. COMMITMENTS AND CONTINGENCIES

The Company is a party to various other legal proceedings and claims arising out of the ordinary course of its business. We believe that except for those matters described below, there are no other proceedings or claims pending against us the ultimate resolution of which could have a material adverse effect on our financial condition or results of operations. At each reporting period, management evaluates whether or not a potential loss amount or a potential range of loss is probable and reasonably estimable under ASC 450, *Contingencies*, for all matters. Legal costs are expensed as incurred.

Litigation and Related Matters

Product Recall

In March 2018, we issued a voluntary recall of specific lots of our Acrodose Plus and PL Systems sold to our Blood Center customers in the U.S. The recall resulted from reports of low pH readings for platelets stored in the CLX HP bag and, in some instances, an accompanying yellow discoloration of the storage bag. For a period of nine weeks, we were unable to provide our customers with our Acrodose Plus and PL Systems. As a result of the recall, our Blood Center customers may have discarded collected platelets and incurred other damages. As of June 30, 2018, we have recorded cumulative charges of $1.7 million associated with this recall. We have recorded a total of $1.0 million of charges associated with customer returns and inventory

reserves. We also recorded $0.7 million of charges associated with customer claims during the first quarter of fiscal 2019. We may record incremental charges for customer claims in future periods associated with this recall.

14. 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 unit. We aggregate components within an operating segment that have similar economic characteristics.

The Company’s reportable segments are as follows:

- Japan
- EMEA
- North America Plasma
- All Other

The Company has aggregated the Americas Blood Center and Hospital and Asia - Pacific operating segments into the All Other reportable segment based upon their similar operational and economic characteristics, including similarity of operating margin.

Management measures and evaluates the operating segments based on operating income. 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 turnaround costs, deal amortization, asset impairments, accelerated depreciation and certain legal charges. 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 using internally derived standard currency exchange rates that remain constant from year to year; therefore, segment information is presented on this basis.

During the first quarter of fiscal 2019, management reorganized its operating segments such that certain immaterial components of EMEA are now reported as components of All Other. 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 2019. These changes did not have an impact on our ability to aggregate Americas Blood Center and Hospital with Asia - Pacific.

Selected information by business segment is presented below:

	Three Months Ended	
(In thousands)	**June 30, 2018**	**July 1, 2017**
Net revenues		
Japan	$ 16,604	$ 15,232
EMEA	41,288	40,439
North America Plasma	91,574	77,536
All Other	79,812	80,743
Net revenues before foreign exchange impact	229,278	213,950
Effect of exchange rates	69	(2,999)
Net revenues	**$ 229,347**	**$ 210,951**

(In thousands)	Three Months Ended June 30, 2018	Three Months Ended July 1, 2017
Segment operating income		
Japan	$ 8,267	$ 7,467
EMEA	12,040	10,498
North America Plasma	38,596	27,200
All Other	33,041	30,671
Segment operating income	91,944	75,836
Corporate operating expenses	(54,273)	(48,050)
Effect of exchange rates	3,055	(2,201)
Restructuring and turnaround costs	(3,349)	(2,483)
Deal amortization	(6,300)	(6,491)
Asset impairments	(21,170)	—
Accelerated depreciation	(3,939)	—
Legal charges	(675)	—
Operating income	**$ 5,293**	**$ 16,611**

Our products are organized into three categories for purposes of evaluating their growth potential: Plasma, Blood Center and Hospital. Management reviews revenue trends based on these business units; however, no other financial information is currently available on this basis.

Net revenues by business unit are as follows:

(In thousands)	Three Months Ended June 30, 2018	Three Months Ended July 1, 2017
Plasma	$ 116,903	$ 101,507
Blood Center	64,483	65,565
Hospital	47,961	43,879
Net revenues	**$ 229,347**	**$ 210,951**

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

(In thousands)	Three Months Ended June 30, 2018	Three Months Ended July 1, 2017
United States	$ 142,140	$ 131,052
Japan	17,389	14,916
Europe	39,002	37,222
Asia	29,395	25,940
Other	1,421	1,821
Net revenues	**$ 229,347**	**$ 210,951**

15. 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 March 31, 2018	$ (16,405)	$ (323)	$ (2,263)	$ (18,991)
Other comprehensive income (loss) before reclassifications[1]	(6,742)	—	1,165	(5,577)
Amounts reclassified from Accumulated Other Comprehensive Loss[1]	—	—	858	858
Net current period other comprehensive income (loss)	(6,742)	—	2,023	(4,719)
Balance as of June 30, 2018	$ (23,147)	$ (323)	$ (240)	$ (23,710)

[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 Annual Report on Form 10-K for the year ended March 31, 2018. The following discussion may contain forward-looking statements and should be read in conjunction with the “Cautionary Statement Regarding Forward-Looking Information” in this discussion.

Our Business

Haemonetics is a global healthcare company dedicated to providing a suite of innovative hematology products and solutions to customers to help improve patient care and reduce the cost of healthcare. Our technology addresses important medical markets including commercial plasma collection, hospital-based diagnostics, blood and blood component collection and devices and software products. When used in this report, the terms “we,” “us,” “our” and “the Company” mean Haemonetics.

Blood is essential to a modern healthcare system. 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 biopharmaceuticals to treat a variety of illnesses, including immune diseases and coagulation disorders. Red cells treat trauma patients or patients undergoing surgery with high blood loss, such as open heart surgery or organ transplant. Platelets have many uses in patient care, including supporting cancer patients undergoing chemotherapy.

Haemonetics develops and markets a wide range of devices and solutions to serve our customers. We provide plasma collection systems and software that enable the collection of plasma used by fractionators to make life saving pharmaceuticals. We provide analytical devices for measuring hemostasis that enable healthcare providers to better manage their patients’ bleeding risk. Haemonetics makes blood processing systems and software that make blood donation more efficient and track life giving blood components. Finally, Haemonetics supplies systems and software that facilitate blood transfusions and cell processing.

Products

Our products are organized into three categories for purposes of evaluating and developing their growth potential: Plasma, Blood Center and Hospital. For that purpose, “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. "Hospital" which is comprised of Hemostasis Management and Cell Processing products including devices and methodologies for measuring coagulation characteristics of blood, surgical blood salvage systems, specialized blood cell processing systems, disposables and blood transfusion management software.

We believe that Plasma and Hospital have the greatest growth potential, while Blood Center competes in challenging markets which require us to manage the business differently, including reducing costs, shrinking the scope of the current product line, and evaluating opportunities to exit unfavorable customer contracts. We are progressing toward a streamlined operating model with a management and cost structure that can bring about sustainable productivity improvement across the organization. Overall implementation of our new operating model began in fiscal 2017 and will continue into fiscal 2019 and beyond.

Recent Developments

Debt Issuance and Repayment

On June 15, 2018, we entered into a credit agreement with certain lenders which provided for a $350.0 million term loan ("Term Loan") and a $350.0 million revolving loan ("Revolving Credit Facility" and together with the Term Loan, the "Credit Facilities"). The Credit Facilities expire on June 15, 2023. Interest on the Credit Facilities is established using LIBOR plus 1.13% - 1.75%, depending on our leverage ratio. A portion of the net proceeds of $347.8 million was used to pay down the $253.7 million remaining outstanding balance on our 2012 credit agreement, as amended in fiscal 2014. The remainder of the proceeds are available to be used to support the launch of our NexSys PCS™ device and for general corporate purposes. At June 30, 2018, $350.0 million was outstanding under the Term Loan with an effective interest rate of 3.625% and no amount was outstanding on the Revolving Credit Facility.

Share Repurchase Program

On February 6, 2018, we announced that our Board of Directors authorized the repurchase of up to $260 million of our outstanding common stock through March 30, 2019. In May 2018, we completed a $100.0 million repurchase of our common stock pursuant to an accelerated share repurchase agreement ("ASR") entered into with Citibank N.A (“Citibank”) in February 2018. The total

number of shares repurchased under the ASR was approximately 1.4 million at an average price per share upon final settlement of $72.51.

In June 2018, we entered into a new ASR with Citibank to repurchase approximately $80.0 million of the Company's common stock. Pursuant to the terms of the ASR, in June 2018, we paid Citibank $80.0 million in cash and received an initial delivery of approximately 0.7 million shares of our common stock based on a closing market price of the Company's common stock on the New York Stock Exchange on June 5, 2018 of $95.42. This initial delivery of shares represented approximately 80% of the notional amount of the ASR. On August 1, 2018, the ASR was completed and an additional 0.2 million shares were delivered upon settlement. The total number of shares repurchased under the ASR was approximately 0.9 million at an average price per share upon final settlement of $93.83.

As of August 7, 2018, the total remaining authorization for repurchases of the Company's common stock under our share repurchase program was $80 million.

Long-Term Supply Agreement

As part of our acquisition of the whole blood business from Pall Corporation ("Pall") in fiscal 2012, Pall agreed to manufacture and install in one of our facilities a filter media manufacturing line (the "HDC line") for which we agreed to pay Pall approximately $15.0 million (plus pre-approved overages). Pall also agreed to supply media to us for use in leukoreduction filters until such time as we accepted the HDC line.

In May 2018, we entered into a long-term supply agreement with Pall under which Pall will continue to supply media to us for use in leukoreduction filters. As a condition of the supply agreement, we agreed to accept the HDC line and to make a final payment of $9.0 million to Pall for the HDC line.

As a result of the decision to continue to source media for our leukoreduction filters from Pall rather than producing them internally, we do not expect to utilize the HDC line for future production and expect that the asset's future cash flows will not be sufficient to recover its carrying value of $19.8 million. Accordingly, during the first quarter of fiscal 2019 we recorded $19.8 million of impairment charges for the HDC line.

Product Recall

In March 2018, we issued a voluntary recall of specific lots of our Acrodose Plus and PL Systems sold to our Blood Center customers in the U.S. The recall resulted from reports of low pH readings for platelets stored in the CLX HP bag and, in some instances, an accompanying yellow discoloration of the storage bag. For a period of nine weeks, we were unable to provide our customers with our Acrodose Plus and PL Systems. As a result of the recall, our Blood Center customers may have discarded collected platelets and incurred other damages. As of June 30, 2018, we have recorded cumulative charges of $1.7 million associated with this recall. We have recorded a total of $1.0 million of charges associated with customer returns and inventory reserves. We also recorded $0.7 million of charges associated with customer claims during the first quarter of fiscal 2019. We may record incremental charges for customer claims in future periods associated with this recall.

NexSys PCS and NexLynk

In July 2017, we received FDA 510(k) clearance for our NexSys PCS plasmapheresis system. We have begun production of the devices and expect to pursue further regulatory clearances for additional enhancements to the overall product offering.

Our planned roll out of this new platform includes the placement of a significant number of new devices. Such placements will require meaningful capital expenditures and new customer contracts that reflect pricing and volumes appropriate to these investments. As of June 30, 2018, approximately 21,000 of our Haemonetics owned PCS2 devices are placed with customers. Subsequent to the first quarter of fiscal 2019, we entered into several long-term commercial contracts and began rollout with Plasma customers for the delivery of NexSys PCS devices and NexLynk DMS™ donor management software.

Restructuring Initiative

In fiscal 2018, we launched a Complexity Reduction Initiative (the "2018 Program"), a company-wide restructuring program designed to improve operational performance and reduce cost, freeing up resources to invest in accelerated growth. This program includes a reduction of headcount and operating costs which will enable a more streamlined organizational structure. We expect to incur aggregate charges between $50 million and $60 million associated with these actions, of which we expect $35 million to $40 million will consist of severance and other employee costs and the remainder will consist of other exit costs, primarily related to third party services. These charges, substantially all of which will result in cash outlays, will be incurred as the specific actions required to execute on these initiatives are identified and approved and are expected to continue through fiscal 2020. We expect savings from this program of approximately $80 million on an annualized basis once the program is

completed. During the three months ended June 30, 2018, we incurred $3.4 million of restructuring and turnaround costs under this program.

Financial Summary

(In thousands, except per share data)	Three Months Ended June 30, 2018	Three Months Ended July 1, 2017	% Increase/ (Decrease)
Net revenues	$ 229,347	$ 210,951	8.7 %
Gross profit	$ 83,244	$ 91,665	(9.2)%
% of net revenues	*36.3 %*	*43.5%*	
Operating expenses	$ 77,951	$ 75,054	3.9 %
Operating income	$ 5,293	$ 16,611	*(68.1)%*
% of net revenues	*2.3 %*	*7.9%*	
Gain on divestiture	$ —	$ 8,000	(100.0)%
Interest and other expense, net	$ (1,978)	$ (1,359)	45.5 %
Income before provision for income taxes	$ 3,315	$ 23,252	*(85.7)%*
Provision for income taxes	$ 6,134	$ 3,115	*96.9 %*
% of pre-tax income	*185.0 %*	*13.4%*	
Net (loss) income	$ (2,819)	$ 20,137	*n/m*
% of net revenues	*(1.2)%*	*9.5%*	
Net (loss) income per share - basic	$ (0.05)	$ 0.38	*n/m*
Net (loss) income per share - diluted	$ (0.05)	$ 0.38	*n/m*

Net revenues increased 8.7% for the three months ended June 30, 2018, as compared with the same period of fiscal 2018. Without the effect of foreign exchange, net revenues increased 7.2% for the three months ended June 30, 2018, as compared with the same period of fiscal 2018. Revenue increases in Plasma and Hemostasis Management were partially offset by declines in our Blood Center and Cell Processing business units during the three months ended June 30, 2018.

Operating income decreased for the three months ended June 30, 2018, as compared with the same period of fiscal 2018, primarily due to asset impairments and accelerated depreciation, partially offset by increased revenue volumes.

Management's Use of Non-GAAP Measures

Management uses non-GAAP financial measures, in addition to financial measures in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), to monitor the financial performance of the business, make informed business decisions, establish budgets and forecast future results. These non-GAAP financial measures should be considered supplemental to, and not a substitute for, our reported financial results prepared in accordance with U.S. GAAP. Constant currency growth, a non-GAAP financial measure, measures the change in revenue between the current and prior year periods using a constant currency conversion rate. We have provided this non-GAAP financial measure because we believe it provides meaningful information regarding our results on a consistent and comparable basis for the periods presented.

RESULTS OF OPERATIONS

Net Revenues by Geography

(In thousands)	Three Months Ended June 30, 2018	July 1, 2017	Reported growth	Currency impact	Constant currency growth [1]
United States	$ 142,140	$ 131,052	8.5%	—%	8.5%
International	87,207	79,899	9.1%	4.0%	5.1%
Net revenues	$ 229,347	$ 210,951	8.7%	1.5%	7.2%

[1] Constant currency growth, a non-GAAP financial measure, measures the change in revenue between the current and prior year periods using a constant currency. See *"Management's Use of Non-GAAP Measures."*

Our principal operations are in the U.S., Europe, Japan and other parts of Asia. Our products are marketed in approximately 90 countries around the world through a combination of our direct sales force, independent distributors and agents. Our revenue

generated outside the U.S. was 38.0% of total net revenues for the three months ended June 30, 2018 as compared with 37.9% for the three months ended July 1, 2017. International sales are generally conducted in local currencies, primarily Japanese Yen, Euro, Chinese Yuan and Australian Dollars. Our results of operations are impacted by changes in foreign exchange rates, particularly in the value of the Yen, Euro and Australian Dollar relative to the U.S. Dollar. We have placed foreign currency hedges to mitigate our exposure to foreign currency fluctuations.

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 Revenues by Business Unit

	Three Months Ended				
(In thousands)	**June 30, 2018**	**July 1, 2017**	**Reported growth**	**Currency impact**	**Constant currency growth [1]**
Plasma	$ 116,903	$ 101,507	15.2 %	1.2%	14.0 %
Blood Center	64,483	65,565	(1.7)%	1.4%	(3.1)%
Hospital [2]	47,961	43,879	9.3 %	3.0%	6.3 %
Net revenues	$ 229,347	$ 210,951	8.7 %	1.5%	7.2 %

[1] Constant currency growth, a non-GAAP financial measure, measures the change in revenue between the current and prior year periods using a constant currency. See *"Management's Use of Non-GAAP Measures."*
[2] Hospital revenue includes both Cell Processing and Hemostasis Management revenue. Hemostasis Management revenue was $21.8 million and $17.5 million for the three months ended June 30, 2018 and July 1, 2017, respectively. Hemostasis Management revenue increased 24.0% in the first quarter of fiscal 2019 as compared with the same period of fiscal 2018. Without the effect of foreign exchange, Hemostasis Management revenue increased 20.6% in the first quarter of fiscal 2019 as compared with the same period of fiscal 2018.

Plasma

Plasma revenue increased 15.2% during the three months ended June 30, 2018, as compared with the same period of fiscal 2018. Without the effect of foreign exchange, plasma revenue increased 14.0% for the three months ended June 30, 2018, as compared with the same period of fiscal 2018. This revenue growth was primarily driven by an increase in sales of plasma disposables during the three months ended June 30, 2018 due to continued strong performance in the U.S. An increase in both liquid solutions and software revenue also contributed to this growth.

We have continuing delays in the expansion of our liquid solutions production capacity that require us or our customers to continue to obtain alternative sources of supply. We expect purchases from these alternate sources to continue until we can complete the expansion and produce solutions at the necessary level.

Blood Center

Blood Center revenue decreased 1.7% during the three months ended June 30, 2018, as compared with the same period of fiscal 2018. Without the effect of foreign exchange, Blood Center revenue decreased 3.1% for the three months ended June 30, 2018, as compared with the same period of fiscal 2018. This decrease was primarily driven by declines in whole blood revenue due to the Acrodose recall and declines in Europe as a result of the continued moderation in the rate of collections, partly offset by revenue growth in Japan. Declines in Blood Center software revenue also contributed to the overall decrease.

Hospital

Hospital revenue increased 9.3% during the three months ended June 30, 2018, as compared with the same period of fiscal 2018. Without the effect of foreign exchange, Hospital revenue increased 6.3% during the three months ended June 30, 2018, as compared with the same period of fiscal 2018. This increase was primarily attributable to the growth of disposables associated with TEG® diagnostic systems, principally in China and the U.S. The TEG 6s hemostasis analyzer system continues to contribute significantly to the overall growth of Hemostasis Management in Europe and the U.S. The TEG 6s system and TEG Manager® software are approved for the same set of indications as the TEG 5000 system in Europe, Australia and Japan. In the U.S., the TEG 6s system is approved cardiovascular surgery and cardiology. We are pursuing a broader set of indications for the TEG 6s system in the U.S., including trauma. The increase was partially offset by lower software revenue and the continued decline in OrthoPAT revenue due to better blood management which has reduced orthopedic blood loss. Effective March 31, 2019, our OrthoPAT products will be discontinued and we will offer the Cell Saver Elite + as an alternative autotransfusion system for orthopedics or other medium to low blood loss procedures.

Gross Profit

	Three Months Ended		
(In thousands)	June 30, 2018	July 1, 2017	% Increase/ (Decrease)
Gross profit	$ 83,244	$ 91,665	(9.2)%
% of net revenues	36.3%	43.5%	

Gross profit decreased 9.2% for the three months ended June 30, 2018, as compared with the same period of fiscal 2018. Without the effect of foreign exchange, gross profit decreased 15.4% for the three months ended June 30, 2018, as compared with the same period of fiscal 2018. Gross profit margin decreased 720 basis points for the three months ended June 30, 2018, as compared with the same period of fiscal 2018. The decrease in gross profit margin during the three months ended June 30, 2018 was primarily due to asset impairments and the accelerated depreciation of PCS2 devices. This decline was partially offset by favorable mix and the impact of foreign exchange in the current year period.

Operating Expenses

	Three Months Ended		
(In thousands)	June 30, 2018	July 1, 2017	% Increase/ (Decrease)
Research and development	$ 9,406	$ 8,193	14.8%
% of net revenues	4.1%	3.9%	
Selling, general and administrative	$ 68,545	$ 66,861	2.5%
% of net revenues	29.9%	31.7%	
Total operating expenses	$ 77,951	$ 75,054	3.9%
% of net revenues	34.0%	35.6%	

Research and Development

Research and development expenses increased 14.8% for the three months ended June 30, 2018 as compared with the same period of fiscal 2018. Without the effect of foreign exchange, research and development expenses increased 15.0% for the three months ended June 30, 2018, as compared with the same period of fiscal 2018. The increase during the three months ended June 30, 2018 was primarily driven by our continued investment of resources in clinical programs, primarily in Hemostasis Management and NexSys PCS. These increased costs were partially offset by reduced spending on certain software projects that have been completed since the prior year period.

Selling, General and Administrative

Selling, general and administrative expenses increased 2.5% for the three months ended June 30, 2018, as compared with the same period of fiscal 2018. Without the effect of foreign exchange, selling, general, and administrative expenses increased 1.2% for the three months ended June 30, 2018, as compared with the same period of fiscal 2018. The increase for the three months ended June 30, 2018 was primarily the result of higher freight and warehousing costs due to increased fuel costs and carrier fees, an increase in stock-based compensation expense and higher restructuring and turnaround costs associated with the 2018 Program. This increase was partially offset by annualized savings as a result of the prior year restructuring initiative.

Interest and Other Expense, Net

Interest expense from our term loan borrowings, which constitutes the majority of expense, increased during the three months ended June 30, 2018 as compared with the prior year period due to an increase in the effective interest rate. The effective interest rate on total debt outstanding as of June 30, 2018 was 3.6%.

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 impacted by the jurisdictional mix of earnings in any given period as the foreign jurisdictions in which we operate have tax rates that differ from the U.S. statutory tax rate. Our reported tax rate for the three months ended June 30, 2018 of 185% is higher than the U.S. statutory tax rate primarily as a result of asset impairment expense of $21.2 million recorded in pretax income for which a no tax benefit was recognized as a result of the valuation allowance maintained

against our deferred tax assets in the impacted jurisdiction, refer to Note 8, *Property, Plant and Equipment* for additional details. Our effective tax rate was also negatively impacted by the U.S. tax reform provisions related to global intangible low taxed income that became effective in fiscal 2019.

During the three months ended June 30, 2018 and July 1, 2017, we reported an income tax provision of $6.1 million and $3.1 million, respectively. The change in our tax provision for the three months ended June 30, 2018 was primarily the result of an increase in the tax expense of our U.S. entity, which as impacted by the U.S. tax reform provisions discussed in more detail below, as well as changes in the jurisdictional mix of earnings and other foreign items. The income tax provision for the three months ended June 30, 2018 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 benefit of $1.4 million related to stock compensation windfall tax benefits. The income tax provision for the three months ended July 1, 2017 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 $0.4 million for international items and tax reserves.

During fiscal 2018, the Tax Cuts and Jobs Act (the "Act") was enacted in the United States. The Act reduced the U.S. federal corporate tax rate from 35% to 21%, required companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously tax deferred and created new taxes on certain foreign sourced earnings. As of June 30, 2018, we had not completed our accounting for the tax effects of enactment of the Act, however, we have made a reasonable estimate of the effects on our existing deferred tax balances and the one-time transition tax. During the three months ended June 30, 2018, we recognized an immaterial adjustment to the provisional tax expense estimate recorded related to the Act. We will continue to refine our calculations as additional analysis is completed. In addition, our estimates may also be affected as we gain a more thorough understanding of the tax law. We have incorporated the other impacts of tax reform that became effective for the Company in fiscal 2019 including the provisions related to Global Intangible Low Taxed Income, Foreign Derived Intangible Income, Base Erosion Anti Abuse Tax, as well as other provisions which limit tax deductibility of expenses.

We are in a three year cumulative loss position in the U.S. and, accordingly, maintain a valuation allowance against certain U.S. deferred tax assets. Additionally, we also maintain a valuation allowance against certain other deferred tax assets primarily in Switzerland, Puerto Rico, Luxembourg and France 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)		June 30, 2018		March 31, 2018
Cash & cash equivalents	$	192,106	$	180,169
Working capital	$	357,022	$	136,474
Current ratio		2.8		1.4
Net debt[(1)]	$	(155,775)	$	(73,513)
Days sales outstanding (DSO)		60		58
Inventory turnover		2.6		3.5

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

During fiscal 2018, we launched the 2018 Program, a restructuring initiative designed to reposition our organization and improve our cost structure. We expect to incur aggregate charges between $50 million and $60 million, of which we expect $35 million to $40 million will consist of severance and other employee costs and the remainder will consist of other exit costs, primarily related to third party services. These charges, substantially all of which will result in cash outlays, will be incurred as the specific actions required to execute on these initiatives are identified and approved and are expected to continue through fiscal 2020. During the three months ended June 30, 2018, we incurred $3.4 million of restructuring and turnaround costs under this program.

Our primary sources of liquidity are cash and cash equivalents, internally generated cash flow from operations, our Revolving Credit Facility and proceeds from employee stock option exercises. We believe these sources are sufficient to fund our cash requirements over at least the next twelve months. Our expected cash outlays relate primarily to investments, capital expenditures, including production of the NexSys PCS, Plasma plant capacity expansions, share repurchases, cash payments under the loan agreement, restructuring and turnaround initiatives and acquisitions.

As of June 30, 2018, we had $192.1 million in cash and cash equivalents, the majority of which is held in the U.S. or in countries from which it can be freely repatriated to the U.S. On June 15, 2018, we entered into a credit agreement with certain lenders which provided for a $350.0 million Term Loan and a $350.0 million Revolving Credit Facility. The Credit Facilities expire on June 15, 2023. Interest on the Credit Facilities is established using LIBOR plus 1.13% - 1.75%, depending on our leverage ratio. Under the Credit Facilities, we are required to maintain certain leverage and interest coverage ratios specified in the credit agreement as well as other customary non-financial affirmative and negative covenants. A portion of the net proceeds of $347.8 million was used to pay down the $253.7 remaining outstanding balance on our 2012 credit agreement, as amended in fiscal 2014. The remainder of the proceeds are available to be used to support the launch of our NexSys PCS device and for general corporate purposes. At June 30, 2018, $350.0 million was outstanding under the Term Loan with an effective interest rate of 3.625% and no amount was outstanding on the Revolving Credit Facility. We also have $44.1 million of uncommitted operating lines of credit to fund our global operations under which there are no outstanding borrowings as of June 30, 2018.

We have scheduled principal payments of $13.1 million required during fiscal 2019. 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 June 30, 2018.

Cash Flows

	Three Months Ended		
(In thousands)	**June 30, 2018**	**July 1, 2017**	**Increase/ (Decrease)**
Net cash provided by (used in):			
Operating activities	$ 23,122	$ 38,425	$ (15,303)
Investing activities	(27,264)	(3,740)	(23,524)
Financing activities	18,663	(3,549)	22,212
Effect of exchange rate changes on cash and cash equivalents[1]	(2,584)	1,039	(3,623)
Net increase in cash and cash equivalents	$ 11,937	$ 32,175	

[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 decreased by $15.3 million during the three months ended June 30, 2018, as compared with the three months ended July 1, 2017. The decrease in cash provided by operating activities was primarily due to a working capital outflow driven largely by an increase in inventory build to support the launch of the NexSys PCS devices. Decreases in accrued payroll due to the payout of annual bonuses and severance payments associated with the 2018 Program also contributed to the decline. These decreases were partially offset by a working capital inflow due to a decrease in other current assets and an increase in accounts payable.

Net cash used in investing activities increased by $23.5 million during the three months ended June 30, 2018, as compared with the three months ended July 1, 2017. The increase in cash used in investing activities was primarily the result of increase in capital expenditures in the current year period and the proceeds received related to the divestiture of our SEBRA product line in the prior period.

Net cash provided by financing activities increased by $22.2 million during the three months ended June 30, 2018, as compared with the three months ended July 1, 2017, primarily due to the $350.0 million Term Loan entered into in June 2018, as discussed above. This increase was partially offset by the repayment of the $253.7 remaining outstanding balance on our 2012 credit agreement, as amended in fiscal 2014, as well as $80 million paid toward share repurchases during the three months ended June 30, 2018.

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 June 30, 2018, approximately 38.0% 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, Mexican Pesos, and Malaysian Ringgit. 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 Mexican Pesos, and Malaysian Ringgit 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, 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 February 2016, the Financial Accounting Standards Board (FASB) issued ASC Update No. 2016-02, Leases (Topic 842). ASC Update 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. ASC Update No. 2016-02 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, and is applicable to us in fiscal 2020. Earlier adoption is permitted. The impact of adopting ASC Update No. 2016-02 on our financial position and results of operations is being assessed by management.

In March 2017, the FASB issued ASC Update No. 2017-07, Compensation - Retirement Benefits (Topic 715). The guidance revises the presentation of net periodic pension cost and net periodic post-retirement benefit cost. The guidance is effective for annual periods beginning after December 15, 2018, and is applicable to us in fiscal 2020. Early adoption is permitted for all entities as of the beginning of an annual reporting period. The impact of adopting ASC Update No. 2017-07 is not expected to have a material effect on our consolidated financial statements.

In August 2017, the FASB issued ASC Update No. 2017-12, Derivatives and Hedging: Targeted Improvements to Accounting for Hedging Activities (Topic 815). The new guidance will make more financial and non-financial hedging strategies eligible for hedge accounting as well as amend the presentation and disclosure requirements and change how companies assess effectiveness. The guidance is effective for annual periods beginning after December 15, 2018, and is applicable to us in fiscal 2020. Early adoption is permitted for all entities as of the beginning of an annual reporting period. The impact of adopting ASC Update No. 2017-12 on our financial position and results of operations is being assessed by management.

In June 2018, the FASB issued ASC Update No. 2018-07, Compensation - Stock Compensation (Topic 718). The new guidance will align the accounting for non-employee share-based payments with the existing employee share-based transactions guidance. The guidance is effective for annual periods beginning after December 15, 2018, and is applicable to us in fiscal

2020. Early adoption is permitted for all entities, including interim periods, but no earlier than the entity's adoption of ASC 606. The impact of adopting ASC Update No. 2018-07 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 that 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. Factors that may influence or contribute to the inaccuracy of the forward-looking statements or cause actual results to differ materially from expected or desired results may include, without limitation, demand for whole blood and blood components, changes in executive management, changes in operations, restructuring and turnaround plans, the impact of the Tax Cuts and Jobs Act, the share repurchase program, asset revaluations to reflect current business conditions, asset sales, technological advances in the medical field and standards for transfusion medicine and our ability to successfully offer products that incorporate such advances and standards, product quality, market acceptance, regulatory uncertainties, including in 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 Part II, Item 1A. Risk Factors included in this report, if any, as well as those described in our Annual Report on Form 10-K for the fiscal year ended March 31, 2018. 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 above entitled Foreign Exchange for a discussion of how foreign currency affects our business. It is our policy to minimize, 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 costs. We do not use the financial instruments for speculative or trading activities.

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 $5.1 million increase in the fair value of the forward contracts; whereas a 10% weakening of the U.S. Dollar would result in a $5.0 million decrease of the fair value of the forward contracts.

Interest Rate Risk

Our exposure to changes in interest rates is associated with borrowings on our Credit Agreement, all of which is variable rate debt. Total outstanding debt under our Credit Facilities as of June 30, 2018 was $350.0 million with an interest rate of 3.6% based on prevailing LIBOR rates. An increase of 100 basis points in LIBOR rates would result in additional annual interest expense of $3.5 million.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We conducted an evaluation, as of June 30, 2018, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer (our 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 of the Securities Exchange Act of 1934 (the "Exchange Act"). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective as of June 30, 2018.

Changes in Internal Control Over Financial Reporting

During the three months ended June 30, 2018, we implemented certain controls related to the adoption of FASB ASC Topic 606, effective April 1, 2018. These controls were designed and implemented to ensure the completeness and accuracy over financial reporting. With the exception of the controls implemented for FASB ASC Topic 606, there were no changes in our internal control over financial reporting during the three months ended June 30, 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

Information with respect to this Item may be found in Note 13, *Commitments and Contingencies* to the Unaudited Consolidated Financial Statements in this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

Item 1A. Risk Factors

There are no material changes from the Risk Factors previously disclosed in our Annual Report on Form 10-K for the year ended March 31, 2018.

Item 2. Issuer Purchases of Equity Securities

The following table provides information on the Company’s share repurchases during the first quarter of fiscal 2019:

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program[1]
April 1, 2018 - April 28, 2018				$ 160,000,000
April 29, 2018 - May 26, 2018	217,512	[2]	217,512	$ 160,000,000
May 27, 2018 - June 30, 2018	670,718	[3]	670,718	$ 80,000,000

[1] On February 6, 2018, the Company announced that the Board of Directors had authorized the repurchase of up to $260 million of the Company’s common stock from time to time, based on market conditions, through March 30, 2019. The Company’s share repurchase program does not obligate it to acquire any specific number of shares. Under the program, shares may be repurchased in accordance with applicable laws both on the open market, including under trading plans established pursuant to Rule 10b5-1 under the Exchange Act, and in privately negotiated transactions.

[2] In February 2018, the Company entered into an accelerated share repurchase agreement ("ASR") to repurchase approximately $100.0 million of the Company's common stock. In May 2018, the ASR was completed and an additional 0.2 million shares were delivered upon settlement. The total number of share repurchased under this ASR was approximately 1.4 million at an average price per share upon final settlement of $72.51.

[3] In June 2018, the Company entered into a new ASR to repurchase approximately $80.0 million of the Company’s common stock. Pursuant to the terms of the ASR, in June 2018, the Company paid Citibank $80.0 million in cash and received an initial delivery of approximately 0.7 million shares of our common stock based on a closing market price of the Company's common stock on the New York Stock Exchange on June 5, 2018 of $95.42. On August 1, 2018, the ASR was completed and an additional 0.2 million shares were delivered upon settlement. The total number of shares repurchased under the ASR was approximately 0.9 million at an average price per share upon final settlement of $93.83.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. [Removed and Reserved]

Item 6. <u>Exhibits</u>

3.1*	Restated Articles of Organization of Haemonetics Corporation, reflecting Articles of Amendment dated August 23, 1993, August 21, 2006 and July 26, 2018 (filed as Exhibit 3.1 to the Company's Form 8-K dated July 31, 2018 and incorporated herein by reference).
3.2*	By-Laws of Haemonetics Corporation, effective July 26, 2018 (filed as Exhibit 3.3 to the Company's Form 8-K dated July 31, 2018 and incorporated herein by reference).
10.1*	Credit Agreement, dated as of June 15, 2018, by and among Haemonetics Corporation, the Lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (filed as Exhibit 10.1 to the Company's Form 8-K dated June 18, 2018 and incorporated herein by reference).
10.2†	Form of Option Agreement for Non-Qualified Stock Options Under 2005 Long-Term Incentive Compensation Plan for Employees (adopted fiscal 2019).
10.3†	Form of Performance Share Unit Agreement Under 2005 Long-Term Incentive Compensation Plan (rTSR Metrics, adopted fiscal 2019).
10.4†	Form of Restricted Stock Unit Agreement Under 2005 Long-Term Incentive Compensation Plan for Employees (adopted fiscal 2019).
10.5†	Form of Restricted Stock Unit Agreement Under 2005 Long-Term Incentive Compensation Plan for Non-Employee Directors (adopted fiscal 2019).
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 William Burke, Executive Vice President, Chief Financial Officer 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 William Burke, Executive Vice President, Chief Financial Officer of the Company.
101**	The following materials from Haemonetics Corporation on Form 10-Q for the quarter ended June 30, 2018, formatted in Extensible Business Reporting Language (XBRL); (i) Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income, (ii) Consolidated Balance Sheets, (iii) Consolidated Statements of Cash Flows, and (iv) Notes to Consolidated Financial Statements.

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* Incorporated by reference.

** 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 executive 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
8/7/2018	By:	/s/ Christopher Simon
		Christopher Simon, President, Director and Chief Executive Officer (Principal Executive Officer)
8/7/2018	By:	/s/ William Burke
		William Burke, Executive Vice President, Chief Financial Officer (Principal Financial Officer)

Exhibit 10.2

HAEMONETICS CORPORATION

2005 LONG-TERM INCENTIVE COMPENSATION PLAN

NON-QUALIFIED STOCK OPTION AGREEMENT

WITH

<<Participant Name>>

HAEMONETICS CORPORATION
NON-QUALIFIED STOCK OPTION AGREEMENT
UNDER 2005 LONG-TERM INCENTIVE COMPENSATION PLAN

THIS NON-QUALIFIED STOCK OPTION AGREEMENT ("Agreement"), dated as of **<<Grant Date>>** (the "Grant Date"), by and between Haemonetics Corporation, a Massachusetts corporation with a principal place of business in Braintree, Massachusetts, (the "Company"), and the herein named employee of the Company (or one of its subsidiaries) (the Company and its subsidiaries herein together referred to as the "Company") (the "Employee").

1. The Company desires that the Employee be granted a non-qualified stock option under the Company's 2005 Long-Term Incentive Compensation Plan (the "Plan") to acquire shares of the Company's common stock, $0.01 par value per share (the "Common Stock").

2. Article 6 of the Plan provides that each option is to be evidenced by an award agreement, setting forth the terms and conditions of the option.

ACCORDINGLY, in consideration of the premises and of the mutual covenants and agreements contained herein, the Company and the Employee hereby agree as follows:

1. Grant of Option. The Company hereby irrevocably grants to the Employee a non-qualified stock option (the "Option") to purchase all or any part of an aggregate of **<<Number of Awards Granted>>** shares of Common Stock (the "Shares") on the terms and conditions hereinafter set forth. This Option shall not be treated as an incentive stock option under Section 422A of the Internal Revenue Code of 1986, as amended (the "Code").

2. Purchase Price. The purchase price ("Purchase Price") for the Shares covered by the Option shall be **<<Grant Price>>** per Share.

3. Time of Exercise of Option; Exercisability. The Option shall vest and become exercisable as to 25% of such Option on the first anniversary of the Grant Date, and as to an additional 25% on each succeeding anniversary date, so as to be 100% vested on the fourth (4th) anniversary of the Grant Date.

4. Term of Options; Exercisability and Acceleration of Vesting.

(a) Term.

(1) The Option shall expire not more than seven (7) years from the date of the granting thereof, but shall be subject to earlier termination as herein provided.

(2) Except as otherwise provided in this Section 4 if the Employee ceases to be an employee of the Company, the Option shall stop vesting on the last date of employment and shall terminate three months after the date such Employee ceases to be an employee of the Company, or on the date on which the Option expires by its terms, whichever occurs first.

(3) If such termination of employment is because of the Employee's Disability, such Option shall continue to vest, and shall be exercisable until expiration by its terms.

(4) If such termination of employment is because the Employee has retired from the Company in good standing then such Option shall stop vesting on the last date of employment but may be exercised by the Employee (or her/his permitted transferee) at any time on or prior to the earlier of the expiration date of the Option or the expiration of five (5) years after the date of the Employee's termination due to retirement. For purposes of this Option Agreement, retirement shall mean a termination of employment initiated by the Employee after reaching age fifty five, and completing at least five years of service with the Company. Years of service with any of the Company's wholly owned subsidiaries shall be credited as years of service with the Company.

(5) In the event of the death of the Employee while in the employ of the Company, any unvested options shall immediately become fully vested, and the Option shall be exercisable until expiration by its terms.

(6) The Option shall immediately become fully vested if (i) a Change in Control occurs and (ii) the surviving corporation or acquiring corporation following a Change in Control refuses to assume or continue the Option or to substitute a similar equity award. If the Option is so continued, assumed or substituted and at any time during the 24 months immediately following the Change in Control the Employee's employment is terminated without Cause or is terminated by the Employee due to a Constructive Termination, then all unvested options shall immediately become fully vested and shall be exercisable until expiration by their terms.

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

(1) "Cause" means:

(A) the Employee'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

(B) a determination by the Company that the Employee has (i) willfully and continuously failed to perform substantially the Employee's duties (other than any such failure resulting from the Employee's CIC Disability) after a written demand for substantial performance is delivered to the Employee which specifically identifies the manner in which the Company believes that the Employee has not substantially performed the Employee's duties, (ii) engaged in illegal conduct, an act of dishonesty or gross misconduct, or (iii) willfully violated a material requirement of the Company's code of conduct or the Employee's fiduciary duty to the Company. No act or failure to act on the part of the Employee shall be considered "willful" unless it is done, or omitted to be done, by the Employee in bad faith and without reasonable belief that the Employee's action or omission was in, or not opposed to, the best interests of the Company or its subsidiaries.

(2) "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 fifty percent (50%) of the Company's 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 fifty percent (50%) 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,

(C) individuals who constitute the Incumbent Board cease for any reason to constitute at least a majority of the Company's Board of Directors (for this purpose, "Incumbent Board" means at any time those persons who are then members of the Company's Board of Directors and who are either (i) members of the Company's Board of Directors on the date of this Agreement, or (ii) have been elected, or have been nominated for election by the Company's shareholders, by the affirmative vote of at least two-thirds of the directors comprising the Incumbent Board at the time of such election or nomination (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director without objection to such nomination), and

(D) the 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 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.

(3) "CIC Disability" means the Employee'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 his duties hereunder.

(4) "Constructive Termination" means, without the express written consent of the Employee, the occurrence of any of the following during the 24 months immediately after a Change in Control:

(A) a material reduction in the Employee's annual base salary as in effect immediately prior to a Change in Control or as the same may be increased from time to time, or a material failure to provide the Employee with an opportunity to earn annual incentive compensation and long-term incentive compensation at least as favorable as in effect immediately prior to a Change of Control or as the same may be increased from time to time;

(B) a material diminution in the Employee's authority, duties, or responsibilities as in effect at the time of the Change in Control;

(C) a material diminution in the authority, duties, or responsibilities of the supervisor to whom the Employee is required to report (it being understood that if the Employee reports directly to the Company's Board of Directors prior to the Change in Control, a requirement that the Employee report to any individual or body other than the Board of the Directors of the surviving or acquiring corporation will constitute "Constructive Termination" hereunder);

(D) a material diminution in the budget over which the Employee retains authority;

(E) the Company's requiring the Employee to be based anywhere outside a fifty mile radius of the Company's offices at which the Employee is based as of immediately prior to a Change of Control (or any subsequent location at which the Employee has previously consented to be based) except for required travel on the Company's business to an extent that is not substantially greater than the Employee's business travel obligations as of immediately prior to a Change in Control or, if more favorable, as of any time thereafter; or

(F) any other action or inaction that constitutes a material breach by the Company or any of its subsidiaries of the terms of this Agreement.

In no event shall the Employee be entitled to terminate employment with the Company on account of "Constructive Termination" unless the Employee provides notice of the existence of the purported condition that constitutes "Constructive Termination" within a period not to exceed ninety (90) days of its initial existence, and the Company fails to cure such condition (if curable) within thirty (30) days after the receipt of such notice.

(5) "Disability" has the meaning given it in Article 2 of the Plan.

5. Manner of Exercise of Option.

(a) To the extent that the right to exercise the Option has accrued and is in effect, the Option may be exercised in full or in part by giving written, electronic, or telephonic notice to the Company stating the number of Shares exercised and accompanied by payment in full for such Shares. Payment may be either wholly in cash or, with the consent of the Compensation Committee, in whole or in part in shares of Common Stock already owned by the person exercising

the Option, valued at fair market value, provided that the shares must have been held by the Participant for at least six (6) months prior to their delivery to satisfy the Option price. Upon such exercise, delivery of a certificate for paid-up, non-assessable Shares shall be made, as promptly as practicable, at the principal office of the Company to the person exercising the Option.

(b) The Company shall at all times during the term of the Option reserve and keep available such number of shares of its Common Stock as will be sufficient to satisfy the requirements of the Option. The Employee shall not have any of the rights of a shareholder of the Company in respect of the Shares until one or more certificates for such Shares shall be delivered to him or her upon the due exercise of the Option.

6. Non-Transferability. The right of the Employee to exercise the Option shall not be assignable or transferable by the Employee otherwise than by will or the laws of descent and distribution, or pursuant to a qualified domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act, or the rules thereunder, and the Option may be exercised during the lifetime of the Employee only by him or her. The Option shall be null and void and without effect upon any attempted assignment or transfer, except as hereinabove provided, including without limitation any purported assignment, whether voluntary or by operation of law, pledge, hypothecation or other disposition contrary to the provisions hereof, or levy of execution, attachment, trustee process or similar process, whether legal or equitable, upon the Option.

7. Representation Letter and Investment Legend.

(a) In the event that for any reason the Shares to be issued upon exercise of the Option shall not be effectively registered under the Securities Act of 1933 (the "1933 Act"), upon any date on which the Option is exercised in whole or in part, the person exercising the Option shall give a written representation to the Company in a form satisfactory to the Company and the Company shall place an "investment legend," so-called upon any certificate for the Shares issued by reason of such exercise.

(b) The Company shall be under no obligation to qualify Shares or to cause a registration statement or a post-effective amendment to any registration statement to be prepared for the purposes of covering the issue of Shares.

8. Adjustments on Changes in Capitalization. Adjustments on Changes in Capitalization and the like shall be made in accordance with Article 4 of the Plan, as in effect on the date of this Agreement.

9. No Special Employment Rights. Nothing contained in the Plan or this Agreement shall be construed or deemed by any person under any circumstances to bind the Company to continue the employment of the Employee for the period within which this Option may be exercised. However, during the period of the Employee's employment, the Employee shall render diligently and faithfully the services which are assigned to the Employee from time to time by the Board of Directors or by the executive officers of the Company and shall at no time take any action which directly or indirectly would be inconsistent with the best interests of the Company.

10. Rights as a Shareholder. The Employee shall have no rights as a shareholder with respect to any Shares which may be purchased by exercise of this Option unless and until a certificate or certificates representing such Shares are duly issued and delivered to the Employee. Except as otherwise expressly provided in the Plan, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such stock certificate is issued.

11. Withholding Taxes. Whenever Shares are to be issued upon exercise of this Option, the Company shall require the Employee to remit to the Company an amount sufficient to satisfy all Federal, state and local withholding tax requirements, domestic or foreign, prior to the delivery of any certificate or certificates for such Shares.

12. Data Privacy Consent.

As a condition of the Grant, you consent to the collection, use and transfer of your personal data as described in this paragraph. You understand that the Company and its subsidiaries hold certain personal information about you, including your name, home address and telephone number, date of birth, social insurance (or security) number or identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Company (or any of its subsidiaries), details of all options or any other entitlement to shares of Common Stock awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the purpose of implementing, managing and administering the Plan ("Data"). You further understand that the Company and/or a subsidiary may transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of your 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. You understand 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 your country. You authorize them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data to a broker or other third party with whom you 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 your behalf. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you 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 your local Human Resources representative. Refusal or withdrawal of consent may, however, affect your ability to exercise or realize benefits from the Grant or the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local Human Resources representative.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and its corporate seal to be hereto affixed by its officer thereunto duly authorized, and the Employee has accepted this agreement, all as of the day and year first above written.

HAEMONETICS CORPORATION

____
By:
Its:

RETAIN A COPY OF THIS AGREEMENT FOR YOUR RECORDS

Exhibit 10.3

HAEMONETICS CORPORATION

2005 LONG-TERM INCENTIVE COMPENSATION PLAN

PERFORMANCE SHARE UNIT AGREEMENT

WITH

«Name»

HAEMONETICS CORPORATION
PERFORMANCE SHARE UNIT AGREEMENT

THIS PERFORMANCE SHARE UNIT AGREEMENT ("Agreement"), dated as of **«PSU Grant Date»** ("Grant Date") by and between Haemonetics Corporation, a Massachusetts corporation ("Company"), and **«Name»** ("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 Company desires that the Employee be granted a Performance Share Unit award pursuant to Article 10 (Other Stock Unit Awards) of the Plan settled in Shares (as defined under the Plan), 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 **«X Total PSUs»** Performance Share Units ("PSUs"). Each unit represents the right to receive one Share. Subject to satisfaction of the terms and conditions of this Agreement and the Plan, the PSUs shall be settled in Shares. No dividend equivalent rights are payable with respect to the PSUs.

2. Vesting.

(a) Performance Measure and Vesting Dates. The performance measure for the PSUs under this Agreement shall be based on the Company's TSR (as defined below) with respect to a Share as compared to the TSR of a share of stock of each of the companies listed in the combined indexes of the S&P MidCap 400 and the S&P SmallCap 600 (collectively, the "Combined Index"), as adjusted as set forth below, in each case over the three (3) year period beginning on **«Start Date»** and ending on **«End Date» (**the "Performance Period"). The interest of the Employee in the PSUs shall vest, if at all, on the last day of the Performance Period (the "Maturity Date") according to the vesting schedule set forth on the following page ("Vesting Schedule"), and also conditioned upon the Employee's continued employment with the Company through the Maturity Date:

Company Relative TSR Percentile Rank at Maturity Date	Share Payout as a Percentage of Target Award
40th Percentile or lower	0%
41st to 60th Percentile	50% to 99%
61st to 80th Percentile	100% to 200%
81st Percentile or higher	200%

Company Relative TSR Percentile Rank performance that is in between any two Company Relative TSR Percentile Ranks adjacent to each other in the above Vesting Schedule will be interpolated linearly and rounded to the nearest whole percentage (i.e., below 0.5 round down, at or above 0.5 round up). Notwithstanding the Vesting Schedule above, if the Company's Total Shareholder Return for the Performance Period is negative, then any Share Payout shall be capped at 100% of the Target Award.

For purposes of calculating the Company Relative TSR Percentile Rank, the Company and each other company in the Index Population (as defined below) at the end of the Performance Period will be ranked in order of their TSR. The Company's Relative TSR Percentile Rank will be equal to the percentage of companies in the Index Population at the end of the Performance Period that ranked equal to or lower than the Company, as calculated according to the following formula: N - R + 1, where "N" equals the total number of companies in the Index Population at the end of the Performance Period (including the Company) and "R" equals the Company's rank against the other companies in the Index Population at the end of the Performance Period. For avoidance of doubt, in no event shall a company that is included in both the S&P MidCap 400 and the S&P SmallCap 600 be counted twice in determining the total number of companies in the Index Population at the end of the Performance Period.

The companies constituting the Combined Index for purposes of calculating TSR for the Performance Period will be the population of companies in the S&P MidCap 400 and the S&P SmallCap 600 as of the first day of the Performance Period (the "Index Population"), adjusted as follows: (i) companies that are removed from the Combined Index during the Performance Period but whose stock continued to be publicly traded on a major U.S. stock exchange during the entire Performance Period shall be included in the Index Population, (ii) companies that are added to the Combined Index during the Performance Period that were not part of the Index Population on the first day of the Performance Period shall be excluded from the Index Population, (iii) companies that have been acquired or gone private during the Performance Period such that their stock is no longer included in the Combined Index and failed to be publicly traded on a major U.S. stock exchange during the entire Performance Period shall be excluded from the Index Population; and (iv) companies that are no longer in existence or declare bankruptcy or whose stock ceases to be publicly traded on a major U.S. stock exchange as a result of a business failure shall be included in the Index Population but will be ranked at negative 100% (-100%) TSR for the Performance Period.

"Total Shareholder Return" or "TSR" for the Company and each member of the Index Population shall be calculated according to the following formula:

$$\frac{\text{(Ending Average Price - Beginning Average Price) + Dividends Paid}}{\text{Beginning Average Price}}$$

Where:

"Ending Average Price" shall mean the average Closing Price of the stock of the company being measured for the thirty (30) trading days at the end of the Performance Period,

"Closing Price" means, for a given trading day, the closing price of the stock of the company being measured on its primary U.S. stock exchange (or, if not traded on a U.S. exchange, its primary foreign securities exchange),

"Beginning Average Price" means the average Adjusted Closing Price of the stock of the company being measured over the Beginning Average Period,

"Beginning Average Period" means the thirty (30) trading days immediately preceding the first day of the Performance Period,

"Adjusted Closing Price" means, for a given trading day, the Closing Price of the stock of the company being measured on such trading day, as adjusted as follows: if the company being measured has declared a dividend with respect to which the ex-dividend date is during the Beginning Average Period, the amount of such dividend shall be added to the Closing Price for each trading day during the Beginning Average Period that is on or after such ex-dividend date, and

"Dividends Paid" means the sum of all dividends paid by the company being measured during the Performance Period.

Stock prices and dividends denominated in non-U.S. dollars for any member of the Index Population shall be converted to U.S. dollars using the currency exchange rates in effect on each relevant trading day and/or date of dividend payment, as applicable. Calculations shall be adjusted by the Compensation Committee of the Company's Board of Directors (the "Committee") as provided under Section 6 below.

Subject to any earlier payment made under Section 2(f) below, the vested number of PSUs determined under this Section 2(a) shall be settled by the Company in a single payment of Shares (subject to applicable tax withholding) as soon as reasonably practicable after the Maturity Date following certification by the Committee of the Company's Relative TSR Percentile Rank, but in no event later than two and one-half months after the end of the Performance Period except as specifically permitted under IRS regulations without resulting in a violation of Section 409A of the Code (as defined under the Plan).

In situations where there is not continued employment through the Maturity Date, notwithstanding the foregoing, the interest of the Employee in the Shares subject to this award shall be determined as specified below.

(b) Employment Required. Except as otherwise provided in this Section 2, if the Employee ceases to be an employee of the Company or one of its Subsidiaries (as defined in the Plan) 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. For avoidance of doubt, employment with an entity that is a Subsidiary shall be deemed to terminate once the Company no longer has a majority interest in such entity.

(c) Disability. If such termination of employment is because of the Employee's Disability (as defined in Section 2(g) below) while in the employ of the Company or its Subsidiaries, 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 as of the Maturity Date and paid in accordance with Section 2(a) above; provided, however, that number of Shares 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 or its Subsidiaries, 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 as of the Maturity Date and paid in accordance with Section 2(a) above; provided, however, that the number of Shares 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 (as defined in Section 2(g) below) while in the employ of the Company or its Subsidiaries, 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 as of the Maturity Date and paid in accordance with Section 2(a) above; provided, however, that the number of Shares 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) Qualifying Change in Control.

(1) Notwithstanding anything to the contrary contained in any employment agreement, severance agreement, change in control agreement or other agreement with the Employee, this Section 2(f) shall apply if a Change in Control (as defined in Section 2(g) below) occurs prior to the Maturity Date (a "Qualifying Change in Control") and while the Employee is in the employ of the Company or a Subsidiary.

(2) Effective as of immediately prior to a Qualifying Change in Control, but subject to the occurrence of such Change in Control, the number of PSUs eligible to be vested shall be equal to the greater of the number of Shares under (i) the Target Award multiplied by a fraction, the numerator of which is the number of days elapsed from the Grant Date to the date of the Qualifying Change in Control, and denominator of which is 1095, or (ii) the Share Payout as determined by the Committee under Section 2(a) above through the latest practicable date prior to such Change in Control. For purposes of this Section 2(f)(2), the Company Relative TSR Percentile Rank shall be determined by reference to the Company's average relative TSR rank on the thirty (30) consecutive trading days immediately preceding the Qualifying Change in Control. The number of

PSUs determined in accordance with this Section 2(f)(2) is referred to as the "CIC Adjusted PSUs."

(3) The CIC Adjusted PSUs shall become vested on a Qualifying Change in Control and settled within five days following the occurrence of such Change in Control if a replacement or substitute award meeting the requirements of this Section 2(f)(3) is not provided to the Employee in respect of such PSUs. An award meeting the requirements of this Section 2(f)(3) is referred to below as a "Replacement Award". An award shall qualify as a Replacement Award if:

(A) it is comprised of restricted stock units with respect to a publicly traded equity security of the Company or the surviving corporation or the ultimate parent of the applicable entity following the Qualifying Change in Control,

(B) it has a fair market value at least equal to the fair market value of the CIC Adjusted PSUs established pursuant to Section 2(f)(2) as of the date of the Qualifying Change in Control,

(C) it contains terms relating to service-based vesting (including with respect to termination of employment) that are substantially identical to the terms set forth in this Agreement and does not contain any terms related to performance-based vesting, and

(D) its other terms and conditions are not less favorable to the Employee than the terms and conditions set forth in this Agreement or in the Plan (including provisions that apply in the event of a subsequent Change in Control) as of the date of the Qualifying Change in Control.

The determination of whether the conditions of this Section 2(f)(3) are satisfied shall be made by the Committee, as constituted immediately prior to a Qualifying Change in Control, in its sole discretion, prior to such Change in Control. If a Replacement Award is provided, the CIC Adjusted PSUs shall not be settled upon a Qualifying Change in Control, but instead as provided under Section 2(f)(4) below.

(4) If, in connection with a Qualifying Change in Control, the Employee is provided with a Replacement Award, such Replacement Award shall vest on the Maturity Date and be settled at the time as set forth in Section 2(a), subject to the Employee having not incurred a termination of employment with the Company and its Subsidiaries prior to the Maturity Date; provided that, if, within two years following such Change in Control, the Employee incurs a termination of employment due to being a Good Leaver (as defined in Section 2(g) below), then the Replacement Award shall become fully vested effective as of such termination of employment, and the Company shall issue one share to the Employee for each share under the Replacement Award as soon as reasonably practicable, and in no event more than 10 days, following such termination of employment. For purposes of determining the time of an accelerated payout under this

Section 2(f)(4), a termination of employment shall mean a "separation of service" within the meaning of Section 409A of the Code.

(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 fifty percent (50%) of the Company's then outstanding Shares, shall acquire such additional Shares in one or more transactions, or series of transactions, such that following such transaction or transactions such person or group and affiliates beneficially own fifty percent (50%) or more of the Shares 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,

(C) individuals who constitute the Incumbent Board cease for any reason to constitute at least a majority of the Company's Board of Directors (for this purpose, "Incumbent Board" means at any time those persons who are then members of the Company's Board of Directors and who are either (i) members of the Company's Board of Directors on the date of this Agreement, or (ii) have been elected, or have been nominated for election by the Company's shareholders, by the affirmative vote of at least two-thirds of the directors comprising the Incumbent Board at the time of such election or nomination (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director without objection to such nomination), and

(D) the consummation of any merger, reorganization, consolidation or share exchange unless the persons who were the beneficial owners of the Company's outstanding Shares 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 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) "Good Leaver" means the involuntary termination of the Employee's employment by the Company other than a Termination for Cause, the Employee's resignation for Good Reason, or the Employee's termination of employment due to death, Disability or a Qualifying Retirement.

(4) "Good Reason" shall have the meaning given to such term in an employment agreement, severance or change in control agreement or, if there is no such agreement or if it does not define Good Reason, then Good Reason shall mean the occurrence of any one of the following, in the absence of Employee's written consent:

(A) a material diminution in the Employee's annual base salary or target annual incentive compensation from that in effect immediately prior to a Qualifying Change in Control,

(B) the assignment to the Employee of any duties materially inconsistent with Employee's positions (including status, offices, titles, and reporting requirements), authority, duties, or responsibilities, or any other action by the Company that results in a material diminution in such positions, authority, duties, or responsibilities, in each case, from those in effect immediately prior to a Qualifying Change in Control or

(C) the relocation of the Employee to a work location more than 50 miles from the Employee's current work location (unless, as a result of such relocation, the Employee's work location is closer to his or her place of residence);

provided that, in each case, (i) the Employee provides written notice to the Company of the existence of one or more of the conditions described in clauses described above within 30 days following the Employee's knowledge of the initial existence of such condition or conditions, specifying in reasonable detail the conditions constituting Good Reason, (ii) the Company and its Subsidiaries fail to cure such event or condition within 30 days following the receipt of such notice and (iii) the Employee incurs a termination of Employment within 30 days following the expiration of such cure period.

(5) "Qualifying Retirement" shall mean that the Employee voluntarily retires from the employ of the Company or its Subsidiaries at or after both attaining age fifty-five (55) and 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). For the avoidance of doubt, termination of the Employee's employment by the Company, either with or without Cause, shall not be treated as a Qualifying Retirement.

(6) "Termination for Cause" Unless otherwise provided under the termination with cause provisions of an individual employment agreement or change in control agreement, to invoke a Termination with Cause, the Company must provide written notice to the Employee of the existence of one or more grounds for termination as set forth below within 30 days following the Company's knowledge of the existence of such grounds, specifying in reasonable detail the grounds constituting cause, and, with respect to the grounds enumerated in clauses (B), (C) and (D) below, the Employee shall have 30 days following receipt of such written notice during which to remedy any such ground if it is reasonably subject to cure. "Cause" shall have the meaning given to such term in an employment agreement or change in control agreement covering the Employee or, if there is no such agreement or if it does not define Cause, then Cause shall mean the occurrence of any one of the following:

(A) Employee'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,

(B) the Employee's failure to perform substantially the Employee's duties (other than any such failure resulting from Disability),

(C) the Employee engaging in gross misconduct, or

(D) the Employee willfully violating a material Company policy.

3. Restrictions.

(a) No Transfer. The PSUs granted hereunder may not be sold, transferred, pledged, assigned, encumbered, or otherwise alienated or hypothecated by the Employee other than by will or by the laws of descent and distribution, and any such purported sale, transfer, pledge, assignment or encumbrance, alienation or hypothecation shall be void and unenforceable against the Company and its Subsidiaries.

(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 settlement of this award in Shares is subject to set-off, recoupment, or other recovery or "clawback" policy as required by applicable law, including any national exchange listing standards, or by any other future Company policy on the clawback of compensation for other reasons, as may be in place from time to time. The foregoing provisions of this Section 3(c) shall cease to apply following a Change in Control, except as otherwise required by applicable law, including any national exchange listing standards.

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 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 Shares 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 shareholder of Haemonetics with respect to the PSUs unless and until Shares have 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.

6. Adjustments or Changes in Capitalization.

Adjustments as a result of an event referenced in Section 4.5 of the Plan (including a change in corporate capitalization or a corporate transaction) shall be made under Section 4.5 of the Plan in a manner consistent with meeting the performance goal requirements under Section 162(m) of the Code.

7. Disability or Death of Employee.

Any Shares 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 Shares shall be delivered to the representative of the Employee's estate.

8. Taxes.

The Company's obligation to deliver any certificates evidencing the Shares provided upon settlement of the vested PSUs (or to make a book-entry or other electronic notation indicating ownership of such Shares) is subject to the condition precedent that the Employee either pay or provide for the amount of any such withholding obligations in such manner as may be authorized by the Committee or as may otherwise be permitted under Article 17 of the Plan. 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 Shares 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. The Employee acknowledges

that the tax laws and regulations applicable to the PSUs and the disposition of the Shares provided upon settlement of the vested PSUs are complex and subject to change, and it is the Employee's sole responsibility to obtain his or her own advice as to the tax treatment of the terms of this Agreement.

9. Section 409A.

It is intended that the rights to receive Shares granted under this Agreement and the provisions of this Agreement be exempt from or comply with Section 409A of the Code, and all provisions of this Agreement shall be construed and interpreted in a manner consistent with Section 19.10 of the Plan and the requirements for avoiding taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, in no event whatsoever shall the Company or its Subsidiaries be liable for any additional tax, interest, or penalties that may be imposed on the Employee as a result of Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.

10. 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 10. 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 or directorships held in the Company (or any of its Subsidiaries), details of all options or any other entitlement to Shares 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 acquired pursuant to the Plan as may be required for the administration of the Plan and/or the subsequent holding of Shares 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 this award 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.

11. Miscellaneous.

(a) Incorporation by Reference. The provisions of the Plan are incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan.

(b) Enforcement. The Company shall not be required (i) to transfer on its books any Shares that 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 or shall interfere with or restrict in any way the right of the Company and its Subsidiaries, which is hereby expressly reserved, to remove, terminate, or discharge Employee at any time for any reason whatsoever.

(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) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns, and of the Employee and the Employee's executors, administrators, heirs and successors.

(g) 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 thereof, or principles of conflicts of laws of any other jurisdiction that could cause the application of the laws of any jurisdiction other than the Commonwealth of Massachusetts. The parties agree that all disputes with respect to this agreement shall be resolved through courts of competent jurisdiction located in the Commonwealth of Massachusetts.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

HAEMONETICS CORPORATION

____
By:
Its:

By signing this Agreement, Employee acknowledges that he or she has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan and this Agreement.

EMPLOYEE

____
[Employee Name]

Exhibit 10.4

HAEMONETICS CORPORATION

2005 LONG-TERM INCENTIVE COMPENSATION PLAN

RESTRICTED STOCK UNIT AGREEMENT

WITH

<<Participant Name>>

HAEMONETICS CORPORATION
RESTRICTED STOCK UNIT AGREEMENT
UNDER 2005 LONG-TERM INCENTIVE COMPENSATION PLAN

THIS RESTRICTED STOCK UNIT AGREEMENT (“Agreement”), dated as of **<<Grant Date>>** ("Grant Date") by and between Haemonetics Corporation, a Massachusetts Corporation ("Company"), and **<<Participant Name>>** ("Employee"), is entered into as follows:

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

WHEREAS, the Company desires that the Employee be granted restricted stock units in respect of the Company's common stock, $0.01 par value per share (the "Common Stock"), subject to the restrictions as hereinafter set forth;

NOW, THEREFORE, the parties hereby agree as follows:

1. Grant of Restricted Stock Units.

Subject to the terms and conditions of this Agreement and of the Plan, the Company hereby grants to the Employee <<**Number of Awards Granted**>> Restricted Stock Units (“RSUs”).

2. Vesting Schedule.

(a) Vesting Dates. The interest of the Employee in the RSUs shall vest as to 25% of such RSUs on the first anniversary of the Grant Date, and as to an additional 25% on each succeeding anniversary date, so as to be 100% vested on the fourth (4th) anniversary of the Grant Date, conditioned upon the Employee's continued employment with the Company as of each vesting date. In situations where there is not continued employment, notwithstanding the foregoing, the interest of the Employee in the RSUs shall vest as specified below.

(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 fourth (4th) anniversary of the Grant Date, the RSUs granted to the Employee hereunder shall stop vesting on the last date of employment. In such event, vesting shall not be pro-rated between anniversary dates and the vested amount shall be determined as of the most recent anniversary of the Grant Date.

(c) Death. In the event of the death of the Employee while in the employ of the Company, any unvested RSUs shall immediately become fully vested.

(d) Change in Control. Any unvested RSUs shall immediately become fully vested if (i) a Change in Control occurs and (ii) the surviving corporation or acquiring corporation following a Change in Control refuses to assume or continue the RSUs or to substitute a similar equity award.

If the RSUs are so continued, assumed or substituted and at any time during the 24 months immediately following the Change in Control the Employee's employment is terminated without Cause or is terminated by the Employee due to a Constructive Termination, then all unvested RSUs shall immediately become fully vested. For purposes of determining the time of an accelerated payout under this Section 2(d), a termination of employment shall mean a "separation of service" within the meaning of Section 409A of the Code.

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

(1) "Cause" means:

(A) the Employee'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

(B) a determination by the Company that the Employee has (i) willfully and continuously failed to perform substantially the Employee's duties (other than any such failure resulting from the Employee's CIC Disability) after a written demand for substantial performance is delivered to the Employee which specifically identifies the manner in which the Company believes that the Employee has not substantially performed the Employee's duties, (ii) engaged in illegal conduct, an act of dishonesty or gross misconduct, or (iii) willfully violated a material requirement of the Company's code of conduct or the Employee's fiduciary duty to the Company. No act or failure to act on the part of the Employee shall be considered "willful" unless it is done, or omitted to be done, by the Employee in bad faith and without reasonable belief that the Employee's action or omission was in, or not opposed to, the best interests of the Company or its subsidiaries.

(2) "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 fifty percent (50%) of the Company's 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 fifty percent (50%) 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,

(C) individuals who constitute the Incumbent Board cease for any reason to constitute at least a majority of the Company's Board of Directors (for this purpose, "Incumbent Board" means at any time those persons who are then members of the Company's Board of Directors and who are either (i)

members of the Company's Board of Directors on the date of this Agreement, or (ii) have been elected, or have been nominated for election by the Company's shareholders, by the affirmative vote of at least two-thirds of the directors comprising the Incumbent Board at the time of such election or nomination (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director without objection to such nomination), and

(D) the consummation of any merger, reorganization, consolidation or share exchange unless the persons who were the beneficial owners of the Company's 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 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 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).

(3) "CIC Disability" means the Employee'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 his duties hereunder.

(4) "Constructive Termination" means, without the express written consent of the Employee, the occurrence of any of the following during the 24 months immediately after a Change in Control:

(A) a material reduction in the Employee's annual base salary as in effect immediately prior to a Change in Control or as the same may be increased from time to time, or a material failure to provide the Employee with an opportunity to earn annual incentive compensation and long-term incentive compensation at least as favorable as in effect immediately prior to a Change of Control or as the same may be increased from time to time;

(B) a material diminution in the Employee's authority, duties, or responsibilities as in effect at the time of the Change in Control;

(C) a material diminution in the authority, duties, or responsibilities of the supervisor to whom the Employee is required to report (it being understood

that if the Employee reports directly to the Company's Board of Directors prior to the Change in Control, a requirement that the Employee report to any individual or body other than the Board of the Directors of the surviving or acquiring corporation will constitute "Constructive Termination" hereunder);

(D) a material diminution in the budget over which the Employee retains authority;

(E) the Company's requiring the Employee to be based anywhere outside a fifty mile radius of the Company's offices at which the Employee is based as of immediately prior to a Change of Control (or any subsequent location at which the Employee has previously consented to be based) except for required travel on the Company's business to an extent that is not substantially greater than the Employee's business travel obligations as of immediately prior to a Change in Control or, if more favorable, as of any time thereafter; or

(F) any other action or inaction that constitutes a material breach by the Company or any of its subsidiaries of the terms of this Agreement.

In no event shall the Employee be entitled to terminate employment with the Company on account of "Constructive Termination" unless the Employee provides notice of the existence of the purported condition that constitutes "Constructive Termination" within a period not to exceed ninety (90) days of its initial existence, and the Company fails to cure such condition (if curable) within thirty (30) days after the receipt of such notice.

3. Restrictions.

(a) No Transfer. The RSUs 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 RSUs 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 RSUs.

4. Delivery of Shares.

The means of settlement of vested RSUs 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.
RSUs shall be settled as soon as practicable after each vesting date specified in Section 2 in shares of Common Stock equal to the number of the Employee's RSUs that vest at such vesting date. An Employee shall have no further rights with regard to RSUs once the underlying Common 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 shareholder of Haemonetics with respect to the RSUs unless and until Common Stock has been issued, recorded on the records of the Company or its transfer agent, and delivered to the Employee upon vesting of the RSUs. No dividend equivalents shall be paid on RSUs with respect to any cash dividends declared during a period of RSU vesting.

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. Death of Employee.

Any Common 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 Common 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 RSUs issued pursuant to this Agreement, including on account of the vesting of the RSUs, shall be the Employee's responsibility. By accepting this Grant, the Employee agrees and acknowledges that the Company promptly will withhold from the Employee's compensation, including but not limited to Common Stock delivered pursuant to Section 4, the amount of taxes the Company is required to withhold upon any vesting of the RSUs pursuant to this Agreement, unless the Employee shall satisfy such withholding obligation to the Company as provided in Article 17 of the Plan.

9. Section 409A.

It is intended that the rights to receive shares of Common Stock granted under this Agreement and the provisions of this Agreement be exempt from or comply with Section 409A of the Code, and all provisions of this Agreement shall be construed and interpreted in a manner consistent with Section 19.10 of the Plan and the requirements for avoiding taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, in no event whatsoever shall the Company or its Subsidiaries be liable for any additional tax, interest, or penalties that may be imposed on the Employee as a result of Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.

10. Data Privacy Consent.

As a condition of the Grant, you consent to the collection, use and transfer of your personal data as described in this paragraph. You understand that the Company and its subsidiaries hold certain personal information about you, including your name, home address and telephone number, date

of birth, social insurance (or security) number or identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Company (or any of its subsidiaries), details of all options or any other entitlement to shares of Common Stock awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the purpose of implementing, managing and administering the Plan ("Data"). You further understand that the Company and/or a subsidiary may transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of your 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. You understand 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 your country. You authorize them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data to a broker or other third party with whom you 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 your behalf. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you 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 your local Human Resources representative. Refusal or withdrawal of consent may, however, affect your ability to exercise or realize benefits from the Grant or the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local Human Resources representative.

11. Miscellaneous.

(a) Enforcement. The Company shall not be required (i) to transfer on its books any shares of Common 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.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and its corporate seal to be hereto affixed by its officer thereunto duly authorized, and the Employee has accepted this agreement, all as of the day and year first above written.

HAEMONETICS CORPORATION

____
By:
Its:

RETAIN A COPY OF THIS AGREEMENT FOR YOUR RECORDS

Exhibit 10.5

HAEMONETICS CORPORATION

2005 LONG-TERM INCENTIVE COMPENSATION PLAN

RESTRICTED STOCK UNIT AGREEMENT

WITH

<<Participant Name>>

HAEMONETICS CORPORATION
RESTRICTED STOCK UNIT AGREEMENT
UNDER 2005 LONG-TERM INCENTIVE COMPENSATION PLAN

THIS RESTRICTED STOCK UNIT AGREEMENT (“Agreement”), dated as of <<**Grant Date**>> (“Grant Date”) by and between Haemonetics Corporation, a Massachusetts Corporation (“Company”), and <<**Participant Name**>> (“Director”), is entered into as follows:

WHEREAS, the Company has established the Haemonetics Corporation 2005 Incentive Compensation Plan (“Plan”), a copy of which has been provided to Director, 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 Director be granted restricted stock units in respect of the Company's common stock, $0.01 par value per share (“Common Stock”), subject to the restrictions as hereinafter set forth;

NOW, THEREFORE, the parties hereby agree as follows:

1. Grant of Restricted Stock Units.

Subject to the terms and conditions of this Agreement and of the Plan, the Company hereby grants to the Director <<**Number of Awards Granted**>> Restricted Stock Units (“RSUs”).

2. Vesting Schedule.

(a) Vesting Dates. The interest of the Director in the RSUs shall vest as to 100% of such RSUs on the first anniversary of the Grant Date, conditioned upon the Director’s continued service with the Company as a director as of such vesting date. In situations where there is not continued service, notwithstanding the foregoing, the interest of the Director in the RSUs shall vest as specified below.

(b) Partial Year. If the Director ceases to be a director of the Company prior to the first anniversary of the Grant Date for any reason other than a Change in Control, death or Disability, the RSUs granted hereunder shall vest on a pro-rata basis such that one twelfth (1/12) of the total number of RSUs granted hereunder shall vest on the last day of every month that the Director is a director between the Grant Date and the date when the Director ceases to be a Director of the Company.

(c) Death or Disability. The RSUs shall become fully vested on a termination of service due to death or “Disability” (as defined in the Plan).

(d) Change in Control. The RSUs shall become fully vested immediately prior to the effectiveness of a Change in Control.

(e) “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 fifty percent (50%) of the Company's 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 fifty percent (50%) 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,

(C) individuals who constitute the Incumbent Board cease for any reason to constitute at least a majority of the Company's Board of Directors (for this purpose, "Incumbent Board" means at any time those persons who are then members of the Company's Board of Directors and who are either (i) members of the Company's Board of Directors on the date of this Agreement, or (ii) have been elected, or have been nominated for election by the Company's shareholders, by the affirmative vote of at least two-thirds of the directors comprising the Incumbent Board at the time of such election or nomination (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director without objection to such nomination), and

(D) the consummation of any merger, reorganization, consolidation or share exchange unless the persons who were the beneficial owners of the Company's 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 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 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).

3. Restrictions.

(a) No Transfer. The RSUs 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 Director's service with the Company terminates for any reason, the balance of the RSUs subject to the provisions of this Agreement which have not vested at the time of the Director's termination of service shall be forfeited by the Director, and the Director shall have no future rights with respect to any such unvested RSUs.

4. Delivery of Shares.

The means of settlement of vested RSUs is that the Company shall deliver to the Director a certificate or certificates or, at the election of the Company, make an appropriate book entry. RSUs that become vested under Section 2 above shall be settled as soon as practicable after the first anniversary of the Grant Date in shares of Common Stock equal to the number of vested RSUs as of such date. A Director shall have no further rights with regard to RSUs once the underlying Common Stock has been so delivered.

5. Director Shareholder Rights.

Neither the Director nor any person claiming through the Director, will have any of the rights or privileges of a shareholder of Haemonetics with respect to the RSUs unless and until Common Stock has been issued, recorded on the records of the Company or its transfer agent, and delivered to the Director upon vesting of the RSUs. No dividend equivalents shall be paid on RSUs with respect to any cash dividends declared during a period of RSU vesting.

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. Death or Disability of Director.

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

8. Taxes.

The Director acknowledges and agrees that any income or other taxes due from the Director with respect to the RSUs issued pursuant to this Agreement shall be the Director's sole responsibility. By accepting this RSU grant, the Director agrees and acknowledges that the benefits under this Agreement shall be subject to any applicable withholding obligation to the Company as provided in Article 17 of the Plan.

9. Section 409A.

Notwithstanding Section 9.5 of the Plan, it is intended that the rights to receive shares of Common Stock granted under this Agreement and the provisions of this Agreement shall comply with Section 409A of the Code, and all provisions of this Agreement shall be construed and interpreted in a manner consistent with Section 19.10 of the Plan and the requirements for avoiding taxes or penalties under Section 409A of the Code. Delivery of shares under this Agreement may be accelerated by the Board in its discretion only as permitted under Section 409A of the Code. Notwithstanding the foregoing, in no event whatsoever shall the Company or its Subsidiaries be liable for any additional tax, interest, or penalties that may be imposed on the Director as a result of Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.

10. Data Privacy Consent.

As a condition of this Agreement, you consent to the collection, use and transfer of your personal data as described in this paragraph. You understand that the Company and its subsidiaries hold certain personal information about you, including your name, home address and telephone number, date of birth, social insurance (or security) number or identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Company (or any of its subsidiaries), details of all options or any other entitlement to shares of Common Stock awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the purpose of implementing, managing and administering the Plan ("Data"). You further understand that the Company and/or a subsidiary may transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of your 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. You understand 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 your country. You authorize them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data to a broker or other third party with whom you 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 your behalf. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you 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 Company's Human Resources representative. Refusal or withdrawal of consent may, however, affect your ability to exercise or realize benefits from this Agreement or the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact the Company's Human Resources representative.

11. Miscellaneous.

(a) Enforcement. The Company shall not be required (i) to transfer on its books any shares of Common 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 Director at her/his address then on file with the Company.

(d) No Guarantee of Service. Neither the Plan nor this Agreement nor any provisions under either shall be construed so as to grant the Director any right to remain a director of the Company.

(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.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and its corporate seal to be hereto affixed by its officer thereunto duly authorized, and the Director has accepted this agreement, all as of the day and year first above written.

HAEMONETICS CORPORATION

____

By:
Its:

RETAIN A COPY OF THIS AGREEMENT FOR YOUR RECORDS

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.

8/7/2018

/s/ Christopher Simon

Christopher Simon, President, Director and Chief Executive Officer

(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

I, William Burke, 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.

8/7/2018

/s/ William Burke

William Burke, Executive Vice President, Chief Financial Officer

(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 June 30, 2018 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.

8/7/2018

/s/ Christopher Simon

Christopher Simon,
President, Director 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 June 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, William Burke, Executive Vice President, Chief Financial 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.

8/7/2018

/s/ William Burke

William Burke,
Executive Vice President, Chief Financial 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.