OSI SYSTEMS INC
Form DEF 14A
October 23, 2017

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under §240.14a-12

OSI Systems, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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(1) Amount Previously Paid:

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12525 Chadron Avenue
Hawthorne, California 90250

October 23, 2017

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of OSI Systems, Inc., which will be held at 10:00 a.m., local time, on December 11, 2017, at the Company's offices at 12525 Chadron Avenue, Hawthorne, California. All holders of OSI Systems, Inc. common stock as of the close of business on October 17, 2017 are entitled to vote at the Annual Meeting.

Please refer to our Notice of Annual Meeting of Stockholders, Proxy Statement and Proxy Card. Each describes the actions expected to be taken at the Annual Meeting. The Proxy Statement describes the items in detail and also provides information about our Board of Directors and executive officers. Please also refer to our Annual Report on Form 10-K for the fiscal year ended June 30, 2017, which I encourage you to read. It includes our audited, consolidated financial statements and information about our operations, markets and products.

Your vote is very important. Whether or not you plan to attend the Annual Meeting, please vote as soon as possible. Your vote will ensure your representation at the Annual Meeting if you cannot attend in person.

You may vote by Internet, telephone or by sending in your Proxy Card. In addition, you may also choose to vote in person at the Annual Meeting.

Thank you for your ongoing support and continued interest in OSI Systems, Inc.

Sincerely,

Victor S. Sze
Secretary

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12525 Chadron Avenue
Hawthorne, California 90250

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Date and Time:	10:00 a.m., local time, on Monday, December 11, 2017
Location:	The Company's offices, 12525 Chadron Avenue, Hawthorne, California 90250
Proposals:	1. To elect seven directors to hold office for a one-year term and until their respective successors are elected and qualified; 2. To ratify the appointment of Moss Adams LLP as the Company's independent registered public accounting firm for the fiscal year ending June 30, 2018; 3. To approve the Amended and Restated OSI Systems, Inc. 2012 Incentive Award Plan; 4. To conduct an advisory vote on the Company's executive compensation for the fiscal year ended June 30, 2017, as described in the accompanying Proxy Statement; 5. To conduct an advisory vote on the determination of the frequency of future advisory votes on the Company's executive compensation; and 6. To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.
Record Date:	The Board of Directors has fixed the close of business on October 17, 2017 as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting and all adjourned meetings thereof.
Voting:	Whether or not you plan to attend the Annual Meeting, it is important that you vote your shares. You may vote by signing and returning the enclosed Proxy Card, via the Internet, by telephone or by written ballot at the Annual Meeting, as more fully described in the Proxy Statement. Any of these methods will ensure representation of your shares at the Annual Meeting. If you later desire to revoke your proxy for any reason, you may do so in the manner described in the attached Proxy Statement.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on December 11, 2017: This Proxy Notice, the accompanying Proxy Statement and Annual Report on Form 10-K for the fiscal year ended June 30, 2017 are available at *http://www.proxyvote.com*.

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OSI SYSTEMS, INC.

12525 Chadron Avenue
Hawthorne, California 90250

PROXY STATEMENT

GENERAL INFORMATION

This Proxy Statement is being furnished in connection with the solicitation of proxies by the Board of Directors (the "Board") of OSI Systems, Inc. (the "Company") for use at our Annual Meeting of Stockholders ("Annual Meeting"), to be held at 10:00 a.m., local time on December 11, 2017, at our offices at 12525 Chadron Avenue, Hawthorne, California 90250, and at any adjournment thereof.

We are making our proxy materials, which include the Notice of Annual Meeting of Stockholders, Proxy Statement, Proxy Card and our most recent Annual Report on Form 10-K ("Proxy Materials"), available to our stockholders via the Internet, although registered stockholders and those stockholders who have previously requested to receive printed copies instead will receive their Proxy Materials in the mail. We anticipate that the Notice of Internet Availability of Proxy Materials will be mailed on or about October 27, 2017.

Stockholders of record as of the close of business on October 17, 2017 will receive a Notice of Internet Availability of Proxy Materials. The Notice of Internet Availability of Proxy Materials contains instructions about how to access the Proxy Materials and vote via the Internet without attending the Annual Meeting. If you receive a Notice of Internet Availability of Proxy Materials but would instead prefer to receive a printed copy of the Proxy Materials rather than downloading them from the Internet, you may do so by following the instructions for requesting such materials included in the Notice of Internet Availability of Proxy Materials.

If you are a stockholder that receives a printed copy of the Proxy Materials by mail, you may view the Proxy Materials on the Internet at *http://www.proxyvote.com*. However, in order to direct your vote without attending the Annual Meeting you must complete and mail the Proxy Card or voting instruction card enclosed (postage pre-paid return envelope also enclosed) or, if indicated on the Proxy Card that you receive, by telephone or Internet voting. Please refer to the Proxy Card that you receive for instructions.

When a proxy is properly submitted, the shares it represents will be voted in accordance with any directions noted thereon. Any stockholder giving a proxy has the power to revoke it at any time before it is voted by written notice to the Secretary of the Company by issuance of a subsequent proxy as more fully described on the Proxy Card. In addition, a stockholder attending the Annual Meeting may revoke his or her proxy and vote in person if he or she desires to do so, but attendance at the Annual Meeting will not of itself revoke the proxy.

At the close of business on October 17, 2017, the record date for determining stockholders entitled to notice of and to vote at the Annual Meeting, we had issued and outstanding 18,967,963 shares of common stock, $0.001 par value ("Common Stock"). A majority of the shares issued and outstanding on the record date, present in person at the Annual Meeting or represented at the Annual Meeting by proxy, will constitute a quorum for the transaction of business. Shares that are voted with respect to any proposal are treated as being present at the Annual Meeting for purposes of establishing a quorum. Each share of Common Stock entitles the holder of record thereof to one vote on any matter coming before the Annual Meeting.

A Proxy Card, when properly submitted via the Internet, telephone or mail, also confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Annual Meeting of Stockholders and with respect to other matters which may be properly brought before the

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Annual Meeting. At the time of printing this Proxy Statement, our management was not aware of any other matters to be presented for action at the Annual Meeting. If, however, other matters which are not now known to management should properly come before the Annual Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the proxy holders.

Abstentions and broker non-votes represented by submitted proxies will be included in the calculation of the number of the shares present at the Annual Meeting for the purposes of determining a quorum. "Broker non-votes" means shares held of record by a broker that are not voted because the broker has not received voting instructions from the beneficial owner of the shares and either lacks or declines to exercise the authority to vote the shares in its discretion.

Proposal One. In accordance with our Bylaws, directors are elected by a plurality of the votes cast, and the nominees who receive the most votes will be elected. Proposal One is considered a "non routine" matter and, accordingly, brokerage firms and nominees do not have the authority to vote their clients' unvoted shares on Proposal One or to vote their clients' shares if the clients have not furnished voting instructions within a specified period of time prior to the Annual Meeting. Abstentions and broker non-votes will not be counted as votes cast and will have no effect on the outcome of the vote on Proposal One. Votes marked "withhold" will not affect the outcome of the election of directors.

Proposal Two. In accordance with our Bylaws, to be approved, the ratification of Moss Adams LLP as our independent registered accounting firm must receive the affirmative vote of the majority of the shares of Common Stock present in person or by proxy and cast at the Annual Meeting. Proposal Two is considered a "routine" matter and, accordingly, brokerage firms and nominees have the authority to vote their clients' unvoted shares on Proposal Two as well as to vote their clients' shares if the clients have not furnished voting instructions within a specified period of time prior to the Annual Meeting. Abstentions and broker non-votes will not be counted as votes cast and will have no effect on the outcome of the vote on Proposal Two.

Proposal Three. In accordance with our Bylaws, to be approved, the proposal regarding our Amended and Restated 2012 Incentive Award Plan must receive the affirmative vote of the majority of the shares of Common Stock present in person or by proxy and cast at the Annual Meeting. Proposal Three is considered a "non-routine" matter and, accordingly, brokerage firms and nominees do not have the authority to vote their clients' unvoted shares on Proposal Three or to vote their clients' shares if the clients have not furnished voting instructions within a specified period of time prior to the Annual Meeting. Abstentions and broker non-votes will not be counted as votes cast and will have no effect on the outcome of the vote on Proposal Three.

Proposal Four. In accordance with our Bylaws, to be approved, the proposal regarding our executive compensation for the fiscal year ended June 30, 2017 must receive the affirmative vote of the majority of the shares of Common Stock present in person or by proxy and cast at the Annual Meeting. Proposal Four is considered a "non-routine" matter and, accordingly, brokerage firms and nominees do not have the authority to vote their clients' unvoted shares on Proposal Four or to vote their clients' shares if the clients have not furnished voting instructions within a specified period of time prior to the Annual Meeting. Abstentions and broker non-votes will not be counted as votes cast and will have no effect on the outcome of the vote on Proposal Four. The vote on Proposal Four is advisory and therefore not binding on the Company, the Compensation and Benefits Committee (the "Compensation Committee") or the Board. Although non-binding, the Board values the opinions that our stockholders express in their votes, and the votes will provide information to the Compensation Committee regarding investor sentiment about our executive compensation philosophy, policies and practices, which the Compensation Committee will be able to consider when determining executive compensation in the future.

Proposal Five. The frequency of the advisory vote on executive compensation receiving the greatest number of votes will be considered the frequency recommended by our stockholders. Proposal Five is

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considered a "non-routine" matter and, accordingly, brokerage firms and nominees do not have the authority to vote their clients' unvoted shares on Proposal Five or to vote their clients' shares if the clients have not furnished voting instructions within a specified period of time prior to the Annual Meeting. Abstentions and broker non-votes will not be counted as votes cast and will have no effect on the outcome of the vote on Proposal Five. The vote on Proposal Five is advisory and therefore not binding on the Company, the Compensation Committee or the Board. Although non-binding, the Board values the opinions that our stockholders express in their votes and will take into account the outcome of the vote when considering how frequently we should conduct a vote on our executive compensation going forward. However, because this vote is advisory and not binding on the Company or the Board, the Board may decide that it is in our and our stockholders' best interests to hold a vote on our executive compensation more or less frequently than the option that receives the most votes from the stockholders.

All stockholders entitled to vote at the Annual Meeting will receive either the Notice of Internet Availability of Proxy Materials or a printed copy of the Proxy Materials. We will pay the expenses of soliciting proxies for the Annual Meeting, including the cost of preparing, assembling, posting on the Internet and mailing the Notice of Internet Availability of Proxy Materials and the Proxy Materials. Proxies may be solicited personally, by mail, by e-mail, over the Internet, or by telephone, by directors, officers and regular employees of the Company who will not be additionally compensated therefore.

The matters to be considered and acted upon at the Annual Meeting are more fully discussed below.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on December 11, 2017: The Proxy Notice, this Proxy Statement and Annual Report on Form 10-K for the fiscal year ended June 30, 2017 are available at *http://www.proxyvote.com*.

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ELECTION OF DIRECTORS

(Proposal No. 1 of the Proxy Card)

Nominees

Our Board consists of seven members. At each annual meeting of stockholders, directors are elected for a term of one year to succeed those directors whose terms expire on the annual meeting date.

The seven candidates nominated for election as directors at the Annual Meeting are Deepak Chopra, Ajay Mehra, Steven C. Good, Meyer Luskin, William F. Ballhaus, James B. Hawkins and Gerald Chizever. All of our director nominees are currently directors of the Company and were previously elected to serve on the Board by our stockholders.

The enclosed Proxy will be voted in favor of these individuals unless other instructions are given. If elected, the nominees will serve as directors until our next annual meeting of stockholders, and until their successors are elected and qualified. If any nominee declines to serve or becomes unavailable for any reason, or if a vacancy occurs before the election (although we know of no reason to anticipate that this will occur), the proxies may be voted for such substitute nominees as the Board may designate.

If a quorum is present and voting, the seven nominees for directors receiving the highest number of votes will be elected as directors. Abstentions and shares held by brokers that are present, but not voted because the brokers were prohibited from exercising discretionary authority (broker non-votes) will be counted as present only for purposes of determining if a quorum is present.

The current directors and nominees for election as directors at this meeting are as follows:

Name	Age	Position	Director Since
Deepak Chopra	66	Chairman of the Board, Chief Executive Officer and President	1987
Ajay Mehra	55	Director, Executive Vice President and President of OSI Solutions Business	1996
Steven C. Good(1)(2)(4)	75	Director	1987
Meyer Luskin(1)(2)(4)	92	Director	1990
William F. Ballhaus(1)(2)(3)(4)(5)	72	Director	2010
James B. Hawkins(1)(3)(5)	61	Director	2015
Gerald Chizever(4)(5)	73	Director	2016

(1) Member of Audit Committee

(2) Member of Compensation Committee

(3) Member of Nominating and Governance Committee

(4) Member of Risk Management Committee

(5) Member of the Technology Committee

Business Experience

Deepak Chopra is our founder and has served as President, Chief Executive Officer and has been a member of our Board since our inception in May 1987. He has served as our Chairman of the Board since February 1992. Mr. Chopra also serves as the Chief Executive Officer of several of our major subsidiaries. From 1976 to 1979 and from 1980 to 1987, Mr. Chopra held various positions with ILC, a publicly-held manufacturer of lighting products, including serving as Chairman of the Board of Directors, Chief Executive Officer, President and Chief Operating Officer of its United Detector Technology division. In 1990, we acquired certain assets of ILC's United Detector Technology division. Mr. Chopra has also held

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various positions with Intel Corporation, TRW Semiconductors and RCA Semiconductors. Mr. Chopra holds a Bachelor of Science degree in Electronics from Punjab Engineering College in Chandigarh, Punjab, India and a Master of Science degree in Semiconductor Electronics from the University of Massachusetts, Amherst. Mr. Chopra was selected to serve as a director because of his expertise in the field of electrical engineering as well as his long-standing experience in successfully managing our Company.

Ajay Mehra has been a member of our Board since March 1996. Mr. Mehra is Executive Vice President of the Company and President of OSI Solutions Business. Mr. Mehra joined the Company as Controller in 1989 and served as Vice President and Chief Financial Officer from November 1992 until November 2002, when he was named our Executive Vice President. Prior to joining the Company, Mr. Mehra held various financial positions with Thermador/Waste King, a household appliance company, Presto Food Products, Inc. and United Detector Technology. Mr. Mehra holds a Bachelor of Arts degree from the School of Business of the University of Massachusetts, Amherst and a Master of Business Administration degree from Pepperdine University. Mr. Mehra was selected to serve as a director because of his financial management experience and management experience within our Company.

Steven C. Good has been a member of our Board since September 1987. He has been a consultant for the accounting firm of Cohn Reznick LLP since February 2010. Mr. Good founded the accounting firm of Good, Swartz, Brown & Berns (predecessor of Cohn Reznick LLP) in 1976 and served as an active partner until February 2010. He has been active in consulting and advisory services for businesses in various sectors, including the manufacturing, garment, medical services and real estate development industries. Mr. Good founded California United Bancorp in 1982 and served as its Chairman through 1993. From 1997 until the company was sold in 2006, Mr. Good served as a Director of Arden Realty Group, Inc., a publicly-held real estate investment trust listed on the New York Stock Exchange. Mr. Good currently serves as a director of Kayne Anderson MLP Investment Company and Kayne Anderson Energy Total Return Fund, each of which is listed on the New York Stock Exchange. Mr. Good also currently serves as a director of Rexford Industrial Realty, Inc., a publicly-held real estate investment trust listed on the New York Stock Exchange. He also formerly served as a director of California Pizza Kitchen, Inc. from 2005 to 2008, Youbet.com from 2006 to 2008, and the Walking Company Holdings, Inc. from 1997 to 2009. Mr. Good has extensive risk management experience gained through the various executive and board positions that he has held. Mr. Good holds a Bachelor of Science degree in Business Administration from the University of California, Los Angeles and attended its Graduate School of Business. Mr. Good was selected to serve as a director because of his audit, finance and accounting expertise.

Meyer Luskin has been a member of our Board since February 1990. Since 1958, Mr. Luskin has served as a director of Scope Industries, which is engaged principally in the business of recycling and processing food waste products into animal feed and has also served as its President, Chief Executive Officer and Chairman since 1961. He currently serves on the Board of Advisors of the Santa Monica UCLA Medical Center and Orthopaedic Hospital and was formerly the Chairman. Mr. Luskin was formerly Chairman of the Board of the Orthopaedic Institute for Children (previously known as the Los Angeles Orthopaedic Hospital). Mr. Luskin is also a director on the Advisory Board of the UCLA Luskin School of Public Affairs, a director of the UCLA Foundation, and a director of the Alliance for College-Ready Public Schools. Mr. Luskin also served as a director of Myricom, Inc., a computer and network infrastructure company. Mr. Luskin has extensive risk management experience gained through the various executive and board positions that he has held. Mr. Luskin holds a Bachelor of Arts degree from the University of California, Los Angeles and a Masters in Business Administration from Stanford University. Mr. Luskin was selected to serve as a director because of his long-standing experience managing complex business operations.

William F. Ballhaus, Jr. has been a member of our Board since May 2010. From 2000 to 2007, Dr. Ballhaus, now retired, served as President and then also as Chief Executive Officer of Aerospace Corporation, an organization dedicated to the application of science and technology to the solution of critical issues in the nation's space program. Between 1990 and 2000, Dr. Ballhaus' career included positions within the aerospace industry, including Corporate Vice President, Engineering and Technology for Lockheed Martin Corporation and President, Aero and Naval Systems and President, Civil Space & Communications, both for Martin Marietta. Between 1971 and 1989, Dr. Ballhaus worked for the National Aeronautics and Space Administration (NASA), including as Director of its Ames Research Center. Dr. Ballhaus serves on the Board of Directors of Draper Laboratory and is Chairman of the Board of Trustees of the University Space Research Association. Dr. Ballhaus has extensive risk management experience gained through the various executive and board positions that he has held. Dr. Ballhaus, who has published more than 40 papers on computational aerodynamics, obtained a Ph.D. in Engineering in 1971 and a BS and MS in Mechanical Engineering in 1967 and 1968, all from the University of California at Berkeley. Dr. Ballhaus was selected to serve as a director because of his experience in managing providers of technology and technical services to government agencies.

James B. Hawkins has been a member of our Board since December 2015. Mr. Hawkins is the President, Chief Executive Officer and member of the Board of Directors of Natus Medical Incorporated, a leading manufacturer of medical devices and software and a service provider for the newborn care, neurology, sleep, hearing and balance markets. Mr. Hawkins has held this position since 2004. In addition, he currently serves as a director of El Dorado Resorts Inc. Prior to joining Natus, Mr. Hawkins was President, Chief Executive Officer, and a director of Invivo Corporation, a provider of MRI-safe patient monitoring. Mr. Hawkins has extensive risk management experience gained through the various executive and board positions that he has held. He earned his undergraduate degree in Business Commerce from Santa Clara University and holds a Masters of Business Administration degree from San Francisco State University. Mr. Hawkins was selected to serve as a director because of his direct management experience in the medical device area.

Gerald Chizever has been a member of our Board since October 2016. Mr. Chizever has been a partner at the law firm of Loeb & Loeb LLP since 2004. Mr. Chizever's practice includes mergers and acquisitions, corporate finance, public and private securities offerings, general corporate representation and strategic alliances. Mr. Chizever serves as general corporate counsel for public and private companies, advising them in all matters, including business transactions, corporate governance and compliance with governmental regulations. He holds a B.B.A. degree in Accounting and a Juris Doctorate from George Washington University. Mr. Chizever was selected to serve as a director because of his corporate governance and compliance experience, including his experience in highly-regulated industries.

Relationships Among Directors or Executive Officers

There are no arrangements or understandings known to us between any of the directors or nominees for director and any other person pursuant to which any such person was or is to be elected a director.

Ajay Mehra is the first cousin of Deepak Chopra. Other than this relationship, there are no family relationships among our directors or Named Executive Officers (as defined in "Compensation of Executive Officers and Directors Summary Compensation Table").

Board Role in Risk Oversight

Our Board is responsible for our risk oversight. Risks we face include competitive, economic, operational, financial, accounting, liquidity, tax, regulatory, foreign country, safety, employment, political, and other risks. Risks are reported to our Board through our executive officers, who are responsible for the identification, assessment and management of our risks. Our Board regularly discusses the risks reported by our executive officers and reviews with management strategies and actions to mitigate the risks and the status and effectiveness of such strategies and actions.

To optimize its risk oversight capabilities and efficiently oversee our risks, the Board delegates to its committees oversight responsibility for particular areas of risk. For example, the Audit Committee

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oversees management of major financial risks, including risks related to accounting, auditing, financial reporting, and maintaining effective internal control over financial reporting. The Risk Management Committee, which was formed in August 2017, oversees management of key enterprise risks, including strategic, operational, legal, regulatory, and compliance. The Nominating and Governance Committee oversees risks related to the effectiveness of the Board. The Compensation Committee oversees risks related to our executive compensation policies and practices. The Technology Committee oversees risks related to technology matters. During fiscal 2017, the Board also had an Executive Committee that oversaw risks related to strategic transactions.

Board Leadership Structure and Lead Independent Director

Our Chairman of the Board is our Chief Executive Officer. We believe that currently combining the positions of Chief Executive Officer and Chairman serves as an effective link between management's role of identifying, assessing and managing risks and the Board's role of risk oversight. Mr. Chopra possesses in-depth knowledge of the issues, opportunities and challenges we face and is thus well positioned to develop agendas and highlight issues that ensure that the Board's time and attention are focused on the most critical matters. In addition, our Board has determined that this leadership structure is optimal because it believes that having one leader serving as both the Chairman and Chief Executive Officer provides decisive, consistent and effective leadership, as well as clear accountability. Having one person serve as Chairman and Chief Executive Officer also enhances our ability to communicate our message and strategy clearly and consistently to our stockholders, employees, and other companies with which we do business. Although we believe that the combination of the Chairman and Chief Executive Officer roles is appropriate under current circumstances, we will continue to review this issue periodically to determine whether, based on the relevant facts and circumstances, separation of these offices would serve our best interests and the best interests of our stockholders.

The combined Chairman of the Board and Chief Executive Officer position is balanced by the number of independent directors serving on our Board, our independent committees and our lead independent director. Mr. Good is currently our lead independent director and brings to this role considerable skills and experience as described above in "Election of Directors." The role of lead independent director is designed to further promote the independence of our Board and appropriate oversight of management and to facilitate free and open discussion and communication among our independent directors.

Board Meetings, Independence and Committees of the Board

There were eight meetings of the Board and the Board acted pursuant to unanimous written consent on four additional occasions during the fiscal year ended June 30, 2017. During fiscal 2017, the Board had a standing Audit Committee, Compensation Committee, Nominating and Governance Committee, Executive Committee and Technology Committee. In August 2017, the Board dissolved the Executive Committee and formed a Risk Management Committee. The members of each committee are appointed by the majority vote of the Board. All persons serving as a director during the fiscal year ended June 30, 2017 attended more than 75% of the aggregate number of meetings held by the Board and all committees on which such director served.

The Board has determined that each of the nominees for director, except Mr. Chopra and Mr. Mehra, is independent within the meaning of the director independence standards of The NASDAQ Stock Market (the "Listing Standards"), as currently in effect. Furthermore, the Board has determined that each of the members of each of the committees of the Board is independent within the meaning of the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") and the Listing Standards, as applicable and currently in effect.

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Audit Committee

We have a separately designated, standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Audit Committee makes recommendations for selection of our independent public accountants, reviews with the independent public accountants the plans and results of the audit engagement, approves professional services provided by the independent public accountants, reviews the independence of the independent public accountants, considers the range of audit and any non-audit fees, and reviews our financial statements and the adequacy of our internal accounting controls and financial management practices. All members of the Audit Committee are independent, as independence for audit committee members is defined in Rule 10A-3(b)(1) under the Exchange Act and the Listing Standards applicable to our Company.

The Audit Committee currently consists of four independent directors Messrs. Good, Luskin and Hawkins and Dr. Ballhaus. The Board has determined that, based upon his work experience, Mr. Good qualifies as an "Audit Committee Financial Expert" as this term has been defined under the rules and regulations of the SEC. Information regarding Mr. Good's work experience is set forth above under "Election of Directors." To date, no determination has been made as to whether the other members of the Audit Committee also qualify as Audit Committee Financial Experts.

There were four meetings of the Audit Committee during the fiscal year ended June 30, 2017. See "Report of Audit Committee." The Audit Committee acts pursuant to a written charter adopted by the Board, a copy of which is available under the Investor Relations section of our website *http://www.osi-systems.com*.

Risk Management Committee

The Risk Management Committee was formed in August 2017 and is responsible for overseeing and monitoring our key enterprise risks, including strategic, operational, legal, regulatory, compliance, security and reputational risks. The Risk Management Committee has responsibility for reviewing our compliance program and our major legal compliance risk exposures, monitoring our code of ethics, reviewing our risk management reviews and assessments, and regularly assessing the continuing appropriateness of a succession plan for our Chief Executive Officer and other executive officers. The Risk Management Committee currently consists of four independent directors Messrs. Chizever, Good, and Luskin and Dr. Ballhaus.

The Risk Management Committee acts pursuant to a written charter adopted by the Board, a copy of which is available under the Investor Relations section of our website *http://www.osi-systems.com*.

Compensation Committee

The Compensation Committee is responsible for determining compensation and benefits for our executive officers, reviewing and approving executive compensation policies and practices, and providing advice and input to the Board in the administration of our equity compensation and benefits plans. The Compensation Committee engages and consults with independent compensation consultants in the performance of its duties. The Compensation Committee currently consists of three independent directors Messrs. Luskin and Good and Dr. Ballhaus. There were nine meetings of the Compensation Committee during the fiscal year ended June 30, 2017. See "Compensation Committee Report."

The Compensation Committee acts pursuant to a written charter adopted by the Board, a copy of which is available under the Investor Relations section of our website *http://www.osi-systems.com.*

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Nominating and Governance Committee

The Nominating and Governance Committee is responsible for evaluating nominations for new members of the Board. During fiscal 2017, the Nominating and Governance Committee consisted of four independent directors Dr. Ballhaus and Messrs. Good, Luskin and Hawkins. There was one meeting of the Nominating and Governance Committee during the fiscal year ended June 30, 2017. The Nominating and Governance Committee currently consists of two independent directors Dr. Ballhaus and Mr. Hawkins.

The Nominating and Governance Committee will consider director candidates based upon their business and financial experience, personal characteristics, expertise that is complementary to the background and experience of other Board members, willingness to devote the required amount of time to carrying out the duties and responsibilities of membership on the Board, willingness to objectively appraise management performance, and any such other qualifications the Nominating and Governance Committee deems necessary to ascertain the candidate's ability to serve on the Board.

The Nominating and Governance Committee has sought to identify director nominees that have diverse professional and educational backgrounds that are believed to complement the skills offered by existing Board members. The Nominating and Governance Committee acts pursuant to a written charter adopted by the Board, a copy of which is available under the Investor Relations section of our website *http://www.osi-systems.com*.

Executive Committee

During fiscal 2017, the Executive Committee convened for the purpose of advising and consulting with our management regarding potential acquisitions, mergers and strategic alliances. The Executive Committee consisted of two independent directors Messrs. Good and Luskin. There were nine meetings of the Executive Committee during the fiscal year ended June 30, 2017. The Executive Committee was dissolved in August 2017.

Technology Committee

The Technology Committee is responsible for evaluating and making recommendations to the Board regarding all technology-based matters. The Technology Committee currently consists of three independent directors Dr. Ballhaus and Messrs. Hawkins and Chizever. There were two meetings of the Technology Committee during the fiscal year ended June 30, 2017.

The Technology Committee acts pursuant to a written charter adopted by the Board, a copy of which is available under the Investor Relations section of our website *http://www.osi-systems.com.*

Director Nomination Process

The Nominating and Governance Committee will consider director candidates recommended by stockholders. Stockholders who wish to submit names of candidates for election to the Board must do so in writing. The recommendation should be sent to the following address: c/o Secretary, OSI Systems, Inc., 12525 Chadron Avenue, Hawthorne, CA 90250. Our Secretary will, in turn, forward the recommendation to the Nominating and Governance Committee. The recommendation should include the following information:

- A statement that the writer is a stockholder and is proposing a candidate for consideration by the Nominating and Governance Committee;
- The name and contact information for the candidate;
- A statement of the candidate's occupation and background, including education and business experience;

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- Information regarding each of the factors listed above, sufficient to enable the Nominating and Governance Committee to evaluate the candidate;

- A statement detailing (i) any relationship or understanding between the candidate and our Company, or any customer, supplier, competitor, or affiliate of ours, and (ii) any relationship or understanding between the candidate and the stockholder proposing the candidate for consideration, or any affiliate of such stockholder; and

- A statement that the candidate is willing to be considered for nomination by the Nominating and Governance Committee and willing to serve as a director if nominated and elected.

Stockholders must also comply with all requirements of our Bylaws, a copy of which is available from our Secretary upon written request, with respect to nomination of persons for election to the Board. We may also require any proposed nominee to furnish such other information as we or the Nominating and Governance Committee may reasonably require to determine the eligibility of the nominee to serve as a director. In performing its evaluation and review, the Nominating and Governance Committee generally does not differentiate between candidates proposed by stockholders and other proposed nominees, except that the Nominating and Governance Committee may consider, as one of the factors in its evaluation of stockholder recommended candidates, the size and duration of the interest of the recommending stockholder or stockholder group in the equity of the Company.

There are no stockholder nominations for election to our Board to be voted on at this year's Annual Meeting. Stockholders wishing to submit nominations for next year's annual meeting of stockholders must notify us of their intent to do so on or before the date on which nominations must be received by us in accordance with our Bylaws and the rules and regulations of the SEC. For details see "Stockholder Proposals."

Compensation Committee Interlocks and Insider Participation

The Compensation Committee is currently composed of three non-employee directors Messrs. Luskin and Good and Dr. Ballhaus. None of our executive officers has served during the fiscal year ended June 30, 2017 or subsequently as a member of the board of directors or compensation committee of any entity which has one or more executive officers who serve on our Board or the Compensation Committee. During the fiscal year ended June 30, 2017, no member of our Compensation Committee had any relationship or transaction with our Company required to be disclosed pursuant to Item 404 of Regulation S-K.

The Board recommends that you vote "FOR" the election of each of Deepak Chopra, Ajay Mehra, Steven C. Good, Meyer Luskin, William F. Ballhaus, Jr., James B. Hawkins and Gerald Chizever as our directors. Holders of proxies solicited by this Proxy Statement will vote the proxies received by them as directed on the Proxy or, if no direction is made, for each of the above-named nominees. The election of directors requires a plurality of the votes cast at the Annual Meeting.

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RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

(Proposal No. 2 of the Proxy Card)

The Audit Committee has selected Moss Adams LLP ("Moss Adams") as our independent registered public accountants for the year ending June 30, 2018 and has further directed that management submit the selection of independent registered public accountants for ratification by our stockholders at the Annual Meeting. Moss Adams has no financial interest in the Company, and neither it nor any member or employee of the firm has had any connection with the Company in the capacity of promoter, underwriter, voting trustee, director, officer or employee.

In the event that our stockholders fail to ratify the selection of Moss Adams, the Audit Committee will reconsider whether or not to retain the firm. Even if the selection is ratified, the Audit Committee and the Board in their discretion may direct the appointment of a different independent accounting firm at any time during the year if they determine that such a change would be in our and our stockholders' best interests.

Representatives of Moss Adams are expected to be present at the Annual Meeting, and they will have an opportunity to make a statement if they so desire and are expected to be available to respond to appropriate questions.

The Board recommends a vote "FOR" the ratification of Moss Adams as our independent registered public accountants for the fiscal year ending June 30, 2018. Holders of proxies solicited by this Proxy Statement will vote the proxies received by them as directed on the Proxy or, if no direction is made, in favor of this proposal. In order to be adopted, this proposal must be approved by the affirmative vote of a majority of the shares of Common Stock present in person or by proxy and cast at the Annual Meeting.

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APPROVAL OF AMENDED AND RESTATED
OSI SYSTEMS, INC. 2012 INCENTIVE AWARD PLAN
(Proposal No. 3 of the Proxy Card)

Introduction

We are interested in maintaining strong corporate governance practices, including with respect to equity awards granted to our executive officers. For this reason, our Board adopted on October 13, 2017 (the "Effective Date"), subject to stockholder approval, the Amended and Restated OSI Systems, Inc. 2012 Incentive Award Plan (the "Amended Plan"). Awards under the Amended Plan provide employees, consultants and directors an opportunity to acquire or increase their ownership stake in our Company, and our Board believes this aligns their interests with those of our stockholders, creating strong incentives to achieve goals that result in consistent stockholder returns. We believe that adopting the Amended Plan is in our best interest in light of our growth and the continuing need to provide equity-based incentives to attract and retain the most qualified personnel. A copy of the Amended Plan is included as Appendix A to this Proxy Statement.

The Amended Plan amends and restates in its entirety our 2012 Incentive Award Plan (the "Existing Plan"). In particular, the Amended Plan makes the following material changes to the Existing Plan:

- Increases the maximum number of shares of Common Stock which may be issued under the Existing Plan by 1,600,000 shares to a total of 5,450,000 shares.

- Prohibits the payment of dividends or dividend equivalents with respect to awards granted under the Amended Plan until the applicable vesting conditions applicable to the underlying award are satisfied and the award vests.

- Permits net share tax withholding with respect to awards granted pursuant to the Amended Plan up to the maximum statutory withholding rates in the applicable jurisdiction.

- Requires participants in the Amended Plan to consent to the collection, use and transfer of personal data by us and our subsidiaries for the purpose of implementing, administering and managing participation in the Amended Plan.

- Limits the sum of the grant date fair value of equity-based awards and the amount of any cash-based awards granted to our non-employee directors during any calendar year to $750,000.

In determining the number of shares of Common Stock to request for approval under the Amended Plan, our management team worked with the Compensation Committee to evaluate a number of factors, including our recent share usage, anticipated share usage, and criteria expected to be utilized by institutional proxy advisory firms in evaluating our proposal for the Amended Plan.

If the Amended Plan is approved, we intend to utilize the shares of Common Stock authorized under the Amended Plan to continue our practice of incentivizing our employees, consultants and directors through the use of equity incentive grants. We anticipate that the shares of Common Stock requested in connection with the approval of the Amended Plan, combined with the shares of Common Stock currently available for future awards under the Existing Plan, will last for approximately three to four years, based on our historic grant rates and the approximate current stock price. However, these shares could last for a shorter period of time if actual practice does not match historic rates and/or our stock price changes materially.

We believe that grants of equity incentive awards are necessary to enable us to continue to attract and retain top talent. We also recognize that equity compensation awards dilute shareholder equity. Accordingly, we have balanced these concerns by carefully managing our equity incentive compensation usage in a manner intended to be competitive and consistent with market practice while also demonstrating a commitment to sound equity compensation practices. If the Amended Plan is not approved, we believe our recruitment and retention capabilities will be adversely affected.

As of June 30, 2017, awards covering 1,392,358 shares of our Common Stock were outstanding under the Existing Plan, and 1,312,813 shares remained available for future issuance or the grant of awards under the Existing Plan. The weighted average price of options outstanding as of June 30, 2017 was $30.00 and the weighted average remaining term was 3.3 years.

As of October 17, 2017, outstanding grants under our existing equity compensation plans, including shares remaining available for grant thereunder, are provided in the table below:

Stock Options Outstanding	706,312
Stock Awards Outstanding*	534,575
Common Stock Outstanding	18,967,963
Weighted Average Exercise Price of Stock Options Outstanding	$31.34
Weighted-Average Remaining Duration (Years) of Stock Options Outstanding	3.3 years
Total Shares Available for Grant under Existing Plan*	724,772

* Figures have decreased since June 30, 2017 primarily due to the vesting of certain awards as well as certain grants of fully vested shares pursuant to our Six-Year Performance Program.

In addition to the above, we are asking stockholders to approve the Amended Plan to satisfy the stockholder approval requirements of Section 162(m) of the Code ("Section 162(m)"), and to ensure we have the ability to grant "incentive stock options" under the Amended Plan.

In general, Section 162(m) places a limit on the deductibility for federal income tax purposes of the compensation paid to our Chief Executive Officer and our next three most highly compensated executive officers (other than our Chief Financial Officer). Under Section 162(m), compensation paid to such persons in excess of $1 million in a taxable year generally is not deductible. However, compensation that qualifies as "performance-based" under Section 162(m) does not count against the $1 million deduction limitation. One of the requirements of "performance-based" compensation for purposes of Section 162(m) is that the material terms of the plan under which compensation may be paid be disclosed to and approved by our stockholders. For purposes of Section 162(m), the material terms include (a) the employees eligible to receive compensation, (b) a description of the business criteria on which the performance goals may be based and (c) the maximum amount of compensation that can be paid to an employee under the performance goals. Each of these aspects of the Amended Plan is discussed below, and stockholder approval of this Proposal 3 will be deemed to constitute approval of the material terms of the Amended Plan for purposes of the stockholder approval requirements of Section 162(m).

Stockholder approval of the material terms of the performance goals of the Amended Plan is only one of several requirements under Section 162(m) that must be satisfied for amounts realized under the Amended Plan to qualify for the "performance-based" compensation exemption under Section 162(m), and submission of the Amended Plan for stockholder approval of the material terms of its performance goals should not be viewed as a guarantee that we will be able to deduct all compensation under the Amended Plan. Nothing in this proposal precludes us or the Compensation Committee from making any payment or granting awards that are not intended to qualify (or otherwise do not qualify) for tax deductibility under Section 162(m).

Stockholder Approval

If stockholders do not approve the proposal in this Proposal 3, the Existing Plan (not as amended and restated) will, however, remain in effect with respect to eligible individuals, including covered employees, and we may continue to grant awards under the Existing Plan (and not the Amended Plan) to such individuals, subject to the terms and conditions of the Existing Plan. In addition, all previously granted awards will continue to be subject to the terms of the Existing Plan.

Material Terms of the Amended Plan

Eligibility and Administration. Our employees, consultants and directors are eligible to receive awards under the Amended Plan. As of September 30, 2017, there were approximately 5,981 employees, including five Named Executive Officers, and five non-employee directors eligible to receive awards under the Amended Plan. The Amended Plan is administered by the Board with respect to awards to non-employee directors and by the Compensation Committee with respect to other participants, each of which may delegate its duties and responsibilities to committees of our directors and/or officers (all such bodies and delegates referred to collectively as the plan administrator), subject to certain limitations that may be imposed under Section 162(m), Section 16 of the Exchange Act and/or stock exchange rules, as applicable. The plan administrator has the authority to make all determinations and interpretations under, prescribe all forms for use with, and adopt rules for the administration of, the Amended Plan, subject to its express terms and conditions. The plan administrator also sets the terms and conditions of all awards under the Amended Plan, including any vesting and vesting acceleration conditions.

Limitation on Awards and Shares Available. The aggregate number of shares of our Common Stock that are available for issuance under awards granted pursuant to the Existing Plan equals the sum of (i) 3,850,000 shares minus (ii) any shares of our Common Stock delivered in settlement of awards granted pursuant to our 2006 Equity Participation Plan (the "2006 Plan") during the period beginning on September 25, 2012 and ending immediately prior to December 12, 2012, plus (iii) any shares of our Common Stock subject to awards outstanding under the 2006 Plan that terminate, expire or lapse for any reason on or after December 12, 2012 (up to a maximum of 2,220,000 shares). If this Proposal 3 is approved by our stockholders, then the aggregate number of shares of our Common Stock that will be available for issuance under awards granted pursuant to the Amended Plan will equal the sum of (i) 5,450,000 shares, plus (ii) any shares of our Common Stock subject to awards outstanding under the 2006 Plan that terminate, expire or lapse for any reason on or after stockholder approval of the Amended Plan. Any shares delivered in settlement of awards of options, stock appreciation rights ("SARs") or similar awards which do not deliver the full share value at grant of the underlying shares will be counted against this limit as one share for every one share granted. Any shares that are delivered in settlement of restricted stock, restricted stock units or similar awards that convey the full value of the shares subject to the award (other than options, SARs or similar awards for which the recipient must pay the grant-date intrinsic value) will be counted against this limit as 1.87 shares for every one share granted. Shares subject to awards under the Amended Plan that are forfeited, expire or are settled for cash may be used again for new grants under the Amended Plan, and will be added back to the Amended Plan's share limit in the same number of shares as were debited from the share limit in respect of the grant of such awards. (1) Shares subject to a SAR or stock option that are not issued in connection with the stock settlement of the SAR or stock option on its exercise, (2) shares purchased on the open market with the cash proceeds from the exercise of options, and (3) shares tendered or withheld to satisfy exercise price or tax withholding obligations associated with an award, in any case, may not be used again for new grants of awards. Shares granted under the Amended Plan may be treasury shares, authorized but unissued shares, or shares purchased in the open market.

Subject to limited exception, awards granted under the Amended Plan upon the assumption of, or in substitution for, awards authorized or outstanding under a qualifying equity plan maintained by an entity with which we enter into a merger or similar corporate transaction will not reduce the shares available for grant under the Amended Plan. The maximum number of shares of our Common Stock that may be subject to one or more awards granted to any one participant pursuant to the Amended Plan during any calendar year will be 250,000 and the maximum amount that may be paid in cash pursuant to the Amended Plan to any one participant during any calendar year period will be $15,000,000. In addition, the sum of the

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grant date fair value of equity-based awards and the amount of any cash-based awards that may be granted to any non-employee director pursuant to the Amended Plan during any calendar year will not exceed $750,000.

Awards. The Amended Plan provides for the grant of stock options, including incentive stock options and nonqualified stock options, restricted stock, dividend equivalents, restricted stock units ("RSUs"), other incentive awards and SARs and cash awards. Certain awards under the Amended Plan may constitute or provide for a deferral of compensation, subject to Section 409A of the Internal Revenue Code, which may impose additional requirements on the terms and conditions of such awards. All awards under the Amended Plan are or will be set forth in award agreements, which detail the terms and conditions of the awards, including any applicable vesting and payment terms and post-termination exercise limitations. Awards other than cash awards are generally settled in shares of our Common Stock, but the plan administrator may provide for cash settlement of any award. A brief description of each award type follows.

Stock Options. Stock options provide for the purchase of shares of our Common Stock in the future at an exercise price set on the grant date. Incentive stock options, by contrast to nonqualified stock options, may provide tax deferral beyond exercise and favorable capital gains tax treatment to their holders if certain holding period and other requirements of the Internal Revenue Code are satisfied. The exercise price of a stock option may not be less than 100% of the fair market value of the underlying share on the date of grant (or 110% in the case of incentive stock options granted to certain significant stockholders), except with respect to certain substitute options granted in connection with a corporate transaction. The term of a stock option may not be longer than ten years (or five years in the case of incentive stock options granted to certain significant stockholders). Vesting conditions determined by the plan administrator may apply to stock options and may include continued service, performance and/or other conditions.

Stock Appreciation Rights. SARs entitle their holder, upon exercise, to receive from us an amount equal to the appreciation of the shares subject to the award between the grant date and the exercise date. The exercise price of a SAR may not be less than 100% of the fair market value of the underlying share on the date of grant (except with respect to certain substitute SARs granted in connection with a corporate transaction) and the term of a SAR may not be longer than ten years. Vesting conditions determined by the plan administrator may apply to SARs and may include continued service, performance and/or other conditions.

Restricted Stock and Restricted Stock Units. Restricted stock is an award of nontransferable shares of our Common Stock that remain forfeitable unless and until specified conditions are met. RSUs are contractual promises to deliver shares of our Common Stock in the future, which may also remain forfeitable unless and until specified conditions are met. Delivery of the shares underlying RSUs may be deferred under the terms of the award or at the election of the participant if the plan administrator permits such a deferral. Vesting conditions determined by the plan administrator may apply to restricted stock and RSUs and may include continued service, performance and/or other conditions. Under the Amended Plan, dividends payable with respect to restricted stock prior to the vesting of such restricted stock instead will be paid out to the participant only to the extent that the applicable vesting conditions of the underlying award are subsequently satisfied and the restricted stock vests. Dividends payable with respect to the portion of an award that fails to vest will be forfeited.

Other Incentive Awards and Cash Awards. Other incentive awards are awards other than those enumerated in this summary that are denominated in, linked to or derived from shares of our Common Stock or value metrics related to our shares, and may remain forfeitable unless and until specified conditions are met. Cash awards are cash incentive bonuses subject to performance goals.

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Dividend Equivalents. Dividend equivalents represent the right to receive the equivalent value of dividends paid on shares of our Common Stock and may be granted alone or in tandem with awards. Dividend equivalents are credited as of dividend payment dates during the period between the date an award is granted and the date such award vests, is exercised, is distributed or expires, as determined by the plan administrator. Dividend equivalents may not be granted on options or SARS. Under the Amended Plan, dividend equivalents payable with respect to an award prior to the vesting of such award instead will be paid out to the participant only to the extent that the applicable vesting conditions of the underlying award are subsequently satisfied and the award vests. Dividend equivalents payable with respect to the portion of an award that fails to vest will be forfeited.

Performance Awards. Performance awards include any of the foregoing awards that are granted subject to vesting and/or payment based on the attainment of specified performance goals. The plan administrator will determine whether performance awards are intended to qualify as "performance-based" compensation ("QPBC") within the meaning of Section 162(m), in which case the applicable performance criteria will be selected from the list below in accordance with the requirements of Section 162(m).

In order to constitute QPBC under Section 162(m), in addition to certain other requirements, the relevant amounts must be payable only upon the attainment of pre-established, objective performance goals set by the Compensation Committee and linked to stockholder-approved performance criteria. For purposes of the Amended Plan, one or more of the following performance criteria will be used in setting performance goals applicable to QPBC, and may be used in setting performance goals applicable to other performance awards: (i) net earnings (either before or after one or more of the following: (a) interest, (b) taxes, (c) depreciation, (d) amortization and (e) non-cash equity-based compensation); (ii) gross or net sales or revenue; (iii) net income (either before or after taxes); (iv) adjusted net income; (v) operating earnings or profit; (vi) cash flow (including, but not limited to, operating cash flow and free cash flow); (vii) return on assets; (viii) return on capital; (ix) return on stockholders' equity; (x) total stockholder return; (xi) return on sales; (xii) gross or net profit or operating margin; (xiii) costs; (xiv) funds from operations; (xv) expenses; (xvi) working capital; (xvii) earnings per share; (xviii) adjusted earnings per share; (xix) price per share of Common Stock; (xx) regulatory body approval for commercialization of a product; (xxi) implementation or completion of critical projects; (xxii) market share; (xxiii) economic value; (xxiv) customer retention; and (xxv) sales-related goals, any of which may be measured either in absolute terms for our Company or any of our operating units or as compared to any incremental increase or decrease or as compared to results of a peer group or to market performance indicators or indices. The Amended Plan also permits the plan administrator to provide for objectively determinable adjustments to the applicable performance criteria in setting performance goals for QPBC awards.

Certain Transactions. The plan administrator has broad discretion to equitably adjust the provisions of the Amended Plan, as well as the terms and conditions of existing and future awards, to prevent the dilution or enlargement of intended benefits and facilitate necessary or desirable changes in the event of certain transactions and events affecting our Common Stock, such as stock dividends, stock splits, mergers, acquisitions, consolidations and other corporate transactions. In addition, in the event of certain non-reciprocal transactions with our stockholders known as "equity restructurings," the plan administrator will make equitable adjustments to the Amended Plan and outstanding awards. In the event of a change in control of our Company (as defined in the Amended Plan), the surviving entity must assume outstanding awards or substitute economically equivalent awards for such outstanding awards; however, if the surviving entity declines to assume or substitute for some or all outstanding awards, then all such awards will vest in full and be deemed exercised (as applicable) upon the transaction. Individual award agreements may provide for additional accelerated vesting and payment provisions.

Foreign Participants, Transferability, Repricing and Participant Payments. The plan administrator may modify award terms, establish subplans and/or adjust other terms and conditions of awards, subject to the share limits described above, in order to facilitate grants of awards subject to the laws and/or stock exchange rules of countries outside of the United States. With limited exceptions for estate planning, domestic relations orders, certain beneficiary designations and the laws of descent and distribution, awards under the Amended Plan are generally non-transferable prior to vesting and exercisable only by the participant. Except in connection with certain corporate transactions, the Amended Plan does not permit the repricing or cancelation of options or SARS in exchange for cash or other awards without stockholder approval when the option or SAR price per share exceeds the fair market value of the underlying shares. With regard to tax withholding, exercise price and purchase price obligations arising in connection with awards under the Amended Plan, the plan administrator may, in its discretion, accept cash or check, shares of our Common Stock that meet specified conditions, a "market sell order" or such other consideration as it deems suitable.

Plan Amendment and Termination. Our Board may amend or terminate the Amended Plan at any time; however, except in connection with certain changes in our capital structure, stockholder approval will be required for (i) any amendment that increases the number of shares available under the Amended Plan, and (ii) any amendment that reduces the price per share of any outstanding option or SAR granted under the Amended Plan or that cancels any stock option or SAR in exchange for cash or another award when the option or SAR price per share exceeds the fair market value of the underlying shares. After the tenth anniversary of the Effective Date of the Amended Plan, no incentive stock options may be granted; however, the Amended Plan does not have a specified expiration and will otherwise continue in effect until terminated by us.

Programs. The Amended Plan provides that the plan administrator may establish programs under the Amended Plan which contain the terms and conditions intended to govern a specified type of award granted under the Amended Plan. Programs may be established to govern awards tied to specific performance goals and business criteria under the umbrella of the Amended Plan. In all cases, these programs will be consistent with the terms of the Amended Plan.

Tax Withholding. We have the authority and the right to deduct or withhold, or require a participant to remit to us, an amount sufficient to satisfy federal, state, local and foreign taxes required by law to be withheld with respect to any taxable event concerning a participant arising as a result of the Amended Plan. The plan administrator may in its sole discretion and in satisfaction of the foregoing requirement allow a participant to elect to have us withhold shares otherwise issuable under an award. Unless determined otherwise by the plan administrator, the number of shares which may be so withheld or surrendered will be limited to the number of shares which have a fair market value no greater than the aggregate amount of such liabilities based on the maximum individual statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes for the applicable jurisdiction.

Data Privacy. Under the Amended Plan, as a condition of receipt of any award, each participant must explicitly consent to the collection, use and transfer of personal data as described in the Amended Plan by and among us and our subsidiaries for the exclusive purpose of implementing, administering and managing the participant's participation in the Amended Plan.

Summary of Federal Income Tax Consequences of the Amended Plan

Following is a brief description of the principal United States federal income tax consequences related to grants made under the Amended Plan and certain other United States federal income tax issues. Some kinds of taxes, such as state, local and foreign income taxes and federal employment taxes, are not discussed. Tax laws are complex and subject to change and may vary depending on individual circumstances and from locality to locality. **The summary does not discuss all aspects of federal income taxation that may be relevant in light of a holder's personal circumstances. It is not intended as tax advice for award recipients, who should consult their own tax advisors.**

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Nonqualified Stock Options. An award recipient will not be subject to tax at the time a nonqualified stock option is granted, and no tax deduction will then be available to us. Upon the exercise of a nonqualified stock option, an amount equal to the difference between the exercise price and the fair market value of the shares acquired on the date of exercise will be included in the recipient's ordinary income and we will generally be entitled to deduct the same amount. Upon disposition of shares acquired upon exercise, any appreciation or depreciation after the date of exercise will generally constitute a capital gain or capital loss for the holder of the shares.

Incentive Stock Options (ISOs). An award recipient will not be subject to regular income tax at the time an ISO is granted or exercised, and no tax deduction will then be available to us; however, the recipient may be subject to the alternative minimum tax on the excess of the fair market value of the shares received upon exercise of the ISO over the exercise price. Upon disposition of the shares acquired upon exercise of an ISO, capital gain or capital loss will generally be recognized by the recipient in an amount equal to the difference between the sale price and the exercise price, as long as the recipient has not disposed of the shares within two years after the date of grant or within one year after the date of exercise and has been employed by us at all times from the grant date until the date three months before the date of exercise (one year in the case of permanent disability). If the recipient disposes of the shares without satisfying both the holding period and employment requirements, the recipient will recognize ordinary income at the time of the disposition equal to the excess of the amount realized over the exercise price but, in the case of a failure to satisfy the holding period requirement, not more than the excess of the fair market value of the shares on the date the ISO is exercised over the exercise price, with any remaining gain or loss being treated as capital gain or capital loss. We are not entitled to a tax deduction upon either the exercise of an ISO or upon disposition of the shares acquired pursuant to such exercise, except to the extent that the participant recognizes ordinary income on a disqualifying disposition of the shares.

Other Awards. The current federal income tax consequences of other awards authorized under the Amended Plan generally follow certain basic patterns: SARs are taxed and deductible in substantially the same manner as nonqualified stock options; nontransferable restricted stock subject to a substantial risk of forfeiture results in income recognition equal to the excess of the fair market value over the price paid, if any, only at the time the restrictions lapse (unless the recipient elects to accelerate recognition as of the date of grant); RSUs, dividend equivalents, and performance awards are generally subject to tax at the time of payment. Compensation otherwise effectively deferred is taxed when paid (other than employment taxes which are generally paid at the time such compensation is deferred or, if later, vested). In each of the foregoing cases, we will generally have a corresponding deduction at the time the participant recognizes income, subject to Section 162(m) with respect to covered employees.

Section 162(m) of the Internal Revenue Code. Section 162(m) denies a deduction to any publicly-held corporation for compensation paid to "covered employees" in a taxable year to the extent that compensation paid to such covered employee exceeds $1,000,000. It is possible that compensation attributable to awards under the Amended Plan, when combined with all other types of compensation received by a covered employee from us, may cause this limitation to be exceeded in any particular year.

The Section 162(m) deduction limitation does not apply to "qualified performance-based compensation." In order to qualify for the exemption for qualified performance-based compensation, Section 162(m) requires, among other things, that: (i) the compensation be paid solely upon account of the attainment of one or more pre-established objective performance goals, (ii) the performance goals must be established by a compensation committee comprised of two or more "outside directors," (iii) the material terms of the performance goals under which the compensation is to be paid must be disclosed to and approved by the shareholders and (iv) the

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compensation committee of "outside directors" must certify that the performance goals have indeed been met prior to payment.

Section 162(m) contains a special rule for stock options and stock appreciation rights which provides that stock options and stock appreciation rights will satisfy the "qualified performance-based compensation" exemption if (i) the awards are made by a compensation committee comprised of "outside directors", (ii) the plan sets the maximum number of shares that can be granted to any person within a specified period, and (iii) the compensation is based solely on an increase in the stock price after the grant date.

The Amended Plan has been designed to permit our Compensation Committee to grant stock options, stock appreciation rights and other awards which will qualify as "qualified performance-based compensation."

If the Amended Plan is approved by our stockholders, our Compensation Committee may, but is not obligated to, grant awards under the Amended Plan intended to constitute "qualified performance-based compensation" under Section 162(m).

Section 409A of the Internal Revenue Code. Certain types of awards under the Amended Plan may constitute, or provide for, a deferral of compensation subject to Section 409A of the Internal Revenue Code ("Section 409A"). Unless certain requirements set forth in Section 409A are complied with, holders of such awards may be taxed earlier than would otherwise be the case (e.g., at the time of vesting instead of the time of payment) and may be subject to an additional 20% penalty tax (and, potentially, certain interest penalties and additional state taxes). To the extent applicable, the Amended Plan and awards granted under the Amended Plan are intended to be structured and interpreted in a manner intended to either comply with or be exempt from Section 409A and the Department of Treasury regulations and other interpretive guidance that may be issued under Section 409A. To the extent determined necessary or appropriate by the plan administrator, the Amended Plan and applicable award agreements may be amended to further comply with Section 409A or to exempt the applicable awards from Section 409A.

Interest of Certain Persons in Matters to Be Acted Upon; New Plan Benefits

Our directors and executive officers have an interest in the proposal to approve the Amended Plan, as each would be eligible to receive awards under the Amended Plan.

The number of awards that our Named Executive Officers, directors, other executive officers and other employees may receive under the Amended Plan will be determined in the discretion of our Board or Compensation Committee, as applicable, in the future, and our Board and Compensation Committee have not made any determination to make future grants to any persons under the Amended Plan as of the date of this Proxy Statement. Therefore, it is not possible to determine the future benefits that will be received by these participants under the Amended Plan, or the benefits that would have been received by such participants if the Amended Plan, as proposed to be amended, had been in effect in the year ended June 30, 2017.

The Board unanimously recommends that you vote "FOR" the approval of the Amended and Restated OSI Systems, Inc. 2012 Incentive Award Plan. Holders of proxies solicited by this Proxy Statement will vote the proxies received by them as directed on the Proxy or, if no direction is made, in favor of this proposal. In order to be approved, this proposal must be approved by the affirmative vote of a majority of the shares of Common Stock present in person or by proxy and cast at the Annual Meeting.

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ADVISORY VOTE ON THE COMPANY'S EXECUTIVE COMPENSATION FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Proposal No. 4 of the Proxy Card)

Background

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd Frank Act") enables our stockholders to vote to approve, on an advisory, non-binding basis, our executive compensation for the fiscal year ended June 30, 2017 as disclosed in the Proxy Statement in accordance with the SEC's rules, including Section 14A of the Exchange Act ("Say-on-Pay"). We currently conduct this advisory vote on an annual basis, and the next advisory vote is expected to be conducted at our 2018 Annual Meeting of Stockholders.

Summary

Our Board is committed to excellence in governance and is aware of the significant interest in executive compensation matters by investors and the general public. We are asking our stockholders to provide advisory approval of our executive compensation as such compensation is described in the "Compensation Discussion and Analysis" section, the tabular disclosure regarding such compensation and the accompanying narrative disclosure set forth in the Proxy Statement. We recognize and value the critical role that executive leadership plays in our performance. Our executive compensation philosophy is intended to ensure that executive compensation is aligned with our short- and long-term business strategy, objectives and stockholder interests. Our executive compensation is designed to attract, motivate and retain highly qualified executives. We believe that our compensation policies and procedures are centered on pay-for-performance principles and are strongly aligned with the short- and long-term interests of our stockholders.

We urge you to review the "Compensation Discussion and Analysis" section of the Proxy Statement and executive-related compensation tables for more information.

Emphasis on Pay-For-Performance Principles

We believe that executive compensation should be tied to our performance on both a short-term and long-term basis. We believe that our continued success is closely tied to the performance of our executive officers and have designed our compensation practices in order to reward the executives for their contributions to our overall success.

Alignment with Stockholders' Interests

We grant annual incentives based in part on each executive's contribution to enhancing our short- and long-term profitable growth. We also grant long-term equity-based incentives as a substantial component of the compensation program to reward long-term performance and further align the interests of management with those of our stockholders. We have historically used restricted stock, restricted stock units and stock options as our equity incentive vehicles because these awards enable the executives to establish a meaningful equity stake in our Company while allowing them to participate in future value creation through appreciation of the shares. These awards tie the executives' interests to those of long-term stockholders and serve to motivate the executives to lead us to achieve long-term financial goals that are expected to lead to increased stockholder value. In addition to linking compensation value to stockholder value, these awards generally have vesting conditions, which creates a strong retention incentive and helps ensure the continuity of our operations. For fiscal year 2017, 100% of the long-term equity incentives granted to our corporate Named Executive Officers (our CEO, CFO, and General Counsel) and a significant portion of our equity incentives granted to our divisional Named Executive Officers consisted of restricted stock units subject to performance vesting based on growth of adjusted EBITDA per share.

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Long-Term Performance

In order to promote our philosophy of pay-for-performance and furthering our objective of aligning the interests of management with those of our stockholders, we have established performance programs for certain of our executive officers. These programs focus on the achievement of our long-term financial goals and factors that create long-term stockholder value. By establishing performance targets tied to key corporate financial metrics, we are incentivizing our officers to achieve our long-term corporate objectives and ultimately increase stockholder value.

Highlights of 2017 Executive Compensation Program

The Board believes our executive compensation program is designed appropriately and that a vote in favor of the proposal is warranted, including for these reasons: (1) 100% of corporate Named Executive Officer equity awards for fiscal 2017 were performance-based and tied to measurable pre-established targets; (2) we are committed to having strong governance standards and continue to take steps to further this commitment; and (3) we value the opinions and feedback we receive from, and we continue to engage with, our stockholders, and our executive compensation program directly reflects our stockholders' input.

1. 100% Performance-Based Equity Awards for Corporate Named Executive Officers: Equity awards granted to our CEO, CFO, and General Counsel are 100% performance-based and tied to measurable pre-established adjusted EBITDA per share goals.

100% of the equity grants made to our corporate Named Executive Officers and a significant portion of the equity grants made to our divisional Named Executive Officers during fiscal 2017 were performance-based and tied to pre-established adjusted EBITDA per share targets which require significant annual growth. 40% of the maximum number of shares that can be earned under each Named Executive Officer's 2017 award has a three-year performance component which vests or is forfeited following the end of the three-year performance cycle, subject to the achievement of the adjusted EBITDA per share growth target for fiscal 2019. If 85% of this three-year adjusted EBITDA per share target is not attained, then these shares are forfeited. The remaining 60% of the maximum number of shares that can be earned under each executive's 2017 award may vest up to 20% per year over the three-year period if annual adjusted EBITDA per share growth targets are exceeded for fiscal years 2017, 2018 and 2019, respectively. These grants were made pursuant to our Six-Year Performance Program, which was established in 2012.

We believe that the performance metrics underlying our long-term equity incentive program are rigorous and we have not disclosed current metrics because their disclosure would allow our competitors to determine the EBITDA and pricing related to key programs, which would be competitively harmful to us. The adjusted EBITDA per share target for the three-year performance cycle ended in fiscal 2017 was $5.69.

For fiscal 2017, we achieved 161% of the fiscal 2017 adjusted EBITDA per share target, and as a result the 60,000 shares granted to our CEO in fiscal 2015 were vested. In addition, our CEO earned 95,280 shares, consisting of 35,440 vested shares earned pursuant to the fiscal 2017 grant, 29,920 vested shares earned pursuant to the fiscal 2016 grant and 29,920 vested shares earned pursuant to the fiscal 2015 grant.

2. Corporate Governance and Best Practices: We are committed to having strong governance standards with respect to our compensation programs, procedures and practices.

We have taken the following actions to enhance our corporate governance and executive compensation policies:

- Appointed a lead independent director to further promote the independence of our Board and appropriate oversight of management and to facilitate free and open discussion and communication among our independent directors.

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Prohibited all hedging and pledging of our stock by executive officers and directors. As of the date of the Proxy Statement, no shares of our stock are pledged by any Named Executive Officer or director.

Adopted a robust clawback policy that provides that if an accounting restatement is required due to material non-compliance with any accounting requirements, then we will seek to recover any excess in the incentive compensation earned by all of our executive officers, regardless of whether they were at fault or not in the circumstances leading to the restatement, over the prior three years over what they would have earned if there had not been a material restatement of the financial statements. We have also included clawback provisions in each Named Executive Officer's employment agreement.

Established rigorous Company stock ownership guidelines requiring each executive officer to own Company stock valued at least at five times his annual base salary. These guidelines align the executives' long-term interests with those of our stockholders. In addition, prior to attaining the 5X share ownership guideline, each executive is required to retain at least 50% of the shares acquired upon exercise of options or vesting of restricted stock or unit awards, net of amounts required to pay taxes and exercise price.

3. Communications with Stockholders: Last year, we conducted a robust stockholder outreach and revised our annual cash incentive program to directly address the feedback we received from our stockholders. During the current year, we continued to have open lines of communication with our stockholders.

Our Compensation Committee takes very seriously stockholder feedback with respect to executive compensation. Last year, we conducted a robust stockholder outreach, contacting and requesting meetings with over 75% of our top 25 stockholders, so that we could better understand stockholder sentiments and concerns about our program. This year, we continued to have open lines of communications with our stockholders, and our senior management routinely interacted with our stockholders on a variety of matters, including our executive compensation programs and practices.

In response to the specific stockholder feedback we received, our Compensation Committee revised our annual cash executive officer incentive program for fiscal 2016 to be performance-based and formulaically tied to measurable thresholds, targets, and maximums; and at our 2016 annual meeting, approximately 98% of the votes cast on the advisory vote on the compensation of our Named Executive Officers were in favor our executive compensation. Considering this overwhelming majority in favor, our Compensation Committee determined to continue to apply the same approach with respect to compensation policies and decisions for fiscal 2017.

Our Board believes that the information above as well as that provided in the section entitled "Compensation of Executive Officers and Directors" contained in the Proxy Statement demonstrates that our executive compensation program was designed appropriately and is working to ensure that management's interests are aligned with the stockholders' interests and support long-term value creation. The following resolution will be submitted for a stockholder vote at the Annual Meeting:

"RESOLVED, that the stockholders of OSI Systems, Inc. approve, on an advisory basis, the compensation of the Company's Named Executive Officers, as disclosed pursuant to Item 402 of Regulation S-K of the SEC, including in the section entitled "Compensation Discussion and Analysis," the accompanying compensation tables, and the related narrative disclosure contained in the Proxy Statement."

The Board recommends that you vote "FOR" the approval of our executive compensation for the fiscal year ended June 30, 2017. Holders of proxies solicited by this Proxy Statement will vote the proxies received by them as directed on the Proxy or, if no direction is made, in favor of this proposal. In order to be approved on an advisory basis, this proposal must be approved by the affirmative vote of a majority of the shares of Common Stock present in person or by proxy and cast at the Annual Meeting.

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**ADVISORY VOTE ON THE DETERMINATION
OF THE FREQUENCY OF THE ADVISORY VOTE
ON EXECUTIVE COMPENSATION**

(Proposal No. 5 of the Proxy Card)

The Dodd-Frank Act enables stockholders to indicate how frequently they believe we should seek future Say-on-Pay advisory votes (the "Say-on-Frequency"). Accordingly, we are seeking an advisory, non-binding determination from our stockholders as to the frequency with which we should present future Say-on-Pay advisory votes to our stockholders. We are providing stockholders the option of selecting a frequency of every one, two or three years, or abstaining. For the reasons described below, we recommend that the stockholders select a frequency of one year, or an annual vote.

Our Board values constructive dialogue on executive compensation and other important governance topics with our stockholders. Our Board believes an advisory vote every year is appropriate because it will enable our stockholders to vote on the most recent executive compensation information that is presented in our Proxy Statement, leading to more meaningful and timely communication between us and our stockholders on executive compensation matters. An annual advisory vote on executive compensation is consistent with our policy of seeking input from, and engaging in discussions with, our stockholders on corporate governance matters and our executive compensation philosophy, policies and practices. Additionally, our Board's determination was further based on the premise that this recommendation could be modified in future years if it becomes apparent that an annual frequency vote is not meaningful, burdensome or more frequent than dictated by best corporate governance practices.

As a stockholder, you have the choice to vote for one of the following choices, as indicated on the Proxy Card: to hold the Say-on-Frequency advisory vote on executive compensation every year, every two years or every three years, or you may abstain from voting. While the Say-on-Frequency vote is advisory in nature and will not bind us to adopt any particular frequency, our Board intends to carefully consider the stockholder vote resulting from the proposal in determining how frequently we will hold future Say-on-Pay advisory votes.

The Board recommends that you vote for "1 YEAR" as the determination on frequency for an advisory vote on our executive compensation. Holders of proxies solicited by this Proxy Statement will vote the proxies received by them as directed on the Proxy or, if no direction is made, in favor of an annual frequency. The frequency of the advisory vote on executive compensation receiving the greatest number of votes will be considered the frequency recommended by our stockholders.

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COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Executive Officers

Our executive officers are as follows:

Name	Age	Position
Deepak Chopra*	66	Chairman of the Board of Directors, Chief Executive Officer and President
Alan Edrick*	49	Executive Vice President and Chief Financial Officer
Ajay Mehra*	55	Director, Executive Vice President and President of OSI Solutions Business
Victor Sze*	50	Executive Vice President and General Counsel
Pak Chin(1)*	45	Former President of Security Division
Mal Maginnis	58	President of Rapiscan Systems, Inc.
Sujit Kumar	47	President of Healthcare Division
Manoocher Mansouri	61	President of Optoelectronics and Manufacturing Division
Shawn Thompson	54	President of OSI Electronics, Inc.
Rick Merritt	55	Senior Vice President and Chief Human Resources Officer

* Denotes our Named Executive Officers for fiscal 2017.

(1) Mr. Chin resigned from the Company effective July 28, 2017.

The following section sets forth certain background information regarding those persons currently serving as our executive officers, excluding Deepak Chopra and Ajay Mehra, who are described above under "Election of Directors":

Alan Edrick is our Executive Vice President and Chief Financial Officer. Mr. Edrick joined the Company as Executive Vice President and Chief Financial Officer in September 2006. Mr. Edrick has more than two decades of financial management and public accounting experience, including mergers and acquisitions, capital markets, financial planning and analysis and regulatory compliance. Between 2004 and 2006, Mr. Edrick served as Executive Vice President and Chief Financial Officer of BioSource International, Inc., a biotechnology company, until its sale to Invitrogen Corporation. Between 1998 and 2004, Mr. Edrick served as Senior Vice President and Chief Financial Officer of North American Scientific, Inc., a medical device and specialty pharmaceutical company. Between 1989 and 1998, Mr. Edrick was employed by Price Waterhouse LLP in various positions including Senior Manager, Capital Markets. Mr. Edrick received his Bachelor of Arts degree from the University of California, Los Angeles and a Master of Business Administration degree from the Anderson School at the University of California, Los Angeles.

Victor S. Sze is our Executive Vice President and General Counsel. Mr. Sze joined the Company as Vice President of Corporate Affairs and General Counsel in March 2002. In November 2002, Mr. Sze was appointed Secretary. In September 2004, Mr. Sze was appointed Executive Vice President. From 1999 through November 2001, Mr. Sze served as in-house counsel to Interplay Entertainment Corp., a developer and worldwide publisher of interactive entertainment software, holding the title of Director of Corporate Affairs. Prior to joining Interplay Entertainment Corp., Mr. Sze practiced law with the firm of Wolf, Rifkin & Shapiro in Los Angeles. Mr. Sze holds a Bachelor of Arts degree in Economics from the University of California, Los Angeles and a Juris Doctorate from Loyola Law School.

Pak Chin is the former President of our Security division and held this role during fiscal 2017. Mr. Chin joined the Company in May 2015 from Honeywell Inc. where he held a variety of leadership positions over 17 years including Vice President of the Boeing KC-46 Pegasus Aerial Refueling Tanker program, Vice President of the Lockheed Martin, Northrop Grumman, General Atomics and Huntington Ingalls Defense & Space business segment, Vice President of commercial aerospace and airlines business segment in Asia Pacific and Chairman of the Board for the Honeywell Aerospace and TAECO Aerospace joint venture. Mr. Chin holds a Bachelors in Electrical Engineering from the

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University of Oklahoma and a Masters in International Business from the Rensselaer Polytechnic Institute. Mr. Chin resigned from the Company effective July 28, 2017.

Mal Maginnis is President of our Rapiscan Systems, Inc. subsidiary. Mr. Maginnis joined the Company in July 2017. He has more than 35 years in the defense, security, safety and technology industries, and is an experienced senior executive of technology-based businesses. Prior to joining the Company, Mr. Maginnis was the head of a technology development company based in Singapore and one of the owners of an Australian detection company based in Sydney. In addition, he was President of Smiths Detection from 2011-2014 based in London. He held a series of senior positions including President, Head of Technology, Programs and Products and was the head of the largest business unit managing the global military and emergency responder business. Mr. Maginnis holds Bachelor of Arts (Hons) degree in history and government from the Faculty of Military Studies University of New South Wales, and Graduate, UK Command Staff College.

Sujit Kumar is President of our Healthcare division. Mr. Kumar brings over two decades of global experience with majority in the medical device and HCIT space. Mr. Kumar joined the Company in April 2016 from Verathon Medical (part of Roper Technologies) where he most recently served as Vice President/General Manager. He has also held global leadership positions at Philips Healthcare, GE Healthcare, GM and Amazon.com. Early in his career, Mr. Kumar worked in investment banking advising clients on M&A and buy-side analysis. Mr. Kumar holds a Bachelor of Science degree in Mechanical Engineering from Osmania University, India, a Master of Science degree in Mechanical Engineering from University of Mississippi, and a Master of Business Administration degree from Ross School of Business at University of Michigan.

Manoocher Mansouri is President of our Optoelectronics and Manufacturing division. Mr. Mansouri joined the Company in 1982 and was named President of our Optoelectronics and Manufacturing division in June 2006. Mr. Mansouri has over 30 years of experience in the optoelectronics industry. Mr. Mansouri has served as President of our OSI Optoelectronics, Inc. subsidiary since May 2000. Mr. Mansouri holds a Bachelor of Science degree in Electrical Engineering from the University of California, Los Angeles as well as an Executive Program in management certificate from the Anderson School at the University of California, Los Angeles.

Shawn Thompson is President of our OSI Electronics, Inc. subsidiary. Mr. Thompson brings 30 years of global experience in leading companies in the design and manufacturing of equipment that connects, protects and controls critical applications in the defense, medical, wireless and industrial markets. Mr. Thompson joined the Company in 2017 from MC Electronics where he served as President and CEO. Between 1998 and 2013, Mr. Thompson held several global leadership roles for Smiths Group PLC within in their Interconnect division as a group president and board member. Early in his career he was a principal in Transtector Systems, a leader in power and signal integrity solutions that was acquired by Smiths in 1998. Mr. Thompson attended Northwest Nazarene University and participated in Stanford's Graduate School of Business Executive Management Program.

Rick Merritt is our Senior Vice President and Chief Human Resources Officer. Prior to joining the Company in October 2013, Mr. Merritt held the positions of Global Vice President of Human Resources for Power-One, Inc., a power conversion solution provider, from April 2011 to October 2013 and Global Vice President at International Rectifier Corporation, a publicly-traded power management technology company, from May 2004 to April 2011. Mr. Merritt received a Bachelor of Science degree from Indiana University and a Master of Science degree from California State University, Hayward.

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Compensation Discussion and Analysis

This Compensation Discussion and Analysis describes our compensation philosophy, objectives, and processes, including the methodology for determining executive compensation for our Named Executive Officers. For additional information, please refer to the more detailed compensation disclosures beginning with and following the "Summary Compensation Table" contained in this Proxy Statement.

Advisory Vote on Named Executive Officer Compensation

We maintain open lines of communication with our stockholders, and senior management routinely interacts with our stockholders on a number of matters, including executive compensation, in order to better understand their opinions and to obtain their feedback. Further, the Compensation Committee considers the outcome of our annual say on pay vote when making decisions regarding our executive compensation program. At our 2016 annual meeting, approximately 98% of the votes cast on the advisory vote on the compensation of our Named Executive Officers were in favor of our executive compensation policies. Considering the level of support of our stockholders of our compensation program, our Compensation Committee determined to continue to apply the same approach with respect to compensation policies and decisions for fiscal 2017.

At the upcoming Annual Meeting, we will again hold an annual advisory vote to approve executive compensation. We will continue to engage with our stockholders throughout the year, and the Compensation Committee will consider the results from this year's and future advisory votes on executive compensation, as well as any feedback received from stockholders.

Governance Highlights

We are committed to having strong governance practices with respect to our compensation programs, practices and procedures. We believe that these practices reinforce our emphasis on tying executive compensation to performance. The following chart highlights some of our governance practices with respect to executive compensation:

What We Do	What We Do Not Do
Use 100% performance-based vesting with respect to corporate Named Executive Officer equity awards	No excise tax gross-ups upon a change in control
Have formulaic performance-based annual incentives	No hedging, pledging, or speculative transactions are permitted by executives and directors
Maintain a robust clawback policy	No re-pricing of underwater stock options
Maintain share ownership and retention guidelines for executives and directors	No stock option grants with an exercise price less than fair market value
Conduct an annual say on pay vote	No "single trigger" severance payments owing solely on account of the occurrence of a change in control event
Maintain open lines of communication with stockholders	

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Executive Compensation Summary

Fiscal 2017 Performance

During fiscal 2017, we (a) achieved record revenue of $961 million; (b) delivered 35% non-GAAP earnings per share growth; (c) had a strong win rate for our Security division's Real Time Tomography (RTT®) checked baggage screening product in the EMEA region; (d) strengthened our leadership team; (e) completed two significant strategic acquisitions in our Security division and signed a definitive agreement for a third strategic acquisition (which was completed in the first quarter of fiscal 2018); (f) divested a non-core business in our Healthcare division; and (g) made significant capital structural enhancements with the expansion of our revolving credit facility and issuance of convertible notes.

Leverage Business Infrastructure. Even as we launched new products, entered new markets, and invested substantial amounts in R&D, we actively leveraged our business infrastructure and maintained intelligent cost management.

Growth in Markets and Opportunities. In fiscal 2017, we continued to expand our addressable markets through new product introductions and targeting of markets that did not previously represent a significant source of revenues. This dynamic approach has served, and we believe it will continue to serve, to sustain growth over the long term. Some of our key achievements during fiscal 2017 include the following:

- Expanding presence with international customers for checked baggage scanning solutions, related services and support.
- Acquiring two companies and entering into a definitive agreement for a third acquisition in our Security division.
- Acquiring product lines and companies that not only leverage our existing operating infrastructure but also provide immediate entry into growing market segments.

Building a Foundation for the Future. We continue to make significant targeted investments in R&D and acquisitions. In 2017, we completed two significant strategic acquisitions and entered into a definitive agreement for a third strategic acquisition in our Security division. We believe that these acquisitions and investments, as well as other product development programs that are currently underway, will result in enhanced business outcomes for years to come.

Role of the Compensation Committee

Our Board appoints members to the Compensation Committee. Each member of the Compensation Committee is independent within the meaning of the rules and regulations of the SEC and the Listing Standards, as currently in effect. The Compensation Committee is responsible for establishing and approving all compensation for our Named Executive Officers, including base salaries, annual incentives, long-term equity incentive compensation, benefits and perquisites, and other compensation. The Compensation Committee may delegate certain of its responsibilities to a subcommittee, to individuals or to others.

Compensation for each of our Named Executive Officers (other than our Chief Executive Officer) is recommended to the Compensation Committee by our Chief Executive Officer. Compensation for our Chief Executive Officer is established by the Compensation Committee on its own.

The Compensation Committee has designed an executive compensation program that is focused on the attainment of consistent, long-term stockholder returns through (a) aligning executives' incentives with both single-year and multi-year performance, and (b) attracting and retaining executives with capabilities to lead the Company to excel in a competitive landscape. This structure is designed to emphasize pay for performance while simultaneously mitigating risk exposure.

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Executive Compensation Program Elements

The particular elements of the compensation program for our Named Executive Officers consist of both fixed compensation and variable compensation. Consistent with our pay-for-performance philosophy, we structure our compensation program such that fixed compensation is a relatively small percentage of total compensation whereas variable compensation comprises a significant percentage of total compensation. The Compensation Committee takes risk into account when establishing the compensation program and believes that the current structure appropriately balances risk and the desire to focus executives on specific annual and long-term goals while not encouraging unnecessary or excessive risk taking.

The following is an overview of the elements of our compensation and benefits programs for fiscal 2017:

Pay Element	Description
Base Salary	Fixed cash compensation set based on the duties and scope of responsibilities of each executive officer's position and the experience the individual brings to the position.
Annual Incentives	Cash-based annual incentives that are determined formulaically based on adjusted return on equity ("AROE") metrics, including a negative discretion feature whereby calculated awards may be reduced up to 20%.
	The Turnkey Solutions Incentive Program allows for annual incentives in the form of shares of stock or, at our discretion, cash to be granted to Mr. Mehra based on the achievement of certain pre-established performance metrics.
Long-Term Incentives	The fiscal 2017 program with respect to the Named Executive Officers consisted of performance-based restricted stock units under the Six-Year Performance Program, which are earned based on the achievement of pre-established EBITDA-based metrics for each of the three years following grant, as well as an aggregate three-year metric. In addition, division executives Mr. Mehra and Mr. Chin received some time-based restricted stock units.
Benefits	Employee Stock Purchase Plan, medical, dental, and vision health insurance plans and life and long-term disability insurance.
Perquisites	For fiscal 2017, perquisites included car allowances.
Retirement	401(k) retirement plan, which includes a Company match.
	Nonqualified deferred compensation plan that permits the deferral of salary and cash incentives at executive officers' election and permits a Company match.
	Nonqualified defined benefit plan, of which our CEO is the only participant.

In fiscal 2017, fixed compensation comprised approximately 14% to 57% and variable compensation comprised approximately 43% to 86% of each Named Executive Officer's total compensation. Average variable compensation for the Named Executive Officers represented 83% of total compensation.

Fixed Compensation. Fixed compensation is intended to compensate our Named Executive Officers for their ongoing responsibilities and consists of base salary. Base salary is set to attract and retain executive talent. Base salaries for our Named Executive Officers are established at levels considered appropriate in light of the duties and scope of responsibilities of each executive officer's position and the experience the individual brings to the position. Salaries are reviewed periodically, typically on an annual basis.

The Compensation Committee takes a conservative approach with respect to base salary increases. In determining whether base salary levels for fiscal year 2017 were appropriate, the Compensation Committee considered the minimum base salary amount provided for in the Named Executive Officer's employment agreement, as well as a determination of each Named Executive Officer's responsibilities, past performance and expected future contributions. In fiscal 2017, the Compensation Committee determined not to adjust any base salary levels for any of the Named Executive Officers with the exception of Mr. Mehra whose salary was increased by approximately 14% to $400,000 to compensate him for taking on significantly greater responsibility for the oversight and management of the cargo and vehicle inspection and turnkey business lines within our Security division.

Variable Compensation. Variable compensation provides our Named Executive Officers with the opportunity for substantial rewards for achieving successful performance and contributing toward sustainable and consistent stockholder returns, and consists principally of annual incentive awards and long-term incentive compensation.

Annual Incentive Awards. All corporate Named Executive Officers are eligible for an annual incentive pursuant to our annual incentive program. Annual incentives under this program are designed to focus our participating Named Executive Officers on annual operating achievement and near-term success. Annual incentives are calculated based on a formula tied to AROE metrics and provide for a threshold below which no incentive will be paid and a maximum award level.

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Depending on the level of AROE achieved, corporate executives can earn from 0% to 200% of base salary as follows:

AROE	% of Base Salary Earned
Less than 10%	0%
10%	25%
11%	50%
12%	75%
13%	100%
14%	125%
15%	150%
16%	175%
17% or more	200%

The Compensation Committee considers AROE to be an effective annual performance measure for assessing the Company's efficient use of capital and return to stockholders. The AROE targets were designed to be challenging yet achievable with significant effort and management skill and were established in order to provide the executives sufficient incentive to create long-term stockholder value while at the same time ensuring appropriate risk management. The Compensation Committee retains negative discretion to reduce any awards under the annual incentive program up to 20% of the calculated value. For fiscal year 2017, we achieved 14% AROE; therefore, participating Named Executive Officers earned annual incentives equal to 125% of base salary. See the "Non-equity Incentive Plan Compensation" column of the Summary Compensation Table.

Turnkey Solutions Incentive Program. In 2015, we established an incentive program tied to the performance of our turnkey solutions business (the "Turnkey Solutions Incentive Program"). Mr. Mehra, President of the OSI Solutions Business, is the only Named Executive Officer who participates in this program. Incentives under the Turnkey Solutions Incentive Program are conditioned on the achievement of certain metrics based on the operating income and bookings of our solutions business (excluding certain operations already existing at the time of the adoption of the program). The operating income and bookings targets are believed to be challenging, but achievable with significant management effort. For fiscal year 2017, we did not achieve the bookings target. Therefore, Mr. Mehra did not earn anything under this component of the program. Mr. Mehra was paid $705,000 for exceeding the operating income target of $10 million generated by new business.

Long-Term Incentive Program. In order to further promote our philosophy of pay-for-performance and furthering our objective of aligning our executive compensation with our long-term financial goals and factors that create long-term stockholder value as well as incentivizing the desired individual performance of our Named Executive Officer, we have a long-term incentive program. For fiscal 2017, our long-term incentive program was comprised of the Six-year Performance Program described in more detail below.

The grants to our corporate Named Executive Officers during fiscal 2017 were performance based in their entirety, and a significant portion of the grants made to our divisional Named Executive Officers were performance based. The Compensation Committee believes that this vesting structure provides an incentive for our Named Executive Officers to remain with the Company and also focus the Named Executive Officers on consistently achieving corporate performance and business objectives for the benefit of our stockholders.

Our overall long-term incentive program is designed to retain our Named Executive Officers and to align the interests of our Named Executive Officers with the long-term interests of our stockholders, namely the achievement of sustainable, long-term stock price appreciation. All equity awards are made at fair market value on the date of grant (which is the date on which the Compensation Committee authorizes the grant). Under our equity incentive plan as in effect on the date of grant, fair market value is determined by the closing price of our Common Stock on such dates.

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With respect to performance based awards, the Compensation Committee has established a six-year program for long-term performance based incentive grants for our Named Executive Officers. The program provides for yearly grants of equity or equity-tied incentives. Each award is 100% performance based and vests based on the achievement of certain one-, two- and three-year performance targets as well as a three-year performance target tied to objective adjusted EBITDA per share metrics. The metrics incentivize consistent, long-term growth, and were designed to be challenging, but achievable with significant effort and management skill.

Each fiscal year, our Named Executive Officers are awarded an initial grant, which vests if a three-year adjusted EBITDA per share target is achieved. However, if actual three-year performance falls below target, shares in the initial grant would be forfeited as follows:

Actual Performance as a Percentage of Target	**Result**
95% to 99.9%	10% of shares or units would be forfeited
90% to 94.9%	25% of shares or units would be forfeited
85% to 89.9%	55% of shares or units would be forfeited
Below 85%	100% of shares or units would be forfeited

Additional shares may be earned annually for each initial grant within the three-year performance period if annual targets are exceeded as follows:

Actual Performance as a Percentage of Target	**Result**
105% to 110%	Vested shares or units equaling 20% of initial grant would be awarded
110% to 115%	Vested shares or units equaling 30% of initial grant would be awarded
115% to 120%	Vested shares or units equaling 40% of initial grant would be awarded
Above 120%	Vested shares or units equaling 50% of initial grant would be awarded

Our adjusted EBITDA per share for fiscal year 2017 was 161% of the fiscal 2017 adjusted EBITDA per share target of $5.69. After consultation, the Compensation Committee and management mutually agreed to voluntary downward adjustments and determined that our executive officers would earn additional shares as follows: Mr. Chopra, 95,280 shares; Mr. Edrick, 34,691 shares; Mr. Mehra, 11,528 shares; and Mr. Sze, 29,818 shares.

In the event of a change of control, the initial grant would vest upon the change of control; to the extent actual performance has exceeded target for a full fiscal year at the time of the change of control, performance for any annual periods remaining in association with a particular grant will be assumed to exceed target by the same percentage for the purposes of awarding additional incentive shares or units in connection with the change of control.

The Compensation Committee determines, after consultation with our Chief Executive Officer, the number of equity awards to grant to our Named Executive Officers. The grant amounts for our Chief Executive Officer are determined solely by the Compensation Committee. The Compensation

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Committee considers individual performance, including the following quantitative and qualitative factors, as well as overall corporate performance.

Qualitative Factors	Quantitative Factors
Quality of the management of units or functions managed by the Named Executive Officer	Financial performance (including earnings per share and internal metrics)
Leadership of personnel under the Named Executive Officer's management	Financial performance metrics for business units managed by the Named Executive Officer
Execution of strategically important projects	Compensation surveys provided by external advisors
Overall effectiveness of units or functions managed by the Named Executive Officer	
Contributions to the formulation of Company strategy and tactics	
Contributions to stockholder value	
Management of risk	

For fiscal year 2017 performance share calculation purposes, our Chief Executive Officer, Chief Financial Officer, General Counsel, and President of our solutions business are measured against consolidated Company performance, and division Presidents have their performance results weighted 70% based on their respective division performance and 30% based on consolidated Company performance. The Compensation Committee retains negative discretion to reduce any awards under the long-term incentive program to a lesser award or no award to any participant.

Benefits and Perquisites. Benefits and perquisites are designed to attract and retain key employees. Currently, our Named Executive Officers are eligible to participate in benefit plans available to all employees, including our 401(k) Plan, Employee Stock Purchase Plan, medical, dental, and vision health insurance plans and life and long-term disability insurance plans. The 401(k) Plan, Employee Stock Purchase Plan and the medical, dental and vision plans require each participant to pay a contributory amount. We have elected to pay amounts contributed to medical, dental and vision health insurance plans and life and long-term disability insurance plans on behalf of our Named Executive Officers. In addition, we maintain an executive medical reimbursement plan under which our Named Executive Officers receive reimbursement for out-of-pocket expenses not covered by their health insurance plans. Employee individual plan contributions are subject to the maximum contribution allowed by the Internal Revenue Code. We also lease automobiles for or provide an auto allowance to certain of our Named Executive Officers.

We maintain a Nonqualified Deferred Compensation Plan (the "Deferred Compensation Plan") that is unfunded for federal tax purposes and allows our Named Executive Officers and a select group of other managers or highly compensated employees (as designated by the Compensation Committee) to defer a specified percentage of certain compensation, including salary, bonuses and commissions. Distributions may be made in a lump sum (or in installments if elected in accordance with the terms of the Deferred Compensation Plan) upon termination of employment, disability, a specified withdrawal date or death. Additional information about this plan is summarized below under the heading "Nonqualified Deferred Compensation."

We also maintain a Nonqualified Defined Benefit Plan (the "Defined Benefit Plan") that is unfunded for federal tax purposes and that constitutes an unsecured promise by the Company to make payments to participants in the future following their retirement, termination in connection with a change in control of the Company, or their death or disability. Under the terms of the Defined Benefit Plan, a committee designated by the Board may select participants from among our Named Executive Officers and a select group of managers or other highly compensated employees. Currently, Mr. Chopra is the only participant in this plan. Additional information about this plan is summarized below under the heading "Pension Benefits."

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Total Compensation Mix. While the Compensation Committee does not apply a predetermined or mathematical weighting to determine the fixed and variable elements of compensation, the Compensation Committee believes that the elements described above provide a well-proportioned mix of equity based, at risk or performance based compensation, and retention based compensation that produces short-term and long-term incentives and rewards. We believe this compensation mix provides our Named Executive Officers a measure of security as to the minimum levels of compensation that they are eligible to receive, while motivating the Named Executive Officers to focus on the business measures that will produce a high level of corporate performance, as well as reducing the risk of recruitment of highly qualified executive talent by our competitors. The mix of annual incentives and the equity based awards likewise provides an appropriate balance between short-term financial performance and long-term financial and stock performance. We believe that this compensation mix results in a pay-for-performance orientation that is aligned with our compensation philosophy, which takes into account individual, group and Company performance.

Bases for Our Compensation Policies and Decisions

In determining compensation awarded to our Named Executive Officers for fiscal 2017, the Compensation Committee performed a review of both overall and relative individual Named Executive Officer and corporate performance based on the qualitative and quantitative factors described in the table below. The factors considered did not have any predetermined or mathematical weighting; rather, the Compensation Committee considered the overall performance of each executive, considering the factors, and including consideration of unplanned events and issues emerging during the fiscal year. Each factor was evaluated and taken into consideration in the Compensation Committee's overall determination of each Named Executive Officer's total compensation package, including both the amount of compensation as well as allocation of such compensation between short-term and long-term components.

Qualitative Factors	**Quantitative Factors**
Furtherance of long-term goals	Compensation paid in prior years
Individual performance and experience	Financial performance of Company/division/business unit
Demonstration of leadership skills and ability	Peer group compensation and performance data
Achievement of strategic targets	Compensation surveys provided by external advisors
Management of unplanned events and issues emerging during the fiscal year	

The Compensation Committee's review included evaluating the compensation of the Named Executive Officers in light of information regarding the compensation practices and corporate financial performance of other companies. In making its determinations, the Compensation Committee reviewed information summarizing the compensation paid at peer group companies and more broad-based compensation surveys. The companies in the fiscal 2017 peer group were developed based on similarity in size and operations within the industries in which we operate as follows:

AAR Corp.	Calix, Inc.	Daktronics, Inc.	Harmonic Inc.	Masimo Corporation	NuVasive, Inc.
ADTRAN, Inc.	COGNEX CORPORATION	DigitalGlobe, Inc.	Integer Holdings Corporation	MTS Systems Corporation.	Palo Alto Networks, Inc.
Analogic Corporation	Coherent, Inc.	Esterline Technologies Corporation	Invacare Corporation	National Instruments Corporation	VeriFone Systems, Inc.
Astronics Corporation	Cubic Corporation	FLIR Systems, Inc.	Itron, Inc.	Novanta Inc.	Viavi Solutions Inc.

In connection with executive compensation decisions for fiscal 2017, the Compensation Committee engaged independent compensation consultant firm, Pearl Meyer. The Compensation Committee also considered broad-based surveys that reflected compensation levels and practices for executives holding comparable positions at the companies covered by the surveys and adjustments based on the cost of living in certain geographic areas. The review of the surveys further assisted the Compensation Committee in determining the appropriate level and mix of compensation for each Named Executive Officer. In connection with its review, the Compensation Committee also considered that certain Named Executive Officers were located in the high cost of living area in the geographic location of our Company headquarters.

While the Compensation Committee did not engage in formal benchmarking with pre-established targets, the Compensation Committee reviewed our actual performance taken as a whole as well as our performance relative to our peer group and established compensation levels at the competitive level that it believed most appropriately corresponded to our comparative performance.

For fiscal 2017, the Compensation Committee determined that it was appropriate to maintain salary levels constant for all Named Executive Officers with the exception of Mr. Mehra whose salary was increased as discussed above. The Compensation Committee believes that the fixed component of compensation is designed to compensate each Named Executive Officer based on the duties and scope of responsibilities of his position and the experience he brings to the position. Consistent with the Company's pay-for-performance philosophy, the variable component of compensation, in the form of annual incentives and performance-based equity grants comprised a significant portion of total compensation.

The Compensation Committee's compensation decisions are designed to encourage performance that enhances long-term stockholder value. The Compensation Committee believes that attracting and retaining executive talent capable of achieving our long-term, strategic objectives is the best way to align executive compensation decisions with the interests of stockholders. The Compensation Committee also believes that meeting financial targets as well as near-term strategic goals demonstrates whether an executive is on track to accomplish longer-term objectives.

Minimum Equity Ownership and Retention Guidelines

We believe that our executive officers should hold a significant amount of Company equity to link their long-term economic interests directly to those of our stockholders. Accordingly, we have established requirements that executive officers own at minimum equity of the Company valued at five times their respective annual base salaries. We believe that this multiple constitutes significant amounts for our executive officers and provides a substantial link between the interests of our executive officers and those of our stockholders. During such time that an executive officer has not attained the share ownership guideline, he is required to retain at least 50% of the shares acquired upon exercise of options or vesting of restricted stock awards or units, net of amounts required to pay taxes and exercise price. We periodically review our minimum equity ownership guidelines. As of June 30, 2017, each of our Named Executive Officers met or exceeded our minimum equity ownership guidelines.

Clawback Policy

We have adopted a clawback policy. The policy provides that if an accounting restatement is required due to our material non-compliance with any accounting requirements, then we will seek to recover any excess in the cash and equity incentive compensation earned by all of our executive officers, regardless of whether they were at fault or not in the circumstances leading to the restatement, over the prior three years over what they would have earned if there had not been a material non-compliance in the financial statements. Each Named Executive Officer's employment agreement also contains a clawback provision.

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Policy Prohibiting the Hedging or Pledging of Company Stock

We have adopted a policy that prohibits our executive officers and directors from entering into any transaction that is designed to hedge or offset any decrease in the market value of our Common Stock or other equity securities. We have also adopted a policy that prohibits our executive officers and directors from holding Company stock or other equity securities in margin accounts or pledging Company stock or other equity securities as collateral for a loan. As of the date of this Proxy Statement, no shares of Company stock are pledged by any Named Executive Officer or director.

Employment Agreements

We have entered into employment agreements with Messrs. Chopra, Edrick, Mehra, and Sze and an offer letter with Mr. Chin. The terms of each of such agreements or arrangements are summarized below under the heading "Employment Agreements." These types of arrangements are used to retain executives and formalize the terms of the executives' employment.

Impact of Accounting and Tax on the Form of Compensation

The Compensation Committee considers applicable tax laws, securities laws and accounting regulations in structuring and modifying its compensation arrangements and employee benefit plans. The Compensation Committee has considered the impact of generally accepted accounting principles on our use of equity based awards. The Compensation Committee also considers the limits on deductibility of compensation imposed by Section 162(m) of the Internal Revenue Code with respect to annual compensation exceeding $1.0 million and Section 280G of the Internal Revenue Code with respect to change in control payments exceeding specified limits.

Summary Compensation Table

The following table sets forth the compensation for our principal executive officer, principal financial officer, and our three highest paid executive officers serving as executive officers on June 30, 2017 (the "Named Executive Officers") for the fiscal years ended June 30, 2017, 2016 and 2015:

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards (1)($)	Option Awards ($)	Non-equity Incentive Plan Compensation ($)(2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings(3)($)	All Other Compensation (4)(5)(6)($)	Total ($)
Deepak Chopra	2017	1,000,000		4,316,792		1,250,000	302,189	209,498	7,078,479
Chairman, President and	2016	1,000,000		4,264,200		500,000	897,351	227,148	6,888,699
Chief Executive Officer	2015	1,000,000	700,000	3,970,800		1,630,467	982,853	193,801	8,477,921
Alan Edrick	2017	402,000		1,870,610		502,500		57,805	2,832,915
Executive Vice President and	2016	402,000		1,847,820		201,000		57,812	2,508,632
Chief Financial Officer	2015	402,000	300,000	1,853,040		430,690		61,725	3,047,455
Ajay Mehra	2017	400,000	245,000	1,433,149		705,000		75,569	2,858,718
Executive Vice President of the	2016	352,000		554,346		176,000		82,460	1,164,806
Company and President of OSI Solutions Business	2015	352,000	125,000	1,522,140		676,797		80,590	2,756,527
Victor S. Sze	2017	350,000		1,618,842		437,500		73,898	2,480,240
Executive Vice President,	2016	350,000		1,599,075		175,000		69,834	2,193,909
General Counsel and Secretary	2015	350,000	285,000	1,389,780		338,399		75,606	2,438,785
Pak Chin	2017	335,000		249,495				53,863	638,358
President of Security Division	2016	335,000	120,000	497,490				48,761	1,001,251

(1) Represents the aggregate grant date fair value computed in accordance with generally accepted accounting principles of awards granted during the applicable fiscal year. Stock Awards column includes performance-based awards granted at target values. For additional information on the maximum

amounts that could be earned if all metrics are achieved at the highest levels, see the Grants of Plan-Based

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Awards Table below. See Note 8 to the Consolidated Financial Statements included in our Form 10-K for the fiscal year ended June 30, 2017 for a discussion of the assumptions used in valuation of stock options and stock awards.

(2)
2016 and 2017 figures represent amounts earned under the annual incentive program or the Turnkey Solutions Incentive Program, as applicable. 2015 figures represent amounts earned under the Mexico SAT Incentive Program, which was terminated effective at the end of fiscal year 2015.

(3)
We initially adopted the Defined Benefit Plan, as amended, during fiscal year 2008. Mr. Chopra is currently the only participant in the Defined Benefit Plan. The amounts included in this column represent the aggregate change in the present value of the accumulated benefit from June 30, 2016 to June 30, 2017 based on actuarial assumptions and therefore do not reflect the Company's liability as of June 30, 2017 under the plan or the plan's effect on the Company's earnings in the stated period.

(4)
Individual breakdowns of amounts set forth in "All Other Compensation" with respect to the fiscal year ended June 30, 2017 are as follows:

Name	Matching 401(k) and Nonqualified Deferred Compensation Contributions(*)($)	Car Benefit($)	Health Insurance and Medical Reimbursement Payments($)	Life and L-T Disability Insurance Payments($)	Total All Other Compensation($)
Deepak Chopra	5,200	3,300	5,761	195,237	209,498
Alan Edrick	46,405	2,850	4,421	4,129	57,805
Ajay Mehra	45,019	6,675	12,518	11,357	75,569
Victor S. Sze	41,075	12,000	10,648	10,175	73,898
Pak Chin	39,794		12,860	1,209	53,863

(*)
Company matching amounts for the 401(k) Plan and Deferred Compensation Plan are subject to vesting schedules as specified in the applicable plan documents.

(5)
Individual breakdowns of amounts set forth in "All Other Compensation" with respect to the fiscal year ended June 30, 2016 are as follows:

Name	Matching 401(k) and Nonqualified Deferred Compensation Contributions(*)($)	Car Benefit($)	Health Insurance and Medical Reimbursement Payments($)	Life and L-T Disability Insurance Payments($)	Total All Other Compensation($)
Deepak Chopra	5,111	3,300	11,889	206,848	227,148
Alan Edrick	44,713	2,850	6,250	3,999	57,812
Ajay Mehra	39,912	6,675	24,646	11,227	82,460
Victor S. Sze	39,599	12,000	12,031	6,204	69,834
Pak Chin	39,727		7,615	1,419	48,761

(*)
Company matching amounts for the 401(k) Plan and Deferred Compensation Plan are subject to vesting schedules as specified in the applicable plan documents.

(6)
Individual breakdowns of amounts set forth in "All Other Compensation" with respect to the fiscal year ended June 30, 2015 are as follows:

Name	Matching 401(k) and Nonqualified Deferred Compensation Contributions(*)($)	Car Benefit($)	Health Insurance and Medical Reimbursement Payments($)	Life and L-T Disability Insurance Payments($)	Total All Other Compensation($)
Deepak Chopra	5,673	2,667	9,717	175,744	193,801

Alan Edrick	46,396	2,850	7,536	4,943	61,725
Ajay Mehra	41,082	6,675	19,334	13,499	80,590
Victor S. Sze	41,070	12,000	11,547	10,989	75,606

(*) Company matching amounts for the 401(k) Plan and Deferred Compensation Plan are subject to vesting schedules as specified in the applicable plan documents.

Grants of Plan-Based Awards Table

The following table sets forth the plan-based awards made during the fiscal year ended June 30, 2017 to each of our Named Executive Officers(8):

		Estimated Future Payouts under Non-equity Incentive Plan Awards			Estimated Future Payouts under Equity Incentive Plan Awards(4)				
Name Position	**Grant Date**	**Threshold ($)(6)**	**Target ($)**	**Maximum ($)**	**Threshold (#)(1)**	**Target (#)(2)**	**Maximum (#)(3)**	**All Other Stock Awards: Number of Shares of Stock or Units(#)**	**Grant Date Fair Value of Options and Awards (5)($)**
Deepak Chopra Chairman, President and Chief Executive Officer	8/1/2016		$ 1,000,000	$ 2,000,000		71,070	177,675		4,316,792
Alan Edrick Executive Vice President and Chief Financial Officer	8/1/2016		$ 402,000	$ 804,000		30,797	76,992		1,870,610
Ajay Mehra Executive Vice President of the Company and President of OSI Solutions Business	8/1/2016		$ 705,000			9,239	23,097		561,177
	8/18/2016							12,825(7)	871,972
Victor S. Sze Executive Vice President, General Counsel and Secretary	8/1/2016		$ 350,000	$ 700,000		26,652	66,630		1,618,842
Pak Chin	8/1/2016								