

CONMED CORP  
Form PREC14A  
February 19, 2014  
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 Under Rule 14a-12

**CONMED CORPORATION**

(Name of Registrant as Specified In Its Charter)

**Voce Catalyst Partners LP**

**Voce Capital LLC**

**Voce Capital Management LLC**

**James W. Green**

**Alan L. Kaganov**

**Jeffrey M. Nugent**

**J. Daniel Plants**

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

Payment of Filing Fee (check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rule 14a-6(i)(4) and 0-11.

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:

5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

**PRELIMINARY COPY SUBJECT TO COMPLETION**

**DATED FEBRUARY 19, 2014**

**CONMED CORPORATION**

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**PROXY STATEMENT**

**OF**

**VOCE CATALYST PARTNERS LP**

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**PLEASE SIGN, DATE AND MAIL THE ENCLOSED WHITE PROXY CARD TODAY**

This Proxy Statement and the enclosed **WHITE** proxy card are being furnished by Voce Catalyst Partners LP ("VCP"), Voce Capital LLC ("VC"), Voce Capital Management LLC ("VCM"), J. Daniel Plants (together with VCP, VC and VCM, "Voce," "we" or "us") and Voce's nominees listed below in connection with the solicitation of proxies (the "Proxy Solicitation") from the shareholders of CONMED CORPORATION ("ConMed" or the "Company").

For the reasons set forth in this proxy statement (the "Proxy Statement"), we do not believe that the current board of directors of the Company (the "Board") is acting in the best interests of the Company's shareholders. We are therefore seeking your support at the upcoming annual meeting of shareholders (the "Annual Meeting"), with respect to the following (each, a "Proposal" and, collectively, the "Proposals"):

1. To elect Voce's four independent director nominees, James W. Green, Alan L. Kaganov, Jeffrey M. Nugent and J. Daniel Plants (the "Nominees" and together with Voce, the "Participants"), to serve as directors on the Board until

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the 2015 annual meeting of shareholders and until their respective successors are duly elected and qualified, in opposition to four of the Company's director nominees;

2. To vote for the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2014;
3. To vote against the Company's proposal to approve, on an advisory basis, executive compensation; and
4. To transact such other business as may properly be brought before the meeting or any adjournment thereof.

We are seeking to change a minority of the Board to ensure that the interests of the shareholders are appropriately represented in the boardroom. The Board is currently composed of nine directors, all of whom are up for election at the Annual Meeting. Through this Proxy Statement and enclosed **WHITE** proxy card, we are soliciting proxies to elect the Nominees. Shareholders who vote on the enclosed **WHITE** proxy card will also have the opportunity to vote for the candidates who have been nominated by the Company other than four candidates that we will identify after the Company discloses its nominees for the Annual Meeting. Shareholders will therefore be able to vote for the total number of directors up for election at the Annual Meeting. The names, backgrounds and qualifications of the Company's nominees, and other information about them, can be found in the Company's proxy statement for the Annual Meeting (the "Company's Proxy Statement") when it is filed with the SEC. There is no assurance that any of the Company's nominees will serve as directors if any or all of our Nominees are elected.

We do not believe that the Board is acting in the best interests of the Company's shareholders and are skeptical of the motivations behind any actions the Company may take in response to Voce's nominations of directors and to the filing of this Proxy Statement. Accordingly, if the Company, in response to Voce's nomination of directors and to the filing of this Proxy Statement, makes any changes to its Board, nominates individuals not on its current Board, amends its Amended and Restated By-laws (the "By-laws"), submits additional shareholder proposals, or takes any other action pertinent to the concerns Voce has expressed about the Company, Voce specifically reserves the right to amend this Proxy Statement, including by substituting and/or increasing the number of its director nominees, proposing amendments to the Company's By-laws, and/or submitting shareholder proposals.

Although the Company has not yet announced the date of the Annual Meeting, last year's annual meeting was held on May 23, 2013. Voce is soliciting proxies for use at the Annual Meeting whenever it may be held. The Company has not yet set the record date for determining shareholders entitled to notice of and to vote at the Annual Meeting (the "Record Date") nor announced the time and location of the Annual Meeting. Shareholders of record at the close of business on the Record Date for the Annual Meeting will be entitled to vote at the Annual Meeting. The mailing address of the principal executive offices of the Company is 525 French Road, Utica, New York 13502. As of February 19, 2014, Voce, together with the other Participants in this Proxy Solicitation, beneficially owned 38,448 shares of Common Stock, which represents approximately 0.14% of the outstanding Common Stock (based upon the 27,614,196 shares of Common Stock outstanding as of October 22, 2013, as reported in the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2013, filed with the Securities and Exchange Commission (the "SEC") on October 28, 2013). We intend to vote such shares of Common Stock **FOR** the election of the Nominees, **FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2014 and **AGAINST** the advisory vote on approving executive compensation, in each case as described herein.

This proxy statement and **WHITE** proxy card are first being mailed or given to the Company's shareholders on or about [ ], 2014.

THIS PROXY SOLICITATION IS BEING MADE BY THE PARTICIPANTS AND NOT ON BEHALF OF THE BOARD OR MANAGEMENT OF THE COMPANY OR ANY OTHER THIRD PARTY. THE PARTICIPANTS ARE NOT AWARE OF ANY OTHER MATTERS TO BE BROUGHT BEFORE THE ANNUAL MEETING OTHER THAN AS DESCRIBED HEREIN. SHOULD OTHER MATTERS, WHICH THE PARTICIPANTS ARE NOT AWARE OF A REASONABLE TIME BEFORE THE DATE OF THIS PROXY STATEMENT, BE BROUGHT BEFORE THE ANNUAL MEETING, THE PERSONS NAMED AS PROXIES IN THE ENCLOSED **WHITE** PROXY CARD WILL VOTE ON SUCH MATTERS IN THEIR DISCRETION.

VOCE URGES YOU TO SIGN, DATE AND RETURN THE **WHITE** PROXY CARD IN FAVOR OF THE ELECTION OF ITS NOMINEES.

If you have already voted for the incumbent management slate, you have every right to change your vote. THE LATEST DATED PROXY IS THE ONLY ONE THAT COUNTS. Any proxy may be revoked at any time prior to the Annual Meeting by delivering a written notice of revocation or a later dated proxy for the Annual Meeting to Voce Catalyst Partners LP, c/o Georgeson, Inc., 480 WASHINGTON BLVD., 26<sup>TH</sup> FLOOR, JERSEY CITY, NJ 07310, which is assisting this proxy solicitation, or to the Secretary of the Company, or by voting in person at the Annual Meeting.

**IMPORTANT**

**PLEASE READ THIS CAREFULLY**

If your shares of Common Stock are registered in your own name, please vote today by signing, dating and returning the enclosed **WHITE** proxy card in the postage-paid envelope provided.

If you hold your shares of Common Stock in "street" name with a bank, broker firm, dealer, trust company or other nominee, only that nominee can exercise the right to vote with respect to the shares of Common Stock that you beneficially own through such nominee and only upon receipt of your specific instructions. Accordingly, it is critical that you promptly give instructions to your bank, broker firm, dealer, trust company or other nominee to vote **FOR** the election of the Nominees, **FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2014 and **AGAINST** the advisory vote on approving executive compensation. Please follow the instructions provided on the enclosed **WHITE** proxy card. If your bank, broker firm, dealer, trust company or other nominee provides for proxy instructions to be delivered to them by telephone or Internet, instructions will be included on the enclosed **WHITE** proxy card. We urge you to confirm in writing your instructions to the person responsible for your account and provide a copy of those instructions to Voce Catalyst Partners LP, c/o Georgeson, Inc., 480 Washington Blvd., 26<sup>th</sup> Floor, Jersey City, NJ 07310, so that we will be aware of all instructions given and can attempt to ensure that such instructions are followed.

Execution and delivery of a proxy by a record holder of shares of Common Stock will be presumed to be a proxy with respect to all shares held by such record holder unless the proxy specifies otherwise.

Only holders of record of shares of Common Stock as of the close of business on the Record Date will be entitled to vote on the Proposals. If you are a shareholder of record as of the close of business on the Record Date, you will retain your right to vote even if you sell your shares of Common Stock after the Record Date.

Under the rules that govern brokers who have record ownership of shares that are held in "street name" for their clients, the beneficial owners of the shares, brokers have discretion to vote these shares on routine matters but not on non-routine matters. If you hold Common Stock through a broker and you have not given voting instructions to the broker, the broker may be prevented from voting shares on non-routine matters, resulting in a "broker non-vote." Thus, if you do not otherwise instruct your broker, the broker may turn in a proxy card voting your shares "FOR" routine matters but expressly instructing that the broker is NOT voting on non-routine matters. The ratification of the appointment of the Company's independent registered public accounting firm (Proposal 2) is considered to be a routine matter. The selection of the Company's directors (Proposal 1) and the advisory vote on compensation (Proposal 3) are considered to be non-routine matters. If you hold your shares in street name and want your vote to count on these non-routine proposals, it is critical that you instruct your broker how to vote your shares. Broker non-votes are counted for the purpose of determining the presence or absence of a quorum, but are not counted in the tabulation of the voting results with respect to a particular proposal.

According to the Company's proxy statement in connection with the Company's 2013 annual meeting of shareholders (the "2013 Proxy Statement"), (i) votes "withheld" will not be counted as votes for or against a director nominee pursuant to Proposal 1, and (ii) in accordance with New York State law, abstentions will not be counted in determining the votes cast at the Annual Meeting.

If you have any questions regarding your **WHITE** proxy card or need assistance in executing your proxy, please contact Georgeson, Inc. at ( ) - or Toll-Free at ( ) - .





## INFORMATION ON THE PARTICIPANTS

This Proxy Solicitation is being made by VCP, a Delaware limited partnership; VCM, a California limited liability company, which serves as the investment manager to VCP; VC, a Delaware limited liability company, which serves as the sole Managing Member of VCM and the General Partner of VCP; Mr. Plants, a United States citizen, who serves as the sole Managing Member of VC and the Managing Partner of VCP, and is a Nominee; and each of the other Nominees, James W. Green, Alan L. Kaganov and Jeffrey M. Nugent.

The principal business of VCP is to invest in securities and the principal business of VCM and VC is investment management. The principal business of each Nominee is disclosed in the section titled "PROPOSAL 1 – ELECTION OF DIRECTORS" on page [ ].

The principal business address of Voce is 600 Montgomery Street, Suite 210, San Francisco, CA 94111. The principal business address of each Nominee is disclosed in the section titled "PROPOSAL 1 – ELECTION OF DIRECTORS" on page [ ].

As of the date of this filing, the Participants beneficially own an aggregate of 38,448 shares of Common Stock, constituting approximately 0.14% of the shares of Common Stock outstanding, as follows: (a) 37,888 shares of Common Stock are beneficially owned (as such term is defined in Rule 13d-3 under the Securities Exchange Act of 1934 (the "Exchange Act")) by VCP, 100 shares of which are owned by VCP in record name; (b) 37,888 shares of Common Stock may be deemed to be beneficially owned by VCM, by virtue of it being the investment advisor to VCP; (c) 37,888 shares of Common Stock may be deemed to be beneficially owned by VC, by virtue of it being the general partner of VCM; (d) 37,888 shares of Common Stock may be deemed to be beneficially owned by J. Daniel Plants, by virtue of his direct and indirect control of VCP, VCM and VC; (e) 450 shares of Common Stock are beneficially owned by Mr. Green; and (f) 110 shares of Common Stock are beneficially owned by Mr. Nugent. Please see Annex I for all transactions in Common Stock effectuated by the Participants during the past two years.

Voce, Mr. Plants, Mr. Green and Mr. Nugent may be deemed to have formed a "group," within the meaning of Section 13(d)(3) of the Exchange Act. Collectively, the group (and each member thereof) may be deemed to have beneficial ownership of a combined 38,448 shares of Common Stock, constituting approximately 0.14% of the Company's outstanding shares of Common Stock. Voce disclaims beneficial ownership of any shares of Common Stock beneficially owned by Mr. Green and Mr. Nugent. Mr. Green and Mr. Nugent each disclaim beneficial ownership of any shares of Common Stock beneficially owned by any Participant other than such Nominee.

Except as set forth in this Proxy Statement (including the Annexes hereto), (i) during the past ten years, no Participant has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors); (ii) no Participant in this Proxy Solicitation directly or indirectly beneficially owns any securities of ConMed; (iii) no Participant owns any securities of ConMed which are owned of record but not beneficially; (iv) no Participant has purchased or sold any securities of ConMed during the past two years; (v) no part of the purchase price or market value of the securities of ConMed owned by any Participant is represented by funds borrowed or otherwise obtained for the purpose of acquiring or holding such securities; (vi) no Participant is, or within the past year was, a party to any contract, arrangements or understandings with any person with respect to any securities of ConMed, including, but not limited to, joint ventures, loan or option arrangements, puts or calls, guarantees against loss or guarantees of profit, division of losses or profits, or the giving or withholding of proxies; (vii) no associate of any Participant owns beneficially, directly or indirectly, any securities of ConMed; (viii) no Participant owns beneficially, directly or indirectly, any securities of any parent or subsidiary of ConMed; (ix) no Participant or any of his or its associates was a party to any transaction, or series of similar transactions, since the beginning of ConMed's last fiscal year, or is a party to any currently proposed transaction, or series of similar transactions, to which ConMed or any of its



subsidiaries was or is to be a party, in which the amount involved exceeds \$120,000; (x) no Participant or any of his or its associates has any arrangement or understanding with any person with respect to any future employment by ConMed or its affiliates, or with respect to any future transactions to which ConMed or any of its affiliates will or may be a party; and (xi) no person, including any of the Participants, who is a party to an arrangement or understanding pursuant to which the Nominees are proposed to be elected has a substantial interest, direct or indirect, by security holdings or otherwise in any matter to be acted on as set forth in this Proxy Statement. There are no material proceedings to which any Participant or any of his or its associates is a party adverse to ConMed or any of its subsidiaries or has a material interest adverse to ConMed or any of its subsidiaries. With respect to each of the Participants, except as set forth in this Proxy Statement (including the Annexes hereto), none of the events enumerated in Item 401(f)(1)-(8) of Regulation S-K of the Exchange Act occurred during the past ten years.

## REASONS FOR OUR SOLICITATION

Voce believes that ConMed is a strategic asset that has been undermanaged by the current Board, resulting in weak or negative growth, poor operational performance and missed opportunities. Examples of the Company's failures under the leadership of the current Board and management include:

The consistent failure to achieve financial goals, including:

- o The failure to meet the Company's own annual revenue guidance each year since 2009; and
- o The failure to achieve the Company's 14% adjusted operating margin goal by 2012/13, which the Company has since revised to 2016/17.

Negative organic growth since 2008;

A decline in adjusted operating margins from 18% in 2002 to 11% in 2013, despite a consistent reduction in research and development spending, and multiple acquisitions, that both served to increase margins. Adjusted operating income in absolute dollars for 2013 was less than what it was in 2003; and

The inability to capture any significant share in the \$2 billion tissue sealing market, despite spending multiple years and substantial resources on a product to enter this market.

At the same time the Company has failed to perform on a stand-alone basis, shareholders have witnessed many other small orthopedic and medical device companies, including several identified by the Company as its peers, sold for substantial premiums and at valuation multiples significantly in excess of where ConMed trades. Voce believes that ConMed is attractive to a wide range of strategic acquirors, including large orthopedic players and diversified med-tech companies.

Voce believes that the Company has a culture that resembles a closely-held family corporation rather than a widely-held public company. The Company's Chairman and Vice Chairman; President and Chief Executive Officer; and EVP of Human Resources, Deputy General Counsel and Secretary are all members of the Corasanti family, and several other immediate family members are employed throughout the Company as well. Many directors have longstanding ties to the Corasanti family and, until recently, the Board was comprised exclusively of denizens of Utica, New York, the Company's relatively small hometown in central New York State, none of whom possesses experience relevant to the Company's business. Voce believes that the Company suffers from a culture of nepotism and patronage that contributes to many of the Company's failures. Voce also believes that this culture, and, in Voce's view, the attendant lack of independent oversight by the Board, have abided numerous conflicts of interests and misuse of corporate assets at the expense of public shareholders.

Voce intends to replace certain directors on the Board with better qualified independent directors who can evaluate the Company's strategy against a range of strategic alternatives (including a potential sale of all or part of the Company), and, if necessary, will seek to ensure that appropriate personnel are in place and resources are properly allocated to permit the Company to execute on its strategy going forward.

## **BACKGROUND OF THE PROXY SOLICITATION**

During the summer of 2013, representatives of Voce had multiple phone meetings with Robert Shallish, Jr., the Company's Chief Financial Officer, to discuss the Company's business, strategy, prospects and corporate governance.

On July 24, the Company reported its second quarter results and reduced the top end of its previous sales and earnings guidance range for the full year 2013. During the Q&A portion of the conference call discussing the results, one of the Company's largest shareholders posed the following question: "I just wonder why it's not in the shareholders' best interest to maybe, hire a bank and see whether a strategic [acquiror] might surface that would rectify the 50% or greater discount the Company is currently bearing in the public markets versus what the private markets might bear?"

On August 28, representatives of Voce met with Mr. Shallish and Luke Pomilio, the Company's Vice President, Controller and Corporate GM, at the Company's headquarters in Utica, New York.

On September 12, a representative of Voce met with Joseph J. Corasanti, Esq., the Company's President and Chief Executive Officer, and Mr. Shallish in New York City.

On October 1, a representative of Voce participated in a group meeting with Mr. Corasanti, Mr. Shallish and other investors in San Francisco.

On October 24, the Company reported its third quarter results and once again decreased its full year 2013 sales and earnings guidance.

On November 4, Voce issued a press release and published a thirteen page letter to the Company's Board, in which Voce criticized the Company's corporate governance, operational performance and leadership and demanded that the Company evaluate strategic alternatives, including a potential sale of the Company.

On November 12, Mark E. Tryniski, the Company's Lead Independent Director, sent a six paragraph letter to Voce purportedly responding to the detailed analysis and criticisms set forth in Voce's letter.

On December 11, a representative of Voce traveled to New York and met with Mr. Tryniski.

On December 16, a shareholder filed a Schedule 13D, disclosing that it had acquired an additional 445,000 shares since Voce issued its November 4 press release and that it now held approximately 5% of the Company's outstanding shares.

On February 6, 2014, a second party disclosed in a Schedule 13D that it had initiated a position in ConMed on December 30, 2013 and accumulated approximately 5.9% of the Company's outstanding shares through February 4, 2014.

On February 11, Voce disclosed in a press release that it intended to nominate the four Nominees for election to the Board at the Annual Meeting.

**PROPOSAL 1 – ELECTION OF DIRECTORS**

According to publicly available information, the Board currently consists of nine directors whose terms will expire at the Annual Meeting. We are seeking your support at the Annual Meeting to elect our four independent Nominees, as well as the Company's candidates for election other than the four candidates that we will identify after the Company discloses its nominees for the Annual Meeting. If elected, the Nominees will represent a minority of the members of the Board, and therefore it is not guaranteed that they can implement the actions that they believe are necessary to enhance shareholder value. There is no assurance that any incumbent director will serve as a director if one or more of the Nominees are elected to the Board. You should refer to the Company's Proxy Statement, when it is filed with the SEC, for the names, background, qualifications and other information concerning the Company's nominees.

**Name and  
Business  
Address**

**Age Principal Occupation For Past Five Years and Directorships**

**James W.  
Green**

8 Centennial  
Drive 55

Peabody,  
MA 01960

Mr. Green has been the President, CEO and a director of Analogic Corporation, a publicly traded manufacturer of advanced medical imaging and security systems, since May 2007. From April 2005 to April 2007, Mr. Green was Regional Vice President, California Division, of Quest Diagnostics Incorporated, a publicly traded provider of diagnostic testing, information, and services. From 2001 to 2005, Mr. Green served as Senior Vice President & General Manager of Computed Tomography for Philips Medical Systems, a publicly traded provider of medical computed tomography systems. Prior to Philips, Mr. Green was Senior Vice President, Product Development, at Marconi Medical, a medical device company, which was acquired by Philips in 2001. In addition to Analogic Corporation, Mr. Green sits on the board of directors of the Massachusetts High Tech Council.

Based on Mr. Green's position as the CEO of a publicly traded medical device company, his experience as a senior executive at multiple medical device companies and his technical and operational expertise, we believe he is well-qualified to serve as a director of the Company.

**Alan L.  
Kaganov,  
Sc.D**

2735 Sand  
Hill Road 75

Menlo Park,  
CA 94025

Dr. Kaganov has been a Partner of U.S. Venture Partners, a venture capital firm, where he focuses on medical devices and other health care industries, since 1996. From 1993 to 1996, Dr. Kaganov served as Vice President, Business Development and Strategic Planning at Boston Scientific Corp., a leading medical device company, and spent six years in various positions at Baxter International, Inc., a globally diversified healthcare company. Dr. Kaganov previously served as a director for Atricure, a publicly traded medical device company, from 2001 until 2006; CryoVascular Systems, Inc., a medical device company which was acquired by Boston Scientific in 2005; and St. Francis Medical, a medical device company that treats lumbar spinal stenosis and was acquired by Medtronic in 2007. He currently serves on the board of several privately-held health care companies. Dr. Kaganov holds 15 U.S. patents.

Based on Dr. Kaganov's experience as a senior executive and director at several public and privately-held health care companies, his technical, operational and scientific expertise and his knowledge of directorial and public company governance matters from his years of service on the boards of public and privately-held companies, we believe he is well-qualified to serve as a director

of the Company.

**Jeffrey M. Nugent**

120 East 87<sup>th</sup>  
Street, R14F  
  
New York,  
NY 10128

Mr. Nugent is the Founder of Precision Dermatology, Inc., a privately held dermatology therapeutics company that was recently acquired by Valeant Pharmaceuticals International, Inc.. Mr. Nugent served as its President and CEO from December 2010 until February 2013 and Senior Advisor from February 2013 until June 2013. He served as Interim President and CEO of Ascension Orthopedics, Inc., an orthopedic extremities company, from August 2008 until January 2009, and as director from January 2009 until it was acquired by Integra LifeSciences Corporation in September 2011. From May 2007 to June 2009, Mr. Nugent served as the President and CEO of Ventus Medical, Inc., a medical device company focused on the development of a treatment for obstructive sleep apnea. From January 2005 to May 2007, Mr. Nugent served as President and CEO of Insight Pharmaceuticals LLC, a manufacturer and marketer of leading non-prescription medications. From 1999 to 2002, Mr. Nugent served as President, CEO and a director of Revlon, Inc., a publicly traded beauty care company. Mr. Nugent previously held a number of senior management positions within Johnson & Johnson for 25 years in R&D, operations, marketing and finance, including serving as Worldwide President and CEO of Neutrogena Corp. from the time of its acquisition in 1994 until 1999. Mr. Nugent served on the Board of Directors of Bioform Medical, Inc., a publicly traded dermatology company, from February 2009 until its acquisition by Merz Pharmaceutical in February 2010. Mr. Nugent also serves on the boards of directors of several privately-held medical device companies.

Based on Mr. Nugent's experience as a senior executive at several privately held medical device and orthopedic companies, his experience as the CEO of a publicly traded company, and his knowledge of directorial and public company governance matters from his years of service on the boards of other public and privately-held companies, we believe he is well-qualified to serve as a director of the Company.

**J. Daniel Plants**

600  
Montgomery  
Street  
  
Suite 210  
  
San  
Francisco, CA  
94111

Mr. Plants has been the Managing Partner of Voce Capital Management since founding the firm in 2009. Prior to Voce, he served as a Managing Director and Head of Communications Technology and Media for Needham & Company LLC, an investment banking and asset management firm focused on small-capitalization companies, from July 2007 through May 2009. Prior to then, Mr. Plants held a number of positions at leading Wall Street firms, including executive positions in investment banking at Goldman Sachs and JPMorgan Chase and as a corporate attorney with Sullivan & Cromwell. He has previously served as a director of Volunteers of America – Greater New York from 2002 until 2005 and the Bay Area Urban Debate League, which he co-founded and where he served as Vice Chairman, from 2008 until 2012.

Based on Mr. Plants's career in investment banking and principal investing, his expertise managing strategic alternatives processes for dozens of companies and experience in corporate governance and strategic transactions, we believe he is well-qualified to serve as a director of the Company.



None of the organizations or corporations referenced above is a parent, subsidiary or other affiliate of the Company. If elected, each of the Nominees will be considered an independent director of ConMed under the Company's Corporate Governance Principles and under applicable NASDAQ rules and under Item 407(a) of Regulation S-K.

Each of the Nominees has entered into a nominee agreement pursuant to which VCM has agreed to pay the costs of soliciting proxies, and to defend and indemnify him against, and with respect to, any losses that may be incurred by him in the event he becomes a party to litigation based on his nomination as a candidate for election to the Board and the solicitation of proxies in support of his election. No Nominee will receive any compensation under his respective nominee agreement and will not receive any compensation from Voce or its affiliates for his services as a director of the Company if elected. If elected, the Nominees will be entitled to such compensation from the Company as is consistent with the Company's then-established practices for services of non-employee directors.

Each of the Nominees has agreed to being named as a nominee in this Proxy Statement and has confirmed his willingness to serve on the Board if elected. Voce does not expect that any of the Nominees will be unable to stand for election, but in the event that a vacancy in the slate of Nominees should occur unexpectedly, the shares of Common Stock represented by the **WHITE** proxy card will be voted for a substitute candidate selected by Voce. If Voce determines to add nominees, whether because the Company expands the size of the Board subsequent to the date of this Proxy Statement or for any other reason, Voce will supplement this Proxy Statement.

The nine nominees receiving the highest number of affirmative votes of the shares present or represented and entitled to be voted for them shall be elected as directors, whether or not such affirmative votes constitute a majority of the shares voted. According to the Company's 2013 Proxy Statement, votes withheld from any director are counted for purposes of determining the presence or absence of a quorum for the transaction of business, but have no other legal effect under New York law.

**WE URGE YOU TO VOTE YES TO THE ELECTION OF OUR NOMINEES PURSUANT TO PROPOSAL 1.**

**PROPOSAL 2 – RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We expect that the Company's Proxy Statement will indicate that the Company's Audit Committee has appointed PricewaterhouseCoopers LLP ("PWC") to audit its financial statements for the fiscal year ending 2014, subject to shareholder ratification. According to the Company's 2013 Proxy Statement, PWC has been the Company's independent registered public accounting firm since 1982.

Unless otherwise specified, shares represented by proxies will be voted for the ratification of the appointment of PWC as the Company's independent registered public accounting firm for 2014. According to the Company's 2013 Proxy Statement, neither its Certificate of Incorporation nor its By-laws require that the shareholders ratify the appointment of PWC as their independent registered public accounting firm, but the Company has previously stated that it seeks such ratification because it believes it is a matter of good corporate governance. Even if the shareholders do not ratify the appointment, the Audit Committee may elect to retain PWC. Even if the appointment is ratified, the Audit Committee in its discretion may change the appointment at any time during the year if it determines that such change would be in the best interests of the Company and its shareholders.

Representatives of PWC are expected to be present at the meeting. Those representatives are expected to have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

The affirmative vote of the holders of a majority of votes cast at the meeting is necessary for the ratification of the appointment of PWC as the Company's independent registered public accounting firm for 2014.

**WE RECOMMEND YOU VOTE FOR PROPOSAL 2.**

### **PROPOSAL 3 – ADVISORY VOTE ON EXECUTIVE COMPENSATION**

As will be discussed in further detail in the Company's Proxy Statement, the Company will be providing shareholders with the opportunity to approve, on an advisory basis, the Company's executive compensation in the Company's Proxy Statement. Based on the Company's 2013 Proxy Statement, we believe this Proposal will be presented at the Annual Meeting as a resolution in substantially the following form:

“RESOLVED, that the shareholders of the Company approve, on an advisory basis, the compensation of the Company's Named Executive Officers disclosed in the Compensation Discussion and Analysis, the Summary Compensation Table and the related compensation tables and narrative disclosure in the Proxy Statement.”

This advisory resolution, commonly referred to as a “say-on-pay” resolution, is non-binding on the Board. Although non-binding, the Compensation Committee and the Board will review the voting results when evaluating the executive compensation programs, according to the Company's 2013 Proxy Statement.

Voce believes shareholders should vote to disapprove the compensation of the Company's Named Executive Officers. Voce believes that the Company's Named Executive Officers have been overcompensated in light of the Company's long-term operational and financial underperformance.

In addition, the Company has bestowed several perquisites that Voce believes are symptomatic of the influence the Corasanti family and long-term insiders have on the Company. For example, according to the Company's 2013 Proxy Statement, Eugene R. Corasanti, the Company's Vice Chairman and Chairman of the Board, has a separate employment agreement for which he earns an additional salary of more than \$100,000 per year and equity compensation which in 2012 totaled almost \$150,000 for making himself “available to advise the Chief Executive Officer.” Simultaneously he is collecting \$3.7 million of deferred compensation as if he had retired in 2006, even though as a current employee he is not retired and would not otherwise be entitled to receive this benefit. He also continues to enjoy an automobile allowance, country club memberships and life and health insurance benefits that will continue during his life and the life of his wife.

Similar benefits are provided to E. Corasanti's son, J. Corasanti, the Company's President and Chief Executive Officer. According to the Company's 2013 Proxy Statement, J. Corasanti received an average of \$2.5 million in compensation per year, which includes separate fees for serving as a director of the Company, as well as some of the same perquisites afforded to his father, including some benefits that continue during his life and the life of his wife.

We encourage all shareholders to review the Company's proxy disclosures in detail after the Company's Proxy Statement is filed with the SEC.

The affirmative vote of the holders of a majority of shares present and entitled to vote will be required to approve the Company's executive compensation, on an advisory basis.

**WE URGE YOU TO VOTE AGAINST PROPOSAL 3.**

## VOTING AND PROXY PROCEDURES

Only shareholders of record on the Record Date will be entitled to notice of and to vote at the Annual Meeting. Each share of Common Stock is entitled to one vote. Shareholders are not entitled to cumulative voting rights.

Shareholders who sell shares of Common Stock before the Record Date (or acquire them without voting rights after the Record Date) may not vote such shares of Common Stock. Shareholders of record on the Record Date will retain their voting rights in connection with the Annual Meeting even if they sell such shares of Common Stock after the Record Date. Based on publicly available information, including the Company's 2013 Proxy Statement, we believe that the only outstanding class of securities of the Company entitled to vote at the Annual Meeting is the Common Stock.

Shares of Common Stock represented by properly executed **WHITE** proxy cards will be voted at the Annual Meeting as marked and, in the absence of specific instructions, will be voted **FOR** the election of the Nominees to the Board, **FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2014, **AGAINST** the advisory vote on executive compensation, and in the discretion of the persons named as proxies on all other matters as may properly come before the Annual Meeting.

Based on publicly available information, we believe the current Board intends to nominate nine candidates for election as directors at the Annual Meeting. This Proxy Statement is soliciting votes to elect not only our four Nominees, but also the candidates who are nominated by the Company other than four candidates that we will identify after the Company discloses its nominees for the Annual Meeting. This gives shareholders who wish to vote for our Nominees and such other persons the ability to do so. Under applicable proxy rules, we are required either to solicit proxies only for our Nominees, which could result in limiting the ability of shareholders to fully exercise their voting rights with respect to the Company's nominees, or to solicit for our Nominees and for fewer than all of the Company's nominees, which enables a shareholder who desires to vote for our Nominees to also vote for those of the Company's nominees for whom we are soliciting proxies. The names, backgrounds and qualifications of the Company's nominees, and other information about them, can be found in the Company's Proxy Statement. There is no assurance that any of the Company's nominees will serve as directors if any or all of our Nominees are elected. The Participants intend to vote all of their shares of Common Stock in favor of the Nominees and each of the Company's candidates other than four candidates that we will identify after the Company discloses its nominees for the Annual Meeting.

## QUORUM; ABSTENTIONS; BROKER NON-VOTES

According to the Company's 2013 Proxy Statement, holders of a majority of the outstanding shares entitled to vote must be present, in person or by proxy, at an annual meeting in order to have the required quorum for the transaction of business. Votes cast by proxy or in person at the Annual Meeting will be tabulated by an Inspector of Election, who, at the 2013 annual meeting, was a representative of the Registrar and Transfer Company, to determine whether or not a quorum is present. If the shares present, in person and by proxy, at the Annual Meeting do not constitute the required quorum, the Annual Meeting may be adjourned to a subsequent date for the purpose of obtaining a quorum. Abstentions and "broker non-votes" are treated as shares that are present and entitled to vote for purposes of determining the presence of a quorum.

Based on the Company's 2013 Proxy Statement, (i) votes "withheld" will not be counted as votes against a director nominee pursuant to Proposal 1, (ii) in accordance with New York State law, abstentions will not be counted in determining the votes cast at the Annual Meeting, and (iii) "broker non-votes" will be treated in the same manner as votes present and will have no effect on the outcome of Proposals 1 and 3.



## VOTES REQUIRED FOR APPROVAL

*Election of Directors* According to the Company's 2013 Proxy Statement, the nine nominees for director receiving the highest vote totals will be elected as directors of the Company. Withheld votes will have no impact on the election of directors.

*Ratification Of Independent Registered Public Accounting Firm and Advisory Vote on Executive Compensation*

According to the Company's 2013 Proxy Statement, approval of the ratification of the appointment of the Company's independent registered public accounting firm (Proposal 2) and advisory vote on executive compensation (Proposal 3) will each require the affirmative vote of a majority of the votes cast on such Proposal.

**IF YOU WISH TO VOTE FOR THE ELECTION OF OUR NOMINEES TO THE BOARD AND THE COMPANY'S NOMINEES OTHER THAN THE FOUR CANDIDATES THAT WE WILL IDENTIFY AFTER THE COMPANY DISCLOSES ITS NOMINEES FOR THE ANNUAL MEETING, FOR THE APPOINTMENT OF PWC AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM AND AGAINST THE COMPANY'S PROPOSAL ON EXECUTIVE COMPENSATION, PLEASE SIGN, DATE AND RETURN PROMPTLY THE ENCLOSED WHITE PROXY CARD IN THE POSTAGE-PAID ENVELOPE PROVIDED.**

## APPRAISAL/DISSENTER RIGHTS

Shareholders are not entitled to appraisal or dissenters' rights under New York law in connection with the Proposals or this Proxy Statement.

## SOLICITATION OF PROXIES

The solicitation of proxies pursuant to this Proxy Solicitation is being made by Voce and the Nominees. Proxies may be solicited by mail, facsimile, telephone, telegraph, Internet, in person and by advertisements.

Voce will solicit proxies from individuals, brokers, banks, bank nominees and other institutional holders. Voce has requested banks, brokerage houses and other custodians, nominees and fiduciaries to forward all solicitation materials to the beneficial owners of the shares of Common Stock they hold of record. Voce will reimburse these record holders for their reasonable out-of-pocket expenses in so doing.

The entire expense of soliciting proxies is being borne by the Participants. Costs of the Proxy Solicitation are currently estimated to be approximately \$[ ] Voce estimates that through the date hereof, expenses incurred in connection with the Proxy Solicitation are approximately \$[ ]. If successful, we may seek reimbursement of these costs from the Company. In the event that we decide to seek reimbursement of our expenses, we do not intend to submit the matter to a vote of the Company's shareholders. The Board would be required to evaluate the requested reimbursement consistent with their fiduciary duties to the Company and its shareholders. Costs related to the solicitation of proxies include expenditures for attorneys, advisors, printing, advertising, postage and related expenses and fees.

Voce has retained Georgeson, Inc. ("Georgeson") to provide solicitation and advisory services in connection with this solicitation. Georgeson will receive a fee not to exceed \$[ ], together with reimbursement for its reasonable out-of-pocket expenses, and will be indemnified by VCM against certain liabilities and expenses, including certain liabilities under the federal securities laws. Georgeson will solicit proxies from individuals, brokers, banks, bank nominees and other institutional holders. It is anticipated that Georgeson will employ approximately [ ] persons to solicit the Company's shareholders as part of this solicitation. Georgeson does not believe that any of its directors,

officers, employees, affiliates or controlling persons, if any, is a "participant" in this Proxy Solicitation.

Important Notice Regarding the Availability of this Proxy Statement

This Proxy Statement and all other solicitation materials in connection with this Proxy Solicitation are available on the Internet, free of charge, at [\_\_\_\_\_].

Information Concerning ConMed

Voce has omitted from this Proxy Statement certain disclosure required by applicable law to be included in the Company's Proxy Statement. Such disclosure includes, among other things, information regarding securities of the Company beneficially owned by the Company's directors, nominees and management; certain shareholders' beneficial ownership of more than 5% of the Company's voting securities; information concerning executive compensation; and information concerning the procedures for submitting shareholder proposals and director nominations intended for consideration at the 2015 annual meeting of shareholders and for consideration for inclusion in the proxy materials for that meeting. Voce takes no responsibility for the accuracy or completeness of information contained in the Company's Proxy Statement. Except as otherwise noted herein, the information in this Proxy Statement concerning the Company has been taken from or is based upon documents and records on file with the SEC and other publicly available information. Although Voce does not have any knowledge indicating that any statement contained herein is untrue, we do not take responsibility, except to the extent imposed by law, for the accuracy or completeness of statements taken from public documents and records that were not prepared by or on behalf of Voce, or for any failure of the Company to disclose events that may affect the accuracy or completeness of such information.

Conclusion

We urge you to carefully consider the information contained in this Proxy Statement and then support our efforts by signing, dating and returning the enclosed **WHITE** proxy card today.

Thank you for your support,

Voce Catalyst Partners LP  
Voce Capital LLC  
Voce Capital Management LLC  
James W. Green  
Alan L. Kaganov  
Jeffrey M. Nugent  
J. Daniel Plants

[\_\_\_\_\_], 2014



ANNEX I

TRANSACTIONS BY THE PARTICIPANTS IN THE SECURITIES OF CONMED CORPORATION DURING THE PAST TWO YEARS

The following tables set forth all transactions effected during the past two years by the Participants with respect to securities of the Company. As of the date of hereof, all of the Participants that own of record or beneficially securities of the Company are listed below. The shares of Common Stock reported herein are held in either cash accounts or margin accounts in the ordinary course of business.

Voce Catalyst Partners LP

**Trade Date Shares Purchased (Sold)**

|            |      |
|------------|------|
| 7/9/2013   | 2000 |
| 7/24/2013  | 2100 |
| 7/30/2013  | 7500 |
| 8/2/2013   | 2000 |
| 8/5/2013   | 2700 |
| 8/7/2013   | 4000 |
| 8/15/2013  | 2000 |
| 8/16/2013  | 158  |
| 8/30/2013  | 2630 |
| 10/29/2013 | 2000 |
| 10/30/2013 | 2000 |
| 11/1/2013  | 5000 |
| 2/6/2014   | 3800 |

James W. Green

**Trade Date Shares Purchased (Sold)**

|           |     |
|-----------|-----|
| 1/22/2014 | 250 |
| 1/28/2014 | 200 |

Jeffrey M. Nugent

**Trade Date Shares Purchased (Sold)**

|           |     |
|-----------|-----|
| 2/11/2014 | 110 |
|-----------|-----|



[FORM OF PROXY CARD]

PRELIMINARY COPY – SUBJECT TO COMPLETION  
DATED FEBRUARY 19, 2014

**PROXY OF SHAREHOLDERS OF CONMED CORPORATION (THE "COMPANY") IN CONNECTION WITH THE COMPANY'S 2014 ANNUAL MEETING OF SHAREHOLDERS:**

**THIS PROXY SOLICITATION IS BEING MADE BY VOCE CATALYST PARTNERS LP, VOCE CAPITAL LLC, VOCE CAPITAL MANAGEMENT LLC AND J. DANIEL PLANTS (COLLECTIVELY, "VOCE"), TOGETHER WITH JAMES W. GREEN, ALAN L. KAGANOV AND JEFF NUGENT (COLLECTIVELY, WITH J. DANIEL PLANTS, THE "NOMINEES")**

**THIS SOLICITATION IS BEING MADE BY VOCE AND THE NOMINEES AND NOT ON BEHALF OF THE BOARD OF DIRECTORS OR THE COMPANY**

The undersigned appoints [ ] and [ ], and each of them, attorneys and agents with full power of substitution to vote all shares of Common Stock, par value \$0.01 per share (the "Common Stock"), of the Company, which the undersigned would be entitled to vote if personally present at the 2014 Annual Meeting of Shareholders of the Company scheduled to be held at [ ], on [ ], 2014, at [ ] (New York time) (including at any adjournments or postponements thereof and at any meeting called in lieu thereof, the "Annual Meeting").

The undersigned hereby revokes any other proxy or proxies heretofore given to vote or act with respect to the shares of Common Stock of the Company held by the undersigned, and hereby ratifies and confirms all action the herein named attorneys and proxies, their substitutes, or any of them may lawfully take by virtue hereof. If properly executed, this proxy will be voted as directed on the reverse and in the discretion of the herein named attorneys and proxies or their substitutes with respect to any other matters as may properly come before the Annual Meeting that are unknown to Voce a reasonable time before this solicitation.

**IF NO DIRECTION IS INDICATED WITH RESPECT TO THE PROPOSALS ON THE REVERSE, THIS PROXY WILL BE VOTED "FOR ALL NOMINEES" PURSUANT TO PROPOSAL 1, "FOR" PROPOSAL 2 AND "AGAINST" PROPOSAL 3.**

This proxy will be valid until the sooner of one year from the date indicated on the reverse side and the completion of the Annual Meeting.

THE ELECTION OF (I) JAMES W. GREEN, ALAN L. KAGANOV, JEFFREY M. NUGENT AND J. DANIEL PLANTS; AND (II) "FOR" THE CANDIDATES WHO HAVE BEEN NOMINATED BY THE COMPANY TO SERVE AS DIRECTOR, OTHER THAN [ ] TO SERVE AS DIRECTORS ON THE COMPANY'S BOARD OF DIRECTORS.

|                  |                                             |                         |
|------------------|---------------------------------------------|-------------------------|
| £                | £                                           | £                       |
| For All Nominees | Withhold Authority to Vote for all Nominees | For all Nominees Except |

Voce intends to use this proxy to vote (i) "FOR" Mr. Green, Mr. Kaganov, Mr. Nugent and Mr. Plants; and (ii) "FOR" the candidates who have been nominated by the Company to serve as a director, other than [ ], for whom Voce is not seeking authority to vote for and will not exercise any such authority. The names, background and qualification of the candidates who have been nominated by the Company, and other information about them, can be found in the Company's proxy statement.

There is no assurance that any of the candidates who have been nominated by the Company will serve as directors if any or all of our Nominees are elected.

**INSTRUCTIONS:** IF YOU DO NOT WISH YOUR SHARES OF COMMON STOCK TO BE VOTED "FOR" A PARTICULAR NOMINEE, MARK THE "FOR ALL NOMINEES EXCEPT" BOX AND WRITE THE NAME(S) OF THE NOMINEE(S) YOU DO NOT SUPPORT ON THE LINE BELOW. You may also withhold authority to vote for one or more additional candidates who have been nominated by the Company by writing the name(s) of the nominee(s) below. YOUR SHARES OF COMMON STOCK WILL BE VOTED FOR THE REMAINING NOMINEE(S).

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2. To ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2014:

£   £   £  
FOR AGAINST ABSTAIN

3. To approve, on an advisory basis, the compensation of the named executive officers:

£   £   £  
FOR AGAINST ABSTAIN

**IN ORDER FOR YOUR PROXY TO BE VALID, IT MUST BE DATED.**

Date: \_\_\_\_\_, 2014

Signature

Signature (if held jointly)

Title(s):

Please sign exactly as name appears on stock certificates or on label affixed hereto. When shares of Common Stock are held by joint tenants, both should sign. In case of joint owners, EACH joint owner should sign. When signing as attorney, executor, administrator, trustee, guardian, corporate officer, etc., give full title as such.

PLEASE SIGN, DATE AND MAIL YOUR PROXY PROMPTLY IN THE POSTAGE-PAID ENVELOPE ENCLOSED.

E: 8pt">

Stock

Option

Incentive Plan

Compensation

All Other

Name and Principal

Salary

Bonus

Awards

Awards

Compensation

Earnings

Compensation

Total

Position

Year

(\$)

(\$)

(\$)

(\$)

(\$)

(\$)

(\$)

(\$)

(a)

(b)

(c)

(d)

(e)1

(f)

(g)

(h)2

(i)3

(j)

J. LaMont Keen  
 President and CEO,  
 IDACORP and Idaho  
 Power Company  
 2010

619,231 — 693,921 — 759,822 1,609,836 10,052 3,692,862

2009

623,077 — 683,176 — 809,904 1,590,522 11,289 3,717,968

2008

596,154 — 672,446 — 768,672 976,156 10,724 3,024,152

Darrel T. Anderson

Executive Vice President

– Administrative

2010

364,038 — 272,360 — 279,572 572,694 10,368 1,499,032

2009

353,077 — 258,098 — 286,841 509,451 11,090 1,418,557

IDACORP and Idaho

Power Company

2008

338,846 — 254,040 — 272,238 344,836 10,570 1,220,530

Daniel B. Minor

Executive Vice President,

2010

340,000 — 253,712 — 260,423 513,230 10,455 1,377,820

IDACORP, and Executive

Vice President –

Services and CFO,

2009  
 312,692 — 171,232 — 218,193 414,696 11,182 1,127,995  
 Operations, Idaho Power

Company

2008  
 289,231 — 168,549 — 185,762 342,857 10,572 996,971  
 Rex Blackburn

Senior Vice President

2010  
 243,846 — 142,202 — 150,126 256,700 9,800 802,674  
 and General Counsel,

IDACORP and Idaho

2009  
 212,692 — 126,941 — 132,127 151,628 10,300 633,688  
 Power Company

Lisa A. Grow

2010  
 220,000 — 127,694 — 134,807 248,426 11,111 742,038  
 Vice President –

Power Supply, Idaho

Power Company

1 Amounts in this column represent the aggregate grant date fair value of the restricted stock (time-vesting) and the performance shares (at target) granted in each of the years shown calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 – Stock Compensation. This column was prepared assuming none of the awards will be forfeited. Additional information on the assumptions used to determine the fair value of the restricted stock and performance share awards is in Note 7 to the financial statements in our 2010 Form 10-K for the year ended December 31, 2010.

The table below shows the grant date fair values of the CEPS and TSR components of the performance share awards granted in 2010, assuming that the highest level of performance conditions is achieved for the awards.

| Name               | CEPS       | TSR        |
|--------------------|------------|------------|
| J. LaMont Keen     | \$ 417,240 | \$ 205,135 |
| Darrel T. Anderson | \$ 163,744 | \$ 80,505  |
| Daniel B. Minor    | \$ 152,532 | \$ 74,992  |
| Rex Blackburn      | \$ 85,503  | \$ 42,037  |
| Lisa A. Grow       | \$ 76,760  | \$ 37,739  |



- 2 Values shown represent the change in actuarial present value of the accumulated benefit under the pension plan and the Senior Management Security Plans. For 2010, assumptions included a discount rate of 5.4%; the RP-2000 Annuitant Mortality Table projected to 2018; and retirement at age 62. There were no above-market earnings on deferred compensation in 2010.
- 3 For 2010, represents our contribution to the Idaho Power Company Employee Savings Plan, which is our 401(k) plan, and a charitable match contribution.

## Grants of Plan-Based Awards in 2010

| Name<br>(a)                     | Grant<br>Date<br>(b) | Estimated Future Payouts<br>Under<br>Non-Equity Incentive Plan<br>Awards |                       |                        | Estimated Future Payouts<br>Under<br>Equity Incentive Plan<br>Awards |                      |                       | All<br>Other<br>Stock<br>Awards:<br>Grant<br>Number<br>of<br>Shares<br>of<br>Stock<br>or<br>Option<br>Awards<br>Date<br>Fair<br>Value<br>of<br>Stock<br>and<br>Option<br>Awards<br>(\$)<br>(l) |
|---------------------------------|----------------------|--------------------------------------------------------------------------|-----------------------|------------------------|----------------------------------------------------------------------|----------------------|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                 |                      | Threshold<br>(\$)<br>(c)                                                 | Target<br>(\$)<br>(d) | Maximum<br>(\$)<br>(e) | Threshold<br>(#)<br>(f)                                              | Target<br>(#)<br>(g) | Maximum<br>(#)<br>(h) |                                                                                                                                                                                                |
| J. LaMont Keen                  |                      |                                                                          |                       |                        |                                                                      |                      |                       |                                                                                                                                                                                                |
| Short-Term Incentive            | 2/26/2010            | 248,000                                                                  | 496,000               | 992,000                |                                                                      |                      |                       |                                                                                                                                                                                                |
| Restricted Stock – Time-Vesting | 2/26/2010            |                                                                          |                       |                        |                                                                      |                      |                       | 8,447 279,004                                                                                                                                                                                  |
| Performance Shares – CEPS/TSR   | 2/26/2010            |                                                                          |                       |                        | 8,447                                                                | 16,894               | 25,341                | 414,917                                                                                                                                                                                        |
| Darrel T. Anderson              |                      |                                                                          |                       |                        |                                                                      |                      |                       |                                                                                                                                                                                                |
| Short-Term Incentive            | 2/26/2010            | 91,250                                                                   | 182,500               | 365,000                |                                                                      |                      |                       |                                                                                                                                                                                                |
| Restricted Stock – Time-Vesting | 2/26/2010            |                                                                          |                       |                        |                                                                      |                      |                       | 3,316 109,527                                                                                                                                                                                  |
| Performance Shares – CEPS/TSR   | 2/26/2010            |                                                                          |                       |                        | 3,315                                                                | 6,630                | 9,945                 | 162,833                                                                                                                                                                                        |
| Daniel B. Minor                 |                      |                                                                          |                       |                        |                                                                      |                      |                       |                                                                                                                                                                                                |
| Short-Term Incentive            | 2/26/2010            | 85,000                                                                   | 170,000               | 340,000                |                                                                      |                      |                       |                                                                                                                                                                                                |
| Restricted Stock – Time-Vesting | 2/26/2010            |                                                                          |                       |                        |                                                                      |                      |                       | 3,089 102,030                                                                                                                                                                                  |
| Performance Shares – CEPS/TSR   | 2/26/2010            |                                                                          |                       |                        | 3,088                                                                | 6,176                | 9,264                 | 151,682                                                                                                                                                                                        |
| Rex Blackburn                   |                      |                                                                          |                       |                        |                                                                      |                      |                       |                                                                                                                                                                                                |
| Short-Term Incentive            | 2/26/2010            | 49,000                                                                   | 98,000                | 196,000                |                                                                      |                      |                       |                                                                                                                                                                                                |
| Restricted Stock – Time-Vesting | 2/26/2010            |                                                                          |                       |                        |                                                                      |                      |                       | 1,731 57,175                                                                                                                                                                                   |
| Performance Shares – CEPS/TSR   | 2/26/2010            |                                                                          |                       |                        | 1,731                                                                | 3,462                | 5,193                 | 85,027                                                                                                                                                                                         |
| Lisa A. Grow                    |                      |                                                                          |                       |                        |                                                                      |                      |                       |                                                                                                                                                                                                |
| Short-Term Incentive            | 2/26/2010            | 44,000                                                                   | 88,000                | 176,000                |                                                                      |                      |                       |                                                                                                                                                                                                |
| Restricted Stock – Time-Vesting | 2/26/2010            |                                                                          |                       |                        |                                                                      |                      |                       | 1,555 51,362                                                                                                                                                                                   |
| Performance Shares – CEPS/TSR   | 2/26/2010            |                                                                          |                       |                        | 1,554                                                                | 3,108                | 4,662                 | 76,332                                                                                                                                                                                         |

1 Represents short-term incentive compensation for 2010 awarded pursuant to the IDACORP Executive Incentive Plan. Actual short-term incentive payouts are shown in the “Non-Equity Incentive Plan Compensation” column of

the 2010 Summary Compensation Table.

- 2 Represents restricted stock (time-vesting) awarded pursuant to the IDACORP Restricted Stock Plan.
- 3 Represents performance shares for the 2010-2012 performance period awarded pursuant to the IDACORP 2000 Long-Term Incentive and Compensation Plan.

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Narrative Discussion for 2010 Summary Compensation Table  
and Grants of Plan-Based Awards in 2010 Table

### 2010 Short-Term Incentive Awards

In 2010, the compensation committee approved short-term incentive award opportunities for our NEOs. The short-term cash incentive award opportunities are calculated by multiplying base salary by the product of the approved incentive percentage and the qualifying multiplier for each goal. We discuss the short-term incentive award opportunities and results in the Compensation Discussion and Analysis.

### 2010 Long-Term Incentive Awards

In February 2010, the compensation committee approved long-term incentive awards with the following two components:

**Time-vesting shares:** Each NEO received an award of time-vesting restricted shares equal to a percentage of his or her base salary in 2010. These shares vest on January 1, 2013 if the NEO remains continuously employed with the company during the entire restricted period. Dividends are paid on the shares during the restricted period and are not subject to forfeiture; and

**Performance-based shares:** Each NEO received an award of performance shares at the target level equal to a percentage of his or her base salary in 2010. The shares will vest at the end of the performance period to the extent we achieve our performance goals (CEPS and TSR, weighted equally) and the NEO remains employed by the company during the entire performance period, with certain exceptions. Dividends will accrue during the performance period and will be paid in cash based on the number of shares that are earned. Performance shares are paid out in accordance with the payout percentages set forth in the Compensation Discussion and Analysis.

We discuss in further detail the long-term incentive award opportunities and results in the Compensation Discussion and Analysis.

### Salary and Bonus in Proportion to Total Compensation

The following table shows the proportion of salary to total compensation for 2010:

| Name                  | Salary<br>(\$) | Bonus<br>(\$) | Total<br>Compensation<br>(\$) | Salary and Bonus as<br>a Percent of<br>Total Compensation |   |
|-----------------------|----------------|---------------|-------------------------------|-----------------------------------------------------------|---|
| J. LaMont<br>Keen     | 619,231        | —             | 3,692,862                     | 16.8                                                      | % |
| Darrel T.<br>Anderson | 364,038        | —             | 1,499,032                     | 24.3                                                      | % |
| Daniel B.<br>Minor    | 340,000        | —             | 1,377,820                     | 24.7                                                      | % |
| Rex<br>Blackburn      | 243,846        | —             | 802,674                       | 30.4                                                      | % |
| Lisa A. Grow          | 220,000        | —             | 742,038                       | 29.6                                                      | % |



## Outstanding Equity Awards at Fiscal Year-End 2010

| Name<br>(a)                                               | Option Awards                                                                                    |                                                                                                      | Option<br>Exercise<br>Price<br>(\$)<br>(e) | Option<br>Expiration<br>Date<br>(f) | Stock Awards                                                                                |                                                                                          | Equity<br>Incentive<br>Plan<br>Awards:<br>Number<br>of<br>Unearned<br>Shares,<br>Units<br>or Other<br>Rights<br>That<br>Have Not<br>Vested<br>(#)<br>(i)3 | Equity<br>Incentive<br>Plan<br>Awards:<br>Market or<br>Payout<br>Value<br>of<br>Unearned<br>Shares,<br>Units<br>or Other<br>Rights<br>That<br>Have Not<br>Vested<br>(\$)<br>(j)4 |
|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------|-------------------------------------|---------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                           | Number<br>of<br>Securities<br>Underlying<br>Unexercised<br>Options<br>Exercisable<br>(#)<br>(b)1 | Number<br>of<br>Securities<br>Underlying<br>Exercised<br>Options<br>Not<br>Exercisable<br>(#)<br>(c) |                                            |                                     | Number<br>of Shares<br>or Units<br>of Stock<br>That<br>Have<br>Not<br>Vested<br>(#)<br>(g)2 | Value of<br>Shares or<br>Units of<br>Stock<br>That Have<br>Not<br>Vested<br>(\$)<br>(h)4 |                                                                                                                                                           |                                                                                                                                                                                  |
| J. LaMont Keen                                            |                                                                                                  |                                                                                                      |                                            |                                     |                                                                                             |                                                                                          |                                                                                                                                                           |                                                                                                                                                                                  |
| Option Award – 1/18/01                                    | 30,000                                                                                           |                                                                                                      | 40.31                                      | 1/17/2011                           |                                                                                             |                                                                                          |                                                                                                                                                           |                                                                                                                                                                                  |
| Option Award – 1/17/02                                    | 44,000                                                                                           |                                                                                                      | 39.50                                      | 1/16/2012                           |                                                                                             |                                                                                          |                                                                                                                                                           |                                                                                                                                                                                  |
| Restricted Stock – Time-<br>Vesting<br>Performance Shares |                                                                                                  |                                                                                                      |                                            |                                     | 27,885                                                                                      | 1,031,187                                                                                | 45,567                                                                                                                                                    | 1,685,068                                                                                                                                                                        |
| Darrel T. Anderson                                        |                                                                                                  |                                                                                                      |                                            |                                     |                                                                                             |                                                                                          |                                                                                                                                                           |                                                                                                                                                                                  |
| Option Award – 1/18/01                                    | 4,000                                                                                            |                                                                                                      | 40.31                                      | 1/17/2011                           |                                                                                             |                                                                                          |                                                                                                                                                           |                                                                                                                                                                                  |
| Option Award – 1/17/02                                    | 6,000                                                                                            |                                                                                                      | 39.50                                      | 1/16/2012                           |                                                                                             |                                                                                          |                                                                                                                                                           |                                                                                                                                                                                  |
| Option Award – 3/1/02                                     | 1,000                                                                                            |                                                                                                      | 38.68                                      | 2/29/2012                           |                                                                                             |                                                                                          |                                                                                                                                                           |                                                                                                                                                                                  |
| Restricted Stock – Time-<br>Vesting<br>Performance Shares |                                                                                                  |                                                                                                      |                                            |                                     | 10,659                                                                                      | 394,170                                                                                  | 17,339                                                                                                                                                    | 641,196                                                                                                                                                                          |
| Daniel B. Minor                                           |                                                                                                  |                                                                                                      |                                            |                                     |                                                                                             |                                                                                          |                                                                                                                                                           |                                                                                                                                                                                  |
| Option Award – 1/17/02                                    | 1,000                                                                                            |                                                                                                      | 39.50                                      | 1/16/2012                           |                                                                                             |                                                                                          |                                                                                                                                                           |                                                                                                                                                                                  |
| Restricted Stock – Time-<br>Vesting<br>Performance Shares |                                                                                                  |                                                                                                      |                                            |                                     | 7,961                                                                                       | 294,398                                                                                  | 12,392                                                                                                                                                    | 458,256                                                                                                                                                                          |
| Rex Blackburn                                             |                                                                                                  |                                                                                                      |                                            |                                     |                                                                                             |                                                                                          |                                                                                                                                                           |                                                                                                                                                                                  |
| Restricted Stock – Time-<br>Vesting<br>Performance Shares |                                                                                                  |                                                                                                      |                                            |                                     | 4,049                                                                                       | 149,732                                                                                  | 4,749                                                                                                                                                     | 175,618                                                                                                                                                                          |

|                          |       |         |       |         |
|--------------------------|-------|---------|-------|---------|
| Lisa A. Grow             |       |         |       |         |
| Restricted Stock – Time- |       |         |       |         |
| Vesting                  | 3,499 | 129,393 |       |         |
| Performance Shares       |       |         | 5,268 | 194,811 |

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1 The award date for each option is listed in column (a). All option awards become exercisable as to one-fifth of the shares originally subject to the option grant on each of the first five anniversaries of the award date. The vesting schedule for each of the option awards is as follows:

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| Award Date | 20% Vested on First Anniversary | 40% Vested on Second Anniversary | 60% Vested on Third Anniversary | 80% Vested on Fourth Anniversary | 100% Vested on Fifth Anniversary |
|------------|---------------------------------|----------------------------------|---------------------------------|----------------------------------|----------------------------------|
| 01/18/2001 | 01/18/2002                      | 01/18/2003                       | 01/18/2004                      | 01/18/2005                       | 01/18/2006                       |
| 01/17/2002 | 01/17/2003                      | 01/17/2004                       | 01/17/2005                      | 01/17/2006                       | 01/17/2007                       |
| 03/01/2002 | 03/01/2003                      | 03/01/2004                       | 03/01/2005                      | 03/01/2006                       | 03/01/2007                       |

2 The number of shares of restricted stock underlying the awards of time-vesting restricted stock and the applicable vesting dates were as follows:

| Name               | Award | Shares of Restricted Stock | Vesting Date |
|--------------------|-------|----------------------------|--------------|
| J. LaMont Keen     | 2008  | 8,841                      | 1/01/2011    |
|                    | 2009  | 10,597                     | 1/01/2012    |
|                    | 2010  | 8,447                      | 1/01/2013    |
| Darrel T. Anderson | 2008  | 3,340                      | 1/01/2011    |
|                    | 2009  | 4,003                      | 1/01/2012    |
|                    | 2010  | 3,316                      | 1/01/2013    |
| Daniel B. Minor    | 2008  | 2,216                      | 1/01/2011    |
|                    | 2009  | 2,656                      | 1/01/2012    |
|                    | 2010  | 3,089                      | 1/01/2013    |
| Rex Blackburn      | 2008  | 349                        | 1/01/2011    |
|                    | 2009  | 1,969                      | 1/01/2012    |
|                    | 2010  | 1,731                      | 1/01/2013    |
| Lisa A. Grow       | 2008  | 884                        | 1/01/2011    |
|                    | 2009  | 1,060                      | 1/01/2012    |
|                    | 2010  | 1,555                      | 1/01/2013    |

3 The number of shares underlying the performance-based grants and the applicable performance periods were as follows:

| Name           | Award | Shares | End of Performance Period |
|----------------|-------|--------|---------------------------|
| J. LaMont Keen | 2008  | 26,523 | 12/31/2010                |
|                | 2009  | 10,597 | 12/31/2011                |
|                | 2010  | 8,447  | 12/31/2012                |



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|           |      |        |            |
|-----------|------|--------|------------|
| Darrel T. |      |        |            |
| Anderson  | 2008 | 10,020 | 12/31/2010 |
|           | 2009 | 4,004  | 12/31/2011 |
|           | 2010 | 3,315  | 12/31/2012 |
| Daniel B. |      |        |            |
| Minor     | 2008 | 6,648  | 12/31/2010 |
|           | 2009 | 2,656  | 12/31/2011 |
|           | 2010 | 3,088  | 12/31/2012 |
| Rex       |      |        |            |
| Blackburn | 2008 | 1,049  | 12/31/2010 |
|           | 2009 | 1,969  | 12/31/2011 |
|           | 2010 | 1,731  | 12/31/2012 |
| Lisa A.   |      |        |            |
| Grow      | 2008 | 2,654  | 12/31/2010 |
|           | 2009 | 1,060  | 12/31/2011 |
|           | 2010 | 1,554  | 12/31/2012 |

Shares for the 2008 award are shown at the maximum level based on the achievement of performance goals for the 2008-2010 performance period above the target level but below the maximum level. The number of shares shown for the 2009 award assumes the achievement of performance goals for the 2009-2011 performance period at the threshold level, based on results through the first two years of the 2009-2011 performance period. The number of shares shown for the 2010 award assumes the achievement of performance goals for the 2010-2012 performance period at the threshold level, based on results through the first year of the 2010-2012 performance period.

Shares do not vest until the compensation committee and the board of directors determine that goals have been met. This generally occurs in February following the end of the performance period.

- 4 Shares that have not vested are valued at \$36.98 per share, which was the closing price of IDACORP common stock on December 31, 2010.

## Option Exercises and Stock Vested During 2010

| Name               | Option Awards                             |                                 | Stock Awards                             |                                |
|--------------------|-------------------------------------------|---------------------------------|------------------------------------------|--------------------------------|
|                    | Number of Shares Acquired on Exercise (#) | Value Realized on Exercise (\$) | Number of Shares Acquired on Vesting (#) | Value Realized on Vesting (\$) |
| (a)                | (b)1                                      | (c)2                            | (d)                                      | (e)3                           |
| J. LaMont Keen     | 61,353                                    | 516,177                         | 14,042                                   | 458,918                        |
| Darrel T. Anderson | 27,580                                    | 218,283                         | 5,441                                    | 177,822                        |
| Daniel B. Minor    | 8,548                                     | 46,753                          | 3,791                                    | 123,897                        |
| Rex Blackburn      | —                                         | —                               | —                                        | —                              |
| Lisa A. Grow       | 1,595                                     | 6,680                           | 1,739                                    | 56,834                         |

- 1 Represents the total number of shares that could have been received upon exercise of stock options, without taking into account shares of common stock sold to pay the exercise price of the stock options.
- 2 Based on the difference between the closing price of IDACORP common stock on the exercise date and the exercise price of the stock option.
- 3 Based on the closing price of IDACORP common stock on the vesting date.

## Pension Benefits for 2010

| Name               | Plan Name         | Number of Years Credited Service (#) | Present Value of Accumulated Benefit (\$) | Payments During Last Fiscal Year (\$) |
|--------------------|-------------------|--------------------------------------|-------------------------------------------|---------------------------------------|
| (a)                | (b)               | (c)                                  | (d)3                                      | (e)                                   |
| J. LaMont Keen     | Retirement Plan   | 37                                   | 1,312,649                                 | —                                     |
|                    | Security Plan I1  | 22                                   | 1,242,152                                 | —                                     |
|                    | Security Plan II2 | 6                                    | 4,712,616                                 | —                                     |
| Darrel T. Anderson | Retirement Plan   | 14                                   | 373,718                                   | —                                     |
|                    | Security Plan I1  | 9                                    | 137,490                                   | —                                     |
|                    | Security Plan II2 | 6                                    | 1,951,089                                 | —                                     |
| Daniel B. Minor    | Retirement Plan   | 25                                   | 688,041                                   | —                                     |
|                    | Security Plan I1  | 6                                    | —                                         | —                                     |
|                    | Security Plan II2 | 6                                    | 1,412,650                                 | —                                     |
| Rex Blackburn      | Retirement Plan   | 3                                    | 67,370                                    | —                                     |
|                    | Security Plan I1  | 0                                    | —                                         | —                                     |
|                    | Security Plan II2 | 3                                    | 418,125                                   | —                                     |
| Lisa A. Grow       | Retirement Plan   | 23                                   | 412,127                                   | —                                     |
|                    | Security Plan I1  | 3                                    | —                                         | —                                     |
|                    | Security Plan II2 | 6                                    | 274,944                                   | —                                     |

- 
- 1 Security Plan for Senior Management Employees I, which has grandfathered benefits under Section 409A of the Internal Revenue Code.
  - 2 Security Plan for Senior Management Employees II, which does not have grandfathered benefits under Section 409A of the Internal Revenue Code.
  - 3 Values shown represent the present value of the accumulated pension benefit under each plan as of December 31, 2010, calculated utilizing the Securities and Exchange Commission-mandated assumptions and a discount rate of 5.4% for 2010, a salary growth rate of 0%, the RP-2000 Annuitant Mortality Table projected to 2018, and retirement at age 62.

Idaho Power Company Retirement Plan

Description

The Idaho Power Company Retirement Plan is a qualified, defined benefit pension plan for all regular employees of Idaho Power Company, its subsidiaries, and its affiliate companies. The plan was established in 1943 to help employees meet the important long-term goal of building for financial security at retirement. Idaho Power Company makes all contributions to the plan. The dollar amount of the contribution is determined each year based on an actuarial evaluation.

Eligibility Standards

Regular, temporary, and part-time employees who are 18 years of age or older are eligible to participate once they complete 12 consecutive months of employment. Participation begins the first day of the month after meeting this requirement.

Vesting

Employees become vested and eligible for benefits under the plan after completing 60 months of credited service.

Retirement Age

Under the terms of the plan, normal retirement is at age 65; however, an employee may retire at age 62 without a reduction in pension benefits. Employees are eligible for early retirement when:

they have reached the age of 55 and have 10 years of credited service; or

they have 30 years of credited service.

Employees electing to retire before reaching age 62 receive a reduced benefit calculated as follows:

| Exact Age When<br>Payments Begin | Reduced Benefit as a<br>Percentage of<br>Earned Pension |
|----------------------------------|---------------------------------------------------------|
| 61                               | 96%                                                     |
| 60                               | 92%                                                     |
| 59                               | 87%                                                     |
| 58                               | 82%                                                     |
| 57                               | 77%                                                     |
| 56                               | 72%                                                     |
| 55                               | 67%                                                     |
| 54                               | 62%                                                     |
| 53                               | 57%                                                     |
| 52                               | 52%                                                     |
| 51                               | 47%                                                     |
| 50                               | 42%                                                     |
| 49                               | 38%                                                     |
| 48                               | 34%                                                     |

## Benefits Formula

For employees hired before January 1, 2011, plan benefits for employees age 62 or older at the time of retirement are calculated based on 1.5% of their final average earnings multiplied by their years of credited service. Final average earnings is the average total wages – base pay plus short-term incentive compensation plus overtime – during the highest 60 consecutive months in the final 120 months of service. For employees hired on or after January 1, 2011, plan benefits are calculated based on 1.2% of their final average earnings multiplied by their years of credited service.

Plan benefits for employees who at the time of retirement are under the age of 62 are calculated based on this same formula and are then reduced using the appropriate early retirement factor.

## Joint and Survivor Options

Employees who have a spouse at retirement have a survivor option at an amount equal to 50%, 66 2/3%, or 100% of the employee's benefit, or they may choose a single life benefit. Under the survivor options, the benefit payments are reduced to allow payments for the longer of two lives. The reduction factor is determined by the age difference between the employee and spouse. Under a single life benefit, no benefits will be payable to the spouse after the employee's death.

The spouse is protected if the employee dies after being vested in the plan but before retirement. The spouse will receive a lifetime benefit payment equal to 50% of the benefit payment the employee had earned at the date of death. This benefit payment is calculated without an early retirement reduction and is not reduced for the age difference between the employee and the spouse. Payment commences on the date the employee could have retired had he or she survived. If the employee has 10 or more years of service at the time of death, payments would begin at age 55. With less than 10 years of service, payments would begin at age 65.

## Policy on Granting Extra Years of Credited Service

We do not have a policy on granting extra years of credited service under the plan and have not granted any extra years of credited service under the plan.

## Idaho Power Company Security Plans for Senior Management Employees

### Description

The Idaho Power Company Security Plans for Senior Management Employees are nonqualified defined benefit plans. To meet the requirements of Section 409A of the Internal Revenue Code and to take advantage of grandfathering rules under that section, which exclude from Section 409A's coverage certain deferrals made before January 1, 2005, we divided our original plan into two plans, which we refer to as Security Plan I and Security Plan II. Security Plan I governs grandfathered benefits and Security Plan II governs non-grandfathered benefits, which are subject to Section 409A. Benefits under Security Plan I are limited to the present value of the benefits that would have been paid under the plan if the participant had terminated employment on December 31, 2004. Benefits under Security Plan II are based on services through the date of termination and are reduced by benefits under Security Plan I. Two of the key differences between the plans are:

if required to comply with Section 409A of the Internal Revenue Code, payment of benefits under Security Plan II may be delayed for six months following termination of employment; and

Security Plan I contains a 10% "haircut" provision, which allows participants to elect to receive their benefits early in exchange for a 10% reduction in their benefits and cessation of further benefit accruals.

### Purpose

The purpose of the plans is to provide supplemental retirement benefits for certain key employees. It is intended that the plans will aid in retaining and attracting individuals of exceptional ability by providing them with these benefits.

### Eligibility Standards

Security Plan II was amended in November 2009 to limit eligibility to participate in the plan after December 31, 2009 to Idaho Power Company officers and key employees with a pay grade of S4. Key employees participating in Security Plan II as of December 31, 2009 may continue participating in the plan if they maintain a senior manager or officer pay grade during their continuous employment with Idaho Power Company. Before Security Plan II was amended, eligibility to participate in the plan was limited to those key employees who were designated by their employers and approved by the plan's administrative committee. The plan's administrative committee is made up of the chief executive officer and a committee of individuals that is approved by the compensation committee. Participation in the plan by Section 16 officers is approved in advance by the compensation committee.

## Vesting

Employees who were participants as of December 31, 2009 are 100% vested. New plan participants after December 31, 2009 become 100% vested in their benefits only after five years of participation, with no partial vesting before that time.

## Retirement Age

Under the terms of the plans, normal retirement age, which is the earliest age at which a participant may retire without a reduction in benefits, is 62. Participants are eligible for early retirement when they have:

reached the age of 55; or

completed 30 years of credited service under the Idaho Power Company Retirement Plan.

## Benefits Commencement

If a participant terminates employment on or after attaining normal retirement age or after satisfying the early retirement conditions, benefits commence on the first day of the month following the termination date unless the participant is a "specified employee," as that term is used in Section 409A of the Internal Revenue Code, in which case commencement of benefits under Security Plan II is delayed for six months from the date of termination or until the participant's death, if earlier. Benefits provided to participants whose employment terminates, other than due to death, before attaining early retirement eligibility commence on the first day of the month following attainment of age 55, provided that if the participant is a specified employee, benefits under Security Plan II may not be paid within six months following termination of employment except in the event of death.

## Benefits Formula

Normal retirement benefits under the combined plans equal the participant's "target retirement percentage" multiplied by the participant's final average monthly compensation less the amount of the participant's retirement benefits under the Idaho Power Company Retirement Plan. Normal retirement benefits under Security Plan II are also reduced by the amount of the participant's retirement benefits under Security Plan I. For participants in Security Plan II as of December 31, 2009, the target retirement percentage is 6% for each of the first 10 years of participation plus an additional 1% for each year in excess of 10 years, with a maximum target retirement percentage of 75%. For new plan participants after December 31, 2009, the target retirement percentage is equal to 5% for each of the first 10 years of participation plus an additional 1% for each year in excess of 10 years, with a maximum target retirement percentage of 65%. Effective January 1, 2018, the reduced target retirement percentages in the prior sentence will apply to all participants in Security Plan II who are Idaho Power Company officers or employees with a pay grade of S4, regardless of when they commenced participation in the plan, but this change will not reduce the benefits accrued by these participants as of December 31, 2017. Effective December 31, 2017, the target retirement percentage accrued under Security Plan II for all other participants will be frozen. Final average monthly compensation is based on the participant's base salary plus short-term incentive compensation, which may not exceed one times base salary for the year in which the short-term incentive compensation was paid, during the 60 consecutive months in the final 120 months of service in which the participant's compensation was the highest, divided by 60. Final average monthly compensation does not include compensation paid to a participant pursuant to a written severance agreement.

Early retirement benefits under the combined plans equal the participant's "target retirement percentage" multiplied by the participant's "early retirement factor" and by the participant's final average monthly compensation, less the amount of the participant's retirement benefit under the Idaho Power Company Retirement Plan. Early retirement



benefits under Security Plan II are also reduced by the amount of the participant's retirement benefits under Security Plan I. The early retirement factors under Security Plan I based on applicable ages are as follows:

| Exact<br>Age<br>When<br>Payments<br>Begin | Early<br>Retirement<br>Factor |
|-------------------------------------------|-------------------------------|
| 61                                        | 96%                           |
| 60                                        | 92%                           |
| 59                                        | 87%                           |
| 58                                        | 82%                           |
| 57                                        | 77%                           |
| 56                                        | 72%                           |
| 55                                        | 67%                           |

Under Security Plan II, retirement benefits are reduced in the same manner as under Security Plan I if the termination qualifies as early retirement or if the termination occurs within a limited period following a change in control.

Plan benefits for participants who are not eligible for early retirement benefits and, under Security Plan II, who do not terminate within the limited period following a change in control, are further reduced, as the participant would be entitled to the amount otherwise payable multiplied by a fraction, the numerator of which is their actual years of participation and the denominator of which is the number of years of participation they would have had at normal retirement.

#### Limit on Benefits Under Security Plan I

To comply with grandfathering rules under Section 409A of the Internal Revenue Code, a participant's benefit under Security Plan I is determined based on the participant's average monthly compensation, age, and years of participation as of December 31, 2004, and is limited to the present value of the amount to which the participant would have been entitled under the plan had termination occurred on December 31, 2004. For this purpose, it is assumed the benefits would have been paid at the earliest possible date allowed under the plan. Benefits under Security Plan I may not be increased by events occurring after December 31, 2004, such as a change in control or increases in age, compensation, or years of participation.

#### Form of Payment

Benefits under the plans are paid as a single life annuity unless the participant dies before benefits commence or the participant elects to receive actuarial equivalent payments in the form of a joint and survivor annuity. The two forms of joint and survivor annuity offered are a joint and survivor annuity with payments continued to the surviving spouse at an amount equal to the participant's benefit and a joint and survivor annuity with payments continued to the surviving spouse at an amount equal to 66 2/3% of the participant's benefit. Under a single life annuity, no benefits will be payable to the spouse after the participant's death. The survivor option is subject to an actuarial reduction in the benefit amount.

The spouse is protected if the participant dies before retirement or after termination of employment but before commencement of benefits. The surviving spouse will receive benefits equal to 66 2/3% of the participant's benefits calculated pursuant to the benefits formula discussed above and assuming death occurred at the later of age 62 or the date of death. If the surviving spouse is 10 or more years younger than the participant, the monthly survivor benefit will be reduced using the actuarial equivalent factors determined by an actuary using generally accepted actuarial assumptions, methods, and factors to reflect the number of years over 10 that the spouse is younger than the

participant. Under Security Plan I, if the participant is married on the date of death, the benefits are paid for the life of the spouse. If the participant is unmarried on the date of death, the benefits under Security Plan I are paid to the participant's beneficiary in a lump sum that is the actuarial equivalent of the value of a death benefit payable to an assumed spouse the same age as the participant. These payments commence on the first day of the month following the date of death. Under Security Plan II, the benefits are always paid in the form of a lump sum within 90 days after the date of death.

### Policy on Granting Extra Years of Credited Service

The plans are unfunded and nonqualified with the intention of providing deferred compensation benefits for a select group of “management or highly compensated employees” within the meaning of Sections 201, 301, and 401 of the Employee Retirement Income Security Act of 1974, as amended, or ERISA, and are therefore exempt from the provisions of Parts 2, 3, and 4 of Title I, Subtitle B, of ERISA. As such, the company is permitted to provide extra years of credited service, which the plans refer to as years of participation, at its discretion, but has not done so.

### Named Executive Officers Eligible for Early Retirement

Mr. Keen was eligible for early retirement under the Idaho Power Company Retirement Plan, Security Plan I, and Security Plan II as of December 31, 2010 because he was over the age of 55 and had 37 years of credited service.

### Nonqualified Deferred Compensation for 2010

| Name               | Executive Contributions in Last Fiscal Year | Registrant Contributions in Last Fiscal Year | Aggregate Earnings in Last Fiscal Year | Aggregate Withdrawals/ Distributions | Aggregate Balance at Last Fiscal Year End |
|--------------------|---------------------------------------------|----------------------------------------------|----------------------------------------|--------------------------------------|-------------------------------------------|
| (a)                | (\$)<br>(b)                                 | (\$)<br>(c)                                  | (\$)<br>(d)                            | (\$)<br>(e)                          | (\$)<br>(f)                               |
| J. LaMont Keen     | —                                           | —                                            | —                                      | —                                    | —                                         |
| Darrel T. Anderson | —                                           | —                                            | 6                                      | —                                    | 10,012                                    |
| Daniel B. Minor    | —                                           | —                                            | —                                      | —                                    | —                                         |
| Rex Blackburn      | —                                           | —                                            | —                                      | —                                    | —                                         |
| Lisa A. Grow       | —                                           | —                                            | —                                      | —                                    | —                                         |

The Idaho Power Company Executive Deferred Compensation Plan is a nonqualified deferred compensation plan for a select group of “management or highly compensated employees” within the meaning of Sections 201, 301, and 401 of ERISA, and therefore is exempt from the provisions of Parts 2, 3, and 4 of Title I of ERISA. To comply with the requirements of Section 409A of the Internal Revenue Code, and to take advantage of grandfathering rules under that section, the plan distinguishes between amounts that are subject to Section 409A and amounts that are not.

### Eligibility Standards

The compensation committee designates from time to time which key employees of Idaho Power Company and its affiliates are eligible to participate in the plan. In selecting eligible employees, the compensation committee considers the position and responsibilities of such individuals, the value of their services, and other factors the compensation committee deems pertinent. The compensation committee may rescind its designation of an eligible employee and discontinue an employee’s future participation in the plan at any time.

### Deferred Compensation

Prior to 2009, the plan permitted a participant to defer up to 100% of base salary and up to 100% of any short-term incentive compensation. Effective January 1, 2009, the plan permits a participant to defer up to 50% of base salary and up to 50% of any short-term incentive compensation.

## Accounts

Participants' interests in the plan are reflected in bookkeeping accounts representing unfunded and unsecured obligations of the company. The amount deferred by a participant is credited to the participant's bookkeeping account, and the participant selects how the amounts in the account are deemed invested. The company contributes the deferred amounts to a trust and the trust assets are used to satisfy plan obligations. The assets of the trust are subject to the claims of general creditors if the company were to become insolvent or file for bankruptcy.

### Investment Options

The investment options available to participants are the same as those investments permitted under the Idaho Power Company Employee Savings Plan, which is our 401(k) plan. Participants are able to change fund investments on a daily basis.

### Distribution

The portion of a participant's account that is not subject to Section 409A of the Internal Revenue Code is distributed on the earliest of the following events:

- the participant's death;
- the participant's termination of employment;
- the participant's disability; or
- termination of the plan.

Participants may request earlier distribution in the case of an unforeseeable emergency. Participants may also elect to receive this portion of their accounts at any time, subject to a 10% reduction.

The portion of a participant's account that is subject to Section 409A is distributed on the earliest of the following events:

- the participant's death;
- the participant's termination of employment; or
- the participant's disability.

If required to comply with Section 409A, distribution of this portion of a participant's account may be delayed for six months following the participant's termination of employment. In limited circumstances, this portion of a participant's account may be distributed upon plan terminations.

Distributions may be made either in one lump sum or in five annual installments, as selected by the participant. With respect to the portion of the participant's account that is not subject to Section 409A, this selection must be made at least one year prior to the occurrence of the event triggering payment. With respect to the portion of the participant's account that is subject to Section 409A, this selection generally must be made before the year in which the services that give rise to the base salary or short-term incentive compensation being deferred are provided.

### Potential Payments Upon Termination or Change in Control

The tables below show the payments and benefits our NEOs would receive in connection with a variety of employment termination scenarios and upon a change in control. We assumed the change in control or terminations occurred on December 31, 2010. Actual amounts payable can only be determined at the time of a change in control or termination. All of the payments and benefits described below would be provided by IDACORP or Idaho Power Company.



The tables do not include base salary and short-term incentive awards, to the extent earned due to employment through December 31, 2010. In addition, the tables exclude compensation or benefits provided under plans or arrangements that do not discriminate in favor of the NEOs and that are generally available to all salaried employees. These include benefits under our qualified defined benefit pension plan, post-retirement health care benefits, life insurance, and disability benefits. The tables also do not include the amounts reported in the Nonqualified Deferred Compensation for 2010 table. See the Nonqualified Deferred Compensation for 2010 table and the accompanying narrative for a description of accumulated benefits under our nonqualified deferred compensation plans. The present value of the accumulated pension benefit for each NEO is set forth in the Pension Benefits for 2010 table. Under Security Plan II, if employment is terminated within a change in control period prior to the NEO's retirement, the benefit is calculated using age 55 or the NEO's age at termination, if greater than 55. For all NEOs other than Mr. Keen, who is over the age of 55, the tables below include the present value of termination benefits under Security Plan I and Security Plan II, as applicable. For Mr. Keen, the table below includes only the incremental increase in the present value of the Security Plan I and Security Plan II benefit based upon the occurrence of the applicable events listed, other than upon the event of death or disability, over the amount shown for Security Plan I and Security Plan II in the Pension Benefits for 2010 table.

#### Time-Vesting Restricted Stock and Performance Shares

The IDACORP Restricted Stock Plan and the IDACORP 2000 Long-Term Incentive and Compensation Plan and/or the award agreements provide that, except for retirement with the approval of the compensation committee, death, disability, or change in control, all unvested shares, whether time-vesting or performance shares, are forfeited upon termination. In the event of retirement with the approval of the compensation committee, death, or disability, the NEO receives a prorated number of shares based on the number of full months employed during the restricted/performance period. For time-vesting restricted stock, the prorated shares vest at termination. In the case of performance shares, the performance goals must be met at some level before the shares vest and vesting only occurs after completion of the performance period. For purposes of these tables, we have assumed target performance levels would be achieved. Although vesting would not occur until after completion of the performance period, the amounts shown in the tables were not reduced to reflect the present value of the performance shares that could vest. In the event of a change in control, the restrictions on the time-vesting restricted stock are deemed to have expired and the payout opportunity on the performance shares is deemed to have been achieved at the target level. Dividend equivalents attributable to earned performance shares would also be paid. Dividend equivalents accrued through December 31, 2010 are included in the amounts shown.

The values for the performance shares and the time-vesting restricted stock in the following tables were determined by multiplying the applicable number of shares times \$36.98, which was the closing price of IDACORP common stock on December 31, 2010.

#### Summary of Change in Control Agreements

We have entered into change in control agreements with all our executive officers. The agreements become effective for a three-year period upon a change in control. If a change in control occurs, the agreements provide for severance benefits in the event of termination of the executive's employment by IDACORP or any subsidiary or successor company, other than for cause (and not due to death or disability), or by the executive for constructive discharge.

In such event, the NEO would receive:

a lump-sum payment equal to 2.5 times his or her annual compensation, which is his or her base salary at the time of termination and his or her target short-term incentive compensation in the year of termination, or, if not



yet determined at the time of termination, the prior year's target short-term incentive compensation;

vesting of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, and performance units, with performance-based awards vesting at target levels;

outplacement services for 12 months, not to exceed \$12,000; and

continuation of welfare benefits for a period of 24 months or, if earlier, until eligible for comparable coverage with another employer, with the NEO paying the full cost of such coverage and receiving a monthly reimbursement payment.

We define a “change in control” as:

the acquisition of 20% or more of our outstanding voting securities;

the commencement of a tender or exchange offer for 20% or more of our outstanding voting securities;

shareholder approval, or consummation if shareholder approval is not required, of a merger or similar transaction or the sale of all or substantially all of the assets of IDACORP or Idaho Power Company unless our shareholders will hold more than 50% of the voting securities of the surviving entity, no person will own 20% or more of the voting securities of the surviving entity, and at least a majority of the board of directors will be composed of our directors;

shareholder approval, or consummation if shareholder approval is not required, of a complete liquidation or dissolution of IDACORP or Idaho Power Company; or

a change in a majority of the board of directors within a 24-month period without the approval of two-thirds of the members of the board.

The agreements also permit the executive officer to terminate employment for any reason during the first month following the one-year anniversary of the change in control. We refer to this as the 13th-month trigger in the tables. In such event, the executive officer would receive the same severance benefits except that the lump-sum payment equal to 2.5 times annual compensation is reduced by one-third and the welfare benefits continue for 18 months, not 24 months.

Under the agreements, “cause” means the executive officer’s fraud or dishonesty that has resulted or is likely to result in material economic damage to us or one of our subsidiaries, as determined in good faith by at least two-thirds of our non-employee directors at a meeting of the board of directors at which the executive officer is provided an opportunity to be heard.

A NEO is considered constructively discharged under the provisions of his or her change in control agreement if, within 90 days after the occurrence of such event, but in no event later than 36 months following a change in control, the executive officer gives written notice to IDACORP or any successor company specifying one of the following events relied upon for such termination and the company has not remedied the matter within 30 days of receipt of such notice:

IDACORP or any successor company fails to comply with any provision of the agreement;

the executive officer is required to be based at an office or location more than 50 miles from the location where the officer was based on the day prior to the change in control;

a reduction that is more than de minimis in

– base salary or maximum short-term incentive award opportunity;

– long-term incentive award opportunity; or

– the combined annual benefit accrual rate in our defined benefit plans, unless such reduction is effective for all executive officers;

our failure to require a successor company to assume and agree to perform under the agreement; or

a reduction that is more than de minimis in the long-term disability and life insurance coverage provided to the executive officer and in effect immediately prior to the change in control.

The agreements include a parachute tax provision. Section 280G of the Internal Revenue Code disallows a corporate tax deduction for any “excess parachute payments” and Section 4999 imposes a 20% excise tax payable by the NEO on any “excess parachute payments.” In general terms, these sections apply if the change in control related payments and benefits equal or exceed 300% of the NEO’s prior five-year average Form W-2 income. In the event the 300% threshold is met or exceeded, the NEO’s “excess parachute payments” generally equal the amount by which the change in control related payments and benefits exceed 100% of the NEO’s prior five-year average Form W-2 income. Except for Ms. Grow’s agreement, the NEOs’ agreements provide for either (1) a gross-up payment if the 20% excise tax cannot be avoided by reducing the parachute payments and benefits by 15% or less; or (2) a reduction in parachute payments and benefits if the 20% excise tax can be avoided by reducing the parachute payments and benefits by 15% or less. Ms. Grow’s agreement provides for her to receive the greater net benefit of (i) full severance benefits with Ms. Grow paying any Section 280G excise tax, or (ii) severance benefits capped at the Section 280G excise tax limit.

The compensation committee adopted a new change in control agreement policy at its November 18, 2009 meeting, and the compensation committee approved a new form of change in control agreement at its March 17, 2010 meeting. The new change in control agreement does not include the 13th-month trigger provision, or any other single-trigger or modified single-trigger provisions, or any tax gross-up provisions. The compensation committee did not apply the new policy to existing change in control agreements, since those agreements were previously executed and agreed to with our executive officers.

The tables that follow set forth the dollar amounts payable to our NEOs upon various forms of termination of employment and in connection with change in control transactions.

J. LaMont Keen

| Executive Benefits and Payments Upon Termination or Change in Control (a) | Voluntary Termination (b)1 | Not for Cause Termination (c)2 | For Cause Termination (d)2 | Death or Disability (e) | Change in Control (Without Termination) (f)3 | Not for Cause or Constructive Discharge Termination (Change in Control) (g)3 |           | 13th-Month Trigger (Change in Control) (h)3 |                  |
|---------------------------------------------------------------------------|----------------------------|--------------------------------|----------------------------|-------------------------|----------------------------------------------|------------------------------------------------------------------------------|-----------|---------------------------------------------|------------------|
|                                                                           |                            |                                |                            |                         |                                              |                                                                              |           |                                             |                  |
| Compensation:                                                             |                            |                                |                            |                         |                                              |                                                                              |           |                                             |                  |
| Base Salary                                                               |                            |                                |                            |                         |                                              | 910,819                                                                      | 4         | 1,033,333                                   | 5                |
| Short-Term Incentive Plan 2010                                            |                            |                                |                            |                         |                                              | 1,240,000                                                                    | 4         | 826,667                                     | 5                |
| Restricted Stock – Time-Vesting 2/21/08                                   | 326,940                    | 6                              |                            | 326,940                 | 6                                            | 326,940                                                                      | 326,940   | 326,940                                     |                  |
| Performance Shares – CEPS/TSR 2/21/08                                     | 717,536                    | 7                              |                            | 717,536                 | 7                                            | 717,536                                                                      | 717,536   | 717,536                                     |                  |
| Restricted Stock – Time-Vesting 2/24/09                                   | 253,572                    | 8                              |                            | 253,572                 | 8                                            | 391,877                                                                      | 391,877   | 391,877                                     |                  |
| Performance Shares – CEPS/TSR 2/24/09                                     | 556,400                    | 9                              |                            | 556,400                 | 9                                            | 834,580                                                                      | 834,580   | 834,580                                     |                  |
| Restricted Stock – Time-Vesting 2/26/10                                   | 91,858                     | 10                             |                            | 91,858                  | 10                                           | 312,370                                                                      | 312,370   | 312,370                                     |                  |
| Performance Shares – CEPS/TSR 2/26/10                                     | 214,992                    | 11                             |                            | 214,992                 | 11                                           | 645,013                                                                      | 645,013   | 645,013                                     |                  |
| Benefits and Perquisites:                                                 |                            |                                |                            |                         |                                              |                                                                              |           |                                             |                  |
| Security Plan I                                                           | —                          | 12                             | —                          | 12                      | —                                            | 681,151                                                                      | 13        | —                                           | 12, 17           |
| Security Plan II                                                          | 490,057                    | 12                             | 490,057                    | 12                      | 490,057                                      | 12                                                                           | 4,863,386 | 13                                          | 490,057 50,075   |
|                                                                           |                            |                                |                            |                         |                                              |                                                                              |           |                                             | 12, 17 37,775 15 |

|                                                                    |           |         |         |           |           |           |    |           |    |
|--------------------------------------------------------------------|-----------|---------|---------|-----------|-----------|-----------|----|-----------|----|
| Continuation<br>of Welfare<br>Benefits<br>Outplacement<br>Services |           |         |         |           |           | 12,000    | 16 |           |    |
| 280G Tax                                                           |           |         |         |           |           |           |    |           |    |
| Gross-up                                                           |           |         |         |           |           | —         | 18 | —         | 19 |
| Total:                                                             | 2,651,355 | 490,057 | 490,057 | 7,705,835 | 3,228,316 | 5,931,267 |    | 5,616,148 |    |

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- 1 As of the voluntary termination date of December 31, 2010, Mr. Keen had in excess of 30 years of credited service and was over the age of 55, and therefore was eligible for early retirement under Security Plan I and Security Plan II. To illustrate potential termination-related benefits, we have assumed Mr. Keen's voluntary termination would constitute retirement with approval of the compensation committee for purposes of his time-vesting restricted stock and performance share awards.
  - 2 We assumed a not for cause termination and a for cause termination would not constitute retirement with approval of the compensation committee for purposes of Mr. Keen's time-vesting restricted stock and performance share awards.
  - 3 Mr. Keen would receive full vesting of his time-vesting restricted stock awards and payout of the performance shares at target. The dollar amounts are determined by multiplying the number of shares by \$36.98 and include the cash payment of dividend equivalents, as applicable.
  - 4 Mr. Keen's change in control agreement provides for a lump-sum cash severance payment of 2.5 times his base salary and short-term incentive plan target amount. Base salary was reduced by \$639,181 to avoid excise tax.
  - 5 The 13th-month trigger provision in Mr. Keen's change in control agreement provides for the payment of two-thirds of his severance payment.
  - 6 Mr. Keen would receive full vesting of his 2008 time-vesting restricted stock award of 8,841 shares. The dollar amount is determined by multiplying 8,841 shares times \$36.98.

- 7 Mr. Keen would receive full vesting assuming the performance goals are met. This 2008 performance share award had two equally weighted performance goals: CEPS and TSR for a three-year performance period. The dollar amount assumes the company achieves the target level (17,682 shares) valued at \$36.98 per share and includes the cash payment of dividend equivalents.
- 8 Mr. Keen would receive pro rata vesting (22 of 34 months, or 64.71%) of his 2009 time-vesting restricted stock award of 10,597 shares. The dollar amount is determined by multiplying 6,857 shares times \$36.98.
- 9 Mr. Keen would receive pro rata vesting (24 of 36 months) assuming the performance goals are met. This 2009 performance share award had two equally weighted performance goals: CEPS and TSR for a three-year performance period. The dollar amount assumes the company achieves the target level (21,193 shares) with pro rata vesting of 14,129 shares valued at \$36.98 per share and includes the cash payment of dividend equivalents.
- 10 Mr. Keen would receive pro rata vesting (10 of 34 months, or 29.41%) of his 2010 time-vesting restricted stock award of 8,447 shares. The dollar amount is determined by multiplying 2,484 shares times \$36.98.
- 11 Mr. Keen would receive pro rata vesting (12 of 36 months) assuming the performance goals are met. This 2010 performance share award had two equally weighted performance goals: CEPS and TSR for a three-year performance period. The dollar amount assumes the company achieves the target level (16,894 shares) with pro rata vesting of 5,631 shares valued at \$36.98 per share and includes the cash payment of dividend equivalents.
- 12 The value shown represents the incremental increase in the present value of the Security Plan I and Security Plan II benefit based upon the occurrence of the applicable event, relative to the amount shown for Security Plan I and Security Plan II in the Pension Benefits for 2010 table. The value shown is based on a retirement at 58 years, 8 months for Mr. Keen and termination as of December 31, 2010. We used a discount rate of 5.4% and the RP-2000 Annuitant Mortality Table projected to 2018. Payments would begin in January 2011 under Security Plan I and July 2011 under Security Plan II.
- 13 The values shown represent the present value of the Security Plan I and Security Plan II death benefits. During a period of disability, a participant will continue to accrue years of participation under Security Plan II, and compensation will be credited to a participant who is receiving disability benefits at the full-time equivalent rate of pay that was being earned immediately prior to the participant's becoming disabled.
- 14 Mr. Keen's change in control agreement provides for the continuation of welfare benefits for a period of 24 months. The value shown represents the cost to the company of continuing these benefits.
- 15 The 13th-month trigger provision in Mr. Keen's change in control agreement provides for the continuation of welfare benefits for a period of 18 months. The value shown represents the cost to the company of continuing these benefits.
- 16 Mr. Keen's change in control agreement provides for outplacement services commencing within 12 months of a change in control up to a maximum of \$12,000 for a 12-month period.
- 17 Mr. Keen's benefits under Security Plan I and Security Plan II would not be enhanced due to a termination within a change in control period. However, Mr. Keen would be entitled to benefits under these plans upon a termination as of December 31, 2010.
- 18 Mr. Keen's change in control agreement provides for a 15% reduction in parachute payment if this reduction will avoid an excise tax. In Mr. Keen's case for the not for cause or constructive discharge termination, a \$639,181 reduction will reduce the parachute payment below the threshold and avoid an excise tax.
- 19 The 13th-month trigger did not result in a parachute payment that would cause excise tax, and thus no Section 280G tax gross-up would be provided.





|                                                                    |           |           |           |           |           |           |              |
|--------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|
| Continuation<br>of Welfare<br>Benefits<br>Outplacement<br>Services |           |           |           |           |           | 12,000    | 15           |
| 280G Tax                                                           |           |           |           |           |           |           |              |
| Gross-up                                                           |           |           |           |           |           | 1,365,702 | 16 1,118,100 |
| Total:                                                             | 1,261,817 | 1,261,817 | 1,261,817 | 3,874,319 | 1,233,693 | 6,318,973 | 5,594,984    |

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- 1 Mr. Anderson would receive full vesting of his time-vesting restricted stock awards and payout of the performance shares at target. The dollar amounts are determined by multiplying the number of shares by \$36.98 and include the cash payment of dividend equivalents, as applicable.
  - 2 Mr. Anderson's change in control agreement provides for a lump-sum cash severance payment of 2.5 times his base salary and short-term incentive plan target amount.
  - 3 The 13th-month trigger provision in Mr. Anderson's change in control agreement provides for the payment of two-thirds of his severance payment.
  - 4 Mr. Anderson would receive full vesting of his 2008 time-vesting restricted stock award of 3,340 shares. The dollar amount is determined by multiplying 3,340 shares times \$36.98.
  - 5 Mr. Anderson would receive full vesting assuming the performance goals are met. This 2008 performance share award had two equally weighted performance goals: CEPS and TSR for a three-year performance period. The dollar amount assumes the company achieves the target level (6,680 shares) valued at \$36.98 per share and includes the cash payment of dividend equivalents.
  - 6 Mr. Anderson would receive pro rata vesting (22 of 34 months, or 64.71%) of his 2009 time-vesting restricted stock award of 4,003 shares. The dollar amount is determined by multiplying 2,590 shares times \$36.98.
  - 7 Mr. Anderson would receive pro rata vesting (24 of 36 months) assuming the performance goals are met. This 2009 performance share award had two equally weighted performance goals: CEPS and TSR for a three-year performance period. The dollar amount assumes the company achieves the target level (8,007 shares) with pro rata vesting of 5,338 shares valued at \$36.98 per share and includes the cash payment of dividend equivalents.
  - 8 Mr. Anderson would receive pro rata vesting (10 of 34 months, or 29.41%) of his 2010 time-vesting restricted stock award of 3,316 shares. The dollar amount is determined by multiplying 975 shares times \$36.98.

- 9 Mr. Anderson would receive pro rata vesting (12 of 36 months) assuming the performance goals are met. This 2010 performance share award had two equally weighted performance goals: CEPS and TSR for a three-year performance period. The dollar amount assumes the company achieves the target level (6,630 shares) with pro rata vesting of 2,210 shares valued at \$36.98 per share and includes the cash payment of dividend equivalents.
- 10 The values shown represent the present value of the Security Plan I and Security Plan II benefit based on Mr. Anderson's actual age and benefit commencement at the age of 55 and termination as of December 31, 2010. We used a discount rate of 5.4% and the RP-2000 Annuitant Mortality Table projected to 2018. Payments would begin when Mr. Anderson reaches the age of 55.
- 11 The values shown represent the present value of the Security Plan I and Security Plan II death benefits. During a period of disability, a participant will continue to accrue years of participation under Security Plan II, and compensation will be credited to a participant who is receiving disability benefits at the full-time equivalent rate of pay that was being earned immediately prior to the participant's becoming disabled.
- 12 Under Security Plan II, if employment is terminated within a change in control period prior to the executive officer's normal retirement, the benefit is calculated using age 55 or the officer's age at termination if greater than 55. The values shown were determined as described in footnote 10, except it was assumed Mr. Anderson was 55 as of December 31, 2010.
- 13 Mr. Anderson's change in control agreement provides for the continuation of welfare benefits for a period of 24 months. The value shown represents the cost to the company of continuing these benefits.
- 14 The 13th-month trigger provision in Mr. Anderson's change in control agreement provides for the continuation of welfare benefits for a period of 18 months. The value shown represents the cost to the company of continuing these benefits.
- 15 Mr. Anderson's change in control agreement provides for outplacement services commencing within 12 months of a change in control up to a maximum of \$12,000 for a 12-month period.
- 16 The values shown assume an incremental overall tax rate of 41.520% increased by the Internal Revenue Code Section 4999 excise tax of 20%.
- 17 Mr. Anderson's benefits under Security Plan I and Security Plan II would not be enhanced due to a termination within a change in control period. However, Mr. Anderson would be entitled to benefits under these plans upon a termination as of December 31, 2010.

## Daniel B. Minor

| Executive Benefits and Payments Upon Termination or Change in Control (a) | Voluntary Termination (\$)(b) | Not for Cause Termination (\$)(c) | For Cause Termination (\$)(d) | Death or Disability (\$)(e) | Change in Control (Without Termination) (\$)(f)1 | Not for Cause or Constructive Discharge Termination (Change in Control) (\$)(g)1 | 13th-Month Trigger (Change in Control) (\$)(h)1 |
|---------------------------------------------------------------------------|-------------------------------|-----------------------------------|-------------------------------|-----------------------------|--------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------|
| Compensation:                                                             |                               |                                   |                               |                             |                                                  |                                                                                  |                                                 |
| Base Salary                                                               |                               |                                   |                               |                             |                                                  | 850,000                                                                          | 566,667                                         |
| Short-Term Incentive Plan 2010                                            |                               |                                   |                               |                             |                                                  | 425,000                                                                          | 283,333                                         |
| Restricted Stock – Time-Vesting 2/21/08                                   |                               |                                   |                               | 81,948                      | 81,948                                           | 81,948                                                                           | 81,948                                          |
| Performance Shares – CEPS/TSR 2/21/08                                     |                               |                                   |                               | 179,851                     | 179,851                                          | 179,851                                                                          | 179,851                                         |
| Restricted Stock – Time-Vesting 2/24/09                                   |                               |                                   |                               | 63,569                      | 98,219                                           | 98,219                                                                           | 98,219                                          |
| Performance Shares – CEPS/TSR 2/24/09                                     |                               |                                   |                               | 139,445                     | 209,187                                          | 209,187                                                                          | 209,187                                         |
| Restricted Stock – Time-Vesting 2/26/10                                   |                               |                                   |                               | 33,615                      | 114,231                                          | 114,231                                                                          | 114,231                                         |
| Performance Shares – CEPS/TSR 2/26/10                                     |                               |                                   |                               | 78,613                      | 235,800                                          | 235,800                                                                          | 235,800                                         |
| Benefits and Perquisites:                                                 |                               |                                   |                               |                             |                                                  |                                                                                  |                                                 |
| Security Plan I                                                           |                               |                                   |                               |                             |                                                  |                                                                                  |                                                 |
| Security Plan II                                                          | 624,585                       | 624,585                           | 624,585                       | 1,808,532                   |                                                  | 1,559,694                                                                        | 1,559,694                                       |
| Continuation of Welfare Benefits                                          |                               |                                   |                               |                             |                                                  | 27,457                                                                           | 20,686                                          |
| Outplacement Services                                                     |                               |                                   |                               |                             |                                                  | 12,000                                                                           |                                                 |

|          |         |         |         |           |         |             |             |
|----------|---------|---------|---------|-----------|---------|-------------|-------------|
| 280G Tax |         |         |         |           |         |             |             |
| Gross-up |         |         |         |           |         | 1,246,67716 | 1,016,02716 |
| Total:   | 624,585 | 624,585 | 624,585 | 2,385,573 | 919,236 | 5,040,064   | 4,365,643   |

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- 1 Mr. Minor would receive full vesting of his time-vesting restricted stock awards and payout of the performance shares at target. The dollar amounts are determined by multiplying the number of shares by \$36.98 and include the cash payment of dividend equivalents, as applicable.
  - 2 Mr. Minor's change in control agreement provides for a lump sum cash severance payment of 2.5 times his base salary and short-term incentive plan target amount.
  - 3 The 13th-month trigger provision in Mr. Minor's change in control agreement provides for the payment of two-thirds of his severance payment.
  - 4 Mr. Minor would receive full vesting of his 2008 time-vesting restricted stock award of 2,216 shares. The dollar amount is determined by multiplying 2,216 shares times \$36.98.
  - 5 Mr. Minor would receive full vesting assuming the performance goals are met. This 2008 performance share award had two equally weighted performance goals: CEPS and TSR for a three-year performance period. The dollar amount assumes the company achieves the target level (4,432 shares) valued at \$36.98 per share and includes the cash payment of dividend equivalents.
  - 6 Mr. Minor would receive pro rata vesting (22 of 34 months, or 64.71%) of his 2009 time-vesting restricted stock award of 2,656 shares. The dollar amount is determined by multiplying 1,719 shares times \$36.98.
  - 7 Mr. Minor would receive pro rata vesting (24 of 36 months) assuming the performance goals are met. This 2009 performance share award had two equally weighted performance goals: CEPS and TSR for a three-year performance period. The dollar amount assumes the company achieves the target level (5,312 shares) with pro rata vesting of 3,541 shares valued at \$36.98 per share and includes the cash payment of dividend equivalents.

- 8 Mr. Minor would receive pro rata vesting (10 of 34 months, or 29.41%) of his 2010 time-vesting restricted stock award of 3,089 shares. The dollar amount is determined by multiplying 909 shares times \$36.98.
- 9 Mr. Minor would receive pro rata vesting (12 of 36 months) assuming the performance goals are met. This 2010 performance share award had two equally weighted performance goals: CEPS and TSR for a three-year performance period. The dollar amount assumes the company achieves the target level (6,176 shares) with pro rata vesting of 2,059 shares valued at \$36.98 per share and includes the cash payment of dividend equivalents.
- 10 The values shown represent the present value of the Security Plan II benefit based on Mr. Minor's actual age and benefit commencement at the age of 55 and termination as of December 31, 2010. We used a discount rate of 5.4% and the RP-2000 Annuitant Mortality Table projected to 2018. Payments would begin when Mr. Minor reaches the age of 55.
- 11 The values shown represent the present value of the Security Plan II death benefits. During a period of disability, a participant will continue to accrue years of participation under Security Plan II, and compensation will be credited to a participant who is receiving disability benefits at the full-time equivalent rate of pay that was being earned immediately prior to the participant's becoming disabled.
- 12 Under Security Plan II, if employment is terminated within a change in control period prior to the executive officer's normal retirement, the benefit is calculated using age 55 or the officer's age at termination if greater than 55. The values shown were determined as described in footnote 10, except it was assumed Mr. Minor was 55 as of December 31, 2010.
- 13 Mr. Minor's change in control agreement provides for the continuation of welfare benefits for a period of 24 months. The value shown represents the cost to the company of continuing these benefits.
- 14 The 13th-month trigger provision in Mr. Minor's change in control agreement provides for the continuation of welfare benefits for a period of 18 months. The value shown represents the cost to the company of continuing these benefits.
- 15 Mr. Minor's change in control agreement provides for outplacement services commencing within 12 months of a change in control up to a maximum of \$12,000 for a 12-month period.
- 16 The values shown assume an incremental overall tax rate of 41.520% increased by the Internal Revenue Code Section 4999 excise tax of 20%.

## Rex Blackburn

| Executive Benefits and Payments Upon Termination or Change in Control (a) | Voluntary Termination (\$)(b) | Not for Cause Termination (\$)(c) | For Cause Termination (\$)(d) | Death or Disability (\$)(e) | Change in Control (Without Termination) (\$)(f)1 | Not for Cause or Constructive Discharge Termination (Change in Control) (\$)(g)1 | 13th-Month Trigger (Change in Control) (\$)(h)1 |
|---------------------------------------------------------------------------|-------------------------------|-----------------------------------|-------------------------------|-----------------------------|--------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------|
| Compensation:                                                             |                               |                                   |                               |                             |                                                  |                                                                                  |                                                 |
| Base Salary                                                               |                               |                                   |                               |                             |                                                  | 612,5002                                                                         | 408,3333                                        |
| Short-Term Incentive Plan 2010                                            |                               |                                   |                               |                             |                                                  | 245,0002                                                                         | 163,3333                                        |
| Restricted Stock – Time-Vesting 2/21/08                                   |                               |                                   |                               | 12,9064                     | 12,906                                           | 12,906                                                                           | 12,906                                          |
| Performance Shares – CEPS/TSR 2/21/08                                     |                               |                                   |                               | 28,3655                     | 28,365                                           | 28,365                                                                           | 28,365                                          |
| Restricted Stock – Time-Vesting 2/24/09                                   |                               |                                   |                               | 47,1136                     | 72,814                                           | 72,814                                                                           | 72,814                                          |
| Performance Shares – CEPS/TSR 2/24/09                                     |                               |                                   |                               | 103,3737                    | 155,078                                          | 155,078                                                                          | 155,078                                         |
| Restricted Stock – Time-Vesting 2/26/10                                   |                               |                                   |                               | 18,8238                     | 64,012                                           | 64,012                                                                           | 64,012                                          |
| Performance Shares – CEPS/TSR 2/26/10                                     |                               |                                   |                               | 44,0609                     | 132,179                                          | 132,179                                                                          | 132,179                                         |
| Benefits and Perquisites:                                                 |                               |                                   |                               |                             |                                                  |                                                                                  |                                                 |
| Security Plan I                                                           |                               |                                   |                               |                             |                                                  |                                                                                  |                                                 |
| Security Plan II                                                          | 461,27810                     | 461,27810                         | 461,27810                     | 460,71111                   |                                                  | 461,27812                                                                        | 461,27812                                       |
| Continuation of Welfare Benefits                                          |                               |                                   |                               |                             |                                                  | 46,01613                                                                         | 34,57814                                        |
| Outplacement Services                                                     |                               |                                   |                               |                             |                                                  | 12,00015                                                                         |                                                 |
| 280G Tax Gross-up                                                         |                               |                                   |                               |                             |                                                  | 524,26716                                                                        | 363,52316                                       |
| Total:                                                                    | 461,278                       | 461,278                           | 461,278                       | 715,351                     | 465,354                                          | 2,366,415                                                                        | 1,896,399                                       |

- 
- 1 Mr. Blackburn would receive full vesting of his time-vesting restricted stock awards and payout of the performance shares at target. The dollar amounts are determined by multiplying the number of shares by \$36.98 and include the cash payment of dividend equivalents, as applicable.
  - 2 Mr. Blackburn's change in control agreement provides for a lump-sum cash severance payment of 2.5 times his base salary and short-term incentive plan target amount.
  - 3 The 13th-month trigger provision in Mr. Blackburn's change in control agreement provides for the payment of two-thirds of his severance payment.
  - 4 Mr. Blackburn would receive full vesting of his 2008 time-vesting restricted stock award of 349 shares. The dollar amount is determined by multiplying 349 shares times \$36.98.
  - 5 Mr. Blackburn would receive full vesting assuming the performance goals are met. This 2008 performance share award had two equally weighted performance goals: CEPS and TSR for a three-year performance period. The dollar amount assumes the company achieves the target level (699 shares) valued at \$36.98 per share and includes the cash payment of dividend equivalents.
  - 6 Mr. Blackburn would receive pro rata vesting (22 of 34 months, or 64.71%) of his 2009 time-vesting restricted stock award of 1,969 shares. The dollar amount is determined by multiplying 1,274 shares times \$36.98.
  - 7 Mr. Blackburn would receive pro rata vesting (24 of 36 months) assuming the performance goals are met. This 2009 performance share award had two equally weighted performance goals: CEPS and TSR for a three-year performance period. The dollar amount assumes the company achieves the target level (3,938 shares) with pro rata vesting of 2,625 shares valued at \$36.98 per share and includes the cash payment of dividend equivalents.

- 8 Mr. Blackburn would receive pro rata vesting (10 of 34 months, or 29.41%) of his 2010 time-vesting restricted stock award of 1,731 shares. The dollar amount is determined by multiplying 509 shares times \$36.98.
- 9 Mr. Blackburn would receive pro rata vesting (12 of 36 months) assuming the performance goals are met. This 2010 performance share award had two equally weighted performance goals: CEPS and TSR for a three-year performance period. The dollar amount assumes the company achieves the target level (3,462 shares) with pro rata vesting of 1,154 shares valued at \$36.98 per share and includes the cash payment of dividend equivalents.
- 10 The values shown represent the present value of the Security Plan II benefit based on Mr. Blackburn's actual age and benefit commencement at the age of 55 and termination as of December 31, 2010. We used a discount rate of 5.4% and the RP-2000 Annuitant Mortality Table projected to 2018.
- 11 The values shown represent the present value of the Security Plan II death benefits. During a period of disability, a participant will continue to accrue years of participation under Security Plan II, and compensation will be credited to a participant who is receiving disability benefits at the full-time equivalent rate of pay that was being earned immediately prior to the participant's becoming disabled.
- 12 Under Security Plan II, if employment is terminated within a change in control period prior to the executive officer's normal retirement, the benefit is calculated using age 55 or the officer's age at termination if greater than 55. The values shown were determined as described in footnote 10.
- 13 Mr. Blackburn's change in control agreement provides for the continuation of welfare benefits for a period of 24 months. The value shown represents the cost to the company of continuing these benefits.
- 14 The 13th-month trigger provision in Mr. Blackburn's change in control agreement provides for the continuation of welfare benefits for a period of 18 months. The value shown represents the cost to the company of continuing these benefits.
- 15 Mr. Blackburn's change in control agreement provides for outplacement services commencing within 12 months of a change in control up to a maximum of \$12,000 for a 12-month period.
- 16 The values shown assume an incremental overall tax rate of 41.520% increased by the Internal Revenue Code Section 4999 excise tax of 20%.



Lisa A. Grow

| Executive Benefits and                             | Change in Control     | Not for Cause Termination | For Cause Termination | Death or Disability | Change in Control     | Not for Cause or Constructive Discharge Termination | 13th-Month Trigger  |                     |
|----------------------------------------------------|-----------------------|---------------------------|-----------------------|---------------------|-----------------------|-----------------------------------------------------|---------------------|---------------------|
|                                                    |                       |                           |                       |                     |                       |                                                     | (Change in Control) | (Change in Control) |
| Payments Upon Voluntary Termination or Termination | Voluntary Termination | Not for Cause Termination | For Cause Termination | Death or Disability | (Without Termination) | (Change in Control)                                 | (Change in Control) | (Change in Control) |
| Change in Control                                  | (\$)                  | (\$)                      | (\$)                  | (\$)                | (\$)                  | (\$)                                                | (\$)                | (\$)                |
| (a)                                                | (b)                   | (c)                       | (d)                   | (e)                 | (f)1                  | (g)1                                                | (h)1                | (h)1                |
| Compensation:                                      |                       |                           |                       |                     |                       |                                                     |                     |                     |
| Base Salary                                        |                       |                           |                       |                     |                       | 550,000                                             | 2                   | 366,667 3           |
| Short-Term Incentive Plan 2010                     |                       |                           |                       |                     |                       | 220,000                                             | 2                   | 146,667 3           |
| Restricted Stock – Time-Vesting 2/21/08            |                       |                           |                       | 32,690 4            | 32,690                | 32,690                                              |                     | 32,690              |
| Performance Shares –CEPS/TSR 2/21/08               |                       |                           |                       | 71,786 5            | 71,786                | 71,786                                              |                     | 71,786              |
| Restricted Stock –Time-Vesting 2/24/09             |                       |                           |                       | 25,368 6            | 39,199                | 39,199                                              |                     | 39,199              |
| Performance Shares –CEPS/TSR 2/24/09               |                       |                           |                       | 55,644 7            | 83,446                | 83,446                                              |                     | 83,446              |
| Restricted Stock –Time-Vesting 2/26/10             |                       |                           |                       | 16,900 8            | 57,504                | 57,504                                              |                     | 57,504              |
| Performance Shares –CEPS/TSR 2/26/10               |                       |                           |                       | 39,554 9            | 118,663               | 118,663                                             |                     | 118,663             |
| Benefits and Perquisites:                          |                       |                           |                       |                     |                       |                                                     |                     |                     |
| Security Plan I                                    |                       |                           |                       |                     |                       |                                                     |                     |                     |
| Security Plan II                                   |                       |                           |                       | 541,930 10          |                       | 299,768                                             | 11                  | 299,768 11          |
| Continuation of Welfare Benefits                   |                       |                           |                       |                     |                       | 26,031                                              | 12                  | 19,526 13           |
|                                                    |                       |                           |                       |                     |                       | 12,000                                              | 14                  |                     |

Outplacement

Services

280G Tax

Gross-up

Total:

|  |         |         |           |    |           |    |
|--|---------|---------|-----------|----|-----------|----|
|  |         |         | 589,771   | 15 | 446,750   | 15 |
|  | 783,872 | 403,288 | 2,100,858 |    | 1,682,666 |    |

- 1 Ms. Grow would receive full vesting of her time-vesting restricted stock awards and payout of the performance shares at target. The dollar amounts are determined by multiplying the number of shares by \$36.98 and include the cash payment of dividend equivalents, as applicable.
- 2 Ms. Grow's change in control agreement provides for a lump-sum cash severance payment of 2.5 times her base salary and short-term incentive plan target amount.
- 3 The 13th-month trigger provision in Ms. Grow's change in control agreement provides for the payment of two-thirds of her severance payment.
- 4 Ms. Grow would receive full vesting of her 2008 time-vesting restricted stock award of 884 shares. The dollar amount is determined by multiplying 884 shares times \$36.98.
- 5 Ms. Grow would receive full vesting assuming the performance goals are met. This 2008 performance share award had two equally weighted performance goals: CEPS and TSR for a three-year performance period. The dollar amount assumes the company achieves the target level (1,769 shares) valued at \$36.98 per share and includes the cash payment of dividend equivalents.
- 6 Ms. Grow would receive pro rata vesting (22 of 34 months, or 64.71%) of her 2009 time-vesting restricted stock award of 1,060 shares. The dollar amount is determined by multiplying 686 shares times \$36.98.
- 7 Ms. Grow would receive pro rata vesting (24 of 36 months) assuming the performance goals are met. This 2009 performance share award had two equally weighted performance goals: CEPS and TSR for a three-year performance period. The dollar amount assumes the company achieves the target level (2,119 shares) with pro rata vesting of 1,413 shares valued at \$36.98 per share and includes the cash payment of dividend equivalents.

- 8 Ms. Grow would receive pro rata vesting (10 of 34 months, or 29.41%) of her 2010 time-vesting restricted stock award of 1,555 shares. The dollar amount is determined by multiplying 457 shares times \$36.98.
- 9 Ms. Grow would receive pro rata vesting (12 of 36 months) assuming the performance goals are met. This 2010 performance share award had two equally weighted performance goals: CEPS and TSR for a three-year performance period. The dollar amount assumes the company achieves the target level (3,108 shares) with pro rata vesting of 1,036 shares valued at \$36.98 per share and includes the cash payment of dividend equivalents.
- 10 The values shown represent the present value of the Security Plan II death benefits. During a period of disability, a participant will continue to accrue years of participation under Security Plan II, and compensation will be credited to a participant who is receiving disability benefits at the full-time equivalent rate of pay that was being earned immediately prior to the participant's becoming disabled.
- 11 Under Security Plan II, if employment is terminated within a change in control period prior to the executive officer's normal retirement, the benefit is calculated using age 55 or the officer's age at termination if greater than 55. The values shown were determined based on a discount rate of 5.4% and the RP-2000 Annuity Mortality Table projected to 2018, and assume Ms. Grow was 55 as of December 31, 2010.
- 12 Ms. Grow's change in control agreement provides for the continuation of welfare benefits for a period of 24 months. The value shown represents the cost to the company of continuing these benefits.
- 13 The 13th-month trigger provision in Ms. Grow's change in control agreement provides for the continuation of welfare benefits for a period of 18 months. The value shown represents the cost to the company of continuing these benefits.
- 14 Ms. Grow's change in control agreement provides for outplacement services commencing within 12 months of a change in control up to a maximum of \$12,000 for a 12-month period.
- 15 The company may make a gross-up payment to Ms. Grow if she receives a claim from the Internal Revenue Service that, if successful, would require her to pay an excise tax in connection with any "excess parachute payments," as that term is described in Internal Revenue Code Section 280G. The amount shown assumes that Ms. Grow is provided such a tax gross-up, and assumes an incremental overall tax rate of 41.520% increased by the Internal Revenue Code Section 4999 excise tax of 20%.

## Director Compensation for 2010

| Name<br>(a)                                      | Fees<br>Earned<br>or<br>Paid in<br>Cash<br>(\$)<br>(b) | Stock<br>Awards<br>(\$)<br>(c) 1 | Option<br>Awards<br>(\$)<br>(d) 2 | Non-Equity<br>Incentive<br>Plan<br>Compensation<br>(\$)<br>(e) | Change in<br>Pension<br>Value and<br>Nonqualified<br>Deferred<br>Compensation<br>Earnings<br>(\$)<br>(f) | All Other<br>Compensation<br>(\$)<br>(g) | Total<br>(\$)<br>(h) |
|--------------------------------------------------|--------------------------------------------------------|----------------------------------|-----------------------------------|----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------|
|                                                  |                                                        |                                  |                                   |                                                                |                                                                                                          |                                          |                      |
| C. Stephen<br>Allred                             | 61,500                                                 | 44,987                           | —                                 | —                                                              | —                                                                                                        | —                                        | 106,487              |
| Richard J. Dahl                                  | 83,000                                                 | 44,987                           | —                                 | —                                                              | —                                                                                                        | —                                        | 127,987              |
| Judith A.<br>Johansen                            | 76,450                                                 | 44,987                           | —                                 | —                                                              | —                                                                                                        | —                                        | 121,437              |
| Christine King                                   | 63,000                                                 | 44,987                           | —                                 | —                                                              | —                                                                                                        | —                                        | 107,987              |
| Gary G.<br>Michael                               | 106,750                                                | 44,987                           | —                                 | —                                                              | 16,3743                                                                                                  | —                                        | 168,111              |
| Jon H. Miller <sup>4</sup><br>Jan B.<br>Packwood | 50,000                                                 | 44,987                           | —                                 | —                                                              | 78,3665                                                                                                  | —                                        | 173,353              |
| Richard G.<br>Reiten                             | 75,000                                                 | 44,987                           | —                                 | —                                                              | —                                                                                                        | —                                        | 119,987              |
| Joan H. Smith                                    | 55,500                                                 | 44,987                           | —                                 | —                                                              | 9,0913                                                                                                   | —                                        | 109,578              |
| Robert A.<br>Tinstman                            | 75,000                                                 | 44,987                           | —                                 | —                                                              | —                                                                                                        | —                                        | 119,987              |
| Thomas J.<br>Wilford                             | 76,000                                                 | 44,987                           | —                                 | —                                                              | 40,1596                                                                                                  | —                                        | 161,146              |
|                                                  | 69,000                                                 | 44,987                           | —                                 | —                                                              | 9,9083                                                                                                   | —                                        | 123,895              |

- 1 This column reflects the grant date fair value of IDACORP common stock awarded to our non-employee directors measured in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 – Stock Compensation. The grant date fair value is based on the closing price of IDACORP common stock on the business day before the grant date. The grant date fair value for the awards included in this column is based on the closing price of IDACORP common stock on February 26, 2010, which was \$33.03.
- 2 No options were awarded to directors in 2010. The following table represents options awarded prior to 2010 and outstanding at December 31, 2010 for each non-employee director:

| Name                  | Options<br>Awarded | Options<br>Outstanding |
|-----------------------|--------------------|------------------------|
| C. Stephen<br>Allred  | 0                  | 0                      |
| Richard J. Dahl       | 0                  | 0                      |
| Judith A.<br>Johansen | 0                  | 0                      |
| Christine King        | 0                  | 0                      |
| Gary G.<br>Michael    | 8,250              | 3,000                  |

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|                       |       |       |
|-----------------------|-------|-------|
| Jon H. Miller         | 8,250 | 8,250 |
| Jan B.<br>Packwood    | 0     | 0     |
| Richard G.<br>Reiten  | 3,000 | 3,000 |
| Joan H. Smith         | 3,000 | 3,000 |
| Robert A.<br>Tinstman | 8,250 | 8,250 |
| Thomas J.<br>Wilford  | 3,000 | 3,000 |

- 3 Represents above-market interest on deferred fees.
- 4 Retired effective May 21, 2010.
- 5 Represents \$66,575 in above-market interest accrued on deferred fees for the full year 2010, though Mr. Miller retired effective May 21, 2010, and \$11,791 relating to the change in present value of Mr. Miller's retirement benefit payments under the Idaho Power Company Security Plan for Directors, which was terminated on April 1, 2002.
- 6 Represents \$25,912 in above-market interest accrued on deferred fees and \$14,247 relating to the change in present value of Mr. Tinstman's retirement benefit payments under the Idaho Power Company Security Plan for Directors, which was terminated on April 1, 2002.

## Director Compensation Amounts for 2010

All directors of IDACORP also serve as directors of Idaho Power Company. The 2010 fees and other compensation shown in the table and discussed below are for service on both boards as well as for service on any subsidiary board. Employee directors receive no compensation for service on the boards.

## Fees

The following table sets forth the fees payable to our directors:

|                                            |           |
|--------------------------------------------|-----------|
| Base Retainer                              | \$ 45,000 |
| Additional Retainers                       |           |
| Chairman of the board                      | 75,000    |
| Chairman of audit committee                | 12,500    |
| Chairman of compensation committee         | 10,000    |
| Chairman of corporate governance committee | 6,000     |
| Meeting Fees <sup>1</sup>                  |           |
| Board meeting                              | 1,500     |
| Committee meeting                          | 1,500     |
| Shareholder meeting                        | 1,500     |
| Annual Stock Awards                        | 45,000    |
| Subsidiary Board Fees                      |           |
| IDACORP Financial Services <sup>2</sup>    |           |
| Monthly retainer                           | 750       |
| Meeting fees                               | 600       |
| Ida-West Energy <sup>3</sup>               |           |
| Monthly retainer                           | 750       |
| Meeting fees                               | 600       |

- 
- 1 The chairman of the board does not receive meeting fees.
  - 2 Mr. Packwood serves on the IDACORP Financial Services board.
  - 3 Mr. Packwood serves on the Ida-West Energy board.

## Deferral Arrangements

Directors may defer all or a portion of their annual IDACORP, Idaho Power Company, IDACORP Financial Services, Inc., and Ida-West Energy retainers and meeting fees and receive a lump-sum payment of all amounts deferred with interest or a series of up to 10 equal annual payments after they separate from service with IDACORP and Idaho Power Company. Any cash fees that were deferred before 2009 for service as a member of the board of directors are credited with the preceding month's average Moody's Long-Term Corporate Bond Yield for utilities, or

the Moody's Rate, plus 3%, until January 1, 2019 when the interest rate will change to the Moody's Rate. All cash fees that are deferred for service as a member of the board beginning January 1, 2009 are credited with interest at the Moody's Rate. Interest is calculated on a pro rata basis each month using a 360-day year and the average Moody's Rate for the preceding month.

Effective January 1, 2009, directors may also defer their annual stock awards, which are then held as deferred stock units with dividend equivalents reinvested in additional deferred stock units. Upon separation from service with IDACORP and Idaho Power Company, directors will receive either a lump-sum distribution or a series of up to 10 equal annual installments. Upon a change in control the directors' deferral accounts will be

distributed to each participating director in a lump sum. The distributions will be in shares of our common stock, with each deferred stock unit equal to one share of our common stock and any fractional shares paid in cash.

#### Stock Ownership Guidelines

The board of directors adopted stock ownership guidelines for non-employee directors in January 2006. Each non-employee director is expected to own IDACORP common stock equal in value to two times his or her current base annual retainer fee. A director is allowed three years to meet these requirements.

Once a director reaches the stock ownership target under the guidelines, based on the then-current stock price, the director will remain in compliance with the guidelines, despite future changes in stock price, as long as the director continues to own the minimum number of shares that brought the director into compliance with the stock ownership target. If the base annual retainer fee increases, directors who have already met their stock ownership targets will need to meet the stock ownership guidelines only for the amount of increase in the base annual retainer fee.

#### Hedging Policy

In January 2011, our board of directors approved amendments to our corporate governance guidelines that expressly prohibit directors from hedging their ownership of company common stock. The prohibition is coextensive with the prohibition on hedging applicable to our executive officers. As a result, directors may not enter into transactions that allow them to benefit from devaluation of our stock or be the technical legal owners of our stock without the full benefits and risks of such ownership. The forms of prohibited hedging strategies include, among others, zero-cost collars, equity swaps, straddles, prepaid variable forward contracts, and security futures contracts.

#### Retirement Benefits

Effective April 1, 2002, we terminated the Idaho Power Company Security Plan for Directors. At that time, current directors were entitled to their vested benefits under the plan as of January 15, 2002. The plan was a nonqualified deferred compensation plan that provided for retirement benefit payments. The maximum payment is \$17,500 per year for a period of 15 years. Directors elected prior to November 30, 1994 could elect 180 monthly installments or a single life annuity with a joint and survivor option. Directors elected after November 1994 receive a single life annuity with a joint and survivor option. Benefits are paid to inside directors on the 10th day of the month after severance from service on the board of directors. Benefits are paid to outside directors on the 10th date of the month after the later of severance from service on the board or reaching age 65. During 2010, there were two directors with vested benefits in the plan: Mr. Tinstman, who was elected after November 30, 1994, and Mr. Miller, who was elected before November 30, 1994.

#### Our Compensation Policies and Practices as They Relate to Risk Management

We have reviewed our compensation policies and practices for all employees and concluded that any risks arising from these policies and practices are not reasonably likely to have a material adverse effect on our company. Prior to each of the January 2010 and 2011 meetings of the compensation committee, members of our human resources department and executive management met to discuss risks that may arise from our compensation policies and practices. The discussions involved a review and consideration of several of the factors set forth in Item 402(s) of Regulation S-K under the Securities Act of 1933, as amended, as well as the following items:

the vast majority of IDACORP's income from continuing operations is contributed by Idaho Power Company, which is a regulated electric utility, and management believes its operations do not lend



themselves to or incentivize significant risk-taking by employees;

our employees and executives are limited from taking operational risks by the extensive regulation of our operations by multiple agencies, including the Federal Energy Regulatory Commission and state public utility commissions;

we use a balanced and diverse compensation structure designed to link an appropriate portion of compensation to the company's long-term performance, while at the same time capping the maximum incentive payouts and providing a base salary, to prevent undue emphasis on incentive compensation;

we benchmark compensation to be consistent with industry practice;

incentive compensation is based on performance metrics that are consistent with our long-term goals;

we have internal controls and standards of business conduct that support our compensation goals and mitigate risk, and we use auditing processes on a regular basis to ensure compliance with these controls and standards; and

the compensation committee, the members of which are independent, oversees our compensation policies and practices and is responsible for reviewing and approving executive compensation, and it considers potential risks when evaluating executive compensation policies and practices.

At the January 2010 and November 2010 meetings, the compensation committee members discussed, together with management and its compensation consultant, whether our compensation programs incentivized risk-taking behavior. During this process, the compensation committee analyzed the fixed and variable components of compensation and considered whether compensation programs should be modified to ensure that a balance between prudent business risk and resulting reward is maintained. After this evaluation, the compensation committee determined that our compensation practices do not increase the company's risk exposure. The compensation committee also observed that the company has an extensive risk management policy and that the company's compensation practices are not a significant factor in the overall risk profile of the company's business.

### PROPOSAL NO. 3 ADVISORY VOTE ON EXECUTIVE COMPENSATION

Under an amendment to the Securities Exchange Act of 1934, as amended, referred to as the Exchange Act, recently adopted by Congress as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, our shareholders are able to vote to approve, on a nonbinding, advisory basis, not less frequently than once every three years, the compensation of our named executive officers. In accordance with the new requirements, we are providing our shareholders with an opportunity to endorse or not endorse our executive compensation program, commonly known as a "say-on-pay" proposal.

As described in more detail in the Compensation Discussion and Analysis, the philosophy that underlies our executive compensation policy is to provide balanced and competitive compensation to our officers to (1) ensure that our company is able to attract and retain high-quality officers, and (2) motivate our officers to achieve performance goals that will benefit our shareholders and customers. This philosophy is implemented in tandem with our three-part business strategy of responsible planning, responsible development and protection of resources, and responsible energy use to ensure adequate energy supplies. At the core of this philosophy is our pay-for-performance model, which links competitive levels of compensation to achievements of our overall strategy and business goals, as well as predetermined objectives. Our compensation program is also designed to manage risk by employing a balanced portfolio of performance and market driven compensation components designed to optimize shareholder and other stakeholder interests, thereby helping to ensure sustainable business success and value-creation.



We urge our shareholders to read the Compensation Discussion and Analysis in this proxy statement, which describes in more detail how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives, as well as the Summary Compensation Table and other related compensation tables and narrative included in the section entitled Executive Compensation, which provide detailed information on the compensation of our named executive officers. The compensation committee and the board of directors believe that the policies and procedures articulated in that discussion are effective in achieving our goals and that the compensation of our named executive officers reported in this proxy statement has contributed to our company's recent and long-term successes.

We are therefore requesting shareholders to approve the following advisory resolution at the 2011 Annual Meeting of Shareholders:

RESOLVED, that the shareholders approve, on an advisory basis, the compensation of the company's named executive officers, as disclosed in the Compensation Discussion and Analysis and the accompanying tables and related narrative in the proxy statement for the company's 2011 Annual Meeting of Shareholders.

As noted above, we are providing this advisory vote as required pursuant to amendments to the Exchange Act. The vote on this resolution is not intended to address any specific element of compensation, but rather relates to the overall compensation of our named executive officers, as described in this proxy statement in accordance with the compensation disclosure rules of the Securities and Exchange Commission. The shareholder vote will not be binding on the company or our board, and it will not be construed as overruling any decision by the company or the board or creating or implying any change to, or additional, fiduciary duties for our company or our board. Although nonbinding, the board and the compensation committee will review and consider the voting results when making future decisions regarding our executive compensation program.

The board of directors unanimously recommends a vote "FOR" the approval of the advisory resolution on executive compensation.

PROPOSAL NO. 4  
ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON EXECUTIVE  
COMPENSATION

Pursuant to recently adopted amendments to the Exchange Act pursuant to the Dodd-Frank Act, we are providing our shareholders with the opportunity to vote, on a nonbinding, advisory basis, for their preference on the frequency of future advisory votes on the compensation of our named executive officers of the nature reflected in Proposal No. 3 above. Shareholders may indicate whether they prefer that we conduct future advisory votes on executive compensation every one, two, or three years. Shareholders also may abstain from casting a vote on this proposal.

The board of directors has determined that, at least for the initial shareholder vote on this matter, holding an advisory vote on executive compensation every year is the most appropriate policy at this time, and recommends that shareholders vote for future advisory votes on executive compensation to occur every year. While our executive compensation programs and pay for performance model are designed to promote a long-term focus, the board recognizes that executive compensation disclosures are made annually. Holding an annual advisory vote on executive compensation provides us with more direct and immediate feedback on our compensation disclosures, and prevents a longer lag time between shareholder input and executive compensation decisions. We have sought input on this issue from some of our shareholders, and we believe that an annual advisory vote on executive compensation is consistent with our practice of continuing to seek input and engage in dialogue with our shareholders on corporate governance

matters and our executive compensation philosophy, policies, and practices.

This advisory vote on the frequency of future advisory votes on executive compensation is nonbinding on the board of directors. Shareholders will be able to specify one of four choices for this proposal on the proxy card: one year, two years, three years, or abstain. Shareholders are not voting to approve or disapprove the board's recommendation; shareholders may choose among the four choices presented. Although nonbinding, the board and the compensation committee will carefully review the voting results.

The board of directors unanimously recommends a vote of “ONE YEAR” for conducting future advisory votes on executive compensation.

PROPOSAL NO. 5  
SHAREHOLDER PROPOSAL REQUESTING THAT THE BOARD OF DIRECTORS TAKE STEPS TO  
ELIMINATE CLASSIFICATION WITH RESPECT TO DIRECTOR ELECTIONS TO REQUIRE THAT  
ALL DIRECTORS STAND FOR ELECTION ANNUALLY

Mr. Gerald Armstrong has notified the company that he intends to submit the following proposal at the 2011 Annual Meeting of Shareholders. According to information provided by Mr. Armstrong, he beneficially owned 120 shares of IDACORP common stock on the date he submitted the shareholder proposal. Mr. Armstrong’s mailing address is 910 Sixteenth Street, No. 412, Denver, Colorado 80202-2917, and his telephone number is (303) 355-1199. Mr. Armstrong has indicated that he intends to move the following resolution at the annual meeting and has furnished the following statement in support of his proposal:

RESOLUTION

That the shareholders of IDACORP, Inc. request its Board of Directors to take the steps necessary to eliminate classification of terms of the Board of Directors to require that all Directors stand for election annually. The Board declassification shall be completed in a manner that does not affect the unexpired terms of the previously-elected Directors.

STATEMENT

The current practice of electing only one-third of the directors for three-year terms is not in the best interest of the corporation or its shareholders. Eliminating this staggered system increases accountability and gives shareholders the opportunity to express their views on the performance of each director annually. The proponent believes the election of directors is the strongest way that shareholders influence the direction of any corporation and our corporation should be no exception.

As a professional investor, the proponent has introduced the proposal at several corporations which have adopted it. In others, opposed by the board or management, it has received votes in excess of 70% and is likely to be reconsidered favorably.

The proponent believes that increased accountability must be given our shareholders whose capital has been entrusted in the form of share investments especially during these times of great economic challenge.

Arthur Levitt, former Chairman of The Securities and Exchange Commission said, “In my view, it’s best for the investor if the entire board is elected once a year. Without annual election of each director, shareholders have far less control over who represents them.”

While management may argue that directors need and deserve continuity, management should become aware that continuity and tenure may be best assured when their performance as directors is exemplary and is deemed beneficial to the best interests of the corporation and its shareholders.

The proponent regards as unfounded the concern expressed by some that annual election of all directors could leave companies without experienced directors in the event that all incumbents are voted out by shareholders.

In the unlikely event that shareholders do vote to replace all directors, such a decision would express dissatisfaction with the incumbent directors and reflect the need for change.

If you agree that shareholders may benefit from greater accountability afforded by annual election of all directors, please vote "FOR" this proposal.

## The Company's Position Opposing the Shareholder Proposal

The board of directors has carefully considered this proposal and recommends that shareholders vote "AGAINST" the proposal. This proposal requests that the board of directors take the steps necessary to declassify the board and to have annual elections of all directors. Our restated articles of incorporation, as amended, provide that directors are elected for three-year terms, with approximately one-third of the board of directors elected at each annual meeting of shareholders. Several important reasons why the board of directors believes that our company should maintain its current board structure are discussed below.

**Stability and Continuity.** Three-year staggered terms for our directors help ensure that, at any given time, a majority of the board has prior experience and familiarity with the company's business, facilities, complex regulatory environment, opportunities, and challenges. While experience and knowledge are important attributes for directors of any company, we believe they are especially significant for our company and its subsidiaries. We operate in a complex environment characterized by extensive state and federal regulation and potentially volatile energy markets. The board believes that the experience and knowledge that our directors gain over time in dealing with these issues makes them more effective in fulfilling their responsibilities by appropriately balancing short-term goals and long-term planning. Declassifying the board could result in a total loss of accumulated knowledge and experience in a single election cycle. Further, good corporate planning and initiatives are strategic in nature and often require several years to implement and realize results. Eliminating our classified board could be disruptive to corporate planning and the long-term stability of our company. We believe that the classified board structure has helped, and will continue to help, provide continuity and stability, enabling the development and implementation of the company's business strategy and continued focus on sustained performance rather than just short-term results.

**Long-Term Commitment.** Because a classified board produces more orderly change in the composition of the board and in the policies and strategies of the company, the company is better equipped to attract and retain individuals with the quality, integrity, and caliber required to commit the time and resources required to understand fully the company and its operations. The board believes that a classified structure helps to attract experienced directors and ensure continuity of leadership. The board also believes that agreeing to serve a three-year term demonstrates an individual's long-term commitment to the company. Experienced and knowledgeable directors are particularly important for companies such as ours that operate in a complex regulatory environment, as a thorough understanding of our regulatory framework and its impact on our business can take considerable time to develop.

**Board Accountability.** The board believes that directors elected to three-year terms are just as accountable to shareholders as directors elected annually, since all directors are required to uphold their fiduciary duties to the company and its shareholders, regardless of the length of their terms of office. The board is well aware of the fiduciary duties of care and loyalty owed to our company and our shareholders, and those duties exist regardless of the director's term. Recognition and adherence to those duties provide the highest form of accountability of the director to the company and its shareholders. In the board's view, the annual election of approximately one-third of the directors provides shareholders with an orderly means to effect change and to communicate their views on the performance of the company and its directors.

**Protection Against Unfair and Abusive Takeover Tactics and Inadequate Offers.** The board believes that a classified board reduces the company's vulnerability to unfriendly or unsolicited takeover tactics from investor groups focusing on short-term financial gains, which may not be in the best long-term interests of the company's shareholders. The classified board structure is an important deterrent to an entity or group that would try to take control of our company by replacing the board with its own nominees at a single meeting without paying a fair price to our shareholders, and is designed to prevent what the board believes is a



potentially abusive tactic that is unfair to the company's shareholders. Also, a mere attempt to obtain control, even if unsuccessful, can seriously disrupt the conduct of a company's business and cause it to incur substantial expense. Classified board structures have been shown to be an effective means of protecting long-term shareholder interests against these types of abusive tactics. A classified board structure gives the directors the time and leverage necessary to evaluate the adequacy and fairness of any takeover proposal, consider alternative proposals, and ultimately negotiate the best result for all shareholders. The classified board structure does not prevent or preclude unsolicited takeover attempts, but it empowers the incumbent board to negotiate terms to maximize the value of the transaction to all of our shareholders.

The board of directors does not believe there is a single formula to corporate governance that can be applied uniformly to all types of companies, without regard to their industry, structure, or other company-specific considerations. An appropriate practice for one company may not be an appropriate practice for another. To claim that “one size fits all” in this context ignores the unique challenges, opportunities, and risk/reward philosophies of each particular company. We believe it is important that our shareholders be represented by a board of directors with experience in directing management in a highly regulated industry, and with the institutional knowledge that has given our shareholders the results the company has achieved over the long term.

For all of the above reasons, our board of directors unanimously recommends a vote “AGAINST” this shareholder proposal.

Approval of the proposed resolution would not automatically eliminate the company’s classified board structure. Further action by the company’s shareholders and the board of directors would be required to amend the company’s restated articles of incorporation to eliminate classification of terms of the directors. Under the company’s restated articles of incorporation, if such an amendment is first authorized and approved by two-thirds of the board, the amendment would require the approval of the shareholders at a meeting at which a quorum exists. If two-thirds of the board does not recommend and submit the matter to the shareholders for their consideration but the board nevertheless submits the matter for shareholder approval, the amendment would require the affirmative vote of not less than 80% of our outstanding shares.

#### OTHER BUSINESS

Neither the board of directors nor management intends to bring before the meeting any business other than the matters referred to in the notice of annual meeting and this proxy statement. In addition, other than as described below, we have not been informed that any other matter will be presented to the meeting by others. If any other business should properly come before the meeting, or any adjournment thereof, the persons named in the proxy will vote on such matters according to their best judgment.

#### SHARED ADDRESS SHAREHOLDERS

In accordance with a notice sent to eligible shareholders who share a single address, we are sending only one annual report to shareholders and proxy statement or Notice of Internet Availability of Proxy Materials, as applicable, to that address, unless we received instructions to the contrary from any shareholder at that address. This practice, known as “householding,” is designed to reduce our printing and postage costs. However, if a shareholder of record residing at such address wishes to receive a separate annual report to shareholders or proxy statement or Notice of Internet Availability of Proxy Materials, as applicable, in the future, he or she may contact investor relations, 1221 West Idaho Street, Boise, Idaho 83702, telephone (800) 635-5406. Eligible shareholders of record receiving multiple copies of our annual report to shareholders and proxy statement or Notice of Internet Availability of Proxy Materials, as applicable, can request householding by contacting us in the same manner. If you own shares through a bank, broker, or other nominee, you can request householding by contacting the nominee.

We hereby undertake to deliver promptly, upon written or oral request, a separate copy of the annual report to shareholders, proxy statement, or Notice of Internet Availability of Proxy Materials, as applicable, to a shareholder at a shared address to which a single copy of the documents was delivered. Requests should be addressed to investor relations at the address set forth above.

## 2012 ANNUAL MEETING OF SHAREHOLDERS

### Director Nominations, Other Business, and Discretionary Voting Authority

Our bylaws provide that director nominations may be made only by the board of directors or by a shareholder entitled to vote who has delivered written notice to our corporate secretary. The notice must be received no later than 120 days prior to the first anniversary of the date on which we first mailed our proxy materials for the 2011 Annual Meeting of Shareholders. The notice must also contain certain information specified in the bylaws, which you may obtain by writing to our corporate secretary.

Rule 14a-4 of the Securities and Exchange Commission's proxy rules allows us to use discretionary voting authority to vote on matters coming before our annual meeting of shareholders, if we do not have notice of the matter at least 45 days before the first anniversary date on which we first mailed our proxy materials for the 2011 Annual Meeting of Shareholders or the date specified by an advance notice provision in our bylaws. Our bylaws contain such an advance notice provision. Under the bylaws, the only business that may be brought before our annual meeting of shareholders are those matters specified in the notice of the meeting or otherwise properly brought before the annual meeting by the board or by a shareholder entitled to vote who has delivered written notice to our corporate secretary. The shareholder must deliver the notice no later than 120 days prior to the first anniversary of the date on which we first mailed our proxy materials for the 2011 Annual Meeting of Shareholders. The notice must also contain certain information specified in the bylaws, which you may obtain by writing to our corporate secretary.

For the 2012 annual meeting of shareholders, currently expected to be held on May 17, 2012, you must submit such nominations or proposals to the corporate secretary of IDACORP no later than December 9, 2011.

### Shareholder Proposals

The above requirements are separate and apart from the Securities and Exchange Commission's requirements that you must meet in order to have a shareholder proposal included in the proxy statement under Rule 14a-8. For our 2012 annual meeting of shareholders, currently expected to be held on May 17, 2012, if you wish to submit a proposal for inclusion in the proxy materials pursuant to Rule 14a-8, you must submit your proposal to our corporate secretary on or before December 9, 2011.

If you cannot attend the meeting, please vote your proxy or proxies without delay.

Our 2010 annual report to shareholders was provided to shareholders with this proxy statement. We will also make available to our shareholders a copy of our Annual Report on Form 10-K, excluding exhibits, for the year ended December 31, 2010, which is required to be filed with the Securities and Exchange Commission. You may obtain a copy without charge upon written or oral request to Lawrence F. Spencer, Director of Investor Relations, IDACORP, Inc., 1221 West Idaho Street, Boise, Idaho 83702, telephone number (208) 388-2200. You may also access our Annual Report on Form 10-K through our website at [www.idacorpinc.com](http://www.idacorpinc.com) or at the website maintained by the Securities and Exchange Commission, [www.sec.gov](http://www.sec.gov).

## APPENDIX A

### Pre-Approval of Independent Auditor Services Standard

#### 1. Introduction

- a) The Sarbanes-Oxley (SOX) Act of 2002, section 10A(i) of the Securities Exchange Act of 1934, as amended, Regulation S-X Section 2-01(c)(7), and Idaho Power Company's (IPC) Audit Committee Charter require the Audit Committee to pre-approve all audit and permitted non-audit services provided to IPC by the independent auditor. Accordingly, the Pre-Approval of Independent Auditor Services Standard is authorized by the IDACORP Corporate Governance Compliance Policy to comply with these requirements.

#### 2. Compliance

- a) To the extent that this standard applies to their work for the company, all company directors, officers, and employees shall comply with the Pre-Approval of Independent Auditor Services Standard. Any employee who fails to do so may be subject to disciplinary actions, which may include, among others, termination of employment.
- b) The vice president (VP) and chief risk officer is designated the oversight officer for the Pre-Approval of Independent Auditor Services Standard and is responsible for compliance monitoring, necessary training, and annual review of this standard.

#### 3. Objectives

- a) The Audit Committee has adopted the Pre-Approval of Independent Auditor Services Standard to ensure both the appearance and certainty of independence on behalf of the independent auditors.

#### 4. Audit Committee Pre-Approval Requirements

- a) In addition to auditing IPC's consolidated financial statements, the independent auditor may be engaged to provide audit-related services, tax services, and all other services. To ensure the provision of such services does not impair the auditor's independence, the Audit Committee is required to pre-approve all services performed by the independent auditor. Unless a type of service to be provided by the independent auditor has received general pre-approval, it will require specific pre-approval by the Audit Committee. Any proposed services exceeding pre-approved cost levels will require pre-approval by the Audit Committee.
- b) Any request to engage the independent auditor to provide a service that has not received general pre-approval shall be submitted as a written proposal to the chief financial officer (CFO) with a copy to the general counsel. Such

requests shall include a detailed description of service to be provided, the proposed fee, and the business reasons for engaging the independent auditor to provide the service. Upon approval by the CFO, the general counsel, and the independent auditor that the proposed engagement complies with the terms of the Pre-Approval of Independent Auditor Services Standard and the applicable rules and regulations, the request shall be presented to the Audit Committee or the committee chairman for pre-approval.

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c) In determining whether to pre-approve the engagement of the independent auditor, the committee or the committee chairman shall consider, among other things, the Pre-Approval of Independent Auditor Services Standard, applicable rules and regulations, and whether the nature of the engagement and the related fees are consistent with the following principles, as stated in the U.S. Securities and Exchange Commission's (SEC) adopting release for rules on auditor independence:

- (1) The independent auditor cannot function in the role of management of the company.
- (2) The independent auditor cannot audit his/her own work.

d) The Audit Committee may delegate pre-approval authority to one or more of its members. The Audit Committee hereby delegates to the chairman of the committee pre-approval authority for proposed tax, audit, and audit-related services. The chairman shall report any pre-approval decisions to the Audit Committee at its next scheduled meeting.

#### 5. Audit Services

- a) The annual audit services engagement terms and fees shall be subject to the specific pre-approval of the Audit Committee. The Audit Committee shall approve, if necessary, any changes in terms, conditions, and fees resulting from changes in audit scope, company structure, or other matters.
- b) In addition to the annual audit services engagement approved by the Audit Committee, the Audit Committee may grant pre-approval for other audit services. For a current list of the pre-approved audit services, contact the VP and chief risk officer. All audit services not on the current list must be separately pre-approved by the Audit Committee.

#### 6. Audit-Related Services

- a) The Audit Committee believes that the provision of audit-related services does not impair the independence of the auditor. For a current list of the pre-approved audit-related services, contact the VP and chief risk officer. All audit-related services not on the current list must be separately pre-approved by the Audit Committee.

#### 7. Tax Services

- a) The Audit Committee believes that the independent auditor can provide certain tax services to IPC without impairing the auditor's independence. For a current list of the pre-approved tax services, contact the VP and chief risk officer. All tax services not on the current list must be separately pre-approved by the Audit Committee.

#### 8. All Other Services

- a) The Audit Committee may grant pre-approval to those permissible non-audit services, classified as all other services, that it believes are routine and recurring services and would not impair the independence of the auditor. For a current list of the pre-approved all other services, contact the VP and chief risk officer. All other services not on the current list must

be separately pre-approved by the Audit Committee.

- b) A list of the SEC's prohibited non-audit services is attached to the Pre-Approval of Independent Auditor Services Standard as Appendix A. The SEC's rules and relevant guidance should be consulted to determine the precise definitions of these services and the applicability of exceptions of the prohibitions.

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9. Fee Level Review
- a) A fee level review for all services to be provided by the independent auditor will be periodically performed by the Audit Committee.
10. Supporting Documentation
- a) With respect to each proposed service, the independent auditor will provide detailed back-up documentation regarding the specific services to be provided. This documentation will be provided to the Audit Committee.
11. Procedures
- a) Requests or applications to provide services that require separate approval by the Audit Committee will be submitted to the Audit Committee by the independent auditor, the CFO, and the general counsel and must include a joint statement as to whether the request or application is consistent with SEC's rules on auditor independence.
12. Definitions

All Other Services—Any work that is not an audit service, audit-related service, or tax service.

Audit-Related Services—Assurances and related services that are reasonably related to the performance of the audit or review of IPC's financial statements and are traditionally performed by the independent auditor, including the following:

Employee benefit plan audits

Due diligence related to mergers, acquisitions, or dispositions

Accounting consultations and audits in connection with acquisitions or dispositions

Internal control reviews and assistance with internal control reporting requirements

Attest services related to financial reporting that are not required by statute or regulation

Consultations concerning financial accounting and reporting standards and consultations by IPC's management as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards, or interpretations by the SEC, Financial Accounting Standards Board (FASB), or other regulatory or standard-setting bodies (other than services that are audit services and have been separately pre-approved)

Statutory, subsidiary, or equity investee audits incremental to the audit of the consolidated financial statements; general assistance with the implementation of the requirements of SOX, SEC rules, and New York Stock Exchange (NYSE) listing standards



Agreed-upon or expanded audit procedures relating to accounting and/or billing records required to respond to, or comply with, financial, accounting, or regulatory reporting matters

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**Audit Services**—Those services that only the independent auditor can reasonably provide, including tax services and accounting consultation necessary to perform an audit of IPC’s consolidated financial statements; services in connection with statutory and regulatory filings or engagements; statutory audits or financial audits for subsidiaries or affiliates; and attest services, including the following:

Attestation of management’s report on internal controls

Services associated with registration statements, periodic reports, and other documents filed with, or furnished to, the SEC, including comfort letters, consents, and assistance in responding to SEC comment letters

Consultations by IPC as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards, or interpretations by the SEC, FASB, or other regulatory or standard-setting bodies (other than services which are audit-related services and have been separately pre-approved)

**Tax Services**—Tax services include tax compliance (preparation of original and amended tax returns, claims for refund, and tax payment planning services); other tax advice (assistance with tax audits and appeals, tax advice related to mergers and acquisitions, employee benefit plans, and requests for rulings or technical advice from taxing authorities); and tax planning.

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#### Appendix A. Prohibited Non-Audit Services

Bookkeeping or other services related to the accounting records or financial statements of the company

Financial information systems design and implementation

Appraisal or valuation services, fairness opinions, or contribution-in-kind reports

Actuarial services

Internal audit outsourcing services

Management functions

Human Resources

Broker-dealer, investment advisor, or investment-banking services

Legal services

Expert services unrelated to the audit

APPENDIX B

Compensation Survey Data Companies

Companies Included in the 2009 Energy Services Executive Compensation Database

Annual Revenues of Less Than \$1 Billion

|                                        |                                                  |
|----------------------------------------|--------------------------------------------------|
| Allete                                 | ATC Management                                   |
| California Independent System Operator | Colorado Springs Utilities                       |
| Electric Power Research Institute      | Energy Northwest                                 |
| ERCOT                                  | Garland Power & Light                            |
| IDACORP                                | ISO New England                                  |
| MGE Energy                             | Midwest Independent Transmission System Operator |
| New York Independent System Operator   | Omaha Public Power                               |
| PJM Interconnection                    | Southwest Power Pool                             |
| STP Nuclear Operating Unitil           | UIL Holdings                                     |
|                                        | Wolf Creek Nuclear                               |

Annual Revenues of \$1 Billion to \$3 Billion

|                                |                             |
|--------------------------------|-----------------------------|
| AGL Resources                  | Areva NP                    |
| Avista                         | Black Hills Power and Light |
| Cleco                          | CPS Energy                  |
| DPL                            | E.ON U.S.                   |
| Energen                        | Hawaiian Electric           |
| Lower Colorado River Authority | NorthWestern Energy         |
| NW Natural                     | Oglethorpe Power            |
| Otter Tail                     | PNM Resources               |
| Portland General Electric      | Regency Energy Partners LP  |
| Salt River Project             | UniSource Energy            |
| Westar Energy                  |                             |

Companies Included in the 2009 General Industry Executive Database

Annual Revenues of Less Than \$1 Billion - \*Subsidiary

|               |                             |
|---------------|-----------------------------|
| A.T. Cross    | Aerojet*                    |
| Ameron        | Blyth                       |
| Bush Brothers | Callaway Golf               |
| CDI           | Choice Hotels International |
| CSR*          | Cubic                       |
| E.W. Scripps  | Emulex                      |
| ESRI          | G&K Services                |
| GenTek        | GEO Group                   |
| Getty Images  | GXS                         |
| HNTB          | IDEXX Laboratories          |
| Kimco Realty  | Matthews International      |
| Media General | Mine Safety Appliances      |
| Novell        | Omnova Solutions            |
| Papa John's   | Parametric Technology       |
| PhRMA         | Pittsburgh Corning          |

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|                                                             |                                   |
|-------------------------------------------------------------|-----------------------------------|
| RF Micro Devices                                            | Stantec*                          |
| Sundt Construction                                          | Taubman Centers                   |
| Taylor-Wharton International                                | Timex                             |
| UC4 Software*                                               | Universal Studios Orlando         |
| Vertex Pharmaceuticals                                      | Viad                              |
| Annual Revenues of \$1 Billion to \$3 Billion - *Subsidiary |                                   |
| A.O. Smith                                                  | Aeropostale                       |
| American Crystal Sugar                                      | AMETEK                            |
| Armstrong World Industries                                  | Arysta LifeScience North America* |
|                                                             | Bio-Rad Laboratories              |
| Beckman Coulter                                             | Bob Evans Farms                   |
| Blyth                                                       |                                   |

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|                                |                                    |
|--------------------------------|------------------------------------|
| Brady                          | Brown-Forman                       |
| CACI International             | Callaway Golf                      |
| Carlson Companies              | Carmeuse Lime & Stone*             |
| Carpenter Technology           | Catalent Pharma Solutions          |
| CDI                            | Celgene                            |
| Century Aluminum               | Cephalon                           |
| CompuCom Systems*              | ConvaTec                           |
| Convergys                      | Covance                            |
| Crown Castle                   | Cubic                              |
| Deluxe                         | Dentsply                           |
| Donaldson                      | E.W. Scripps                       |
| EMI Music*                     | Endo Pharmaceuticals               |
| Equifax                        | Exterran                           |
| First Solar                    | Frontier Airlines                  |
| G&K Services                   | GAF Materials                      |
| Garmin                         | GATX                               |
| General Atomics                | GEO Group                          |
| Getty Images                   | GTECH*                             |
| H.B. Fuller                    | Harland Clarke*                    |
| Hayes-Lemmerz                  | Herman Miller                      |
| HNI                            | HNTB                               |
| Horizon Lines                  | Houghton Mifflin                   |
| Hovnanian Enterprises          | Hunt Consolidated                  |
| IDEXX Laboratories             | IMS Health                         |
| Intercontinental Hotels*       | International Flavors & Fragrances |
| International Game Technology  | Irvine Company                     |
| J. Crew                        | J.M. Smucker                       |
| Jack in the Box                | JetBlue                            |
| Kaman Industrial Technologies* | Kansas City Southern               |
| KB Home                        | Kimco Realty                       |
| Kinross Gold*                  | KLA-Tencor                         |
| L.L. Bean                      | Life Touch                         |
| Magellan Midstream Partners    | Martin Marietta Materials          |
| Mary Kay                       | McClatchy                          |
| Metavante Technologies         | MetroPCS Communications            |
| Millipore                      | Mine Safety Appliances             |
| MSC Industrial Direct          | New York Times                     |
| Noranda Aluminum               | Novell                             |
| Omnova Solutions               | Papa John's                        |
| Parametric Technology          | Perot Systems                      |
| Plexus                         | Polaris Industries                 |
| PolyOne                        | Purdue Pharma                      |
| Quintiles                      | R.H. Donnelley                     |
| Ralcorp Holdings               | Rayonier                           |
| Reader's Digest                | Regal-Beloit                       |
| RF Micro Devices               | Safety-Kleen Systems               |
| SAS Institute                  | Schreiber Foods                    |
| Schwan's                       | Sensata Technologies               |
| Shire Pharmaceuticals*         | Stantec*                           |

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Steelcase  
TeleTech Holdings  
Teradata  
Thomas & Betts  
Toro  
United Rentals  
Viad  
W.R. Grace  
Zale

Sundt Construction  
Tellabs  
Terra Industries  
Timex  
Tupperware  
Universal Studios Orlando  
Virgin Mobil USA  
Watson Pharmaceuticals

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Annual Meeting of Shareholders of IDACORP, Inc.

Time: May 19, 2011 / 10:00 am / Local Time  
 Place: Idaho Power Company Corporate Headquarters, 1221 West Idaho Street, Boise, Idaho 83702  
 Please make your marks like this: x Use dark black pencil or pen only

The Board of Directors recommends a vote "FOR" Proposals 1, 2 and 3, "ONE YEAR" on Proposal 4 and "AGAINST" Proposal 5.

1. Elect four directors nominated by the board of directors for three-year terms.

|                                                                                                                                                                                                                   | For                   | Withhold              |                       |                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| (01) Richard J. Dahl                                                                                                                                                                                              | <input type="radio"/> | <input type="radio"/> |                       |                       |
| (02) Richard G. Reiten                                                                                                                                                                                            | <input type="radio"/> | <input type="radio"/> |                       |                       |
| (03) Joan H. Smith                                                                                                                                                                                                | <input type="radio"/> | <input type="radio"/> |                       |                       |
| (04) Thomas J. Wilford                                                                                                                                                                                            | <input type="radio"/> | <input type="radio"/> |                       |                       |
|                                                                                                                                                                                                                   | For                   | Against               | Abstain               |                       |
| 2. Ratify the appointment of Deloitte and Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011.                                                           | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |                       |
|                                                                                                                                                                                                                   | For                   | Against               | Abstain               |                       |
| 3. Advisory vote on executive compensation.                                                                                                                                                                       | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |                       |
|                                                                                                                                                                                                                   | One Year              | Two Yrs.              | Three Yrs.            | Abstain               |
| 4. Advisory vote on the frequency of future advisory votes on executive compensation.                                                                                                                             | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
|                                                                                                                                                                                                                   | For                   | Against               | Abstain               |                       |
| 5. Shareholder proposal requesting that the board of directors take the steps necessary to eliminate classification of terms of the board of directors to require that all directors stand for election annually. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |                       |

6. Transact such other business that may properly come before the meeting and any adjournment or adjournments thereof.

Authorized Signatures - This section must be completed for your instructions to be executed.

Please Sign Here

Please Sign Here

Please Date Above

Please Date Above

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Annual Meeting of Shareholders of IDACORP, Inc.

Time: Thursday, May 19, 2011 / 10:00 am Local Time

Place: Idaho Power Company Corporate Headquarters, 1221 W. Idaho Street, Boise, Idaho 83702

INTERNET

Go To

[www.proxypush.com/ida](http://www.proxypush.com/ida)

- Have this Proxy Card handy

TELEPHONE

1-866-702-2221

OR

- Use any touch-tone telephone.
- Have this Proxy Card handy.
- Follow the simple recorded instructions.

MAIL

OR

- Mark, sign and date your Proxy Card.
- Detach your Proxy Card.
- Return your Proxy Card in the postage-paid envelope provided.

All votes must be received by 5:00 pm, Eastern Daylight Saving Time,  
May 18, 2011.

PROXY TABULATOR FOR

P.O. BOX 8016  
CARY, NC 27512-9903

EVENT #

CLIENT #

á Please separate carefully at the perforation and return just this portion in the envelope provided. á

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April 7, 2011

Dear Shareholders of IDACORP, Inc:

It is our pleasure to invite you to attend the upcoming 2011 Annual Meeting of Shareholders of IDACORP, Inc. to be held on May 19, 2011, at 10:00 a.m., local time, at the Idaho Power Company Corporate Headquarters, 1221 West Idaho Street, Boise, Idaho. Your Board of Directors and management look forward to personally greeting those shareholders able to attend.

Information about the business of the meeting and the nominees for election as members of the Board of Directors is set forth in the Notice of Meeting and the Proxy Statement. This year IDACORP, Inc. is asking you to elect four directors nominated by the Board of Directors for three-year terms; to ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011; to hold an advisory vote on executive compensation; to hold an advisory vote on the frequency of future advisory votes on executive compensation; to vote on a shareholder proposal requesting that the board of directors take the steps necessary to eliminate classification of terms of the board of directors to require that all directors stand for election annually.

**YOUR VOTE IS IMPORTANT. YOU CAN BE SURE YOUR SHARES ARE REPRESENTED AT THE MEETING BY PROMPTLY RETURNING YOUR COMPLETED PROXY IN THE ENCLOSED ENVELOPE OR BY FOLLOWING THE INSTRUCTIONS ON THE REVERSE SIDE TO VOTE THROUGH THE INTERNET OR BY TELEPHONE.** You may revoke your proxy prior to or at the meeting and may vote in person if you wish.

/s/ Gary G. Michael  
Gary G. Michael  
Chairman of the Board

/s/ J. LaMont Keen  
J. LaMont Keen  
President and Chief Executive Officer

IDACORP, Inc.

PROXY FOR THE ANNUAL MEETING OF SHAREHOLDERS ON MAY 19, 2011  
THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

Properly executed proxies will be voted as marked and, if not marked, proxies received will be voted "FOR" proposal (1), to elect four directors nominated by the Board of Directors for three-year terms; "FOR" proposal (2), to ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011; "FOR" proposal (3), an advisory vote on executive compensation; "ONE YEAR" for proposal (4), an advisory vote on the frequency of future advisory votes on executive compensation; and "AGAINST" proposal (5), a shareholder proposal requesting that the board of directors take the steps necessary to eliminate classification of terms of the board of directors to require that all directors stand for election annually.

The undersigned hereby appoints J. LaMont Keen and Patrick A. Harrington, and each of them, proxies with full power of substitution to vote for the undersigned at the Annual Meeting of Shareholders of IDACORP, Inc. and at any adjournment(s) thereof, on the matters set forth in the Proxy Statement and such other matters as may properly come before the meeting; and hereby directs that this proxy be voted in accordance with the instructions herein and in the proxies' discretion on any other matters that may properly come before the meeting.

Please date, sign and promptly mail in the self-addressed return envelope, which requires no postage if mailed in the United States. Please so indicate following your signature if you are signing in a representative capacity. If shares are held jointly, both owners should sign.

You may also vote through the internet or by telephone by following the instructions on the reverse side.