

UTAH MEDICAL PRODUCTS INC
Form DEF 14A
March 10, 2017

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
Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:
Preliminary Proxy Statement
Confidential, for Use of the Commission Only (as permitted by rule 14a-6(e)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material Pursuant to S240.14a-11(c) or S240.14a-12

UTAH MEDICAL PRODUCTS, INC.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):
No fee required.

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1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined).

4) Proposed maximum aggregate value of transaction:

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1) Amount Previously Paid:

2) Form, Schedule, or Registration Statement No.:

3) Filing Party:

4) Date Filed:

March 10, 2017

Dear UTMD Stockholder:

You are cordially invited to attend the 2017 Annual Meeting of Stockholders of Utah Medical Products, Inc. (UTMD). The meeting will be held promptly at 12:00 noon (Mountain time), on Friday, May 5, 2017 at the corporate offices of UTMD, 7043 South 300 West, Midvale, Utah USA. Please use the North Entrance.

Please note that attendance at the Annual Meeting will be limited to stockholders as of the record date (or their authorized representatives) and guests of the Company. Proof of ownership can be a copy of the enclosed proxy card. You may wish to refer to page one of this Proxy Statement for information about voting your proxy, including voting at the Annual Meeting.

At the Annual Meeting, we seek the approval of UTMD stockholders in electing two directors and ratifying the selection of an independent accounting firm. In advisory votes, we are also asking UTMD stockholders to approve our executive compensation program and to continue to hold similar votes each year. If you think you will be unable to attend the meeting, please complete your proxy and return it as soon as possible. If you decide later to attend the meeting, you may revoke the proxy and vote in person.

You have several options for obtaining UTMD's public announcements and other disclosures including financial information, such as SEC Forms 10-K and 10-Q. You can be added to the Company email or regular mail lists by contacting Paul Richins with your email or mailing address, by sending an instruction letter to the corporate address, by calling (801-569-4200) with instructions, or by e-mailing your contact information to info@utahmed.com. As an alternative, you can view and print Company financial and other information directly from UTMD's website; <http://www.utahmed.com>.

Thank you for your ownership in UTMD!

Sincerely
Kevin L. Cornwell
Chairman & CEO

UTAH MEDICAL PRODUCTS, INC.
7043 South 300 West
Midvale, Utah 84047
(801) 566-1200

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD MAY 5, 2017

TO THE STOCKHOLDERS OF UTAH MEDICAL PRODUCTS, INC.

The Annual Meeting of Stockholders (the "Annual Meeting") of UTAH MEDICAL PRODUCTS, INC. (the "Company" or "UTMD"), will be held at the corporate offices of the Company, 7043 South 300 West, Midvale, Utah, on May 5, 2017, at 12:00 noon local time, for the following purposes:

- (1) To elect two directors to serve terms expiring at the 2020 Annual Meeting and until successors are elected and qualified;
- (2) To ratify the selection of Jones Simkins LLC as the Company's independent public accounting firm for the year ending December 31, 2017;
- (3) To hold an advisory vote on the Company's executive compensation program; and
- (4) To hold an advisory vote on the frequency of future advisory votes on executive compensation.

UTMD's Board of Directors recommends a vote "FOR" the nominated directors, whose backgrounds are described in the accompanying Proxy Statement, "Every Year" on the frequency of future advisory votes on executive compensation, and "FOR" the other proposals.

Only stockholders of record at the close of business on March 3, 2017 (the "Record Date"), are entitled to notice of and to vote at the Annual Meeting.

This Proxy Statement and form of proxy are being first furnished to stockholders of the Company on approximately April 4, 2017.

THE ATTENDANCE AT AND/OR VOTE OF EACH STOCKHOLDER AT THE ANNUAL MEETING IS IMPORTANT, AND EACH STOCKHOLDER IS ENCOURAGED TO ATTEND.

BY ORDER OF THE BOARD OF DIRECTORS

Kevin L. Cornwell, Secretary
Salt Lake City, Utah
Dated: March 10, 2017

PLEASE PROMPTLY FILL IN, SIGN, DATE AND RETURN THE ENCLOSED PROXY, WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING.

If your shares are held in the name of a third party brokerage firm, nominee, or other institution, only that third party can vote your shares. In that case, please promptly contact the third party responsible for your account and give instructions how your shares should be voted.

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UTAH MEDICAL PRODUCTS, INC.
PROXY STATEMENT

This Proxy Statement is furnished to stockholders of UTAH MEDICAL PRODUCTS, INC. (the "Company" or "UTMD") in connection with the Annual Meeting of Stockholders (the "Annual Meeting") to be held at the corporate offices of the Company, 7043 South 300 West, Midvale, Utah, on May 5, 2017 at 12:00 noon local time, and any postponement or adjournment(s) thereof. The enclosed proxy, when properly executed and returned in a timely manner, will be voted at the Annual Meeting in accordance with the directions set forth thereon. If the enclosed proxy is signed and timely returned without specific instructions, it will be voted at the Annual Meeting:

- (1) FOR the election of Ernst G. Hoyer and James H. Beeson as directors;
- (2) FOR the ratification of Jones Simkins LLC as the Company's independent registered public accounting firm;
- (3) IN support of the Company's executive compensation program; and
- (4) IN support of annual future advisory votes on executive compensation.

The Board of Directors has approved the foregoing proposals and recommends that the stockholders vote in favor of each of the proposals. Proxies solicited by the Company will be voted FOR each of the proposals unless a vote against, or an abstention from, one or more of the proposals is specifically indicated on the proxy.

A proxy for the Annual Meeting is enclosed. It is important that each stockholder complete, sign, date and return the enclosed proxy promptly, whether or not she/he plans to attend the Annual Meeting. Any stockholder who executes and delivers a proxy has the right to revoke it at any time prior to its exercise by providing the Secretary of the Company with an instrument revoking the proxy or by providing the Secretary of the Company with a duly executed proxy bearing a later date. In addition, a stockholder may revoke her/his proxy by attending the Annual Meeting and electing to vote in person.

Proxies are being solicited by the Company. All costs and expenses incurred in connection with the solicitation will be paid by the Company. Proxies are being solicited by mail, but in certain circumstances, officers and directors of the Company may make further solicitation in person, by telephone, email, facsimile transmission, telegraph or overnight courier.

Only holders of the 3,714,930 shares of common stock, par value \$0.01 per share, of the Company (the "Common Stock") issued and outstanding as of the close of business on March 3, 2017 (the "Record Date"), will be entitled to vote at the Annual Meeting. Each share of Common Stock is entitled to one vote. Holders of at least a majority of the 3,714,930 shares of Common Stock outstanding on the Record Date must be represented at the Annual Meeting to constitute a quorum for conducting business.

All properly executed and returned proxies, as well as shares represented in person at the meeting, will be counted for purposes of determining if a quorum is present, whether or not the proxies are instructed to abstain from voting or consist of broker non-votes. Under the Utah Revised Business Corporation Act, matters other than the election of directors and certain specified extraordinary matters are approved if the number of votes cast FOR exceed the number of votes cast AGAINST. Directors are elected by a plurality of the votes cast. Abstentions and broker non-votes are not counted for purposes of determining whether a matter has been approved or a director has been elected.

Executive officers and directors holding an aggregate of 336,016 shares, or approximately 9%, of the issued and outstanding stock have indicated their intent to vote in favor of all proposals.

PROPOSAL NO. 1. ELECTION OF DIRECTORS

General

The Company's Articles of Incorporation provide that the Board of Directors is divided into three classes as nearly equal in size as possible, with the term of each director being three years and until such director's successor is elected and qualified. One class of the Board of Directors shall be elected each year at the annual meeting of the stockholders of the Company. The Board of Directors has nominated Mr. Ernst G. Hoyer and Dr. James H. Beeson for election as directors, each for a three-year term expiring at the 2020 Annual Meeting.

It is intended that votes will be cast, pursuant to authority granted by the enclosed proxy, for the election of the nominees named above as directors of the Company, except as otherwise specified in the proxy. In the event a nominee shall be unable to serve, votes will be cast, pursuant to authority granted by the enclosed proxy, for such other person as may be designated by the Board of Directors. The officers of the Company are elected to serve at the pleasure of the Board of Directors. The information concerning the nominees and other directors and their security holdings has been furnished by them to the Company. (See "PRINCIPAL STOCKHOLDERS" below.)

Directors and Nominees

The Board of Directors' nominees for election as directors of the Company at the Annual Meeting are Ernst G. Hoyer and Dr. James H. Beeson. Other members of the Board of Directors were elected at the Company's 2015 and 2016 meetings for terms of three years, and therefore, are not standing for election at the Annual Meeting. The terms of Mr. Cornwell and Mr. Richins expire at the 2018 Annual Meeting, and the term of Dr. Payne expires at the 2019 Annual Meeting. The Board of Directors has determined that Dr. Payne, Mr. Hoyer and Dr. Beeson are independent directors within the meaning of NASD Rule 5600(a)(2). None of the directors has served on the board of another public company during the past five years. None of the directors has been a party in a legal proceeding during the past ten years related to securities, financial institutions, or fraud in connection with any business entity or agency or organization, as defined in the Exchange Act, that has disciplinary authority over its members. Background information appears below with respect to the incumbent directors whose terms have not expired, as well as the directors standing for reelection to the Board.

Name	Age	Year Elected	Year	Business Experience during Past Five Years and Other Information
			First	
Kevin L. Cornwell	70	1993		Chairman of UTMD since 1996. President and CEO since December 1992. Secretary since 1993. Has served in various senior operating management positions in several technology-based companies over a 40-year time span, including as a director on seven other company boards. Received B.S. degree in Chemical Engineering from Stanford University, M.S. degree in Management Science from the Stanford Graduate School of Engineering, and MBA degree specializing in Finance and Operations Management from the Stanford Graduate School of Business. Among other personal and professional attributes, the board considers Mr. Cornwell's decades of strategic and operational experience in the medical device industry and the Company's many years of success and profitability under his guidance to be key reasons why he should continue as a member of the board.
Ernst G. Hoyer	79	1996		Retired. Served fifteen years as General Manager of Petersen Precision Engineering Company, Redwood City, CA. Previously served in engineering and general management positions for

four technology-based companies over a 35-year time span. Received B.S. degree in process engineering from the University of California, Berkeley, and MBA degree from the University of Santa Clara. Among other personal and professional attributes, the board considers Mr. Hoyer's experience with and understanding of manufacturing operations, along with his financial and accounting expertise, to be key reasons why he should continue as a member of the board.

Barbara
A. Payne 70 1997

Retired. Served over eighteen years as corporate research scientist for a Fortune 50 firm, as an environmental scientist at a national laboratory and as a consulting environmental sociologist. Received B.A. degree in psychology from Stanford University, M.A. degree from Cornell University, and M.A. and Ph.D. degrees in sociology from Stanford University. Among other personal and professional attributes, the board considers Dr. Payne's experience with and understanding of scientific research, her expertise in helping develop organizational excellence and her understanding of UTMD to be key reasons why she should continue as a member of the board.

James H.
Beeson 75 2007

Maternal-Fetal Medicine Physician, St. Joseph Medical Center, Houston, Texas. Professor of Maternal-Fetal Medicine at the McGovern Medical School at the University of Texas Health Science Center at Houston. Received B.S. degree in Chemistry from Indiana University, Ph.D. degree in Organic Chemistry from M.I.T., MBA from Michigan State University, and MD from the University of Chicago Pritzker School of Medicine. Served four year residency in Ob/Gyn at Chicago Lying-In Hospital, a fellowship in maternal-fetal medicine at the University of Utah and has actively practiced Obstetrics and Gynecology for over 34 years. Currently licensed to practice medicine in the states of Utah, Oklahoma and Texas. Has published numerous articles and other technical papers. Has industrial experience in product development of in vitro diagnostics at the Ames Company division of Miles Laboratory (now Bayer). Among other personal and professional attributes, the board considers Dr. Beeson's experience as an Ob/Gyn physician as well as his general understanding of clinical practice and healthcare delivery to be key reasons why he should continue as a member of the board.

Paul O.
Richins 56 1998

Chief Administrative Officer of UTMD since 1997. Treasurer and Assistant Secretary since 1994. Joined UTMD in 1990. Received B.S. degree in finance from Weber State University, and MBA degree from Pepperdine University. Among other personal and professional attributes, the board considers Mr. Richins' twenty-six years of experience with the Company and his successful tenure as Principal Financial Officer to be key reasons he should continue as a member of the board.

Code of Ethics

The Company has adopted a Code of Ethics specifically for its Board of Directors. The Company also has a Code of Conduct that applies to all of its employees, including its named executive officers, principal financial officer and Board of Directors. The Code of Ethics and Code of Conduct are available on the Company's website, www.utahmed.com.

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN PERSONS

The following table furnishes information concerning the ownership of the Company's Common Stock as of March 3, 2017, by the directors, the nominees for director, the executive officers named in the compensation tables on page 5, all directors and executive officers as a group, and those known by the Company to own beneficially more than 5% of the Company's outstanding Common Stock as of December 31, 2016.

Name	Nature of Ownership	Number of Shares Owned	Percent
Principal Stockholders			
FMR Corp 82 Devonshire Street Boston, Massachusetts 02109	Direct	473,861	12.8 %
T. Rowe Price Associates, Inc. 100 East Pratt Street Baltimore, Maryland 21202-1009	Direct	305,019	8.2 %
Directors and Executive Officers			
Kevin L. Cornwell (1)	Direct	241,771	6.5 %
Ernst G. Hoyer (1)(2)(3)(4)	Direct	26,790	0.7 %
Barbara A. Payne (2)(3)(4)	Direct	29,838	0.8 %
Paul O. Richins	Direct	24,492	0.7 %
	Options	750	0.0 %
	Total	25,242	0.7 %
James H. Beeson (2)(3)(4)	Direct	13,125	0.4 %
All executive officers and directors as a group (5 persons)	Direct	336,016	9.0 %
	Options	750	0.0 %
	Total	336,766	9.1 %

- (1) Executive Committee member
- (2) Audit Committee member
- (3) Governance and Nominating Committee member
- (4) Compensation and Benefits Committee member

In the previous table, shares owned directly by directors and executive officers are owned beneficially and of record, and such record stockholder has sole voting, investment and dispositive power. Calculations of percentage of shares outstanding assumes the exercise of options to which the percentage relates. Percentages calculated for totals assume the exercise of options comprising such totals.

Section 16(a) Beneficial Ownership Reporting Requirements

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's directors and executive officers, and persons who own more than 10% of a registered class of the Company's equity securities, to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of equity securities of the Company. Officers, directors and greater than 10% stockholders are required to furnish the Company with copies of all Section 16(a) forms they file.

To the Company's knowledge, based solely on review of the copies of such reports furnished to the Company, all Section 16(a) requirements applicable to persons who were officers, directors and greater than 10% stockholders during the preceding fiscal year were complied with, except for a November 2016 stock option exercise of 1,000 shares by Dr. Beeson which was filed 53 days late.

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EXECUTIVE OFFICER COMPENSATION

The following table sets forth, for the last three fiscal years, compensation received by the Company's Chief Executive Officer and Principal Financial Officer. There are no other named executive officers.

2016 Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Option Awards (\$)	Non-equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
Kevin L. Cornwell	2016	156,000	--	--	282,450	7,460	445,910
Chairman & CEO	2015	234,000	--	--	274,050	6,960	515,010
	2014	234,000					