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: September 30, 2017

Commission File Number: 001-14041

HAEMONETICS CORPORATION

(Exact name of registrant as specified in its charter)

Massachusetts (State or other jurisdiction of incorporation or organization)	**04-2882273** (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 November 3, 2017: 52,818,234

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ITEM 1. FINANCIAL STATEMENTS

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

	Three Months Ended		Six Months Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Net revenues	$ 225,377	$ 220,253	$ 436,328	$ 430,209
Cost of goods sold	120,815	116,005	240,101	234,905
Gross profit	104,562	104,248	196,227	195,304
Operating expenses:				
Research and development	7,521	8,336	15,714	19,773
Selling, general and administrative	72,783	71,118	139,644	158,618
Total operating expenses	80,304	79,454	155,358	178,391
Operating income	24,258	24,794	40,869	16,913
Gain on divestiture	—	—	8,000	—
Interest and other expense, net	(1,397)	(1,962)	(2,756)	(4,139)
Income before provision for income taxes	22,861	22,832	46,113	12,774
Provision for income taxes	2,759	3,007	5,874	3,295
Net income	**$ 20,102**	**$ 19,825**	**$ 40,239**	**$ 9,479**
Net income per share - basic	$ 0.38	$ 0.39	$ 0.77	$ 0.19
Net income per share - diluted	$ 0.38	$ 0.38	$ 0.76	$ 0.18
Weighted average shares outstanding				
Basic	52,619	51,378	52,531	51,200
Diluted	52,981	51,701	52,896	51,463
Comprehensive income	21,937	19,037	45,703	7,804

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

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

	September 30, 2017	April 1, 2017
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 203,622	$ 139,564
Accounts receivable, less allowance of $2,224 at September 30, 2017 and $2,184 at April 1, 2017	143,693	152,683
Inventories, net	168,592	176,929
Prepaid expenses and other current assets	37,482	40,853
Total current assets	553,389	510,029
Property, plant and equipment, net	320,221	323,862
Intangible assets, less accumulated amortization of $232,714 at September 30, 2017 and $215,772 at April 1, 2017	169,379	177,540
Goodwill	211,125	210,841
Deferred tax asset	4,478	3,988
Other long-term assets	12,571	12,449
Total assets	**$ 1,271,163**	**$ 1,238,709**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable and current maturities of long-term debt	$ 108,589	$ 61,022
Accounts payable	41,764	42,973
Accrued payroll and related costs	37,364	43,534
Other liabilities	67,282	63,650
Total current liabilities	254,999	211,179
Long-term debt, net of current maturities	178,015	253,625
Deferred tax liability	13,380	12,114
Other long-term liabilities	23,516	22,181
Total stockholders' equity		
Common stock, $0.01 par value; Authorized — 150,000,000 shares; Issued and outstanding — 52,694,556 shares at September 30, 2017 and 52,255,495 shares at April 1, 2017	527	523
Additional paid-in capital	497,980	482,044
Retained earnings	330,155	289,916
Accumulated other comprehensive loss	(27,409)	(32,873)
Total stockholders' equity	**801,253**	**739,610**
Total liabilities and stockholders' equity	**$ 1,271,163**	**$ 1,238,709**

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

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

	Six Months Ended	
	September 30, 2017	October 1, 2016
Cash Flows from Operating Activities:		
Net income	$ 40,239	$ 9,479
Adjustments to reconcile net income to net cash provided by operating activities:		
Non-cash items:		
Depreciation and amortization	43,986	45,253
Gain on divestiture	(8,000)	—
Stock-based compensation expense	4,199	4,235
Provision for losses on accounts receivable and inventory	688	6,902
Impairment of assets	—	2,505
Other non-cash operating activities	312	(1,241)
Change in operating assets and liabilities:		
Change in accounts receivable	10,739	6,807
Change in inventories	7,284	(12,661)
Change in prepaid income taxes	776	(324)
Change in other assets and other liabilities	3,920	2,836
Change in accounts payable and accrued expenses	(6,815)	6,169
Net cash provided by operating activities	97,328	69,960
Cash Flows from Investing Activities:		
Capital expenditures	(29,125)	(41,624)
Proceeds from divestiture	9,000	—
Proceeds from sale of property, plant and equipment	1,346	197
Net cash used in investing activities	(18,779)	(41,427)
Cash Flows from Financing Activities:		
Repayment of term loan borrowings	(28,455)	(18,970)
Proceeds from employee stock purchase plan	1,622	1,979
Proceeds from exercise of stock options	10,120	13,532
Net increase (decrease) in short-term loans	417	(1,116)
Net cash used in financing activities	(16,296)	(4,575)
Effect of exchange rates on cash and cash equivalents	1,805	(211)
Net Change in Cash and Cash Equivalents	64,058	23,747
Cash and Cash Equivalents at Beginning of Period	139,564	115,123
Cash and Cash Equivalents at End of Period	**$ 203,622**	**$ 138,870**
Supplemental Disclosures of Cash Flow Information:		
Interest paid	$ 3,768	$ 4,118
Income taxes paid	$ 5,449	$ 3,867
Transfers from inventory to fixed assets for placement of Haemonetics equipment	$ 3,965	$ 3,477

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

1. BASIS OF PRESENTATION

Basis of Presentation

Our accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by 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 six months ended September 30, 2017 are not necessarily indicative of the results that may be expected for the full fiscal year ending March 31, 2018 or any other interim period. Operating results for the three months ended October 1, 2016 include an overstatement of net income, which was determined to be immaterial to all periods impacted. Absent this correction, our operating income and net income for the three and six months ended October 1, 2016 would have been $0.9 million and $1.2 million lower, respectively, than the amount included in the accompanying consolidated statements of income and comprehensive income. These unaudited consolidated financial statements should be read in conjunction with our audited consolidated financial statements and footnotes included in our annual report on Form 10-K for the fiscal year ended April 1, 2017.

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 3, *Restructuring*, for information pertaining to a restructuring initiative that was approved after the balance sheet date but prior to the issuance of the financial statements. There were no other subsequent events identified.

2. RECENT ACCOUNTING PRONOUNCEMENTS

Standards Implemented

In March 2016, the FASB issued ASU No. 2016-09, *Compensation- Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*. The purpose of the update is to simplify several areas of the accounting for share-based payment transactions. We adopted ASU No. 2016-09 on a prospective basis in our first quarter of fiscal 2018; therefore, prior periods have not been adjusted. The adoption of ASU No. 2016-09 did not have a material effect on our financial position or results of operations.

ASU No. 2016-09 allows a company to elect to account for award forfeitures as they occur or to continue to estimate forfeitures. We have elected to continue to estimate potential forfeitures.

In addition, ASU No. 2016-09 eliminates additional paid in capital pools and requires excess tax benefits and tax deficiencies to be recorded in the consolidated statement of operations when the awards vest or are settled. Amendments related to accounting for excess tax benefits resulted in an immaterial tax benefit for the three and six months ended September 30, 2017. In connection with the adoption of this new standard, we also recorded a cumulative-effect adjustment to accumulated deficit and deferred tax assets for certain off balance sheet federal and state net operating loss carry-forwards totaling $1.6 million as of April 1, 2017, with an equal offsetting adjustment to the valuation allowance.

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.

On November 1, 2017, 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 fiscal 2017, we launched a restructuring program (the "2017 Program") designed to reposition our organization and improve our cost structure. During the three and six months ended September 30, 2017, we incurred $5.2 million and $7.7 million, respectively, of restructuring and turnaround costs under this program. During the three and six months ended October 1, 2016, we incurred $1.1 million and $18.8 million, respectively, of restructuring and turnaround charges under this program. As of September 30, 2017, the 2017 Program was substantially complete.

The following summarizes the restructuring activity for the six months ended September 30, 2017:

(In thousands)	Severance and Other Employee Costs	Other Costs	Total Restructuring
Balance at April 1, 2017	$ 7,001	$ 467	$ 7,468
Costs incurred, net of reversals	446	761	1,207
Payments	(3,872)	(470)	(4,342)
Balance at September 30, 2017	$ 3,575	$ 758	$ 4,333

Substantially all of the restructuring costs for the six months ended September 30, 2017 have been included as a component of selling, general and administrative expenses in the accompanying consolidated statements of income. As of September 30, 2017, we had a restructuring liability of $4.3 million, of which approximately $3.9 million is payable within the next twelve months.

In addition to the restructuring costs included in the table above, during the three and six months ended September 30, 2017, we also incurred costs of $5.6 million and $7.1 million, respectively, 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 income, consist primarily of expenditures directly related to our restructuring initiative and include program management, implementation of the global strategic review initiatives and accelerated depreciation.

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

Restructuring costs	Three Months Ended		Six Months Ended	
(in thousands)	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Japan	$ 2	$ (38)	$ 111	$ 836
EMEA	15	(63)	25	3,011
North America Plasma	—	(7)	—	368
All Other	134	(246)	1,071	11,817
Total	$ 151	$ (354)	$ 1,207	$ 16,032

Turnaround costs	Three Months Ended		Six Months Ended	
(in thousands)	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Japan	$ —	$ 1	$ —	$ 2
EMEA	20	55	26	81
North America Plasma	197	936	349	936
All Other	5,419	959	6,688	3,362
Total	$ 5,636	$ 1,951	$ 7,063	$ 4,381
Total restructuring and turnaround costs	**$ 5,787**	**$ 1,597**	**$ 8,270**	**$ 20,413**

4. DIVESTITURE

On April 27, 2017, we sold our SEBRA line of benchtop and hand sealers to Machine Solutions Inc. because it was no longer aligned with our long-term strategic objectives. In connection with this transaction, we received net proceeds of $9.0 million and recorded a pre-tax gain of $8.0 million. The proceeds were subject to a post-closing adjustment based on final asset values as determined during the 90 day transition period. During the second quarter of fiscal 2018, the 90 day transition period ended and there were no post-close adjustments necessary.

The SEBRA portfolio included a suite of products which primarily include radio frequency sealers that are used to seal tubing as part of the collection of whole blood and blood components, particularly plasma.

5. INCOME TAXES

We conduct business globally and report our results of operations in a number of foreign jurisdictions in addition to the United States. Our reported tax rate is generally lower than the U.S. federal statutory rate as the income tax rates in the foreign jurisdictions in which we operate are generally lower than the U.S. statutory tax rate. Additionally, our reported tax rate is lower than the statutory tax rate as a result of the release of valuation allowance against tax attributes in certain jurisdictions which can be utilized to offset current year earnings.

During the three months ended September 30, 2017 and October 1, 2016, we reported an income tax provision of $2.8 million and $3.0 million, respectively, representing effective tax rates of 12.1% and 13.2%, respectively. For the six months ended September 30, 2017 and October 1, 2016, we reported an income tax provision of $5.9 million and $3.3 million, respectively, representing effective tax rates of 12.7% and 25.8%, respectively. The change in our reported tax rate for both the three and six months ended September 30, 2017 was primarily the result of changes in the jurisdictional mix of earnings. Our effective tax rate for six months ended October 1, 2016 was also impacted by a non-recurring discrete tax expense of $1.4 million related to a workforce reduction during the first quarter of fiscal 2017 in a foreign subsidiary where we were required to maintain certain levels of headcount for a multi-year period, which resulted in the establishment of a tax reserve.

The income tax provision for the six months ended September 30, 2017 was primarily attributable to applying our estimated annual effective tax rate to our year-to-date consolidated income before provision for income taxes.

We are in a three year cumulative loss position in the U.S. and, accordingly, maintain a valuation allowance against our U.S. deferred tax assets. 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.

6. 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		Six Months Ended	
(In thousands, except per share amounts)	**September 30, 2017**	**October 1, 2016**	**September 30, 2017**	**October 1, 2016**
Basic EPS				
Net income	$ 20,102	$ 19,825	$ 40,239	$ 9,479
Weighted average shares	52,619	51,378	52,531	51,200
Basic income per share	**$ 0.38**	**$ 0.39**	**$ 0.77**	**$ 0.19**
Diluted EPS				
Net income	$ 20,102	$ 19,825	$ 40,239	$ 9,479
Basic weighted average shares	52,619	51,378	52,531	51,200
Net effect of common stock equivalents	362	323	365	263
Diluted weighted average shares	52,981	51,701	52,896	51,463
Diluted income per share	**$ 0.38**	**$ 0.38**	**$ 0.76**	**$ 0.18**

Basic earnings per share is calculated using our weighted-average outstanding common shares. Diluted earnings per share is calculated using our weighted-average outstanding common shares including the dilutive effect of stock awards as determined under the treasury stock method. For the three and six months ended September 30, 2017, weighted average shares outstanding,

assuming dilution, excludes the impact of 0.9 million and 0.8 million anti-dilutive shares, respectively. For both the three and six months ended October 1, 2016, weighted average shares outstanding, assuming dilution, excludes the impact of 1.7 million anti-dilutive shares.

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)	September 30, 2017	April 1, 2017
Raw materials	$ 50,197	$ 52,052
Work-in-process	12,234	10,400
Finished goods	106,161	114,477
Total inventories	**$ 168,592**	**$ 176,929**

8. 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 $6.4 million in software development costs for ongoing initiatives during both the six months ended September 30, 2017 and October 1, 2016. At September 30, 2017 and April 1, 2017, we had a total of $69.1 million and $62.7 million of capitalized software costs, respectively, of which $19.1 million and $12.7 million are related to in-process software development initiatives, respectively. There were no capitalized costs placed into service during the six months ended September 30, 2017. During the six months ended October 1, 2016, $4.5 million of capitalized costs were placed into service. The costs capitalized for each project are included in intangible assets in the consolidated financial statements.

9. 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.

	Six Months Ended	
(In thousands)	September 30, 2017	October 1, 2016
Warranty accrual as of the beginning of the period	$ 176	$ 420
Warranty provision	796	390
Warranty spending	(537)	(583)
Warranty accrual as of the end of the period	**$ 435**	**$ 227**

10. DERIVATIVES AND FAIR VALUE MEASUREMENTS

We manufacture, market and sell our products globally. During the three and six months ended September 30, 2017, 38.4% and 38.2% 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 September 30, 2017 and April 1, 2017 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 $58.4 million as of September 30, 2017 and $68.4 million as of April 1, 2017. At September 30, 2017, losses of $1.4 million, net of tax, will be reclassified to earnings within the next twelve months. Substantially all currency cash flow hedges outstanding as of September 30, 2017 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 $37.6 million as of September 30, 2017 and $55.4 million as of April 1, 2017.

Interest Rate Swaps

On December 21, 2012, we entered into two interest rate swap agreements (the "Swaps") on a total notional amount of $250.0 million of debt. We designated the Swaps as cash flow hedges of variable interest rate risk associated with $250.0 million of indebtedness. For three and six months ended September 30, 2017 and October 1, 2016, we recorded nominal activity in accumulated other comprehensive loss to recognize the effective portion of the fair value of interest rate swaps that qualify as cash flow hedges. The Swaps matured on August 1, 2017.

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 income and comprehensive income for the six months ended September 30, 2017:

(In thousands)	Amount of (Loss) Gain Recognized in Accumulated Other Comprehensive Loss	Amount of (Loss) Gain Reclassified from Accumulated Other Comprehensive Loss into Earnings	Location in Consolidated Statements of Income and Comprehensive Income	Amount of Gain (Loss) Excluded from Effectiveness Testing	Location in Consolidated Statements of Income and Comprehensive Income
Designated foreign currency hedge contracts, net of tax	$ (1,449)	$ (121)	Net revenues, COGS, and SG&A	$ 601	Interest and other expense, net
Non-designated foreign currency hedge contracts	—	—		$ (881)	Interest and other expense, net
Designated interest rate swaps, net of tax	$ (64)		Interest and other expense, net		

We did not have fair value hedges or net investment hedges outstanding as of September 30, 2017 or April 1, 2017. As of September 30, 2017, 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 September 30, 2017, 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 September 30, 2017 and April 1, 2017:

(In thousands)	Location in Balance Sheet	As of September 30, 2017	As of April 1, 2017
Derivative Assets:			
Designated foreign currency hedge contracts	Other current assets	$ 1,093	$ 1,645
Non-designated foreign currency hedge contracts	Other current assets	64	218
Designated interest rate swaps	Other current assets	—	64
		$ 1,157	**$ 1,927**
Derivative Liabilities:			
Designated foreign currency hedge contracts	Other current liabilities	$ 1,611	$ 894
Non-designated foreign currency hedge contracts	Other current liabilities	141	72
		$ 1,752	**$ 966**

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 September 30, 2017 and April 1, 2017.

	As of September 30, 2017		
(In thousands)	Level 1	Level 2	Total
Assets			
Money market funds	$ 135,763	$ —	$ 135,763
Designated foreign currency hedge contracts	—	1,093	1,093
Non-designated foreign currency hedge contracts	—	64	64
	$ 135,763	**$ 1,157**	**$ 136,920**
Liabilities			
Designated foreign currency hedge contracts	$ —	$ 1,611	$ 1,611
Non-designated foreign currency hedge contracts	—	141	141
	$ —	**$ 1,752**	**$ 1,752**

	As of April 1, 2017		
	Level 1	Level 2	Total
Assets			
Money market funds	$ 80,676	$ —	$ 80,676
Designated foreign currency hedge contracts	—	1,645	1,645
Non-designated foreign currency hedge contracts	—	218	218
Designated interest rate swaps	—	64	64
	$ 80,676	**$ 1,927**	**$ 82,603**
Liabilities			
Designated foreign currency hedge contracts	$ —	$ 894	$ 894
Non-designated foreign currency hedge contracts	—	72	72
	$ —	**$ 966**	**$ 966**

Other Fair Value Disclosures

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

11. 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

Italian Employment Litigation

Our Italian manufacturing subsidiary is party to several actions initiated by former employees of our facility in Ascoli-Piceno, Italy. We ceased operations at the facility in fiscal 2014 and sold the property in fiscal 2017. These include actions claiming (i) working conditions and minimum salaries should have been established by either a different classification under their national collective bargaining agreement or a different agreement altogether, (ii) certain solidarity agreements, which are arrangements between the Company, employees and the government to continue full pay and benefits for employees who would otherwise be terminated in times of low demand, are void, and (iii) rights to payment of the extra time used for changing into and out of the working clothes at the beginning and end of each shift.

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

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

The total amount of damages claimed by the plaintiffs in these matters is approximately $4.8 million. During the second quarter of fiscal 2018, we proposed a settlement offer of $0.8 million, which resulted in charges of $0.4 million during the period. As of September 30, 2017, we have recorded a total liability of $0.8 million associated with these claims. In the future, we may receive adverse rulings from the courts which could change our judgment on these cases.

SOLX Arbitration

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

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

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

H2 Equity claims, in part, that we owe it $3 million for the receipt of the 24-Hour Approval despite the use of a Haemonetics filter to obtain the approval and that we have failed to make commercially reasonable efforts to market and sell products incorporating SOLX. While we believe that we have meritorious defenses to these claims, as of September 30, 2017 we have recorded a liability of $0.4 million which is reflective of the current settlement discussions.

Product Recall

In June 2016, we issued a voluntary recall of certain whole blood collection kits sold to our Blood Center customers in the U.S. The recall resulted from some collection sets' filters failing to adequately remove leukocytes from collected blood. As a result of the recall, our blood center customers may have conducted further tests to confirm the blood was adequately leukoreduced, sold the blood labeled as non-leukoreduced at a lower price or discarded the blood collected using the defective sets. We recorded $7.1 million of charges during fiscal 2017, which consisted of $3.7 million of charges associated with customer returns and inventory reserves and $3.4 million of charges associated with customer claims. Although there have been no additional charges recorded in the current period, we may record incremental charges in future periods.

The $3.4 million liability associated with customer claims are based on claims seeking reimbursement for $14.2 million in losses sustained as a result of the recall. We believe it is probable that we will incur expenses as a result of these claims and that our range of loss is $3.4 million to $14.2 million, however, we do not have sufficient information to develop a best

estimate within this range. Accordingly, during fiscal 2017 we recorded a liability of $3.4 million, which represents the low end of the range. While the customers making these claims purchased substantially all the affected units, incremental charges may be recorded in future periods as additional customer returns and claims data becomes available. We have an enforceable insurance policy in place which we believe provides coverage for a portion of the claims received to date. Accordingly, as of September 30, 2017, we had an insurance receivable of $2.9 million. We will assess the potential for additional insurance recoveries as we receive more information about customer claims in future reporting periods.

Other Matters

In February 2017, we informed a customer of our intent to exit an existing contract. During the second quarter of fiscal 2018, the customer made a demand for $4.6 million, which consisted of $2.8 million in damages for non-performance under the contract and $1.8 million for the refund of two upfront payments that the customer had previously paid to us in connection with the development of a project. As of September 30, 2017, we concluded that it was probable that we would incur costs of $2.8 million in connection with this matter and accordingly have recorded have a liability to reflect this loss contingency. Additionally, we continue to maintain a deferred revenue liability of $1.8 million for the upfront payments, as we have not achieved all of the criteria necessary to recognize these payments as revenue.

12. 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, and asset impairments. Although these amounts are excluded from segment operating income, as applicable, they are included in the reconciliations that follow. Management measures and evaluates the Company's net revenues and operating income 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 2018, management changed the cost reporting structure such that a portion of corporate expenses were reclassified into the operating segments. Accordingly, the prior year numbers have been updated to reflect this reclassification.

Selected information by business segment is presented below:

(In thousands)	Three Months Ended		Six Months Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Net revenues				
Japan	$ 17,164	$ 18,991	$ 32,396	$ 33,557
EMEA	43,786	45,933	86,794	91,674
North America Plasma	85,051	78,292	162,587	151,767
All Other	80,193	78,411	158,367	156,431
Net revenues before foreign exchange impact	226,194	221,627	440,144	433,429
Effect of exchange rates	(817)	(1,374)	(3,816)	(3,220)
Net revenues	**$ 225,377**	**$ 220,253**	**$ 436,328**	**$ 430,209**

(In thousands)	Three Months Ended		Six Months Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Segment operating income				
Japan	$ 7,877	$ 9,017	$ 14,615	$ 15,173
EMEA	8,239	8,577	16,810	16,853
North America Plasma	32,184	26,151	56,286	51,318
All Other	30,052	30,946	57,738	58,116
Segment operating income	78,352	74,691	145,449	141,460
Corporate operating expenses	(42,905)	(41,921)	(82,216)	(88,059)
Effect of exchange rates	1,102	667	(1,099)	(639)
Restructuring and turnaround costs	(5,787)	(1,637)	(8,270)	(20,453)
Deal amortization	(6,504)	(7,006)	(12,995)	(14,081)
Asset impairments	—	—	—	(1,315)
Operating income	**$ 24,258**	**$ 24,794**	**$ 40,869**	**$ 16,913**

Our products are organized into four categories for purposes of evaluating their growth potential: Plasma, Blood Center, Cell Processing and Hemostasis Management. 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 September 30, 2017	Three Months Ended October 1, 2016	Six Months Ended September 30, 2017	Six Months Ended October 1, 2016
Plasma	$ 109,771	$ 103,564	$ 211,278	$ 201,213
Blood Center	71,710	74,270	137,275	145,213
Cell Processing	25,764	25,955	52,100	52,031
Hemostasis Management	18,132	16,464	35,675	31,752
Net revenues	**$ 225,377**	**$ 220,253**	**$ 436,328**	**$ 430,209**

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

(In thousands)	Three Months Ended September 30, 2017	Three Months Ended October 1, 2016	Six Months Ended September 30, 2017	Six Months Ended October 1, 2016
United States	$ 138,779	$ 130,843	$ 269,831	$ 256,543
Japan	16,732	21,666	31,648	36,630
Europe	39,133	37,606	76,355	77,973
Asia	28,831	28,384	54,771	55,376
Other	1,902	1,754	3,723	3,687
Net revenues	**$ 225,377**	**$ 220,253**	**$ 436,328**	**$ 430,209**

13. ACCUMULATED OTHER COMPREHENSIVE LOSS

The components of Accumulated Other Comprehensive Loss are as follows:

(In thousands)	Foreign Currency	Defined Benefit Plans	Net Unrealized Gain/Loss on Derivatives	Total
Balance as of April 1, 2017	$ (29,835)	$ (2,272)	$ (766)	$ (32,873)
Other comprehensive income (loss) before reclassifications[1]	6,856	—	(1,513)	5,343
Amounts reclassified from Accumulated Other Comprehensive Loss[1]	—	—	121	121
Net current period other comprehensive income (loss)	6,856	—	(1,392)	5,464
Balance as of September 30, 2017	$ (22,979)	$ (2,272)	$ (2,158)	$ (27,409)

[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 April 1, 2017. 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 them improve patient care and reduce the cost of healthcare. Our technology addresses important medical markets, including blood and plasma component collection, the surgical suite, and hospital transfusion services.

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. Blood is essential to a modern healthcare system.

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

Products

Our products are organized into four categories for purposes of evaluating and developing their growth potential: Plasma, Hemostasis Management, Blood Center and Cell Processing. For that purpose, “Plasma” includes plasma collection devices and disposables, plasma donor management software, and anticoagulant and saline sold to plasma customers. “Hemostasis Management” includes devices and methodologies for measuring coagulation characteristics of blood, such as our TEG® Hemostasis Analyzer. “Blood Center” includes blood collection and processing devices and disposables for red cells, platelets and whole blood as well as related donor management software. “Cell Processing” includes surgical blood salvage systems, specialized blood cell processing systems, disposables and blood transfusion management software.

We believe that Plasma and Hemostasis Management have the greatest growth potential, while Cell Processing innovation offers an opportunity to increase market share and expand into new segments. 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.

Plasma

Built around our automated plasma collection devices and related disposables, our portfolio of products and services is designed to support multiple facets of plasma collector operations. We have a long-standing commitment to understanding our customers' collection and manufacturing processes. As a result, we aim to design equipment that is durable, dependable, and easy to use, and provide comprehensive training and support to our plasma collection customers.

Today, the vast majority of plasma collections worldwide are performed using automated collection technology because it is safer and more cost-effective. With our PCS® (Plasma Collection System) brand automated plasma collection technology, more plasma can be collected during any one donation event because the other blood components are returned to the donor through the sterile disposable sets used for the plasma donation procedure.

We offer multiple products necessary for plasma collection and storage, including PCS brand plasma collection equipment and disposables, plasma collection containers and intravenous solutions. We also offer a portfolio of integrated information technology platforms for plasma customers to manage their donors, operations, and supply chain. Our software products automate the donor interview and qualification process, streamline the workflow process in the plasma center, provide the controls necessary to evaluate donor suitability, determine the ability to release units collected, and manage unit distribution. With our software solutions, plasma collectors can manage processes across the plasma supply chain, react quickly to business changes, and implement opportunities to reduce costs.

Blood Center

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

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

With the ACP® (Automated Cell Processor) brand, Haemonetics offers a solution to automate the washing and freezing of red cell components. The automated red cell washing procedure removes plasma proteins within the red cell units to provide a safer product for transfusion to frequently transfused patients, neonates, or patients with a history of transfusion reactions. The automated glycerolization and deglycerolization steps are required to prepare red cells for frozen storage. Freezing the red cell units can expand the shelf life of these products up to 10 years. Customers utilize this technology to implement strategic red cell inventories for large scale catastrophes, storage of rare blood types, or enhanced inventory management.

Blood Center software solutions help blood center collectors improve efficiencies of blood collection and supply and help ensure donor safety. This includes solutions for blood drive planning, donor recruitment and retention, blood collection, component manufacturing and distribution. Our products SafeTrace® and El Dorado Donor® donation and blood unit management systems span blood center operations and automate and track operations from the recruitment of the blood donor to the disposition of the blood product. Our Hemasphere® software solution provides support for more efficient blood drive planning, and Donor Doc® and e-Donor® software help to improve recruitment and retention.

Hospital

Cell Processing

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

Cell Salvage

The Cell Saver® system is a surgical blood salvage system targeted to procedures that involve mid to high-volume blood loss, such as cardiovascular or orthopedic surgeries. It has become the standard of care for these surgeries. The Cell Saver Elite® system is our most advanced autotransfusion option to minimize allogeneic blood use for surgeries with medium to high blood loss.

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

Transfusion Management

Our Transfusion Management solutions are designed to help provide safety, traceability and compliance from the hospital blood bank to the patient bedside and enable consistent care across the hospital network. The SafeTrace Tx® transfusion management software is considered the system of record for all hospital blood bank and transfusion information. BloodTrack® blood management software is a modular suite of blood management and bedside transfusion solutions that combines software with hardware components that act as an extension of the hospital's blood bank information system. The software is designed to work with storage devices, including the BloodTrack HaemoBank® blood storage device.

Hemostasis Management

We have two device platforms which we market to hospitals and laboratories as an alternative to less comprehensive blood tests: the TEG® 5000 analyzer, which we acquired in the 2007 acquisition of Haemoscope Corporation, and the TEG® 6s device, which we license from Cora Healthcare, Inc., a company established by Haemoscope's founders. Under the license from Cora Healthcare, we have exclusive perpetual rights to manufacture and commercialize TEG 6s in hospitals and hospital laboratories.

Both of our TEG systems are blood diagnostic instruments that measure a patient's hemostasis. This information enables caregivers to decide the best blood-related clinical treatment for the patient in order to minimize blood loss and reduce clotting risk. The TEG 5000 analyzer is approved for a broad set of indications in all of our markets. The TEG 6s and TEG Manager are approved for the same set of indications as the TEG 5000 in Europe, Australia and Japan. In the U.S., TEG 6s is approved for limited indications, including cardiovascular surgery and cardiology. We are pursuing a broader set of indications for the TEG 6s in the U.S., including trauma.

Recent Developments

NexSys PCS™

In July 2017, we received United States Food and Drug Administration ("FDA") 510(k) clearance for our NexSys PCS™ plasmapheresis system (formerly referred to as PCS 300). We have begun limited production of the devices and we 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 September 30, 2017, approximately 20,000 of our Haemonetics owned PCS2 devices ("PCS2") are placed with customers.

Divestiture

On April 27, 2017, we sold our SEBRA line of benchtop and hand sealers to Machine Solutions Inc. because it was no longer aligned with our long-term strategic objectives. In connection with this transaction, we received net proceeds of $9.0 million and recorded a pre-tax gain of $8.0 million. The proceeds received were subject to a post-closing adjustment based on final asset values as determined during the 90 day transition period. During the second quarter of fiscal 2018, the 90 day transition period ended and there were no post-close adjustments necessary.

The SEBRA portfolio included a suite of products which primarily include radio frequency sealers that are used to seal tubing as part of the collection of whole blood and blood components, particularly plasma. The SEBRA product line generated approximately $6.5 million of revenue in our Plasma business unit in fiscal 2017.

Restructuring Initiative

On November 1, 2017, 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 fiscal 2017, we launched a restructuring program (the "2017 Program") designed to reposition our organization and improve our cost structure. During the three and six months ended September 30, 2017, we incurred $5.2 million and $7.7 million, respectively, of restructuring and turnaround costs under this program. During the three and six months ended October 1, 2016, we incurred $1.1 million and $18.8 million, respectively, of restructuring and turnaround charges under this program. As of September 30, 2017, the 2017 Program was substantially complete.

Product Recall

In June 2016, we issued a voluntary recall of certain whole blood collection kits sold to our Blood Center customers in the U.S. The recall resulted from some collection sets' filters failing to adequately remove leukocytes from collected blood. As a result of the recall, our blood center customers may have conducted further tests to confirm the blood was adequately leukoreduced, sold the blood labeled as non-leukoreduced at a lower price or discarded the blood collected using the defective sets. We

recorded $7.1 million of charges during fiscal 2017, which consisted of $3.7 million of charges associated with customer returns and inventory reserves and $3.4 million of charges associated with customer claims. Although there have been no additional charges recorded in the current period, we may record incremental charges in future periods.

The $3.4 million of charges associated with customer claims are based on claims seeking reimbursement for $14.2 million in losses sustained as a result of the recall. While the customers making these claims purchased substantially all the affected units, incremental charges may be recorded in future periods as additional data supporting the claims becomes available. We have an enforceable insurance policy in place which we believe provides coverage for a portion of the claims received to date. As of April 1, 2017, we had an insurance receivable of $2.9 million. We will assess the potential for additional insurance recoveries as we receive more information about customer claims in future reporting periods.

Financial Summary

	Three Months Ended			Six Months Ended		
(In thousands, except per share data)	**September 30, 2017**	**October 1, 2016**	**% Increase/ (Decrease)**	**September 30, 2017**	**October 1, 2016**	**% Increase/ (Decrease)**
Net revenues	$ 225,377	$ 220,253	2.3 %	$ 436,328	$ 430,209	1.4 %
Gross profit	$ 104,562	$ 104,248	0.3 %	$ 196,227	$ 195,304	0.5 %
% of net revenues	*46.4%*	*47.3%*		*45.0%*	*45.4%*	
Operating expenses	$ 80,304	$ 79,454	1.1 %	$ 155,358	$ 178,391	(12.9)%
Operating income	$ 24,258	$ 24,794	*(2.2)%*	$ 40,869	$ 16,913	*n/m*
% of net revenues	*10.8%*	*11.3%*		*9.4%*	*3.9%*	
Interest and other expense, net	$ (1,397)	$ (1,962)	(28.8)%	$ (2,756)	$ (4,139)	(33.4)%
Income before provision for income taxes	$ 22,861	$ 22,832	*0.1 %*	$ 46,113	$ 12,774	*n/m*
Provision for income taxes	$ 2,759	$ 3,007	*(8.2)%*	$ 5,874	$ 3,295	*78.3 %*
% of pre-tax income	*12.1%*	*13.2%*		*12.7%*	*25.8%*	
Net income	$ 20,102	$ 19,825	*1.4 %*	$ 40,239	$ 9,479	*n/m*
% of net revenues	*8.9%*	*9.0%*		*9.2%*	*2.2%*	
Net income per share - basic	$ 0.38	$ 0.39	*(2.6)%*	$0.77	$0.19	*n/m*
Net income per share - diluted	$ 0.38	$ 0.38	*— %*	$0.76	$0.18	*n/m*

Net revenues increased 2.3% and 1.4% for the three and six months ended September 30, 2017, as compared to the same periods of fiscal 2017. Without the effect of foreign exchange, net revenues increased 2.1% and 1.5% for the three and six months ended September 30, 2017, as compared to the same periods of fiscal 2017. 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 September 30, 2017. During the six months ended September 30, 2017, revenue increases in Plasma, Hemostasis Management and Cell Processing were partially offset by declines in our Blood Center business unit.

Operating income decreased for the three months ended September 30, 2017, as compared to the same period of fiscal 2017, primarily due to higher restructuring and turnaround costs and variable compensation. Operating income increased for the six months ended September 30, 2017, as compared to the same period of fiscal 2017, due to significant levels of restructuring and turnaround costs incurred in the first quarter of fiscal 2017 in connection with the fiscal 2017 restructuring initiative. Annualized savings resulting from the fiscal 2017 restructuring initiative and a reduction in research and development spending also contributed to increase in operating income during the first half of fiscal 2018.

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 sales 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				
	September 30, 2017	October 1, 2016	Reported growth	Currency impact	Constant currency growth [1]
United States	$ 138,779	$ 130,843	6.1 %	—%	6.1 %
International	86,598	89,410	(3.1)%	0.6%	(3.7)%
Net revenues	$ 225,377	$ 220,253	2.3 %	0.2%	2.1 %

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

(In thousands)	Six Months Ended				
	September 30, 2017	October 1, 2016	Reported growth	Currency impact	Constant currency growth [1]
United States	$ 269,831	$ 256,543	5.2 %	— %	5.2 %
International	166,497	173,666	(4.1)%	(0.4)%	(3.7)%
Net revenues	$ 436,328	$ 430,209	1.4 %	(0.1)%	1.5 %

[1] Constant currency growth, a non-GAAP financial measure, measures the change in sales 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 100 countries around the world through a combination of our direct sales force, independent distributors and agents. Our revenue generated outside the U.S. was 38.4% and 38.2% of total net revenues for the three and six months ended September 30, 2017, respectively, as compared to 40.6% and 40.4% for the three and six months ended October 1, 2016, respectively. 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

(In thousands)	Three Months Ended September 30, 2017	October 1, 2016	Reported growth	Currency impact	Constant currency growth [1]
Plasma	$ 109,771	$ 103,564	6.0 %	0.3 %	5.7 %
Blood Center	71,710	74,270	(3.4)%	0.4 %	(3.8)%
Cell Processing	25,764	25,955	(0.7)%	0.1 %	(0.8)%
Hemostasis Management	18,132	16,464	10.1 %	(0.3)%	10.4 %
Net revenues	$ 225,377	$ 220,253	2.3 %	0.2 %	2.1 %

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

(In thousands)	Six Months Ended September 30, 2017	October 1, 2016	Reported growth	Currency impact	Constant currency growth [1]
Plasma	$ 211,278	$ 201,213	5.0 %	— %	5.0 %
Blood Center	137,275	145,213	(5.5)%	(0.1)%	(5.4)%
Cell Processing	52,100	52,031	0.1 %	(0.3)%	0.4 %
Hemostasis Management	35,675	31,752	12.4 %	(1.0)%	13.4 %
Net revenues	$ 436,328	$ 430,209	1.4 %	(0.1)%	1.5 %

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

Plasma

Plasma revenue increased 6.0% and 5.0% for the three and six months ended September 30, 2017, as compared to the same periods of fiscal 2017. Without the effect of foreign exchange, plasma revenue increased 5.7% and 5.0% for the three and six months ended September 30, 2017, as compared to the same periods of fiscal 2017. This revenue growth was primarily driven by an increase in sales of plasma disposables during the three and six months ended September 30, 2017 due to continued strong performance in the U.S. This increase was partially offset by a decline in sales of liquid solutions and a decrease in equipment sales resulting from the divestiture of our SEBRA product line.

We have continuing delays in the expansion of our liquid solutions production capacity that may require us or our customers 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. While these purchases continue, we will see a reduction in revenue from our liquid solutions business and increased costs to serve our customers.

Blood Center

Platelet

Platelet revenue declined by 8.1% and 6.3% for the three and six months ended September 30, 2017, as compared to the same periods of fiscal 2017. Without the effect of foreign exchange, platelet revenue decreased 8.6% and 6.0% for the three and six months ended September 30, 2017, as compared to the same periods of fiscal 2017. The decrease during the three and six months ended September 30, 2017, excluding the impact of foreign exchange, was primarily due to declines in Asia due to order timing. The continued market shift toward double dose collection techniques in Japan also contributed to the decline during the three months ended September 30, 2017. Improved collection efficiencies that increase the yield of platelets per collection have resulted in flat markets for platelet usage and related disposables in Japan. Within these flat markets, the use of "double dose" collection methods and other alternative collection procedures have increased. In Japan, usage of double dose collections comprised approximately 46% of all platelets collected during the six months ended September 30, 2017. While Platelet revenue in Japan for the six months ended September 30, 2017 increased slightly compared to the same period of fiscal 2017 due to order timing in the prior period, we expect the shift toward double dose collection techniques to result in an overall decline in revenue during fiscal 2018.

Red Cell and Whole Blood

Red cell revenue decreased 11.4% and 11.2% for the three and six months ended September 30, 2017, as compared to the same periods of fiscal 2017. Without the effect of foreign exchange, red cell revenue decreased 11.7% and 11.3% for the three and six months ended September 30, 2017, as compared to the same periods of fiscal 2017. During fiscal 2016, the American Red Cross and two group purchasing organizations representing other U.S. blood collectors ("Blood Center GPOs") requested updated contracts for sole source supply on apheresis red cell collections. The American Red Cross contract resulted in our gaining 100% share of their apheresis red cell collection business and higher sales volumes, but at lower prices. The impact of the price concessions began in the third quarter of fiscal 2016, while the achievement of 100% share of the American Red Cross' business occurred in the fourth quarter of fiscal 2017. While price declines in this contract continued to have a negative impact in the first half of fiscal 2018, we anticipate stabilization in the second half of fiscal 2018 after annualization of the final price concessions.

Whole blood revenue increased 7.5% and 0.4% for the three and six months ended September 30, 2017, as compared to the same periods of fiscal 2017. Without the effect of foreign exchange, whole blood revenue increased 6.8% and 0.1% for the three and six months ended September 30, 2017, as compared to the same periods of fiscal 2017. The increase is due to higher sales in Asia during the three months ended September 30, 2017 and the negative impact of the whole blood collection kit recall on the prior period. Although we expect the demand for whole blood disposable products in the U.S. to continue to decrease in fiscal 2018 due to a sustained decline in transfusion rates and actions taken by hospitals to improve blood management techniques and protocols, we continued to see a moderation in the rate of decline of this market during the second quarter of fiscal 2018. We expect to see continued declines in transfusion rates and for the market to remain price-focused and highly competitive for the foreseeable future.

Software, Equipment and Other

Blood Center software, equipment and other revenue decreased 12.7% and 14.5% for the three and six months ended September 30, 2017, as compared to the same periods of fiscal 2017. Without the effect of foreign exchange, Blood Center software, equipment and other revenue decreased 12.7% and 14.4% for the three and six months ended September 30, 2017, as compared to the same periods of fiscal 2017. These decreases were largely attributable to order timing in Asia and one-time sales of equipment to the American Red Cross in the prior period to support our increased share of their apheresis red cell collection business.

Cell Processing

Cell Salvage

Cell Salvage revenue consists primarily of the Cell Saver and OrthoPAT products. Cell Saver revenue declined 4.6% and 5.3% during the three and six months ended September 30, 2017, as compared to the same periods of fiscal 2017. Without the effect of foreign exchange, Cell Saver revenue decreased 4.7% and 5.0% for the three and six months ended September 30, 2017, as compared with the same periods of fiscal 2017, primarily due to declines in Japan and Western Europe. OrthoPAT revenue decreased 24.4% and 28.3% for the three and six months ended September 30, 2017, as compared to the same periods of fiscal 2017. Without the effect of foreign exchange, OrthoPAT revenue decreased 24.6% and 28.2% for the three months ended September 30, 2017, as compared to the same periods of fiscal 2017. Better blood management has reduced orthopedic blood loss and continues to impact demand for OrthoPAT. Recent trends in blood management, particularly the adoption of tranexamic acid to treat and prevent orthopedic post-operative blood loss, continue to lessen hospital use of OrthoPAT.

Transfusion Management

Transfusion Management software revenue includes BloodTrack, SafeTrace Tx and other hospital software. Transfusion Management software revenue increased 10.7% and 13.0% for the three and six months ended September 30, 2017, as compared to the same periods of fiscal 2017. Without the effect of foreign exchange, Transfusion Management software revenue increased by 10.0% and 13.0% for the three and six months ended September 30, 2017 as compared to the same periods of fiscal 2017, due to BloodTrack growth in the U.S. and Europe and SafeTrace Tx growth in the U.S.

Hemostasis Management

Revenue from our Hemostasis Management products increased 10.1% and 12.4% for the three and six months ended September 30, 2017, as compared to the same periods of fiscal 2017. Without the effect of foreign exchange, Hemostasis Management revenue increased 10.4% and 13.4% for the three and six months ended September 30, 2017, as compared to the same periods of fiscal 2017. The revenue increase was primarily attributable to the growth of TEG disposables, principally in the U.S. and China. The TEG 6s and TEG Manager are approved for the same set of indications as the TEG 5000 in Europe, Australia and Japan. In the U.S., TEG 6s is approved for limited indications, including cardiovascular surgery and cardiology. The release of TEG 6s continues to significantly contribute to the overall growth in Hemostasis Management in the U.S. and Europe. We are pursuing a broader set of indications for the TEG 6s in the U.S., including trauma.

Gross Profit

	Three Months Ended			Six Months Ended		
(In thousands)	September 30, 2017	October 1, 2016	% Increase/ (Decrease)	September 30, 2017	October 1, 2016	% Increase/ (Decrease)
Gross profit	$ 104,562	$ 104,248	0.3%	$ 196,227	$ 195,304	0.5%
% of net revenues	46.4%	47.3%		45.0%	45.4%	

Gross profit increased 0.3% and 0.5% for the three and six months ended September 30, 2017, as compared to the same periods of fiscal 2017. Without the effect of foreign exchange, gross profit increased 0.2% and 1.5% for the three and six months ended September 30, 2017, as compared to the same periods of fiscal 2017. Gross profit margin decreased 90 and 40 basis points for the three and six months ended September 30, 2017, as compared to the same periods of fiscal 2017. The decrease in gross profit margin during the three months ended September 30, 2017 was primarily due to the impact of manufacturing challenges and the impact of the divestiture of SEBRA.

The decrease in gross profit margin for the six months ended September 30, 2017 was primarily due to costs incurred associated with inventory purchases from alternate sources as a result of delays in the expansion of our liquid solutions production capacity. We expect purchases from these alternate sources to continue until we can complete the expansion and produce solutions at the necessary level. Savings achieved in the prior year period from productivity initiatives, the impact of the divestiture of SEBRA and the negative impact of foreign currency also contributed to the decline. These decreases were partially offset by the impact of the whole blood filter recall in the prior year period. Gross profit margin continues to be impacted by the inefficiency of underutilized productive capacity. We continue to seek opportunities to rationalize our manufacturing network.

Operating Expenses

	Three Months Ended			Six Months Ended		
(In thousands)	September 30, 2017	October 1, 2016	% Increase/ (Decrease)	September 30, 2017	October 1, 2016	% Increase/ (Decrease)
Research and development	$ 7,521	$ 8,336	(9.8)%	$ 15,714	$ 19,773	(20.5)%
% of net revenues	3.3%	3.8%		3.6%	4.6%	
Selling, general and administrative	$ 72,783	$ 71,118	2.3 %	$ 139,644	$ 158,618	(12.0)%
% of net revenues	32.3%	32.3%		32.0%	36.9%	
Total operating expenses	$ 80,304	$ 79,454	1.1 %	$ 155,358	$ 178,391	(12.9)%
% of net revenues	35.6%	36.1%		35.6%	41.5%	

Research and Development

Research and development expenses decreased 9.8% and 20.5% for the three and six months ended September 30, 2017, as compared to the same periods of fiscal 2017. Without the effect of foreign exchange, research and development expenses decreased 9.4% and 19.3% for the three and six months ended September 30, 2017, as compared to the same periods of fiscal 2017. The decrease was primarily driven by lower restructuring and turnaround costs and reduced spending on several projects in our Blood Center business unit to better align with our long-term product plans. The reduction in spending was partially offset by our continued investment of resources in clinical programs primarily for our Hemostasis Management business unit.

Selling, General and Administrative

Selling, general and administrative expenses increased 2.3% and decreased 12.0% for the three and six months ended September 30, 2017, as compared to the same periods of fiscal 2017. Without the effect of foreign exchange, selling, general, and administrative expenses increased 2.8% and decreased 11.2% for the three and six months ended September 30, 2017, as compared to the same periods of fiscal 2017. The increase for the three months ended September 30, 2017 was primarily the result of higher restructuring and turnaround costs and an increase in variable compensation expense. Although restructuring and turnaround costs were higher during the three months ended September 30, 2017, there was a reduction of this spending during the six months ended September 30, 2017 due to significant levels of such costs incurred in the first quarter of fiscal 2017 in connection with our global strategic review. Annualized savings as a result of the strategic review also contributed to the decrease in spending during the first half of fiscal 2018.

Interest and Other Expense, Net

Interest expense from our term loan borrowings, which constitutes the majority of expense, decreased during the three and six months ended September 30, 2017 as compared to the prior year period due to principal payments on our term loan and a reduction in our borrowings on our revolving credit line. The effective interest rate on total debt outstanding as of September 30, 2017 was 2.5%.

Income Taxes

We conduct business globally and report our results of operations in a number of foreign jurisdictions in addition to the United States. Our reported tax rate is generally lower than the U.S. federal statutory rate as the income tax rates in the foreign jurisdictions in which we operate are generally lower than the U.S. statutory tax rate. Additionally, our reported tax rate is lower than the statutory tax rate as a result of the release of valuation allowance against tax attributes in certain jurisdictions which can be utilized to offset current year earnings.

During the three months ended September 30, 2017 and October 1, 2016, we reported an income tax provision of $2.8 million and $3.0 million, respectively, representing effective tax rates of 12.1% and 13.2%, respectively. For the six months ended September 30, 2017 and October 1, 2016, we reported an income tax provision of $5.9 million and $3.3 million, respectively, representing effective tax rates of 12.7% and 25.8%, respectively. The change in our reported tax rate for both the three and six months ended September 30, 2017 was primarily the result of changes in the jurisdictional mix of earnings. Our effective tax rate for six months ended October 1, 2016 was also impacted by a non-recurring discrete tax expense of $1.4 million related to a workforce reduction during the first quarter of fiscal 2017 in a foreign subsidiary where we were required to maintain certain levels of headcount for a multi-year period, which resulted in the establishment of a tax reserve.

The income tax provision for the for the six months ended September 30, 2017 was primarily attributable to applying our estimated annual effective tax rate to our year-to-date consolidated income before provision for income taxes.

We are in a three year cumulative loss position in the U.S. and, accordingly, maintain a valuation allowance against our U.S. deferred tax assets. Additionally, we 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)	September 30, 2017	April 1, 2017
Cash & cash equivalents	$ 203,622	$ 139,564
Working capital	$ 298,390	$ 298,850
Current ratio	2.2	2.4
Net debt[1]	$ (82,982)	$ (175,083)
Days sales outstanding (DSO)	58	60
Disposable finished goods inventory turnover	4.4	4.2

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

On November 1, 2017, we launched the 2018 Program. Under this restructuring initiative, 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 fiscal 2017, we launched the 2017 Program, a restructuring initiative designed to reposition our organization and improve our cost structure. During the three and six months ended September 30, 2017, we incurred $5.2 million and $7.7 million, respectively, of restructuring and turnaround costs under this program. As of September 30, 2017, the 2017 Program was substantially complete.

Our primary sources of liquidity are cash and cash equivalents, internally generated cash flow from operations and proceeds from employee stock option exercises. Although cash flow from operations could be negatively impacted by continued declines in our Blood Center business, 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 the NexSys PCS, cash payments under the loan agreement, restructuring and turnaround initiatives and other acquisitions.

Debt

As of September 30, 2017, we had $203.6 million in cash and cash equivalents, substantially held in the U.S. or in countries from which it can be freely repatriated to the U.S. We currently have a credit agreement ("Credit Agreement") with certain lenders (together, “Lenders”) which provides for a $475.0 million term loan ("Term Loan") and a $100.0 million revolving loan ("Revolving Credit Facility" and together with the Term Loan, the "Credit Facilities"). Interest is based on the Adjusted LIBOR plus a range of 1.125% to 1.500% depending on achievement of leverage ratios and customary credit terms which include financial and negative covenants. The Credit Facilities mature on July 1, 2019. At September 30, 2017, $286.9 million was outstanding under the Term Loan and no amount was outstanding on the Revolving Credit Facility. We also have $46.5 million of uncommitted operating lines of credit to fund our global operations under which there are no outstanding borrowings as of September 30, 2017.

During the three and six months ended September 30, 2017, we paid $16.6 million and $28.5 million, respectively, in scheduled principal repayments for the Term Loan. We have scheduled principal payments of $33.2 million required during the remainder of fiscal 2018. 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 September 30, 2017.

Cash Flows

	Six Months Ended		
(In thousands)	September 30, 2017	October 1, 2016	Increase/ (Decrease)
Net cash provided by (used in):			
Operating activities	$ 97,328	$ 69,960	$ 27,368
Investing activities	(18,779)	(41,427)	22,648
Financing activities	(16,296)	(4,575)	(11,721)
Effect of exchange rate changes on cash and cash equivalents[1]	1,805	(211)	2,016
Net increase in cash and cash equivalents	$ 64,058	$ 23,747	

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

Net cash provided by operating activities increased by $27.4 million during the six months ended September 30, 2017, as compared to the six months ended October 1, 2016. The increase in cash provided by operating activities was primarily due to net income, as adjusted for depreciation and amortization, and a working capital inflow driven primarily by a decrease in inventories and, to a lesser extent, a decrease in accounts receivable. The decrease in inventories was due to an inventory build of our PCS2 devices in the prior year period and the placement of those devices in fiscal 2018, as well as, the strategic management of inventory levels for this platform of devices in fiscal 2018 in anticipation of the launch of the new devices. The cash inflow was partially offset by a decrease in accrued payroll and related costs as compared to the prior year period, driven by lower restructuring and turnaround reserves.

Net cash used in investing activities decreased by $22.6 million during the six months ended September 30, 2017, as compared to the six months ended October 1, 2016. The decrease in cash used in investing activities was primarily the result of a reduction in capital expenditures during the six months ended September 30, 2017, as compared to the same period in the prior fiscal year, due to the timing of spend, which we expect will occur in the second half of fiscal 2018 and during fiscal 2019. The proceeds received related to the divestiture of our SEBRA product line also contributed to the decrease.

Net cash used in financing activities increased by $11.7 million during the six months ended September 30, 2017, as compared to the six months ended October 1, 2016, primarily due to principal repayments on our Term Loan and lower proceeds received from the exercise of stock options.

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 and six months ended September 30, 2017, approximately 38.4% and 38.2%, 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, Canadian Dollars, and Mexican Pesos. This does not eliminate the volatility of foreign exchange rates, but because we generally enter into forward contracts one year out, rates are fixed for a one-year period, thereby facilitating financial planning and resource allocation. These contracts are designated as cash flow hedges. The final impact of currency fluctuations on the results of operations is dependent on the local currency amounts hedged and the actual local currency results.

Recent Accounting Pronouncements

Standards to be Implemented

Revenue from Contracts with Customers (Topic 606)

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU No. 2014-09 stipulates that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve this core principle, an entity should apply the following steps: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the entity

satisfies a performance obligation. ASU No. 2014-09 will be effective for annual reporting periods beginning after December 15, 2017, including interim periods within those reporting periods. Early adoption is permitted for annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period.

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

In April 2016, the FASB issued ASU No. 2016-10, Revenue from Contracts with Customers (Topic 606): *Identifying Performance Obligations and Licensing*. The guidance clarifies that entities are not required to assess whether promised goods or services are performance obligations if they are immaterial in the context of the contract. ASU No. 2016-10 also addresses how to determine whether promised goods or services are separately identifiable and permits entities to make a policy election to treat shipping and handling costs as fulfillment activities. In addition, it clarifies key provisions in Topic 606 related to licensing. The effective date and transition requirements are consistent with ASU No. 2014-09.

We have established a cross-functional implementation team consisting of representatives from all of our business units and regions. During fiscal 2017, we began analyzing the impact of the standard on our contract portfolio by reviewing a representative sample of our contracts to identify potential differences that would result from applying the requirements of the new standard. The implementation team has apprised both management and the audit committee of project status on a recurring basis.

We have not finalized our assessment of the impact of Topic 606, however we believe our recognition of software revenue will be the most impacted. Software revenue accounts for approximately 8.4% of our total revenue. We continue to analyze performance obligations, variable consideration and disclosures. Additionally, we are monitoring updates issued by the FASB. During the fourth quarter of fiscal 2018, we expect to substantially complete our impact assessment and initiate efforts to redesign impacted processes, policies and controls.

Other Recent Accounting Pronouncements

In January 2016, the FASB issued ASU No. 2016-01, Financial Instruments-Overall (Subtopic 825-10): *Recognition and Measurement of Financial Assets and Financial Liabilities*. ASU No. 2016-01 requires entities to measure equity investments that do not result in consolidation and are not accounted for under the equity method at fair value with changes recognized in net income. However, an entity may choose to measure equity investments that do not have readily determinable fair values at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. It also simplifies the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment. ASU No. 2016-01 also requires separate presentation of financial assets and financial liabilities by measurement category and form of financial asset and liability. ASU No. 2016-01 is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years, and is applicable to us in fiscal 2019. Early adoption of certain provisions is permitted. Management does not believe that the adoption of ASU No. 2016-01 will have a material effect on our financial position or results of operations.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). ASU No. 2016-02 is intended to increase the transparency and comparability among organizations by recognizing lease asset and lease liabilities on the balance sheet, including those previously classified as operating leases under current U.S. GAAP, and disclosing key information about leasing arrangements. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, and is applicable to us in fiscal 2020. Earlier adoption is permitted. The impact of adopting ASU No. 2016-02 on our financial position and results of operations is being assessed by management.

In August 2016, the FASB issued ASU 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 Statements of Cash Flows. The guidance is effective for annual periods beginning after December 15, 2017, and is applicable to us in fiscal 2019. Early adoption is permitted. The adoption of ASU 2016-15 is not expected to have a material effect on our consolidated financial statements.

In October 2016, the FASB issued ASU 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. The guidance is effective for annual periods beginning after December 15, 2017, and is applicable to us in fiscal 2019. Early adoption is permitted for all entities as of the

beginning of an annual reporting period. The impact of adopting ASU No. 2016-16 on our financial position and results of operations is being assessed by management.

In January, 2017 the FASB issued ASU No. 2017-01, Business Combinations: Clarifying the Definition of a Business (Topic *805).* The purpose of the update is to change the definition of a business to assist entities with evaluating when a set of transferred assets and activities is a business. The guidance is effective for annual periods beginning after December 15, 2017, and is applicable to us in fiscal 2019. Early adoption is permitted for all entities as of the beginning of an annual reporting period. The impact of adopting ASU No. 2017-01 is not expected to have a material effect on our consolidated financial statements.

In March 2017, the FASB issued ASU 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 ASU No. 2017-07 is not expected to have a material effect on our consolidated financial statements.

In May 2017, the FASB issued ASU 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. The guidance is effective for annual periods beginning after December 15, 2017, and is applicable to us in fiscal 2019. Early adoption is permitted for all entities as of the beginning of an annual reporting period. The impact of adopting ASU No. 2017-09 on our financial position and results of operations is being assessed by management.

In August 2017, the FASB issued ASU 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 2019. Early adoption is permitted for all entities as of the beginning of an annual reporting period. The impact of adopting ASU No. 2017-12 on our financial position and results of operations is being assessed by management.

Cautionary Statement Regarding Forward-Looking Information

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

These forward-looking statements, like any forward-looking statements, involve risks and uncertainties that could cause actual results to differ materially from those projected or anticipated. 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, 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 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 April 1, 2017. 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 $3.6 million increase in the fair value of the forward contracts; whereas a 10% weakening of the U.S. Dollar would result in a $3.5 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 September 30, 2017 was $286.9 million with an interest rate of 2.5% based on prevailing LIBOR rates. An increase of 100 basis points in LIBOR rates would result in additional annual interest expense of $2.9 million. On December 21, 2012, we entered into interest rate swap agreements to effectively convert $250.0 million of borrowings from a variable rate to a fixed rate. The interest rate swaps matured on August 1, 2017.

ITEM 4. CONTROLS AND PROCEDURES

We conducted an evaluation, as of September 30, 2017, 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”). Because the material weakness in our internal control over financial reporting for inventory that existed as of April 1, 2017 has not yet been fully remediated, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of September 30, 2017.

We have advised our audit committee of this deficiency in our internal control over financial reporting, and the fact that this deficiency constitutes a material weakness. A material weakness in internal control over financial reporting is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis by our internal controls.

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

We have undertaken steps to strengthen our controls over accounting for inventory, including:

- Increasing oversight by our management in the calculation and reporting of certain inventory balances;
- Enhancing policies and procedures relating to account reconciliation and analysis; and
- Strengthening communication and information flows between the inventory operations department and the corporate controller's group.

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

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-a5(f). The Company's internal control system was designed to provide reasonable assurance to the Company's management and Board of Directors regarding the preparation and fair presentation of published financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Controls

Except as noted in the preceding paragraphs, there has not been any change in our system of internal control over financial reporting during the quarter ended September 30, 2017 that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

Information with respect to this Item may be found in Note 11, *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

Except as set forth below, there are no material changes from the Risk Factors previously disclosed in our Annual Report on Form 10-K for the year ended April 1, 2017.

We may not realize the benefits we expect from our Complexity Reduction Initiative.

On November 1, 2017, we committed to and commenced our Complexity Reduction Initiative, also referred to in this report as the 2018 Program, a company-wide restructuring program designed to improve operational performance and reduce cost, freeing up resources to invest in accelerated growth. We anticipate the majority of the savings generated by the 2018 Program will result from cost reductions such as direct materials, indirect spending, facilities, freight, and workforce reduction which will be accomplished primarily through voluntary and involuntary separations. The successful implementation of the 2018 Program presents organizational challenges and in many cases will require successful negotiations with third parties, including suppliers and other business partners, and consultations with appropriate works councils. As a result, we may not be able to realize all of the anticipated benefits from our 2018 Program. Events and circumstances, such as financial or strategic difficulties, delays and unexpected costs may occur that could result in our not realizing all of the anticipated benefits or our not realizing the anticipated benefits on our expected timetable. The 2018 Program could also yield unintended consequences, such as distraction of our management and employees, business disruption, inability to attract or retain key personnel, and reduced employee productivity, which could negatively affect our business, sales, financial condition and results of operations. If we are unable to realize the anticipated savings of the 2018 Program, our ability to fund new business initiatives may be adversely affected. Any failure to implement the 2018 Program in accordance with our expectations could have a material adverse effect on our business, results of operations, cash flows and financial condition.

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

None.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

The Compensation Committee of the Board of Directors (the "Compensation Committee") recently completed a review of our forms of executive severance agreement and change in control agreement. As a result of the review, the Compensation Committee approved (i) an updated form of executive severance agreement (the “Severance Agreement”), (ii) an updated form of change in control agreement (the “Change in Control Agreement”), (iii) the use of both the Severance Agreement and the Change in Control Agreement for certain members of the Company’s senior management, including named executive officers William P. Burke and Neil Ryding, and (iv) the implementation of similar updates to the executive severance agreement and change in control agreement previously existing with Christopher A. Simon, our Chief Executive Officer.

On November 7, 2017, we entered into a Severance Agreement and a Change in Control Agreement with each of Messrs. Simon, Burke and Ryding and other members of senior management. The Severance Agreements and Change in Control Agreements replace the executive severance agreements and change in control agreements previously existing with such named executive officers and the other members of senior management who previously were parties to executive severance agreements or change in control agreements.

The updated form of Severance Agreement expands the definition of “Cause” for termination of employment and provides that the executive’s severance benefits will include, in addition to the severance benefits provided under the prior form of executive severance agreement, a pro-rata portion of the annual bonus the executive would have earned with respect to the fiscal year in which the executive’s termination of employment occurs if the executive had remained actively employed by Haemonetics through the payment date for annual bonuses in respect of such fiscal year, based on the actual performance of Haemonetics during the applicable bonus period and assuming full achievement of any individual performance goals. The updated form of Severance Agreement provides that severance benefits payable thereunder will immediately cease if the executive violates certain confidentiality, non-solicitation, and non-competition obligations and that, in the event of such a violation, the executive will be required to repay to Haemonetics any installments of continued base salary and payments for welfare benefits that were previously paid to the executive as part of his or her severance entitlement.

The updated form of Change in Control Agreement modifies the definition of “Change in Control” to increase the percentage of ownership of our shares by a person or group triggering a Change in Control from 35% to 50% and to include as a Change in Control individuals who constitute the “Incumbent Board” ceasing to constitute a majority of the Board of Directors. The updated form of Change in Control Agreement also clarifies that in the event of a conflict between the terms of the Change in Control Agreement and the terms of an individual equity award with respect to vesting of equity awards upon a Change in Control, the terms of the individual equity award will control if such award provides more favorable vesting terms than the Change in Control Agreement. The updated form of Change in Control Agreement also provides that severance benefits payable thereunder will immediately cease if the executive violates certain confidentiality, non-solicitation, and non-competition obligations and that, in the event of such a violation, the executive will be required to repay to Haemonetics any cash amounts that were previously paid to the executive as part of his or her severance entitlement.

The foregoing summary of the Severance Agreement and Change in Control Agreement does not purport to be complete and is qualified in its entirety by reference to the text of the Form of Severance Agreement, Form of Change in Control Agreement, CEO Severance Agreement, and CEO Change in Control Agreement, which are attached as Exhibits 10.2, 10.3, 10.4 and 10.5, respectively, and are incorporated herein by reference.

Item 6. Exhibits

10.1†	Form of Performance Share Unit Award Agreement Under 2005 Long-Term Incentive Compensation Plan (Internal Financial Metrics, adopted Fiscal 2018)
10.2†	Form of Executive Severance Agreement between the Company and executive officers other than Christopher A. Simon
10.3†	Form of Change in Control Agreement between the Company and executive officers other than Christopher A. Simon
10.4†	Executive Severance Agreement between the Company and Christopher A. Simon dated as of November 7, 2017
10.5†	Change in Control Agreement between the Company and Christopher A. Simon dated as of November 7, 2017
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 September 30, 2017, formatted in Extensible Business Reporting Language (XBRL); (i) Consolidated Statements of Income and Comprehensive Income, (ii) Consolidated Balance Sheets, (iii) Consolidated Statements of Cash Flows, and (iv) Notes to Consolidated Financial Statements.

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

** 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.

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
11/7/2017	By:	/s/ Christopher Simon
		Christopher Simon, President and Chief Executive Officer (Principal Executive Officer)
11/7/2017	By:	/s/ William Burke
		William Burke, Executive Vice President, Chief Financial Officer (Principal Financial Officer)

Exhibit 10.1

HAEMONETICS CORPORATION

2005 LONG-TERM INCENTIVE COMPENSATION PLAN

PERFORMANCE SHARE UNIT AGREEMENT

WITH

____

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

THIS PERFORMANCE SHARE UNIT AGREEMENT ("Agreement"), dated as of ___________ , 2017 ("Grant Date") by and between Haemonetics Corporation, a Massachusetts Corporation ("Company"), and [insert: applicable name] ("Employee"), is entered into as follows:

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

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

NOW, THEREFORE, the parties hereby agree as follows:

1. Grant of Performance Share Units.

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

2. Vesting.

(a) Performance Goals and Vesting Dates. The performance goals for the PSUs are set forth in Schedule A to this Agreement and apply in each case to the [insert: applicable period of time] period beginning on [insert: performance period start 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 table set forth in Schedule A, and also conditioned upon the Employee's continued employment with the Company through the Maturity Date.

(b) Employment Required. Except as otherwise provided in this Section 2, if the Employee ceases to be an employee of the Company prior to the Maturity Date, the PSUs

granted to the Employee hereunder shall not vest and instead shall be forfeited. In such event, vesting shall not be pro-rated between the Grant Date and the Maturity Date.

(c) Disability. If such termination of employment is because of the Employee's Disability while in the employ of the Company, then the continued employment requirement for the Employee shall cease to apply and the number of PSUs to be settled in shares of Stock shall be equal to the amount determined in accordance with Section 2(a) and the table set forth in Schedule A based on the Company's performance as of the end of the Performance Period, multiplied by a fraction, the numerator of which is the number of days elapsed from [insert: applicable date] to the date of the Employee's Disability, and denominator of which is [insert: applicable period.]

(d) Death. If the termination of employment is because of the death of the Employee while in the employ of the Company, then the continued employment requirement for the Employee shall cease to apply and the number of PSUs to be settled in shares of Stock and paid to the Participant's estate shall be equal to the amount determined in accordance with Section 2(a) and the table set forth in Schedule A based on the Company's performance as of the end of the Performance Period multiplied by a fraction, the numerator of which is the number of days elapsed from [insert: applicable date] to the date of the Employee's death, and the denominator of which is [insert: applicable period.]

(e) Qualifying Retirement. If such termination of employment is because of the Employee's Qualifying Retirement while in the employ of the Company, then the continued employment requirement for the Employee shall cease to apply and the number of PSUs to be settled in shares of Stock shall be equal to the amount determined in accordance with Section 2(a) and the table set forth in Schedule A based on the Company's performance as of the end of the Performance Period multiplied by a fraction, the numerator of which is the number of days elapsed from [insert: applicable date] to the date of the Employee's Qualifying Retirement and denominator of which is [insert: applicable period.]

(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 number of Shares under the Target Award. 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 thirty-five percent (35%) of the then outstanding shares of the Common Stock, shall acquire such additional shares of the Common Stock in one or more transactions, or series of transactions, such that following such transaction or transactions such person or group and affiliates beneficially own thirty-five percent (35%) or more of the Common Stock outstanding,

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

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

Notwithstanding the foregoing, none of the above events or conditions shall constitute a Change in Control for purposes of this Agreement unless the event or condition also constitutes a "Change in Control Event" for purposes of Treas. Reg. §1. 409A-3(i)(5).

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

(3) "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, Forfeiture and Clawback.

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

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

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

4. Delivery of Shares.

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

5. Employee Shareholder Rights.

Neither the Employee nor any person claiming through the Employee, will have any of the rights or privileges of a stockholder of Haemonetics with respect to the PSUs unless and until Stock has been issued, recorded on the records of the Company or its transfer agent, and

delivered to the Employee. No dividend equivalents shall be paid on PSUs with respect to any cash dividends declared during any periods of time prior delivery of the shares of Stock.

6. Adjustments or Changes in Capitalization.

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

7. Disability or Death of Employee.

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

8. Taxes.

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

9. Data Privacy Consent.

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

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

10. Miscellaneous.

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

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

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

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

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

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

[Remainder of this page intentionally left blank]

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

HAEMONETICS CORPORATION

____

____
Signature of Employee

____
Date:

RETAIN A COPY OF THIS AGREEMENT FOR YOUR RECORDS

Schedule A

Performance Goals

Exhibit 10.2

EXECUTIVE SEVERANCE AGREEMENT

This Executive Severance Agreement (this "Agreement") is made effective on **Insert Date** (the "Effective Date"), between **Haemonetics Corporation**, a Massachusetts corporation with its principal offices at 400 Wood Road, Braintree, Massachusetts, 02184 (herein referred to as the "Company"), and **Name** (the "Executive"). The Company and the Executive are collectively referred to herein as the "Parties" and individually referred to as a "Party."

BACKGROUND

A. The Executive is employed by the Company as a senior executive of the Company.

B. The Company considers a sound and vital management team to be essential. Management personnel who become concerned about a loss or significant change in their management roles may terminate their employment, become distracted, or be faced with a conflict of interest.

C. The Board of Directors of the Company (the "Board") decided that the Company should provide certain compensation and benefits to the Executive in the event that the Executive's employment terminates under certain circumstances.

D. [**OPTION 1** for Executives that do not currently have Executive Severance Agreement: The Executive and the Company now desire to enter into this Agreement, which will set forth terms and conditions pursuant to which the Executive may be entitled to certain severance payments, as well as set forth certain covenants of the Executive.] [**OPTION 2** for Executives that currently have Executive Severance Agreement: The Executive and the Company are parties to that certain Executive Severance Agreement dated effective as of **Insert Date** (the "Prior Agreement"), and the Executive and the Company now desire to enter into this Agreement, which will replace and supersede the Prior Agreement in its entirety, and set forth terms and conditions pursuant to which the Executive may be entitled to certain severance payments, as well as set forth certain covenants of Executive.]

AGREEMENT

In consideration of the promises and mutual covenants contained herein, the Parties agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) Cause. "Cause" means:

(i) the Executive is indicted for, convicted of, or pleads guilty or nolo contendere to a felony or any other crime involving moral turpitude, dishonesty, fraud, theft or financial impropriety;

(ii) the Executive willfully fails to substantially perform the Executive's duties with Company, including lawful directives of the Board, other than any failure resulting from incapacity due to physical or mental illness, provided, however, that the Company has given the Executive a written demand for substantial performance, that specifically identifies the areas in which the Executive's performance is substandard, and the Executive has not cured such failure within 30 days after delivery of the demand or such failure is not curable or is part of a pattern of a habitual breach of duties;

(iii) the Executive materially breaches the terms of any Restrictive Covenants (as defined below in Paragraph 13) or other similar provisions in an agreement between the Company and the Executive;

(iv) the Executive fails to devote substantially all of the Executive's working time to the Company's affairs except as may be authorized in writing by the Board or the Company's Chief Executive Officer;

(v) the Executive violates a material term of the Company's Code of Conduct or other similar policy, which violation the Executive does not cure to the Company's reasonable satisfaction within 30 days following the Executive's receipt of written notice from the Company that describes the violation in reasonable detail, and which violation causes or could reasonably be expected to cause material harm to the Company;

(vi) the Executive attempts to secure any improper personal profit or benefit in connection with the Company's business;

(vii) the Executive's performance of any material act of theft, embezzlement, fraud, malfeasance, dishonesty, or misappropriation of the Company's property; or

(viii) the Executive engages in willful misconduct in connection with the Executive's employment or a breach of fiduciary duty to the Company.

No act or failure to act on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith and without reasonable belief that the Executive's action or omission was in, or not opposed to, the best interests of the Company or its subsidiaries. "Cause" shall not include or be predicated upon any act or omission by the Executive which is taken or made (a) at the lawful direction of the Board of Directors; (b) in good faith, under the Executive's reasonable belief that the act or omission was in the best interests of the Company; (c) pursuant to the advice of the Company's counsel; or (d) to comply

with a lawful court order, directive from a federal, state or local government agency or industry regulatory authority, or subpoena.

(b)"Disability" means the Executive's inability, due to physical or mental incapacity resulting from injury, sickness or disease, for one hundred and eighty (180) days in any twelve-month period to perform the Executive's duties of employment, with or without reasonable accommodation.

(c) "Separation from Service" or "Separates from Service" means a "separation from service" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") (after applying the presumptions in Treas. Reg. Sec. 1.409A-1(h)).

2. Term. The initial term of this Agreement shall extend until **Insert Date That Is Third Anniversary of Effective Date** (the "Initial Term"); provided, however, that this Agreement shall automatically renew for successive additional one year periods ("Renewal Terms") unless notice of nonrenewal is given by either Party to the other Party at least one hundred and eighty (180) days prior to the end of the Initial Term or, if applicable, the then current Renewal Term. The "Term" of this Agreement shall be the Initial Term plus all Renewal Terms. At the end of the Term, this Agreement shall terminate without further action by either the Company or the Executive. The obligations of the Company and the Executive under this Agreement which by their nature may require either partial or total performance after its expiration shall survive any such expiration. Termination of the Executive's employment during the Term for any reason by a Party will be communicated to the other Party by written notice ("Notice of Termination"). The Notice of Termination will specify the provisions of this Agreement, if any, upon which termination is based and its effective date, which in no case will be more than 180 days after Notice of Termination.

3. Severance Benefits. If the Executive Separates from Service during the Term due to a Qualifying Termination (as defined in Paragraph 3(h) below), the Executive shall be entitled to the severance benefits set forth in this Paragraph 3 (collectively, the "Severance Benefits").

(a) Salary Amount. Subject to the Executive's continued compliance with the requirements of Paragraphs 5 and 13 below, the Company will pay to the Executive, in accordance with Paragraph 3(f) below, an amount equal to one times the Executive's base salary at the annualized rate which was being paid by the Company and/or its subsidiaries to the Executive immediately prior to the Qualifying Termination (the "Salary Component").

(b) Payment for Welfare Benefits. Subject to the Executive's continued compliance with the requirements of Paragraphs 5 and 13 below, the Company will pay to the Executive, in accordance with Paragraph 3(f) below, an amount equal to (i) the approximate cost of the Company's portion of the monthly premium for the Executive's medical and dental insurance coverages as in effect immediately prior to the Separation from Service, multiplied by (ii) twelve (12) (together with the

Salary Component, the "Cash Severance"). For avoidance of doubt, medical coverage for this purpose shall include medical coverage provided to non-employees covered with the Executive under the Company sponsored plan, policy or program at the time of the Qualifying Termination.

(c) Pro Rata Bonus. Subject to the Executive's continued compliance with the requirements of Paragraphs 5 and 13 below, the Company shall pay the Executive a Pro Rata Bonus with respect to the fiscal year in which the Executive's termination of employment occurs. A "Pro Rata Bonus" means the amount of the annual cash bonus that the Executive would have earned if Executive had remained actively employed with the Company through the applicable payment date based on the Company's actual performance and assuming full achievement of any individual performance goals multiplied by a fraction, the numerator of which is the number of days from the beginning of the Company's then current fiscal year to the date of actual Separation from Service and the denominator of which is 365. The provisions of this Paragraph 3(c) shall apply notwithstanding any contrary term of any bonus or incentive program that would require the Executive to remain employed until the date of payment. In determining the amount of the Pro Rata Bonus, the Company shall apply any negative discretion pertaining to Company performance goals under the annual incentive program in good faith and in the same manner as applies to other similarly situated Executives. The Company shall pay the Pro Rata Bonus at the same time it pays bonuses to similarly situated executives, but in no event later than the 15th day of the third month following the end of the fiscal year to which the Pro Rata Bonus relates. In the event that a Qualifying Termination occurs before the payment of the annual cash bonus for the immediately preceding fiscal year, the provisions of this Paragraph 3(c) shall also apply to such bonus, without any pro rata reduction and assuming full achievement of any individual performance goals.

(d) Outplacement Services. Subject to the Executive's continued compliance with the requirements of Paragraphs 5 and 13 below, the Executive shall be entitled to outplacement services by a senior counselor of a firm nationally recognized as a reputable national provider of such services for a period not to exceed twelve (12) months following Separation from Service, plus evaluation testing, at a location mutually agreeable to the Parties. Services under this Paragraph 3(d) will be provided by an outside organization selected and paid for by the Company. If the Executive elects not to take advantage of such program within thirty (30) days of the Executive's Qualifying Termination, unless otherwise agreed in writing by the Parties, the Company will not be obligated to provide this service. In no circumstance will the Company pay cash to the Executive in lieu of the use of these services.

(e) Limits on Severance Benefits.

(i) The Executive shall not be entitled to Severance Benefits upon any other Separation from Service or other termination of employment, including a termination of employment by the Company for Cause, by the Executive, or

due to the Executive's death or Disability. Except as otherwise provided in Paragraph 3(e)(ii) below, the Severance Benefits shall be in lieu of any other severance benefits otherwise payable by the Company to the Executive and shall be subject to reduction due to application of the 280G Cap (as defined in Paragraph 4(a) below). No Severance Benefits shall be paid unless the Executive has timely executed a release that is not revoked as provided under Paragraph 5 below.

(ii) If the Executive is party to a Change in Control Agreement between the Company and the Executive and the Executive is entitled to the severance benefits available under the Change in Control Agreement, then the Executive shall not receive the Severance Benefits provided under this Agreement.

(iii) By accepting the Severance Benefits, the Executive waives the Executive's right, if any, to have any Severance Benefit payment taken into account to increase the benefits otherwise payable to, or on behalf of, the Executive under any employee benefit plan, policy or program, whether qualified or nonqualified, maintained by the Company (e.g., there will be no increase in the Executive's tax-qualified retirement plan benefits, non-qualified deferred compensation plan benefits or life insurance because of Severance Benefits received hereunder).

(f) Timing. Provided that, in accordance with Paragraph 5 below, the Executive has timely executed a release that is not revoked, the Cash Severance shall be paid to the Executive in approximately equal installments over the course of one year following Separation from Service in accordance with the Company's regular payroll practices, beginning on the first regularly scheduled payroll date of the Company following the date on which the release becomes effective in accordance with its terms; provided that in the event the Cash Severance constitutes "nonqualified deferred compensation" for purposes of Section 409A of the Code, payments shall begin on the sixtieth (60th) day following the date of the Qualifying Termination and the first installment shall include payment of any amount that was otherwise scheduled to be paid prior thereto. The Company will withhold from the Severance Benefits taxes and other authorized deductions. The Company will pay the Severance Benefits only after the Executive has timely executed a release that is not revoked as provided under Paragraph 5 below.

(g) Equity Vesting. The vesting schedule of any outstanding options to purchase shares of the Company's common stock and/or restricted stock units, performance shares units or other forms of equity award shall not be accelerated in the event of a Qualifying Termination, unless specifically provided to the contrary in the applicable award agreement or by subsequent action by the Board.

(h) Qualifying Termination. A "Qualifying Termination" means termination of employment for any reason other than because (i) the Executive dies or becomes Disabled, (ii) the Company terminates the Executive's employment for Cause, or (iii) the Executive resigns from employment for any reason. Notwithstanding the foregoing, the Executive will not be entitled to any of the Severance Benefits if the Company determines in accordance with the terms of this Agreement, within 90 days after the Executive's termination of employment, that the Executive's conduct prior to the Executive's termination of employment would have warranted a termination of employment for "Cause" pursuant to Paragraphs 1(a)(iii), 1(a)(vi), or 1(a)(vii) of this Agreement or if, after the Executive's termination, the Executive has violated the terms of any of the Restrictive Covenants.

4. Section 280G Restriction. Notwithstanding any provision of this Agreement to the contrary, the following provisions shall apply:

(a) If it is determined that part or all of the compensation and benefits payable to the Executive (whether pursuant to the terms of this Agreement or otherwise) before application of this Paragraph 4 would constitute "parachute payments" under Section 280G of the Code, and the payment thereof would cause the Executive to incur the 20% excise tax under Section 4999 of the Code, then the amounts otherwise payable to or for the benefit of the Executive pursuant to this Agreement (or otherwise) that, but for this Paragraph 4 would be "parachute payments," (referred to below as the "Total Payments") shall either (i) be reduced so that the present value of the Total Payments to be received by the Executive will be equal to three times the "base amount" (as defined under Section 280G of the Code) less $1,000 (the "280G Cap"), or (ii) paid in full, whichever produces the better after-tax position to the Executive (taking into account all applicable taxes, including but not limited to the excise tax under Section 4999 of the Code and any federal and state income and employment taxes). Any required reduction under clause (i) above shall be made in a manner that maximizes the net after-tax amount payable to the Executive, as reasonably determined by the Consultant (as defined below).

(b) All determinations required under this Paragraph 4 shall be made by a nationally recognized accounting, executive compensation or law firm appointed by the Company (the "Consultant") that is reasonably acceptable to the Executive on the basis of "substantial authority" (within the meaning of Section 6662 of the Code). The Consultant's fee shall be paid by the Company. The Consultant shall provide a report to the Executive that may be used by the Executive to file the Executive's federal tax returns.

(c) It is possible that payments could be made by the Company that should not have been made pursuant to this Paragraph 4. If the Company determines following the payment of amounts owed to the Executive under this Agreement (or otherwise) that clause (i) in Paragraph 4(a) above should have applied to reduce such amounts, then the Executive shall immediately repay to the Company, upon the Company's written

notification that an overpayment has been made, the amount of such payments in excess of the 280G Cap.

(d) Nothing in this Paragraph 4 shall require the Company to be responsible for, or have any liability or obligation with respect to, any excise tax liability under Section 4999 of the Code.

5. Release. The Executive agrees that the Company will have no obligations to pay the Severance Benefits until the Executive executes a separation agreement which includes a release of claims in a form acceptable by the Company and allows such release of claims to go into effect without revocation. The Company has no obligations to pay the Severance Benefits if the Executive revokes such release. The Executive shall have the period of time required by the Age Discrimination in Employment Act of 1967, which period may be twenty-one (21) days or forty-five (45) days, as specified in the separation agreement provided to the Executive in connection with the Executive's Separation from Service, to consider whether or not to sign the release. If the Executive fails to return an executed release to the Company within such period, or the Executive subsequently revokes a timely filed release, the Company shall have no obligation to pay any amounts or benefits under Paragraph 3 above.

6. No Interference with Other Vested Benefits. Regardless of the circumstances under which the Executive may terminate from employment, the Executive has a right to any benefits under any employee benefit plan, policy or program maintained by the Company which the Executive had a right to receive under the terms of such employee benefit plan, policy or program after a termination of the Executive's employment without regard to this Agreement. The Company shall within thirty (30) days of Separation from Service pay the Executive any earned but unpaid base salary and bonus, shall promptly pay the Executive for any earned but untaken vacation and shall promptly reimburse the Executive for any incurred but unreimbursed expenses which are otherwise reimbursable under the Company's expense reimbursement policy as in effect for senior executives immediately before the Executive's employment termination.

7. Consolidation or Merger. If the Company is at any time before a Separation from Service merged or consolidated into or with any other corporation, association, partnership or other entity (whether or not the Company is the surviving entity), or if substantially all of the assets thereof are transferred to another corporation, association, partnership or other entity, the provisions of this Agreement will be binding upon and inure to the benefit of the corporation, association, partnership or other entity resulting from such merger or consolidation or the acquirer of such assets (collectively, "Acquiring Entity") unless the Executive voluntarily elects not to become an employee of the Acquiring Entity as determined in good faith by the Executive. Furthermore, in the event of any such consolidation or transfer of substantially all of the assets of the Company, the Company shall enter into an agreement with the Acquiring Entity that shall provide that such Acquiring Entity shall assume this Agreement and all obligations and liabilities under this Agreement; provided, that the Company's failure to comply with this provision shall not adversely affect

any right of the Executive hereunder. This Paragraph 7 will apply in the event of any subsequent merger or consolidation or transfer of assets.

In the event of any merger, consolidation or sale of assets described above, nothing contained in this Agreement will detract from or otherwise limit the Executive's right to or privilege of participation in any restricted stock plan, bonus or incentive plan, stock option or purchase plan, profit sharing, pension, group insurance, hospitalization or other compensation or benefit plan or arrangement which may be or become applicable to officers of the corporation resulting from such merger or consolidation or the Acquiring Entity acquiring such assets of the Company.

In the event of any merger, consolidation or sale of assets described above, references to the Company in this Agreement shall, unless the context suggests otherwise, be deemed to include the Acquiring Entity.

8. No Mitigation. The Company agrees that the Executive is not required to seek other employment after a Qualifying Termination or to attempt in any way to reduce any amounts payable to the Executive by the Company under Paragraph 3 above. Further, the amount of any payment or benefit provided for in this Agreement shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

9. Payments. All payments provided for in this Agreement shall be paid in cash in the currency of the primary jurisdiction in which the Executive provided services to the Company and its subsidiaries immediately prior to Separation from Service. The Company shall not be required to fund or otherwise segregate assets to ensure payments under this Agreement.

10. Tax Withholding; Section 409A.

(a) All payments made by the Company to the Executive or the Executive's dependents, beneficiaries or estate will be subject to the withholding of such amounts relating to tax and/or other payroll deductions as may be required by law.

(b) The Parties intend that the benefits and payments provided under this Agreement shall be exempt from, or comply with, the requirements of Section 409A of the Code. Notwithstanding the foregoing, the Company shall in no event be obligated to indemnify the Executive for any taxes or interest that may be assessed by the IRS pursuant to Section 409A of the Code. Each payment or installment under this Agreement is intended to be a "separate payment" for purposes of Section 409A.

11. Arbitration.

(a) The Parties agree that any legal disputes (including but not limited to claims arising under federal or state statute, contract, tort, or public policy) that may occur between

the Company and the Executive, and that arise out of, or are related in any way to, your employment with or termination of employment from the Company or the termination of this Agreement, and which disputes cannot be resolved informally, will be resolved exclusively through final and binding arbitration. The Parties will be precluded from raising in any other forum, including, but not limited to, any federal or state court of law, or equity, any claim arising under or pertaining to this Agreement which could be raised in arbitration, provided, however, that nothing in this Agreement precludes the Executive from filing a charge or from participating in an administrative investigation of a charge before an appropriate government agency or the Company from initiating an arbitration over a matter covered by this Agreement.

(b) Each Party may demand arbitration, no later than three hundred (300) days after the date on which the claim arose, by submitting to the other party a written demand which states: (i) the claim asserted, (ii) the facts alleged, (iii) the applicable statute or principal of law (e.g., breach of contract) upon which the demand is based, and (iv) the remedy sought. Any response to such demand must be made, in writing, within twenty (20) days after receiving the demand, and will specifically admit or deny each factual allegation.

(c) Arbitration timely initiated under this Paragraph 11 will be conducted in Boston, Massachusetts or at such other location as may be agreeable to the Parties, in accordance with the National Rules for the Resolution of Employment Disputes of the American Arbitration Association in effect on the date of such arbitration (the "Rules"), and judgment upon the award rendered by the arbitrator or arbitrators may be entered in any court having jurisdiction thereof. The award of the arbitrator shall be final and binding and shall be the sole and exclusive remedy between the Parties regarding any claims, counterclaims, issues or accountings presented to the arbitrator.

(d) The Parties agree that the arbitration shall be conducted by one (1) person mutually acceptable to the Company and the Executive, provided that if the Parties cannot agree on an arbitrator within thirty (30) days of filing a notice of arbitration, the arbitrator shall be selected by the manager of the principal office of the American Arbitration Association in Suffolk County in the Commonwealth of Massachusetts. Any action to enforce or vacate the arbitrator's award shall be governed by the federal Arbitration Act, if applicable, and otherwise by applicable state law.

(e) If either Party pursues any claim, dispute or controversy against the other in a proceeding other than the arbitration provided for herein, the responding Party shall be entitled to dismissal or injunctive relief regarding such action and recovery of all costs, losses and attorney's fees related to such action.

(f) All of the Executive's reasonable costs and expenses incurred in connection with such arbitration shall be paid in full by the Company promptly on written demand from the Executive, including the arbitrators' fees, administrative fees, travel

expenses, out-of-pocket expenses such as copying and telephone, court costs, witness fees and attorneys' fees; provided, however, the Company shall pay no more than $50,000 per year in attorneys' fees unless a higher figure is awarded in the arbitration, in which event the Company shall pay the figure awarded in the arbitration.

(g) Reimbursement of reasonable costs and expenses under Paragraph 11(f) above shall be administered consistent with the following additional requirements as set forth in Treas. Reg. § 1.409A-3(i)(1)(iv): (i) the Executive's eligibility for benefits in one year will not affect the Executive's eligibility for benefits in any other year; (ii) any reimbursement of eligible expenses will be made on or before the last day of the year following the year in which the expense was incurred; and (iii) the Executive's right to benefits is not subject to liquidation or exchange for another benefit. Notwithstanding the foregoing, if the Executive is a "specified employee" for purposes of Section 409A of the Code, reimbursement for benefits under Paragraph 11(f) above shall be made in accordance with the six (6)-month delay rules under Treas. Reg. § 1.409A-3(i)(2).

(h) The Executive acknowledges and agrees that this arbitration provision constitutes a voluntary waiver of trial by jury in any action or proceeding to which the Executive or the Company may be parties arising out of or pertaining to this Agreement.

(i) Notwithstanding anything to the contrary contained in this Paragraph 11, the Company and the Executive agree that the Company has the right to seek injunctive or other equitable relief from a court of competent jurisdiction with respect to the enforcement of any obligations the Executive has pursuant to the Restrictive Covenants (as defined in Paragraph 13 below).

12. Assignment; Payment on Death.

(a) The provisions of this Agreement shall be binding upon and shall inure to the benefit of the Executive, the Executive's executors, administrators, legal representatives and assigns and the Company and its successors. The Company will require any successor (whether direct, indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of its business or assets expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no such succession had taken place.

(b) In the event that the Executive becomes entitled to payments under this Agreement and subsequently dies, all amounts payable to the Executive hereunder and not yet paid to the Executive at the time of the Executive's death shall be paid to the Executive's beneficiary. No right or interest to or in any payments shall be assignable by the Executive; provided, however, that this provision shall not preclude the Executive from designating one or more beneficiaries to receive any amount that may be payable after the Executive's death and shall not preclude the legal representatives of the Executive's estate from assigning any right hereunder to the

person or persons entitled thereto under the Executive's will or, in the case of intestacy, to the person or persons entitled thereto under the laws of intestacy applicable to the Executive's estate. The term "beneficiary" as used in this Agreement shall mean the beneficiary or beneficiaries so designated by the Executive to receive such amount or, if no such beneficiary is in existence at the time of the Executive's death, the legal representative of the Executive's estate.

(c) No right, benefit or interest hereunder shall be subject to anticipation, alienation, sale, assignment, encumbrance, charge, pledge, hypothecation, or set-off in respect of any claim, debt or obligation, or to execution, attachment, levy or similar process, or assignment by operation of law. Any attempt, voluntary or involuntary, to effect any action specified in the immediately preceding sentence shall, to the full extent permitted by law, be null, void and of no effect.

13. Non-Competition and Non-Solicitation. With execution of this Agreement, the Executive ratifies and confirms the Executive's obligations to the Company and its affiliates under the Proprietary Information and Non-Competition Agreement by and between the Executive and the Company or under any similar provisions or obligations concerning confidentiality, non-solicitation or non-competition (collectively, the "Restrictive Covenants"). In the event the Executive violates any provision of the Restrictive Covenants, the Severance Benefits shall immediately cease, the Company shall be relieved of its obligation to provide any further Severance Benefits, and the Executive shall immediately repay to the Company the amount of any Cash Severance received by the Executive prior to such violation.

14. Amendments and Waivers. Except as otherwise specified in this Agreement, this Agreement may be amended, and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Parties.

15. Integration. The terms of this Agreement shall supersede any prior agreements, understandings, arrangements or representations, oral or otherwise, expressed or implied, with respect to the subject matter hereof which have been made by either Party, [**OPTION** for Executives that currently have CiC Agreement: including without limitation the Prior Agreement,] provided that in the event of any conflict between the terms of this Agreement and any Change in Control Agreement between the Company and the Executive, (i) the terms of the Change in Control Agreement shall prevail with respect to a Separation from Service that occurs on or after a "change in control" (as defined in the Change in Control Agreement) and (ii) the terms of this Agreement shall prevail with respect to a Separation from Service prior to a "change in control" (as defined in the Change in Control Agreement). By signing this Agreement, the Executive releases and discharges the Company from any and all obligations and liabilities heretofore or now existing under or by virtue of such prior agreements other than any such Change in Control Agreement.

16. Notices. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given (a)

on the date of delivery if delivered by hand, (b) on the date of transmission, if delivered by confirmed facsimile, (c) on the first business day following the date of deposit if delivered by guaranteed overnight delivery service, or (d) on the fourth business day following the date mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive: at the address (or to the facsimile number) shown on the records of the Company.

If to the Company:
General Counsel
Haemonetics Corporation
400 Wood Road
Braintree, MA 02184

or to such other address as either Party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

17. Severability. Any provision of this Agreement held to be unenforceable under applicable law will be enforced to the maximum extent possible, and the balance of this Agreement will remain in full force and effect.

18. Headings of No Effect. The paragraph headings contained in this Agreement are included solely for convenience or reference and shall not in any way affect the meaning or interpretation of any of the provisions of this Agreement.

19. Not an Employment Contract. This Agreement is not an employment contract and shall not give the Executive the right to continue in employment by Company or any of its subsidiaries for any period of time or from time to time nor shall this Agreement give the Executive the right to continued membership on the Company's Executive Leadership Team. This Agreement shall not adversely affect the right of the Company or any of its subsidiaries to terminate the Executive's employment with or without Cause at any time.

20. Governing Law. This Agreement and its validity, interpretation, performance and enforcement shall be governed by the laws of the Commonwealth of Massachusetts (without reference to the choice of law principles thereof).

21. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

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IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its officers thereto duly authorized, and the Executive has signed this Agreement.

HAEMONETICS CORPORATION

By: ___________________________

EXECUTIVE

____
Name:

Exhibit 10.3

CHANGE IN CONTROL AGREEMENT

This Change in Control Agreement (this "Agreement") is made effective on **Insert Date** (the "Effective Date") between **Haemonetics Corporation**, a Massachusetts corporation with its principal offices at 400 Wood Road, Braintree, Massachusetts, 02184 (herein referred to as the "Company"), and **Name** (the "Executive"). The Company and the Executive are collectively referred to herein as the "Parties" and individually referred to as a "Party."

BACKGROUND

A. The Executive is employed by the Company as a senior executive of the Company.

B. The Board of Directors of the Company (the "Board") decided that the Company should provide certain compensation and benefits to the Executive in the event that the Executive's employment is terminated on or after a change in the ownership or control of the Company under certain circumstances.

C. [**OPTION 1** for Executives that do not currently have CiC Agreement: The Executive and the Company now desire to enter into this Agreement, which will set forth terms and conditions pursuant to which the Executive may be entitled to certain compensation and benefits, as well as set forth certain covenants of the Executive.] [**OPTION 2** for Executives that currently have CiC Agreement: The Executive and the Company are parties to that certain Change in Control Agreement dated effective as of **Insert Date** (the "Prior Agreement"), and the Executive and the Company now desire to enter into this Agreement, which will replace and supersede the Prior Agreement in its entirety, and set forth terms and conditions pursuant to which Executive may be entitled to certain compensation and benefits, as well as set forth certain covenants of Executive.]

AGREEMENT

In consideration of the promises and the mutual covenants contained herein, for so long as the Executive is a Qualifying Executive (as defined in Paragraph 3 below), then the Parties agree as follows:

1. Purpose. The Company considers a sound and vital management team to be essential. Management personnel who become concerned about the possibility that the Company may undergo a Change in Control (as defined in Paragraph 2 below) may terminate employment or become distracted. Accordingly, the Board has determined to extend this Agreement to minimize the distraction the Executive may suffer from the possibility of a Change in Control.

2. Change in Control. The term "Change in Control" for purposes of this Agreement shall mean the earliest to occur of the following events during the Term (as defined in Paragraph 3 below):

(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 then outstanding shares of the Company's $0.01 par value common stock ("Common Stock"), shall acquire such additional shares of the Company's 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 Company's 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 Board (for this purpose, "Incumbent Board" means at any time those persons who are then members of the Board and who are either (i) members of the Board on the date of this Agreement, or (ii) have been elected, or have been nominated for election by the Company's stockholders, 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), or

(d) there is a consummation of any merger, reorganization, consolidation or share exchange unless the persons who were the beneficial owners of the outstanding shares of the Company's 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 Paragraph 2(d), 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 the Company's Common Stock by the persons described above immediately before the consummation of such transaction.

3. Term. The initial term of this Agreement shall extend until **Insert Date That Is Fifth Anniversary of Effective Date** (the "Initial Term"); provided, however, that this Agreement shall automatically renew for successive additional five year periods ("Renewal Terms") unless notice of nonrenewal is given by either Party to the other Party at least one year prior to the end of the Initial Term or, if applicable, the then current Renewal Term; and provided, further, that if a Change in Control occurs during the Term, the Term shall automatically extend until the second anniversary of the Change in Control (the "Protection Period"). The "Term" of this Agreement shall be the Initial Term plus all Renewal Terms and, if applicable,

the duration of the Protection Period. At the end of the Term, this Agreement shall terminate without further action by either the Company or the Executive. If no Change in Control occurs prior to expiration of the Term, if the Executive Separates from Service (as defined in Paragraph 5(d) below) before a Change in Control, or if, as of the execution date of a definitive agreement, the consummation of which would result in a Change in Control, the Executive is not a Qualifying Executive (as defined in this Paragraph 3), this Agreement shall automatically terminate without any further action; provided, however, that Paragraph 13 below (regarding arbitration) shall continue to apply to the extent the Executive disputes the termination of this Agreement. The obligations of the Company and the Executive under this Agreement which by their nature may require either partial or total performance after its expiration shall survive any such expiration. "Qualifying Executive" shall mean an executive employed by the Company or one of its affiliates (i) holding the title of Executive Vice President, Senior Vice President, or President of a business unit, (ii) qualifying as an "officer" (as defined under SEC Rule 16a-1(f)) or (iii) reporting directly to the Chief Executive Officer.

4. Severance Benefits. If, during the Protection Period, the Executive "Separates from Service" (as defined in Paragraph 5(d) below) due to termination of employment by the Company and its subsidiaries without "Cause" (as defined in Paragraph 5(a) below) or by the Executive due to "Constructive Termination" (as defined in Paragraph 5(b) below) (each, a "Qualifying Termination"), the Executive shall be entitled to the severance benefits set forth in this Paragraph 4. The Executive shall not be entitled to severance benefits upon any other Separation from Service, including a termination of employment by the Company for Cause, by the Executive other than due to Constructive Termination, or due to the Executive's death or Disability (as defined in Paragraph 5(c) below). The payments and benefits provided for under this Paragraph 4 shall be in lieu of any other severance benefits otherwise payable by the Company to the Executive and shall be subject to reduction due to application of the 280G Cap as provided under Paragraph 6 below. Payment of the severance benefits as may be reduced by the 280G Cap, if applicable, shall commence sixty (60) days after a Qualifying Termination, provided that the Executive has timely executed a release that is not revoked as provided under Paragraph 7 below. No severance benefits shall be paid if the Executive has not timely executed a release under Paragraph 7 below.

(a) Salary and Bonus Amount. Subject to the Executive's continued compliance with Paragraphs 7 and 15 below, the Company will pay to the Executive sixty (60) days after a Qualifying Termination a lump sum cash amount equal to the product obtained by multiplying:

(i) the sum of (A) base salary at the annualized rate which was being paid by the Company and/or its subsidiaries to the Executive immediately prior to the time of such termination or, if greater, at the time of the Change in Control plus (B) the annual target bonus and/or any other annual cash incentive award opportunity applicable to the Executive at the time of the Qualifying Termination or, if greater, at the time of the Change in Control, by

(ii) 2.0

(b) Payment for Welfare Benefits. Subject to the Executive's continued compliance with Paragraphs 7 and 15 below, the Company will pay to the Executive sixty (60) days after a Qualifying Termination a lump sum cash amount equal to (i) the approximate cost of the Company's portion of the monthly premium for the Executive's medical and dental insurance coverages as in effect immediately prior to the Separation from Service, multiplied by (ii) twenty-four (24). For avoidance of doubt, medical coverage for this purpose shall include medical coverage provided to non-employees covered with the Executive under the Company sponsored plan, policy or program at the time of the Qualifying Termination.

(c) Outplacement Services. Subject to the Executive's continued compliance with Paragraphs 7 and 15 below, the Executive shall be entitled to outplacement services by a senior counselor of a firm nationally recognized as a reputable national provider of such services for a period not to exceed twelve (12) months following Separation from Service, plus evaluation testing, at a location mutually agreeable to the Parties. Services under this Paragraph 4(c) will be provided by an outside organization selected and paid for by the Company. If the Executive elects not to take advantage of such program within thirty (30) days of the Executive's Qualifying Termination, unless otherwise agreed in writing by the Parties, the Company will not be obligated to provide this service. In no circumstance will the Company pay cash to the Executive in lieu of the use of these services.

(d) Equity Awards. Subject to the Executive's continued compliance with Paragraph 15 below, the vesting of the Executive's Equity Awards shall be governed by this Paragraph 4(d). The term "Equity Award" shall mean stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares or any other form of award that is measured with reference to the Company's Common Stock granted at any time before the end of the Term.

(i) The vesting of the Executive's Equity Awards granted on or after the Effective Date that vest solely on the basis of continued employment with the Company or any of its subsidiaries shall be accelerated solely by reason of a Change in Control only if the surviving corporation or acquiring corporation following a Change in Control refuses to assume or continue the Executive's Equity Awards or to substitute similar Equity Awards for those outstanding immediately prior to the Change in Control. If such Executive's Equity Awards are so continued, assumed or substituted and at any time after the Change in Control the Executive incurs a Qualifying Termination and complies with Paragraph 7 below, then the vesting and exercisability of all such unvested Equity Awards held by the Executive that are then outstanding shall be accelerated in full and any reacquisition rights held by the Company

with respect to any such Equity Award shall lapse in full, in each case, upon such termination.

(ii) The vesting of the Executive’s Equity Awards that vest, in whole or in part, based upon achieving “Performance Criteria” (as defined in this Paragraph 4(d)) shall be accelerated on a pro rata basis by reason of a Change in Control. The pro rata vesting amount shall equal the designated target award multiplied by a fraction, the numerator of which is the number of days the Executive was employed during the award’s performance period as of the date of the Change in Control, and the denominator of which is the number of days in such performance period. For purposes of this Paragraph 4(d), “Performance Criteria” means any business criteria that apply to the Executive, a business unit, division, subsidiary, affiliate, the Company or any combination of the foregoing.

(iii) This Paragraph 4(d) sets forth the Executive’s minimum vesting rights under the Equity Awards in connection with a Change in Control. If an Equity Award provides more favorable vesting rights in connection with a Change in Control than set forth in this Paragraph 4(d), the vesting terms of such Equity Award shall govern.

(iv) Enforcement of the terms of this Paragraph 4(d) shall survive termination of this Agreement.

By accepting severance benefits under this Paragraph 4, the Executive waives the Executive’s right, if any, to have any payment made under this Paragraph 4 taken into account to increase the benefits otherwise payable to, or on behalf of, the Executive under any employee benefit plan, policy or program, whether qualified or nonqualified, maintained by the Company (e.g., there will be no increase in the Executive’s tax-qualified retirement plan benefits, non-qualified deferred compensation plan benefits or life insurance because of severance benefits received hereunder).

5. Definitions of “Cause,” “Constructive Termination,” “Disability,” and “Separation from Service”. For purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) “Cause” means (i) the Executive’s conviction of (or a plea of guilty or nolo contendere to) a felony or any other crime involving moral turpitude, dishonesty, fraud, theft or financial impropriety; or (ii) a determination by a majority of the Board in good faith that the Executive has (A) willfully and continuously failed to perform substantially the Executive’s duties (other than any such failure resulting from the Executive’s Disability or incapacity due to bodily injury or physical or mental illness), after a written demand for substantial performance is delivered to the Executive by the Board that specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive’s duties, (B) engaged in gross misconduct or a material act of theft, embezzlement, fraud, malfeasance,

dishonesty, or misappropriation of the Company's property, or (C) willfully violated a material requirement of the Company's code of conduct or the Executive's fiduciary duty to the Company. No act or failure to act on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith and without reasonable belief that the Executive's action or omission was in, or not opposed to, the best interests of the Company or its subsidiaries. In order to terminate the Executive's employment for Cause, the Company shall be required to provide the Executive a reasonable opportunity to be heard (with counsel) before the Board, which shall include at least ten (10) business days of advance written notice to the Executive. Further, the Executive's attempt to secure employment with another employer that does not breach the Executive's non-competition obligations shall not constitute an event of "Cause".

(b) "Constructive Termination" means, without the express written consent of the Executive, the occurrence of any of the following during the Protection Period (as defined in Paragraph 3 above):

(i) a material reduction in the Executive'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 Executive 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 in Control or as the same may be increased from time to time,

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

(iii) a material diminution in the authority, duties, or responsibilities of the supervisor to whom the Executive is required to report;

(iv) a material diminution in the budget over which the Executive retains authority;

(v) the Company's requiring the Executive to be based anywhere outside a fifty mile radius of the Company's offices at which the Executive is based as of immediately prior to a Change in Control (or any subsequent location at which the Executive 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 Executive's business travel obligations as of immediately prior to a Change in Control or, if more favorable, as of any time thereafter; or

(vi) 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 Executive be entitled to terminate employment with the Company on account of "Constructive Termination" unless the Executive provides written notice of the existence of the condition that purportedly constitutes "Constructive Termination" within ninety (90) days following its initial existence, and the Company fails to cure such condition (if curable) within thirty (30) days after the receipt of such notice.

(c) "Disability" means the Executive's inability, due to physical or mental incapacity resulting from injury, sickness or disease, for one hundred and eighty (180) days in any twelve-month period to perform the Executive's duties of employment, with or without reasonable accommodation.

(d) "Separation from Service" or "Separates from Service" for purposes of this Agreement shall mean a "separation from service" within the meaning of Section 409A of the Code (after applying the presumptions in Treas. Reg. Sect. 1.409A-1(h)).

6. Section 280G Restriction. Notwithstanding any provision of this Agreement to the contrary, the following provisions shall apply:

(a) If it is determined that part or all of the compensation and benefits payable to the Executive (whether pursuant to the terms of this Agreement or otherwise) before application of this Paragraph 6 would constitute "parachute payments" under Section 280G of the Code, and the payment thereof would cause the Executive to incur the 20% excise tax under Section 4999 of the Code, then the amounts otherwise payable to or for the benefit of the Executive pursuant to this Agreement (or otherwise) that, but for this Paragraph 6 would be "parachute payments," (referred to below as the "Total Payments") shall either (i) be reduced so that the present value of the Total Payments to be received by the Executive will be equal to three times the "base amount" (as defined under Section 280G of the Code) less $1,000 (the "280G Cap"), or (ii) paid in full, whichever produces the better after-tax position to the Executive (taking into account all applicable taxes, including but not limited to the excise tax under Section 4999 of the Code and any federal and state income and employment taxes). Any required reduction under clause (i) above shall be made in a manner that maximizes the net after-tax amount payable to the Executive, as reasonably determined by the Consultant (as in Paragraph 6(b) defined below).

(b) All determinations required under this Paragraph 6 shall be made by a nationally recognized accounting, executive compensation or law firm appointed by the Company (the "Consultant") that is reasonably acceptable to the Executive on the basis of "substantial authority" (within the meaning of Section 6662 of the Code). The Consultant, in making the determinations required under this Paragraph 6, shall apply the exemption under Section 280G of the Code and the regulations promulgated thereunder for amounts, if any, that the Consultant determines, in the Consultant's good faith discretion, to be reasonable compensation for personal services actually

rendered by the Executive before the date of the change in ownership or control that triggers application of Section 280G of the Code within the meaning of Section 280G of the Code and the regulations promulgated thereunder. The Consultant's fee shall be paid by the Company. The Consultant shall provide a report to the Executive that may be used by the Executive to file the Executive's federal tax returns.

(c) It is possible that payments could be made by the Company that should not have been made pursuant to this Paragraph 6. If the Company determines following the payment of amounts owed to the Executive under this Agreement (or otherwise) that clause (i) in Paragraph 6(a) above should have applied to reduce such amounts, then the Executive shall immediately repay to the Company, upon the Company's written notification that an overpayment has been made, the amount of such payments in excess of the 280G Cap.

(d) Nothing in this Paragraph 6 shall require the Company to be responsible for, or have any liability or obligation with respect to, any excise tax liability under Section 4999 of the Code.

7. Release. The Executive agrees that the Company will have no obligations to the Executive under Paragraph 4 above until the Executive executes a release in a form acceptable by the Company and allows such release to go into effect without revocation. The Company has no obligation under Paragraph 4 above if the Executive revokes such release. The Executive shall have the period of time required by the Age Discrimination in Employment Act of 1967, which period may be twenty-one (21) days or forty-five (45) days, as specified in the release, to consider whether or not to sign the release. If the Executive fails to return an executed release to the Company's Vice President of Human Resources within such period, or the Executive subsequently revokes a timely filed release, the Company shall have no obligation to pay any amounts or benefits under Paragraph 4 above.

8. No Interference with Other Vested Benefits. Regardless of the circumstances under which the Executive may terminate from employment, the Executive shall have a right to any benefits under any employee benefit plan, policy or program maintained by the Company which the Executive had a right to receive under the terms of such employee benefit plan, policy or program after a termination of the Executive's employment without regard to this Agreement. The Company shall within thirty (30) days of Separation from Service pay the Executive any earned but unpaid base salary and bonus, shall promptly pay the Executive for any earned but untaken vacation and shall promptly reimburse the Executive for any incurred but unreimbursed expenses which are otherwise reimbursable under the Company's expense reimbursement policy as in effect for senior executives immediately before the Executive's employment termination.

9. Consolidation or Merger. If the Company is at any time before or after a Change in Control merged or consolidated into or with any other corporation, association, partnership or other entity (whether or not the Company is the surviving entity), or if substantially all of the assets thereof are transferred to another corporation, association, partnership or other entity,

the provisions of this Agreement will be binding upon and inure to the benefit of the corporation, association, partnership or other entity resulting from such merger or consolidation or the acquirer of such assets (collectively, "Acquiring Entity") unless the Executive voluntarily elects not to become an employee of the Acquiring Entity as determined in good faith by the Executive. Furthermore, in the event of any such consolidation or transfer of substantially all of the assets of the Company, the Company shall enter into an agreement with the Acquiring Entity that shall provide that such Acquiring Entity shall assume this Agreement and all obligations and liabilities under this Agreement; provided that the Company's failure to comply with this provision shall not adversely affect any right of the Executive hereunder. This Paragraph 9 will apply in the event of any subsequent merger or consolidation or transfer of assets.

In the event of any merger, consolidation or sale of assets described above, nothing contained in this Agreement will detract from or otherwise limit the Executive's right to or privilege of participation in any restricted stock plan, bonus or incentive plan, stock option or purchase plan, profit sharing, pension, group insurance, hospitalization or other compensation or benefit plan or arrangement which may be or become applicable to officers of the corporation resulting from such merger or consolidation or the Acquiring Entity acquiring such assets of the Company.

In the event of any merger, consolidation or sale of assets described above, references to the Company in this Agreement shall, unless the context suggests otherwise, be deemed to include the entity resulting from such merger or consolidation or the acquirer of such assets of the Company.

10. No Mitigation. The Company agrees that the Executive is not required to seek other employment after a Qualifying Termination or to attempt in any way to reduce any amounts payable to the Executive by the Company under Paragraph 4 above. Further, the amount of any payment or benefit provided for in this Agreement shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

11. Payments. All payments provided for in this Agreement shall be paid in cash in the currency of the primary jurisdiction in which the Executive provided services to the Company and its subsidiaries immediately prior to Separation from Service. The Company shall not be required to fund or otherwise segregate assets to ensure payments under this Agreement.

12. Tax Withholding; Section 409A.

(a) All payments made by the Company to the Executive or the Executive's dependents, beneficiaries or estate will be subject to the withholding of such amounts relating to tax and/or other payroll deductions as may be required by law.

(b) The Parties intend that the benefits and payments provided under this Agreement shall be exempt from, or comply with, the requirements of Section 409A of the Code. Notwithstanding the foregoing, the Company shall in no event be obligated to indemnify the Executive for any taxes or interest that may be assessed by the IRS pursuant to Section 409A of the Code.

13. Arbitration.

(a) The Parties agree that any legal disputes (including but not limited to claims arising under federal or state statute, contract, tort, or public policy) that may occur between the Company and the Executive, and that arise out of, or are related in any way to, your employment with or termination of employment from the Company or the termination of this Agreement, and which disputes cannot be resolved informally, will be resolved exclusively through final and binding arbitration. The Parties will be precluded from raising in any other forum, including, but not limited to, any federal or state court of law, or equity, any claim arising under or pertaining to this Agreement which could be raised in arbitration; provided, however, that nothing in this Agreement precludes the Executive from filing a charge or from participating in an administrative investigation of a charge before an appropriate government agency or the Company from initiating an arbitration over a matter covered by this Agreement.

(b) Each Party may demand arbitration, no later than three hundred (300) days after the date on which the claim arose, by submitting to the other party a written demand which states: (i) the claim asserted, (ii) the facts alleged, (iii) the applicable statute or principal of law (e.g., breach of contract) upon which the demand is based, and (iv) the remedy sought. Any response to such demand must be made, in writing, within twenty (20) days after receiving the demand, and will specifically admit or deny each factual allegation.

(c) Arbitration timely initiated under this Paragraph 13 will be conducting in Boston, Massachusetts or at such other location as may be agreeable to the Parties, in accordance with the National Rules for the Resolution of Employment Disputes of the American Arbitration Association in effect on the date of such arbitration (the "Rules"), and judgment upon the award rendered by the arbitrator or arbitrators may be entered in any court having jurisdiction thereof. The award of the arbitrator shall be final and binding and shall be the sole and exclusive remedy between the Parties regarding any claims, counterclaims, issues or accountings presented to the arbitrator.

(d) The Parties agree that the arbitration shall be conducted by one (1) person mutually acceptable to the Company and the Executive, provided that if the Parties cannot agree on an arbitrator within thirty (30) days of filing a notice of arbitration, the arbitrator shall be selected by the manager of the principal office of the American Arbitration Association in Suffolk County in the Commonwealth of Massachusetts.

Any action to enforce or vacate the arbitrator's award shall be governed by the federal Arbitration Act, if applicable, and otherwise by applicable state law.

(e) If either Party pursues any claim, dispute or controversy against the other in a proceeding other than the arbitration provided for herein, the responding Party shall be entitled to dismissal or injunctive relief regarding such action and recovery of all costs, losses and attorney's fees related to such action.

(f) All of the Executive's reasonable costs and expenses incurred in connection with such arbitration shall be paid in full by the Company promptly on written demand from the Executive, including the arbitrators' fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, court costs, witness fees and attorneys' fees; <u>provided</u>, however, the Company shall pay no more than $50,000 per year in attorneys' fees unless a higher figure is awarded in the arbitration, in which event the Company shall pay the figure awarded in the arbitration.

(g) Reimbursement of reasonable costs and expenses under Paragraph 13(f) above shall be administered consistent with the following additional requirements as set forth in Treas. Reg. § 1.409A-3(i)(1)(iv): (i) the Executive's eligibility for benefits in one year will not affect the Executive's eligibility for benefits in any other year; (ii) any reimbursement of eligible expenses will be made on or before the last day of the year following the year in which the expense was incurred; and (iii) the Executive's right to benefits is not subject to liquidation or exchange for another benefit. Notwithstanding the foregoing, if the Executive is a "specified employee" for purposes of Section 409A of the Code, reimbursement for benefits under Paragraph 13(f) above shall be made in accordance with the six (6)-month delay rules under Treas. Reg. § 1.409A-3(i)(2).

(h) The Executive acknowledges and agrees that this arbitration provision constitutes a voluntary waiver of trial by jury in any action or proceeding to which the Executive or the Company may be parties arising out of or pertaining to this Agreement.

(i) Notwithstanding anything to the contrary contained in this Paragraph 13, the Company and the Executive agree that the Company has the right to seek injunctive or other equitable relief from a court of competent jurisdiction with respect to the enforcement of any obligations the Executive has pursuant to the Restrictive Covenants (as defined in Paragraph 15 below).

14. <u>Assignment; Payment on Death</u>.

(a) The provisions of this Agreement shall be binding upon and shall inure to the benefit of the Executive, the Executive's executors, administrators, legal representatives and assigns and the Company and its successors. The Company will require any successor (whether direct, indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of its business or assets expressly to assume and agree to

perform this Agreement to the same extent that the Company would be required to perform it if no such succession had taken place.

(b) In the event that the Executive becomes entitled to payments under this Agreement and subsequently dies, all amounts payable to the Executive hereunder and not yet paid to the Executive at the time of the Executive's death shall be paid to the Executive's beneficiary. No right or interest to or in any payments shall be assignable by the Executive; provided, however, that this provision shall not preclude the Executive from designating one or more beneficiaries to receive any amount that may be payable after the Executive's death and shall not preclude the legal representatives of the Executive's estate from assigning any right hereunder to the person or persons entitled thereto under the Executive's will or, in the case of intestacy, to the person or persons entitled thereto under the laws of intestacy applicable to the Executive's estate. The term "beneficiary" as used in this Agreement shall mean the beneficiary or beneficiaries so designated by the Executive to receive such amount or, if no such beneficiary is in existence at the time of the Executive's death, the legal representative of the Executive's estate.

(c) No right, benefit or interest hereunder shall be subject to anticipation, alienation, sale, assignment, encumbrance, charge, pledge, hypothecation, or set-off in respect of any claim, debt or obligation, or to execution, attachment, levy or similar process, or assignment by operation of law. Any attempt, voluntary or involuntary, to effect any action specified in the immediately preceding sentence shall, to the full extent permitted by law, be null, void and of no effect.

15. Non-Competition and Non-Solicitation. With execution of this Agreement, the Executive ratifies and confirms the Executive's obligations to the Company and its affiliates under the Proprietary Information and Non-Competition Agreement by and between the Executive and the Company or under any similar provisions or obligations concerning confidentiality, non-solicitation or non-competition (collectively, the "Restrictive Covenants"). In the event the Executive violates any provision of the Restrictive Covenants, the Company shall be relieved of its obligation to provide any further payments or benefits pursuant to Paragraph 4 above, and the Executive shall immediately repay to the Company any cash amounts the Executive received pursuant to Paragraph 4 above prior to such violation.

16. Amendments and Waivers. Except as otherwise specified in this Agreement, this Agreement may be amended, and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Parties.

17. Integration. The terms of this Agreement shall supersede any prior agreements, understandings, arrangements or representations, oral or otherwise, expressed or implied, with respect to the subject matter hereof which have been made by either Party, [**OPTION** for Executives that currently have CiC Agreement: including but not limited to the Prior Agreement,] provided that in the event of any conflict between the terms of this Agreement

and any Executive Severance Agreement between the Company and the Executive, (i) the terms of this Agreement shall prevail with respect to a Separation from Service that occurs on or after a Change in Control and (ii) the terms of the Executive Severance Agreement shall prevail with respect to a Separation from Service prior to a Change in Control. By signing this Agreement, the Executive releases and discharges the Company from any and all obligations and liabilities heretofore or now existing under or by virtue of such prior agreements other than any such Executive Severance Agreement.

18. Notices. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of delivery if delivered by hand, (b) on the date of transmission, if delivered by confirmed facsimile, (c) on the first business day following the date of deposit if delivered by guaranteed overnight delivery service, or (d) on the fourth business day following the date mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive: at the address (or to the facsimile number) shown on the records of the Company.

If to the Company:
General Counsel
Haemonetics Corporation
400 Wood Road
Braintree, MA 02184

or to such other address as either Party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

19. Severability. Any provision of this Agreement held to be unenforceable under applicable law will be enforced to the maximum extent possible, and the balance of this Agreement will remain in full force and effect.

20. Headings of No Effect. The paragraph headings contained in this Agreement are included solely for convenience or reference and shall not in any way affect the meaning or interpretation of any of the provisions of this Agreement.

21. Not an Employment Contract. This Agreement is not an employment contract and shall not give the Executive the right to continue in employment by Company or any of its subsidiaries for any period of time or from time to time nor shall this Agreement give the Executive the right to continued membership on the Company’s Executive Leadership Team. This Agreement shall not adversely affect the right of the Company or any of its subsidiaries to terminate the Executive’s employment with or without cause at any time. Membership on the Company’s Executive Leadership Team shall be determined in the sole discretion of the Company.

22. Governing Law. This Agreement and its validity, interpretation, performance and enforcement shall be governed by the laws of the Commonwealth of Massachusetts (without reference to the choice of law principles thereof).

23. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

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IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its officers thereto duly authorized, and the Executive has signed this Agreement.

HAEMONETICS CORPORATION

By: ______________________________

EXECUTIVE

____
Name:

Exhibit 10.4

EXECUTIVE SEVERANCE AGREEMENT

This Executive Severance Agreement (this "Agreement") is made effective on November 7, 2017 (the "Effective Date"), between **Haemonetics Corporation**, a Massachusetts corporation with its principal offices at 400 Wood Road, Braintree, Massachusetts, 02184 (herein referred to as the "Company"), and **Christopher A. Simon** (the "Executive"). The Company and the Executive are collectively referred to herein as the "Parties" and individually referred to as a "Party."

BACKGROUND

A. The Executive is employed by the Company as a senior executive of the Company.

B. The Company considers a sound and vital management team to be essential. Management personnel who become concerned about a loss or significant change in their management roles may terminate their employment, become distracted, or be faced with a conflict of interest.

C. The Board of Directors of the Company (the "Board") decided that the Company should provide certain compensation and benefits to the Executive in the event that the Executive's employment terminates under certain circumstances.

D. Reference is made to that certain Employment Agreement effective as of May 16, 2016 between the Executive and the Company (the "Employment Agreement"). The Executive and the Company are parties to that certain Executive Severance Agreement dated effective as of the "Start Date" defined in the Employment Agreement (the "Prior Agreement"), and the Executive and the Company now desire to enter into this Agreement, which will replace and supersede the Prior Agreement in its entirety, and set forth terms and conditions pursuant to which the Executive may be entitled to certain severance payments, as well as set forth certain covenants of Executive.

AGREEMENT

In consideration of the promises and mutual covenants contained herein, the Parties agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below:

(a)Cause. "Cause" means:

(i) the Executive is indicted for, convicted of, or pleads guilty or nolo contendere to a felony or any other crime involving moral turpitude, dishonesty, fraud, theft or financial impropriety;

(ii) the Executive willfully fails to substantially perform the Executive's duties with Company, including lawful directives of the Board, other than any failure resulting from incapacity due to physical or mental illness, provided, however, that the Company has given the Executive a written demand for substantial performance, that specifically identifies the areas in which the Executive's performance is substandard, and the Executive has not cured such failure within 30 days after delivery of the demand or such failure is not curable or is part of a pattern of a habitual breach of duties;

(iii) the Executive materially breaches the terms of any Restrictive Covenants (as defined below in Paragraph 13) or other similar provisions in an agreement between the Company and the Executive;

(iv) the Executive fails to devote substantially all of the Executive's working time to the Company's affairs except as may be authorized in writing by the Board;

(v) the Executive violates a material term of the Company's Code of Conduct or other similar policy, which violation the Executive does not cure to the Company's reasonable satisfaction within 30 days following the Executive's receipt of written notice from the Company that describes the violation in reasonable detail, and which violation causes or could reasonably be expected to cause material harm to the Company;

(vi) the Executive attempts to secure any improper personal profit or benefit in connection with the Company's business;

(vii) the Executive's performance of any material act of theft, embezzlement, fraud, malfeasance, dishonesty, or misappropriation of the Company's property; or

(viii) the Executive engages in willful misconduct in connection with the Executive's employment or a breach of fiduciary duty to the Company.

No act or failure to act on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith and without reasonable belief that the Executive's action or omission was in, or not opposed to, the best interests of the Company or its subsidiaries. "Cause" shall not include or be predicated upon any act or omission by the Executive which is taken or made (a) at the lawful direction of the Board of Directors; (b) in good faith, under the Executive's reasonable belief that the act or omission was in the best interests of the Company; (c) pursuant to the advice of the Company's counsel; or (d) to comply with a lawful court order, directive from a federal, state or local government agency or industry regulatory authority, or subpoena.

(b)"Constructive Termination" means, without the express written consent of the Executive, the occurrence of any of the following:

(i) any reduction in the Executive's annual base salary, annual target bonus opportunity (100% of base salary) and/or annual maximum bonus opportunity (200% of base salary);

(ii) a material diminution in the Executive's authority, duties, or responsibilities;

(iii) a requirement that the Executive report to any individual or body other than the Board;

(iv) the Company's requiring the Executive to be based anywhere outside a fifty mile radius of the Company's offices at which the Executive is based as of the date of this Agreement except for required travel on the Company's business; or

(v) 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 Executive be entitled to terminate employment with the Company on account of Constructive Termination unless the Executive 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.

(c)"Disability" means the Executive's inability, due to physical or mental incapacity resulting from injury, sickness or disease, for one hundred and eighty (180) days in any twelve-month period to perform the Executive's duties of employment, with or without reasonable accommodation.

(d) "Separation from Service" or "Separates from Service" means a "separation from service" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") (after applying the presumptions in Treas. Reg. Sec. 1.409A-1(h)).

2. Term. This Agreement may not be terminated by the Company for any reason for as long as the Executive continues to serve as the Chief Executive Officer of the Company. This Agreement shall be enforceable in accordance with its terms for any period following the Executive's Separation from Service to the Company until all payments and benefits provided hereunder, if any, have been paid or delivered in full, and all other obligations of the parties to this Agreement have been fully discharged (the "Term"). For the avoidance of doubt, no Severance Benefits (as defined below) shall be paid or provided by the Company to the Executive under this Agreement if the Executive Separates from Service due to

termination of employment (i) by the Company and its subsidiaries for Cause or (ii) by the Executive, including by the Executive's notification of the Company of the Executive's intention not to renew the term of the Employment Agreement, absent the occurrence of Constructive Termination. At the end of the Term, this Agreement shall terminate without further action by either the Company or the Executive. The obligations of the Company and the Executive under this Agreement which by their nature may require either partial or total performance after its expiration shall survive any such expiration. Termination of the Executive's employment during the Term for any reason by a Party will be communicated to the other Party by written notice ("Notice of Termination"). The Notice of Termination will specify the provisions of this Agreement, if any, upon which termination is based and its effective date, which in no case will be more than 180 days after Notice of Termination.

3. Severance Benefits. If the Executive Separates from Service due to termination of employment by the Company and its subsidiaries without Cause (including, for avoidance of doubt, the Company's failure to renew the Term of the Employment Agreement) or by the Executive due to Constructive Termination (each, a "Qualifying Termination"), the Executive shall be entitled to the severance benefits set forth in this Paragraph 3 (collectively, the "Severance Benefits").

(a) Salary Amount. Subject to the Executive's continued compliance with the requirements of Paragraphs 5 and 13 below, the Company will pay to the Executive, in accordance with Paragraph 3(f) below, an amount equal to two times the Executive's base salary at the annualized rate which was being paid by the Company and/or its subsidiaries to the Executive immediately prior to the Qualifying Termination (the "Salary Component").

(b) Payment for Welfare Benefits. Subject to the Executive's continued compliance with the requirements of Paragraphs 5 and 13 below, the Company will pay to the Executive, in accordance with Paragraph 3(f) below, an amount equal to (i) the approximate cost of the Company's portion of the monthly premium for the Executive's medical and dental insurance coverages as in effect immediately prior to the Separation from Service, multiplied by (ii) twenty-four (24) (together with the Salary Component, the "Cash Severance"). For avoidance of doubt, medical coverage for this purpose shall include medical coverage provided to non-employees covered with the Executive under the Company sponsored plan, policy or program at the time of the Qualifying Termination, and premiums with respect to medical and dental coverage shall be determined using the rate charged for COBRA coverage.

(c) Pro Rata Bonus. Subject to the Executive's continued compliance with the requirements of Paragraphs 5 and 13 below, the Company shall pay the Executive a Pro Rata Bonus with respect to the fiscal year in which the Executive's termination of employment occurs. A "Pro Rata Bonus" means the amount of the annual cash bonus that the Executive would have earned if Executive had remained actively employed with the Company through the applicable payment date based on the Company's actual performance and assuming full achievement of any individual

performance goals multiplied by a fraction, the numerator of which is the number of days from the beginning of the Company's then current fiscal year to the date of actual Separation from Service and the denominator of which is 365. The provisions of this Paragraph 3(c) shall apply notwithstanding any contrary term of any bonus or incentive program that would require the Executive to remain employed until the date of payment. In determining the amount of the Pro Rata Bonus, the Company shall apply any negative discretion pertaining to Company performance goals under the annual incentive program in good faith and in the same manner as applies to other similarly situated Executives. The Company shall pay the Pro Rata Bonus at the same time it pays bonuses to similarly situated executives, but in no event later than the 15th day of the third month following the end of the fiscal year to which the Pro Rata Bonus relates. In the event that a Qualifying Termination occurs before the payment of the annual cash bonus for the immediately preceding fiscal year, the provisions of this Paragraph 3(c) shall also apply to such bonus, without any pro rata reduction and assuming full achievement of any individual performance goals.

(d) Outplacement Services. Subject to the Executive's continued compliance with the requirements of Paragraphs 5 and 13 below, the Executive shall be entitled to outplacement services by a senior counselor of a firm nationally recognized as a reputable national provider of such services for a period not to exceed twelve (12) months following Separation from Service, plus evaluation testing, at a location mutually agreeable to the Parties. Services under this Paragraph 3(d) will be provided by an outside organization selected and paid for by the Company. If the Executive elects not to take advantage of such program within thirty (30) days of the Executive's Qualifying Termination, unless otherwise agreed in writing by the Parties, the Company will not be obligated to provide this service. In no circumstance will the Company pay cash to the Executive in lieu of the use of these services.

(e) Limits on Severance Benefits.

(i) The Executive shall not be entitled to Severance Benefits upon any other Separation from Service or other termination of employment, including a termination of employment by the Company for Cause, by the Executive other than for Constructive Termination, or due to the Executive's death or Disability. Except as otherwise provided in Paragraph 3(e)(ii) below, the Severance Benefits shall be in lieu of any other severance benefits otherwise payable by the Company to the Executive and shall be subject to reduction due to application of the 280G Cap (as defined in Paragraph 4(a) below). No Severance Benefits shall be paid unless the Executive has timely executed a release that is not revoked as provided under Paragraph 5 below.

(ii) If the Executive is party to a Change in Control Agreement between the Company and the Executive and the Executive is entitled to the severance benefits available under the Change in Control Agreement, then the

Executive shall not receive the Severance Benefits provided under this Agreement.

(iii) By accepting the Severance Benefits, the Executive waives the Executive's right, if any, to have any Severance Benefit payment taken into account to increase the benefits otherwise payable to, or on behalf of, the Executive under any employee benefit plan, policy or program, whether qualified or nonqualified, maintained by the Company (e.g., there will be no increase in the Executive's tax-qualified retirement plan benefits, non-qualified deferred compensation plan benefits or life insurance because of Severance Benefits received hereunder).

(f) Timing. Provided that, in accordance with Paragraph 5 below, the Executive has timely executed a release that is not revoked, the Cash Severance shall be paid to the Executive in approximately equal installments over the course of two years following Separation from Service in accordance with the Company's regular payroll practices, beginning on the first regularly scheduled payroll date of the Company following the date on which the release becomes effective in accordance with its terms; provided that in the event the Cash Severance constitutes "nonqualified deferred compensation" for purposes of Section 409A of the Code, payments shall begin on the sixtieth (60th) day following the date of the Qualifying Termination and the first installment shall include payment of any amount that was otherwise scheduled to be paid prior thereto. The Company will withhold from the Severance Benefits taxes and other authorized deductions. The Company will pay the Severance Benefits only after the Executive has timely executed a release that is not revoked as provided under Paragraph 5 below.

(g) Equity Vesting. The vesting schedule of any outstanding options to purchase shares of the Company's common stock and/or restricted stock units, performance shares units or other forms of equity award shall not be accelerated in the event of a Qualifying Termination, unless specifically provided to the contrary in the applicable award agreement or by subsequent action by the Board.

4. Section 280G Restriction. Notwithstanding any provision of this Agreement to the contrary, the following provisions shall apply:

(a) If it is determined that part or all of the compensation and benefits payable to the Executive (whether pursuant to the terms of this Agreement or otherwise) before application of this Paragraph 4 would constitute "parachute payments" under Section 280G of the Code, and the payment thereof would cause the Executive to incur the 20% excise tax under Section 4999 of the Code, then the amounts otherwise payable to or for the benefit of the Executive pursuant to this Agreement (or otherwise) that, but for this Paragraph 4 would be "parachute payments," (referred to below as the "Total Payments") shall either (i) be reduced so that the present value of the Total Payments to be received by the Executive will be equal to three times the "base

amount" (as defined under Section 280G of the Code) less $1,000 (the "280G Cap"), or (ii) paid in full, whichever produces the better after-tax position to the Executive (taking into account all applicable taxes, including but not limited to the excise tax under Section 4999 of the Code and any federal and state income and employment taxes). Any required reduction under clause (i) above shall be made in a manner that maximizes the net after-tax amount payable to the Executive, as reasonably determined by the Consultant (as defined below).

(b) All determinations required under this Paragraph 4 shall be made by a nationally recognized accounting, executive compensation or law firm appointed by the Company (the "Consultant") that is reasonably acceptable to the Executive on the basis of "substantial authority" (within the meaning of Section 6662 of the Code). The Consultant's fee shall be paid by the Company. The Consultant shall provide a report to the Executive that may be used by the Executive to file the Executive's federal tax returns.

(c) It is possible that payments could be made by the Company that should not have been made pursuant to this Paragraph 4. If the Company determines following the payment of amounts owed to the Executive under this Agreement (or otherwise) that clause (i) in Paragraph 4(a) above should have applied to reduce such amounts, then the Executive shall immediately repay to the Company, upon the Company's written notification that an overpayment has been made, the amount of such payments in excess of the 280G Cap.

(d) Nothing in this Paragraph 4 shall require the Company to be responsible for, or have any liability or obligation with respect to, any excise tax liability under Section 4999 of the Code.

5. Release. The Executive agrees that the Company will have no obligations to pay the Severance Benefits until the Executive executes a separation agreement which includes a release of claims in a form acceptable by the Company and allows such release of claims to go into effect without revocation. The Company has no obligations to pay the Severance Benefits if the Executive revokes such release. The Executive shall have the period of time required by the Age Discrimination in Employment Act of 1967, which period may be twenty-one (21) days or forty-five (45) days, as specified in the separation agreement provided to the Executive in connection with the Executive's Separation from Service, to consider whether or not to sign the release. If the Executive fails to return an executed release to the Company within such period, or the Executive subsequently revokes a timely filed release, the Company shall have no obligation to pay any amounts or benefits under Paragraph 3 above.

6. No Interference with Other Vested Benefits. Regardless of the circumstances under which the Executive may terminate from employment, the Executive has a right to any benefits under any employee benefit plan, policy or program maintained by the Company which the Executive had a right to receive under the terms of such employee benefit plan, policy or

program after a termination of the Executive's employment without regard to this Agreement. The Company shall within thirty (30) days of Separation from Service pay the Executive any earned but unpaid base salary and bonus, shall promptly pay the Executive for any earned but untaken vacation and shall promptly reimburse the Executive for any incurred but unreimbursed expenses which are otherwise reimbursable under the Company's expense reimbursement policy as in effect for senior executives immediately before the Executive's employment termination.

7. Consolidation or Merger. If the Company is at any time before a Separation from Service merged or consolidated into or with any other corporation, association, partnership or other entity (whether or not the Company is the surviving entity), or if substantially all of the assets thereof are transferred to another corporation, association, partnership or other entity, the provisions of this Agreement will be binding upon and inure to the benefit of the corporation, association, partnership or other entity resulting from such merger or consolidation or the acquirer of such assets (collectively, "Acquiring Entity") unless the Executive voluntarily elects not to become an employee of the Acquiring Entity as determined in good faith by the Executive. Furthermore, in the event of any such consolidation or transfer of substantially all of the assets of the Company, the Company shall enter into an agreement with the Acquiring Entity that shall provide that such Acquiring Entity shall assume this Agreement and all obligations and liabilities under this Agreement; provided, that the Company's failure to comply with this provision shall not adversely affect any right of the Executive hereunder. This Paragraph 7 will apply in the event of any subsequent merger or consolidation or transfer of assets.

In the event of any merger, consolidation or sale of assets described above, nothing contained in this Agreement will detract from or otherwise limit the Executive's right to or privilege of participation in any restricted stock plan, bonus or incentive plan, stock option or purchase plan, profit sharing, pension, group insurance, hospitalization or other compensation or benefit plan or arrangement which may be or become applicable to officers of the corporation resulting from such merger or consolidation or the Acquiring Entity acquiring such assets of the Company.

In the event of any merger, consolidation or sale of assets described above, references to the Company in this Agreement shall, unless the context suggests otherwise, be deemed to include the Acquiring Entity.

8. No Mitigation. The Company agrees that the Executive is not required to seek other employment after a Qualifying Termination or to attempt in any way to reduce any amounts payable to the Executive by the Company under Paragraph 3 above. Further, the amount of any payment or benefit provided for in this Agreement shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

9. Payments. All payments provided for in this Agreement shall be paid in cash in the currency of the primary jurisdiction in which the Executive provided services to the Company and its subsidiaries immediately prior to Separation from Service. The Company shall not be required to fund or otherwise segregate assets to ensure payments under this Agreement.

10. Tax Withholding; Section 409A.

(a) All payments made by the Company to the Executive or the Executive's dependents, beneficiaries or estate will be subject to the withholding of such amounts relating to tax and/or other payroll deductions as may be required by law.

(b) The Parties intend that the benefits and payments provided under this Agreement shall be exempt from, or comply with, the requirements of Section 409A of the Code. Notwithstanding the foregoing, the Company shall in no event be obligated to indemnify the Executive for any taxes or interest that may be assessed by the IRS pursuant to Section 409A of the Code. Each payment or installment under this Agreement is intended to be a "separate payment" for purposes of Section 409A.

11. Arbitration.

(a) The Parties agree that any legal disputes (including but not limited to claims arising under federal or state statute, contract, tort, or public policy) that may occur between the Company and the Executive, and that arise out of, or are related in any way to, your employment with or termination of employment from the Company or the termination of this Agreement, and which disputes cannot be resolved informally, will be resolved exclusively through final and binding arbitration. The Parties will be precluded from raising in any other forum, including, but not limited to, any federal or state court of law, or equity, any claim arising under or pertaining to this Agreement which could be raised in arbitration, provided, however, that nothing in this Agreement precludes the Executive from filing a charge or from participating in an administrative investigation of a charge before an appropriate government agency or the Company from initiating an arbitration over a matter covered by this Agreement.

(b) Each Party may demand arbitration, no later than three hundred (300) days after the date on which the claim arose, by submitting to the other party a written demand which states: (i) the claim asserted, (ii) the facts alleged, (iii) the applicable statute or principal of law (e.g., breach of contract) upon which the demand is based, and (iv) the remedy sought. Any response to such demand must be made, in writing, within twenty (20) days after receiving the demand, and will specifically admit or deny each factual allegation.

(c) Arbitration timely initiated under this Paragraph 11 will be conducted in Boston, Massachusetts or at such other location as may be agreeable to the Parties, in accordance with the National Rules for the Resolution of Employment Disputes of

the American Arbitration Association in effect on the date of such arbitration (the "Rules"), and judgment upon the award rendered by the arbitrator or arbitrators may be entered in any court having jurisdiction thereof. The award of the arbitrator shall be final and binding and shall be the sole and exclusive remedy between the Parties regarding any claims, counterclaims, issues or accountings presented to the arbitrator.

(d) The Parties agree that the arbitration shall be conducted by one (1) person mutually acceptable to the Company and the Executive, provided that if the Parties cannot agree on an arbitrator within thirty (30) days of filing a notice of arbitration, the arbitrator shall be selected by the manager of the principal office of the American Arbitration Association in Suffolk County in the Commonwealth of Massachusetts. Any action to enforce or vacate the arbitrator's award shall be governed by the federal Arbitration Act, if applicable, and otherwise by applicable state law.

(e) If either Party pursues any claim, dispute or controversy against the other in a proceeding other than the arbitration provided for herein, the responding Party shall be entitled to dismissal or injunctive relief regarding such action and recovery of all costs, losses and attorney's fees related to such action.

(f) All of the Executive's reasonable costs and expenses incurred in connection with such arbitration shall be paid in full by the Company promptly on written demand from the Executive, including the arbitrators' fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, court costs, witness fees and attorneys' fees; provided, however, the Company shall pay no more than $50,000 per year in attorneys' fees unless a higher figure is awarded in the arbitration, in which event the Company shall pay the figure awarded in the arbitration.

(g) Reimbursement of reasonable costs and expenses under Paragraph 11(f) above shall be administered consistent with the following additional requirements as set forth in Treas. Reg. § 1.409A-3(i)(1)(iv): (i) the Executive's eligibility for benefits in one year will not affect the Executive's eligibility for benefits in any other year; (ii) any reimbursement of eligible expenses will be made on or before the last day of the year following the year in which the expense was incurred; and (iii) the Executive's right to benefits is not subject to liquidation or exchange for another benefit. Notwithstanding the foregoing, if the Executive is a "specified employee" for purposes of Section 409A of the Code, reimbursement for benefits under Paragraph 11(f) above shall be made in accordance with the six (6)-month delay rules under Treas. Reg. § 1.409A-3(i)(2).

(h) The Executive acknowledges and agrees that this arbitration provision constitutes a voluntary waiver of trial by jury in any action or proceeding to which the Executive or the Company may be parties arising out of or pertaining to this Agreement.

(i) Notwithstanding anything to the contrary contained in this Paragraph 11, the Company and the Executive agree that the Company has the right to seek injunctive

or other equitable relief from a court of competent jurisdiction with respect to the enforcement of any obligations the Executive has pursuant to the Restrictive Covenants (as defined in Paragraph 13 below).

12. Assignment; Payment on Death.

(a) The provisions of this Agreement shall be binding upon and shall inure to the benefit of the Executive, the Executive's executors, administrators, legal representatives and assigns and the Company and its successors. The Company will require any successor (whether direct, indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of its business or assets expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no such succession had taken place.

(b) In the event that the Executive becomes entitled to payments under this Agreement and subsequently dies, all amounts payable to the Executive hereunder and not yet paid to the Executive at the time of the Executive's death shall be paid to the Executive's beneficiary. No right or interest to or in any payments shall be assignable by the Executive; provided, however, that this provision shall not preclude the Executive from designating one or more beneficiaries to receive any amount that may be payable after the Executive's death and shall not preclude the legal representatives of the Executive's estate from assigning any right hereunder to the person or persons entitled thereto under the Executive's will or, in the case of intestacy, to the person or persons entitled thereto under the laws of intestacy applicable to the Executive's estate. The term "beneficiary" as used in this Agreement shall mean the beneficiary or beneficiaries so designated by the Executive to receive such amount or, if no such beneficiary is in existence at the time of the Executive's death, the legal representative of the Executive's estate.

(c) No right, benefit or interest hereunder shall be subject to anticipation, alienation, sale, assignment, encumbrance, charge, pledge, hypothecation, or set-off in respect of any claim, debt or obligation, or to execution, attachment, levy or similar process, or assignment by operation of law. Any attempt, voluntary or involuntary, to effect any action specified in the immediately preceding sentence shall, to the full extent permitted by law, be null, void and of no effect.

13. Non-Competition and Non-Solicitation. With execution of this Agreement, the Executive ratifies and confirms the Executive's obligations to the Company and its affiliates under Section 6 (Confidential Information) and Section 7 (Restrictive Covenants) of the Employment Agreement or under any similar provisions or obligations concerning confidentiality, non-solicitation or non-competition (collectively, the "Restrictive Covenants"). In the event the Executive violates any provision of the Restrictive Covenants, the Severance Benefits shall immediately cease, the Company shall be relieved of its obligation to provide any further Severance Benefits, and the Executive shall immediately

repay to the Company the amount of any Cash Severance received by the Executive prior to such violation.

14. Amendments and Waivers. Except as otherwise specified in this Agreement, this Agreement may be amended, and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Parties.

15. Integration. The terms of this Agreement shall supersede any prior agreements, understandings, arrangements or representations, oral or otherwise, expressed or implied, with respect to the subject matter hereof which have been made by either Party (other than (x) any employment agreement or (y) any proprietary information and non-competition agreement or any similar provisions or obligations concerning confidentiality, non-competition, non-solicitation or non-disparagement), including without limitation the Prior Agreement, provided that in the event of any conflict between the terms of this Agreement and any Change in Control Agreement between the Company and the Executive, (i) the terms of the Change in Control Agreement shall prevail with respect to a Separation from Service that occurs on or after a "change in control" (as defined in the Change in Control Agreement) and (ii) the terms of this Agreement shall prevail with respect to a Separation from Service prior to a "change in control" (as defined in the Change in Control Agreement). By signing this Agreement, the Executive releases and discharges the Company from any and all obligations and liabilities heretofore or now existing under or by virtue of such prior agreements other than any such Change in Control Agreement.

16. Notices. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of delivery if delivered by hand, (b) on the date of transmission, if delivered by confirmed facsimile, (c) on the first business day following the date of deposit if delivered by guaranteed overnight delivery service, or (d) on the fourth business day following the date mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive: at the address (or to the facsimile number) shown on the records of the Company.

If to the Company:
General Counsel
Haemonetics Corporation
400 Wood Road
Braintree, MA 02184

or to such other address as either Party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

17. Severability. Any provision of this Agreement held to be unenforceable under applicable law will be enforced to the maximum extent possible, and the balance of this Agreement will remain in full force and effect.

18. Headings of No Effect. The paragraph headings contained in this Agreement are included solely for convenience or reference and shall not in any way affect the meaning or interpretation of any of the provisions of this Agreement.

19. Not an Employment Contract. This Agreement is not an employment contract and shall not give the Executive the right to continue in employment by Company or any of its subsidiaries for any period of time or from time to time nor shall this Agreement give the Executive the right to continued membership on the Company's Executive Leadership Team. This Agreement shall not adversely affect the right of the Company or any of its subsidiaries to terminate the Executive's employment with or without Cause at any time.

20. Governing Law. This Agreement and its validity, interpretation, performance and enforcement shall be governed by the laws of the Commonwealth of Massachusetts (without reference to the choice of law principles thereof).

21. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

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IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its officers thereto duly authorized, and the Executive has signed this Agreement.

HAEMONETICS CORPORATION

By: /s/ Richard J. Meelia
Richard J. Meelia
Chairman of the Board

EXECUTIVE

/s/ Christopher A. Simon
Name: Christopher A. Simon

Exhibit 10.5

CHANGE IN CONTROL AGREEMENT

This Change in Control Agreement (this "Agreement") is made effective on November 7, 2017 (the "Effective Date") between **Haemonetics Corporation**, a Massachusetts corporation with its principal offices at 400 Wood Road, Braintree, Massachusetts, 02184 (herein referred to as the "Company"), and **Christopher A. Simon** (the "Executive"). The Company and the Executive are collectively referred to herein as the "Parties" and individually referred to as a "Party."

BACKGROUND

A. The Executive is employed by the Company as a senior executive of the Company.

B. The Board of Directors of the Company (the "Board") decided that the Company should provide certain compensation and benefits to the Executive in the event that the Executive's employment is terminated on or after a change in the ownership or control of the Company under certain circumstances.

C. Reference is made to that certain Employment Agreement effective as of May 16, 2016 between the Executive and the Company (the "Employment Agreement"). The Executive and the Company are parties to that certain Change in Control Agreement dated effective as of the "Start Date" defined in the Employment Agreement (the "Prior Agreement"), and the Executive and the Company now desire to enter into this Agreement, which will replace and supersede the Prior Agreement in its entirety, and set forth terms and conditions pursuant to which Executive may be entitled to certain compensation and benefits, as well as set forth certain covenants of Executive.

AGREEMENT

In consideration of the promises and the mutual covenants contained herein, the Parties agree as follows:

1. Purpose. The Company considers a sound and vital management team to be essential. Management personnel who become concerned about the possibility that the Company may undergo a Change in Control (as defined in Paragraph 2 below) may terminate employment or become distracted. Accordingly, the Board has determined to extend this Agreement to minimize the distraction the Executive may suffer from the possibility of a Change in Control.

2. Change in Control. The term "Change in Control" for purposes of this Agreement shall mean the earliest to occur of the following events during the Term (as defined in Paragraph 3 below):

(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 then outstanding shares of the Company's $0.01 par value common stock ("Common Stock"), shall acquire such additional shares of the Company's 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 Company's 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 Board (for this purpose, "Incumbent Board" means at any time those persons who are then members of the Board and who are either (i) members of the Board on the date of this Agreement, or (ii) have been elected, or have been nominated for election by the Company's stockholders, 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), or

(d) there is a consummation of any merger, reorganization, consolidation or share exchange unless the persons who were the beneficial owners of the outstanding shares of the Company's 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 Paragraph 2(d), 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 the Company's Common Stock by the persons described above immediately before the consummation of such transaction.

3. Term. This Agreement may not be terminated by the Company for any reason for as long as the Executive continues to serve as the Chief Executive Officer of the Company. This Agreement shall be enforceable in accordance with its terms for any period following the Executive's Separation from Service to the Company until all payments and benefits provided hereunder, if any, have been paid or delivered in full, and all other obligations of the parties to this Agreement have been fully discharged (the "Term"). If a Change in Control occurs during the Term, the Term shall automatically extend until the second anniversary of the Change in Control (the "Protection Period"). At the end of the Term, this Agreement shall terminate without further action by either the Company or the Executive. If no Change in Control occurs prior to expiration of the Term, if the Executive Separates from Service (as defined in Paragraph 5(d) below) before a Change in Control, this Agreement shall automatically terminate without any further action; provided, however, that Paragraph 13

below (regarding arbitration) shall continue to apply to the extent the Executive disputes the termination of this Agreement. The obligations of the Company and the Executive under this Agreement which by their nature may require either partial or total performance after its expiration shall survive any such expiration. For the avoidance of doubt, no Severance Benefits (as defined below) shall be paid or provided by the Company to the Executive under this Agreement if the Executive Separates from Service due to termination of employment (i) by the Company and its subsidiaries for Cause or (ii) by the Executive, including by the Executive's notification of the Company of the Executive's intention not to renew the term of the Employment Agreement, absent the occurrence of Constructive Termination.

4. Severance Benefits. If, during the Protection Period, the Executive "Separates from Service" (as defined in Paragraph 5(d) below) due to termination of employment by the Company and its subsidiaries without "Cause" (as defined in Paragraph 5(a) below) (including for the avoidance of doubt, the Company's failure to renew the term of the Employment Agreement) or by the Executive due to "Constructive Termination" (as defined in Paragraph 5(b) below) (each, a "Qualifying Termination"), the Executive shall be entitled to the severance benefits set forth in this Paragraph 4. The Executive shall not be entitled to severance benefits upon any other Separation from Service, including a termination of employment by the Company for Cause, by the Executive other than due to Constructive Termination, or due to the Executive's death or Disability (as defined in Paragraph 5(c) below). The payments and benefits provided for under this Paragraph 4 shall be in lieu of any other severance benefits otherwise payable by the Company to the Executive and shall be subject to reduction due to application of the 280G Cap as provided under Paragraph 6 below. Payment of the severance benefits as may be reduced by the 280G Cap, if applicable, shall commence sixty (60) days after a Qualifying Termination, provided that the Executive has timely executed a release that is not revoked as provided under Paragraph 7 below. No severance benefits shall be paid if the Executive has not timely executed a release under Paragraph 7 below.

(a) Salary and Bonus Amount. Subject to the Executive's continued compliance with Paragraphs 7 and 15 below, the Company will pay to the Executive sixty (60) days after a Qualifying Termination a lump sum cash amount equal to the product obtained by multiplying:

(i) the sum of (A) base salary at the annualized rate which was being paid by the Company and/or its subsidiaries to the Executive immediately prior to the time of such termination or, if greater, at the time of the Change in Control plus (B) the annual target bonus and/or any other annual cash incentive award opportunity applicable to the Executive at the time of the Qualifying Termination or, if greater, at the time of the Change in Control, by

(ii) 2.99

(b) Payment for Welfare Benefits. Subject to the Executive's continued compliance with Paragraphs 7 and 15 below, the Company will pay to the Executive sixty (60) days after a Qualifying Termination a lump sum cash amount equal to (i) the approximate cost of the Company's portion of the monthly premium for the Executive's medical, dental, life insurance and disability insurance coverages as in effect immediately prior to the Separation from Service, multiplied by (ii) thirty-six (36) months. For avoidance of doubt, medical coverage for this purpose shall include medical coverage provided to non-employees covered with the Executive under the Company sponsored plan, policy or program at the time of the Qualifying Termination, and premiums with respect to medical and dental coverage shall be determined using the rate charged for COBRA coverage.

(c) Outplacement Services. Subject to the Executive's continued compliance with Paragraphs 7 and 15 below, the Executive shall be entitled to outplacement services by a senior counselor of a firm nationally recognized as a reputable national provider of such services for a period not to exceed twelve (12) months following Separation from Service, plus evaluation testing, at a location mutually agreeable to the Parties. Services under this Paragraph 4(c) will be provided by an outside organization selected and paid for by the Company. If the Executive elects not to take advantage of such program within thirty (30) days of the Executive's Qualifying Termination, unless otherwise agreed in writing by the Parties, the Company will not be obligated to provide this service. In no circumstance will the Company pay cash to the Executive in lieu of the use of these services.

(d) Equity Awards. Subject to the Executive's continued compliance with Paragraph 15 below, the vesting of the Executive's Equity Awards shall be governed by this Paragraph 4(d). The term "Equity Award" shall mean stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares or any other form of award that is measured with reference to the Company's Common Stock granted at any time before the end of the Term.

(i) The vesting of the Executive's Equity Awards granted on or after the Effective Date that vest solely on the basis of continued employment with the Company or any of its subsidiaries shall be accelerated solely by reason of a Change in Control only if the surviving corporation or acquiring corporation following a Change in Control refuses to assume or continue the Executive's Equity Awards or to substitute similar Equity Awards for those outstanding immediately prior to the Change in Control. If such Executive's Equity Awards are so continued, assumed or substituted and at any time after the Change in Control the Executive incurs a Qualifying Termination and complies with Paragraph 7 below, then the vesting and exercisability of all such unvested Equity Awards held by the Executive that are then outstanding shall be accelerated in full and any reacquisition rights held by the Company with respect to any such Equity Award shall lapse in full, in each case, upon such termination.

(ii) The vesting of the Executive’s Equity Awards that vest, in whole or in part, based upon achieving “Performance Criteria” (as defined in this Paragraph 4(d)) shall be accelerated on a pro rata basis by reason of a Change in Control. The pro rata vesting amount shall equal the designated target award multiplied by a fraction, the numerator of which is the number of days the Executive was employed during the award’s performance period as of the date of the Change in Control, and the denominator of which is the number of days in such performance period. For purposes of this Paragraph 4(d), “Performance Criteria” means any business criteria that apply to the Executive, a business unit, division, subsidiary, affiliate, the Company or any combination of the foregoing.

(iii) This Paragraph 4(d) sets forth the Executive’s minimum vesting rights under the Equity Awards in connection with a Change in Control. If an Equity Award provides more favorable vesting rights in connection with a Change in Control than set forth in this Paragraph 4(d), the vesting terms of such Equity Award shall govern.

(iv) Enforcement of the terms of this Paragraph 4(d) shall survive termination of this Agreement.

By accepting severance benefits under this Paragraph 4, the Executive waives the Executive’s right, if any, to have any payment made under this Paragraph 4 taken into account to increase the benefits otherwise payable to, or on behalf of, the Executive under any employee benefit plan, policy or program, whether qualified or nonqualified, maintained by the Company (e.g., there will be no increase in the Executive’s tax-qualified retirement plan benefits, non-qualified deferred compensation plan benefits or life insurance because of severance benefits received hereunder).

5. Definitions of “Cause,” “Constructive Termination,” “Disability,” and “Separation from Service”. For purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) “Cause” means (i) the Executive’s conviction of (or a plea of guilty or nolo contendere to) a felony or any other crime involving moral turpitude, dishonesty, fraud, theft or financial impropriety; or (ii) a determination by a majority of the Board in good faith that the Executive has (A) willfully and continuously failed to perform substantially the Executive’s duties (other than any such failure resulting from the Executive’s Disability or incapacity due to bodily injury or physical or mental illness), after a written demand for substantial performance is delivered to the Executive by the Board that specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive’s duties, (B) engaged in gross misconduct or a material act of theft, embezzlement, fraud, malfeasance, dishonesty, or misappropriation of the Company’s property, or (C) willfully violated a material requirement of the Company’s code of conduct or the Executive’s fiduciary

duty to the Company. No act or failure to act on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith and without reasonable belief that the Executive's action or omission was in, or not opposed to, the best interests of the Company or its subsidiaries. In order to terminate the Executive's employment for Cause, the Company shall be required to provide the Executive a reasonable opportunity to be heard (with counsel) before the Board, which shall include at least ten (10) business days of advance written notice to the Executive. Further, the Executive's attempt to secure employment with another employer that does not breach the Executive's non-competition obligations shall not constitute an event of "Cause".

(b) "Constructive Termination" means, without the express written consent of the Executive, the occurrence of any of the following during the Protection Period (as defined in Paragraph 3 above):

(i) a material reduction in the Executive'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 Executive 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 in Control or as the same may be increased from time to time,

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

(iii) a material diminution in the authority, duties, or responsibilities of the supervisor to whom the Executive is required to report (it being understood that if the Executive reports to the Board, a requirement that the Executive report to any individual or body other than the Board will constitute Constructive Termination hereunder);

(iv) a material diminution in the budget over which the Executive retains authority;

(v) the Company's requiring the Executive to be based anywhere outside a fifty mile radius of the Company's offices at which the Executive is based as of immediately prior to a Change in Control (or any subsequent location at which the Executive 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 Executive's business travel obligations as of immediately prior to a Change in Control or, if more favorable, as of any time thereafter; or

(vi) 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 Executive be entitled to terminate employment with the Company on account of "Constructive Termination" unless the Executive provides written notice of the existence of the condition that purportedly constitutes "Constructive Termination" within ninety (90) days following its initial existence, and the Company fails to cure such condition (if curable) within thirty (30) days after the receipt of such notice.

(c) "Disability" means the Executive's inability, due to physical or mental incapacity resulting from injury, sickness or disease, for one hundred and eighty (180) days in any twelve-month period to perform the Executive's duties of employment, with or without reasonable accommodation.

(d) "Separation from Service" or "Separates from Service" for purposes of this Agreement shall mean a "separation from service" within the meaning of Section 409A of the Code (after applying the presumptions in Treas. Reg. Sect. 1.409A-1(h)).

6. Section 280G Restriction. Notwithstanding any provision of this Agreement to the contrary, the following provisions shall apply:

(a) If it is determined that part or all of the compensation and benefits payable to the Executive (whether pursuant to the terms of this Agreement or otherwise) before application of this Paragraph 6 would constitute "parachute payments" under Section 280G of the Code, and the payment thereof would cause the Executive to incur the 20% excise tax under Section 4999 of the Code, then the amounts otherwise payable to or for the benefit of the Executive pursuant to this Agreement (or otherwise) that, but for this Paragraph 6 would be "parachute payments," (referred to below as the "Total Payments") shall either (i) be reduced so that the present value of the Total Payments to be received by the Executive will be equal to three times the "base amount" (as defined under Section 280G of the Code) less $1,000 (the "280G Cap"), or (ii) paid in full, whichever produces the better after-tax position to the Executive (taking into account all applicable taxes, including but not limited to the excise tax under Section 4999 of the Code and any federal and state income and employment taxes). Any required reduction under clause (i) above shall be made in a manner that maximizes the net after-tax amount payable to the Executive, as reasonably determined by the Consultant (as in Paragraph 6(b) defined below).

(b) All determinations required under this Paragraph 6 shall be made by a nationally recognized accounting, executive compensation or law firm appointed by the Company (the "Consultant") that is reasonably acceptable to the Executive on the basis of "substantial authority" (within the meaning of Section 6662 of the Code). The Consultant, in making the determinations required under this Paragraph 6, shall apply the exemption under Section 280G of the Code and the regulations promulgated

thereunder for amounts, if any, that the Consultant determines, in the Consultant's good faith discretion, to be reasonable compensation for personal services actually rendered by the Executive before the date of the change in ownership or control that triggers application of Section 280G of the Code within the meaning of Section 280G of the Code and the regulations promulgated thereunder. The Consultant's fee shall be paid by the Company. The Consultant shall provide a report to the Executive that may be used by the Executive to file the Executive's federal tax returns.

(c) It is possible that payments could be made by the Company that should not have been made pursuant to this Paragraph 6. If the Company determines following the payment of amounts owed to the Executive under this Agreement (or otherwise) that clause (i) in Paragraph 6(a) above should have applied to reduce such amounts, then the Executive shall immediately repay to the Company, upon the Company's written notification that an overpayment has been made, the amount of such payments in excess of the 280G Cap.

(d) Nothing in this Paragraph 6 shall require the Company to be responsible for, or have any liability or obligation with respect to, any excise tax liability under Section 4999 of the Code.

7. Release. The Executive agrees that the Company will have no obligations to the Executive under Paragraph 4 above until the Executive executes a release in a form acceptable by the Company and allows such release to go into effect without revocation. The Company has no obligation under Paragraph 4 above if the Executive revokes such release. The Executive shall have the period of time required by the Age Discrimination in Employment Act of 1967, which period may be twenty-one (21) days or forty-five (45) days, as specified in the release, to consider whether or not to sign the release. If the Executive fails to return an executed release to the Company's Vice President of Human Resources within such period, or the Executive subsequently revokes a timely filed release, the Company shall have no obligation to pay any amounts or benefits under Paragraph 4 above.

8. No Interference with Other Vested Benefits. Regardless of the circumstances under which the Executive may terminate from employment, the Executive shall have a right to any benefits under any employee benefit plan, policy or program maintained by the Company which the Executive had a right to receive under the terms of such employee benefit plan, policy or program after a termination of the Executive's employment without regard to this Agreement. The Company shall within thirty (30) days of Separation from Service pay the Executive any earned but unpaid base salary and bonus, shall promptly pay the Executive for any earned but untaken vacation and shall promptly reimburse the Executive for any incurred but unreimbursed expenses which are otherwise reimbursable under the Company's expense reimbursement policy as in effect for senior executives immediately before the Executive's employment termination.

9. Consolidation or Merger. If the Company is at any time before or after a Change in Control merged or consolidated into or with any other corporation, association, partnership or other

entity (whether or not the Company is the surviving entity), or if substantially all of the assets thereof are transferred to another corporation, association, partnership or other entity, the provisions of this Agreement will be binding upon and inure to the benefit of the corporation, association, partnership or other entity resulting from such merger or consolidation or the acquirer of such assets (collectively, "Acquiring Entity") unless the Executive voluntarily elects not to become an employee of the Acquiring Entity as determined in good faith by the Executive. Furthermore, in the event of any such consolidation or transfer of substantially all of the assets of the Company, the Company shall enter into an agreement with the Acquiring Entity that shall provide that such Acquiring Entity shall assume this Agreement and all obligations and liabilities under this Agreement; provided that the Company's failure to comply with this provision shall not adversely affect any right of the Executive hereunder. This Paragraph 9 will apply in the event of any subsequent merger or consolidation or transfer of assets.

In the event of any merger, consolidation or sale of assets described above, nothing contained in this Agreement will detract from or otherwise limit the Executive's right to or privilege of participation in any restricted stock plan, bonus or incentive plan, stock option or purchase plan, profit sharing, pension, group insurance, hospitalization or other compensation or benefit plan or arrangement which may be or become applicable to officers of the corporation resulting from such merger or consolidation or the Acquiring Entity acquiring such assets of the Company.

In the event of any merger, consolidation or sale of assets described above, references to the Company in this Agreement shall, unless the context suggests otherwise, be deemed to include the entity resulting from such merger or consolidation or the acquirer of such assets of the Company.

10. No Mitigation. The Company agrees that the Executive is not required to seek other employment after a Qualifying Termination or to attempt in any way to reduce any amounts payable to the Executive by the Company under Paragraph 4 above. Further, the amount of any payment or benefit provided for in this Agreement shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

11. Payments. All payments provided for in this Agreement shall be paid in cash in the currency of the primary jurisdiction in which the Executive provided services to the Company and its subsidiaries immediately prior to Separation from Service. The Company shall not be required to fund or otherwise segregate assets to ensure payments under this Agreement.

12. Tax Withholding; Section 409A.

(a) All payments made by the Company to the Executive or the Executive's dependents, beneficiaries or estate will be subject to the withholding of such amounts relating to tax and/or other payroll deductions as may be required by law.

(b) The Parties intend that the benefits and payments provided under this Agreement shall be exempt from, or comply with, the requirements of Section 409A of the Code. Notwithstanding the foregoing, the Company shall in no event be obligated to indemnify the Executive for any taxes or interest that may be assessed by the IRS pursuant to Section 409A of the Code.

13. Arbitration.

(a) The Parties agree that any legal disputes (including but not limited to claims arising under federal or state statute, contract, tort, or public policy) that may occur between the Company and the Executive, and that arise out of, or are related in any way to, your employment with or termination of employment from the Company or the termination of this Agreement, and which disputes cannot be resolved informally, will be resolved exclusively through final and binding arbitration. The Parties will be precluded from raising in any other forum, including, but not limited to, any federal or state court of law, or equity, any claim arising under or pertaining to this Agreement which could be raised in arbitration; provided, however, that nothing in this Agreement precludes the Executive from filing a charge or from participating in an administrative investigation of a charge before an appropriate government agency or the Company from initiating an arbitration over a matter covered by this Agreement.

(b) Each Party may demand arbitration, no later than three hundred (300) days after the date on which the claim arose, by submitting to the other party a written demand which states: (i) the claim asserted, (ii) the facts alleged, (iii) the applicable statute or principal of law (e.g., breach of contract) upon which the demand is based, and (iv) the remedy sought. Any response to such demand must be made, in writing, within twenty (20) days after receiving the demand, and will specifically admit or deny each factual allegation.

(c) Arbitration timely initiated under this Paragraph 13 will be conducting in Boston, Massachusetts or at such other location as may be agreeable to the Parties, in accordance with the National Rules for the Resolution of Employment Disputes of the American Arbitration Association in effect on the date of such arbitration (the "Rules"), and judgment upon the award rendered by the arbitrator or arbitrators may be entered in any court having jurisdiction thereof. The award of the arbitrator shall be final and binding and shall be the sole and exclusive remedy between the Parties regarding any claims, counterclaims, issues or accountings presented to the arbitrator.

(d) The Parties agree that the arbitration shall be conducted by one (1) person mutually acceptable to the Company and the Executive, provided that if the Parties cannot agree on an arbitrator within thirty (30) days of filing a notice of arbitration, the arbitrator shall be selected by the manager of the principal office of the American Arbitration Association in Suffolk County in the Commonwealth of Massachusetts.

Any action to enforce or vacate the arbitrator's award shall be governed by the federal Arbitration Act, if applicable, and otherwise by applicable state law.

(e) If either Party pursues any claim, dispute or controversy against the other in a proceeding other than the arbitration provided for herein, the responding Party shall be entitled to dismissal or injunctive relief regarding such action and recovery of all costs, losses and attorney's fees related to such action.

(f) All of the Executive's reasonable costs and expenses incurred in connection with such arbitration shall be paid in full by the Company promptly on written demand from the Executive, including the arbitrators' fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, court costs, witness fees and attorneys' fees; provided, however, the Company shall pay no more than $50,000 per year in attorneys' fees unless a higher figure is awarded in the arbitration, in which event the Company shall pay the figure awarded in the arbitration.

(g) Reimbursement of reasonable costs and expenses under Paragraph 13(f) above shall be administered consistent with the following additional requirements as set forth in Treas. Reg. § 1.409A-3(i)(1)(iv): (i) the Executive's eligibility for benefits in one year will not affect the Executive's eligibility for benefits in any other year; (ii) any reimbursement of eligible expenses will be made on or before the last day of the year following the year in which the expense was incurred; and (iii) the Executive's right to benefits is not subject to liquidation or exchange for another benefit. Notwithstanding the foregoing, if the Executive is a "specified employee" for purposes of Section 409A of the Code, reimbursement for benefits under Paragraph 13(f) above shall be made in accordance with the six (6)-month delay rules under Treas. Reg. § 1.409A-3(i)(2).

(h) The Executive acknowledges and agrees that this arbitration provision constitutes a voluntary waiver of trial by jury in any action or proceeding to which the Executive or the Company may be parties arising out of or pertaining to this Agreement.

(i) Notwithstanding anything to the contrary contained in this Paragraph 13, the Company and the Executive agree that the Company has the right to seek injunctive or other equitable relief from a court of competent jurisdiction with respect to the enforcement of any obligations the Executive has pursuant to the Restrictive Covenants (as defined in Paragraph 15 below).

14. Assignment; Payment on Death.

(a) The provisions of this Agreement shall be binding upon and shall inure to the benefit of the Executive, the Executive's executors, administrators, legal representatives and assigns and the Company and its successors. The Company will require any successor (whether direct, indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of its business or assets expressly to assume and agree to

perform this Agreement to the same extent that the Company would be required to perform it if no such succession had taken place.

(b) In the event that the Executive becomes entitled to payments under this Agreement and subsequently dies, all amounts payable to the Executive hereunder and not yet paid to the Executive at the time of the Executive's death shall be paid to the Executive's beneficiary. No right or interest to or in any payments shall be assignable by the Executive; provided, however, that this provision shall not preclude the Executive from designating one or more beneficiaries to receive any amount that may be payable after the Executive's death and shall not preclude the legal representatives of the Executive's estate from assigning any right hereunder to the person or persons entitled thereto under the Executive's will or, in the case of intestacy, to the person or persons entitled thereto under the laws of intestacy applicable to the Executive's estate. The term "beneficiary" as used in this Agreement shall mean the beneficiary or beneficiaries so designated by the Executive to receive such amount or, if no such beneficiary is in existence at the time of the Executive's death, the legal representative of the Executive's estate.

(c) No right, benefit or interest hereunder shall be subject to anticipation, alienation, sale, assignment, encumbrance, charge, pledge, hypothecation, or set-off in respect of any claim, debt or obligation, or to execution, attachment, levy or similar process, or assignment by operation of law. Any attempt, voluntary or involuntary, to effect any action specified in the immediately preceding sentence shall, to the full extent permitted by law, be null, void and of no effect.

15. Non-Competition and Non-Solicitation. With execution of this Agreement, the Executive ratifies and confirms the Executive's obligations to the Company and its affiliates under Section 6 (Confidential Information) and Section 7 (Restrictive Covenants) of the Employment Agreement or under any similar provisions or obligations concerning confidentiality, non-solicitation or non-competition (collectively, the "Restrictive Covenants"). In the event the Executive violates any provision of the Restrictive Covenants, the Company shall be relieved of its obligation to provide any further payments or benefits pursuant to Paragraph 4 above, and the Executive shall immediately repay to the Company any cash amounts the Executive received pursuant to Paragraph 4 above prior to such violation.

16. Amendments and Waivers. Except as otherwise specified in this Agreement, this Agreement may be amended, and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Parties.

17. Integration. The terms of this Agreement shall supersede any prior agreements, understandings, arrangements or representations, oral or otherwise, expressed or implied, with respect to the subject matter hereof which have been made by either Party, including but not limited to the Prior Agreement, provided that in the event of any conflict between

the terms of this Agreement and any Executive Severance Agreement between the Company and the Executive, (i) the terms of this Agreement shall prevail with respect to a Separation from Service that occurs on or after a Change in Control and (ii) the terms of the Executive Severance Agreement shall prevail with respect to a Separation from Service prior to a Change in Control. By signing this Agreement, the Executive releases and discharges the Company from any and all obligations and liabilities heretofore or now existing under or by virtue of such prior agreements other than any such Executive Severance Agreement.

18. Notices. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of delivery if delivered by hand, (b) on the date of transmission, if delivered by confirmed facsimile, (c) on the first business day following the date of deposit if delivered by guaranteed overnight delivery service, or (d) on the fourth business day following the date mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive: at the address (or to the facsimile number) shown on the records of the Company.

If to the Company:
General Counsel
Haemonetics Corporation
400 Wood Road
Braintree, MA 02184

or to such other address as either Party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

19. Severability. Any provision of this Agreement held to be unenforceable under applicable law will be enforced to the maximum extent possible, and the balance of this Agreement will remain in full force and effect.

20. Headings of No Effect. The paragraph headings contained in this Agreement are included solely for convenience or reference and shall not in any way affect the meaning or interpretation of any of the provisions of this Agreement.

21. Not an Employment Contract. This Agreement is not an employment contract and shall not give the Executive the right to continue in employment by Company or any of its subsidiaries for any period of time or from time to time nor shall this Agreement give the Executive the right to continued membership on the Company’s Executive Leadership Team. This Agreement shall not adversely affect the right of the Company or any of its subsidiaries to terminate the Executive’s employment with or without cause at any time. Membership on the Company’s Executive Leadership Team shall be determined in the sole discretion of the Company.

22. Governing Law. This Agreement and its validity, interpretation, performance and enforcement shall be governed by the laws of the Commonwealth of Massachusetts (without reference to the choice of law principles thereof).

23. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

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IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its officers thereto duly authorized, and the Executive has signed this Agreement.

HAEMONETICS CORPORATION

By: /s/ Richard J. Meelia
Richard J. Meelia
Its: Chairman of the Board

EXECUTIVE

/s/ Christopher A. Simon
Name: Christopher A. Simon

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.

11/7/2017

/s/ Christopher Simon

Christopher Simon, President 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.

11/7/2017

/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 September 30, 2017 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.

11/7/2017

/s/ Christopher Simon

Christopher Simon,
President and Chief Executive Officer

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

EXHIBIT 32.2

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

In connection with the Quarterly Report of Haemonetics Corporation (the “Company”) on Form 10-Q for the period ended September 30, 2017 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.

11/7/2017

/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.