

CONMED CORP
Form DEF 14A
April 14, 2006

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

**SCHEDULE 14A
(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

Filed by the Registrant
Filed by a Party other than the Registrant
Check the appropriate box:

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

CONMED CORPORATION

(Name of Registrant as Specified in its Charter)

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

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CONMED CORPORATION

525 French Road

Utica, New York 13502

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of CONMED Corporation (the "Company") will be held at the offices of the Company at 525 French Road, Utica, New York on Tuesday, May 16, 2006 at 3:30 p.m. (New York time), for the following purposes:

- (1) To elect seven directors to serve on the Company's Board of Directors;
- (2) To ratify the appointment of independent registered public accounting firm for the Company for 2006;
- (3) To approve the 2006 Stock Incentive Plan; and
- (4) To transact such other business as may properly be brought before the meeting or any adjournment thereof.

The shareholders of record at the close of business on March 31, 2006, are entitled to notice of and to vote at the Annual Meeting or any adjournment thereof.

Even if you plan to attend the meeting in person, we request that you mark, date, sign and return your proxy in the enclosed self-addressed envelope as soon as possible so that your shares may be certain of being represented and voted at the meeting. Any proxy given by a shareholder may be revoked by that shareholder at any time prior to the voting of the proxy.

By Order of the Board of Directors,

Thomas M. Acey
Secretary

April 14, 2006

CONMED CORPORATION
525 French Road
Utica, New York 13502

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

May 16, 2006

The enclosed proxy is solicited by and on behalf of the Board of Directors of CONMED Corporation (the "Company") for use at the Annual Meeting of Shareholders to be held on Tuesday, May 16, 2006, at 3:30 p.m. (New York time), at the offices of the Company at 525 French Road, Utica, New York, and any adjournment thereof. The matters to be considered and acted upon at such meeting are described in the foregoing notice of the meeting and this proxy statement. This proxy statement, the related form of proxy and the Company's Annual Report to Shareholders are being mailed on or about April 14, 2006, to all shareholders of record on March 31, 2006. Shares of the Company's common stock, par value \$.01 per share ("Common Stock") represented in person or by proxy will be voted as described in this proxy statement or as otherwise specified by the shareholder. Any proxy given by a shareholder may be revoked by the shareholder at any time prior to the voting of the proxy by delivering a written notice to the Secretary of the Company, by executing and delivering a later-dated proxy or by attending the meeting and voting in person.

The persons named as proxies are Eugene R. Corasanti and Daniel S. Jonas, who are, respectively, the Chief Executive Officer and Chairman of the Board, and the Vice President - Legal Affairs and General Counsel of the Company. The cost of preparing, assembling and mailing the proxy, this proxy statement and other material enclosed, and all clerical and other expenses of solicitations, will be borne by the Company. In addition to the solicitation of proxies by use of the mails, directors, officers and employees of the Company and its subsidiaries may solicit proxies by telephone, telegram or personal interview. The Company also will request brokerage houses and other custodians, nominees and fiduciaries to forward soliciting material to the beneficial owners of Common Stock held of record by such parties and will reimburse such parties for their expenses in forwarding soliciting material.

Votes at the 2006 Annual Meeting will be tabulated by a representative of Registrar and Transfer Company, which has been appointed by the Company's Board of Directors to serve as inspector of election.

VOTING RIGHTS

The holders of record of the 28,086,192 shares of Common Stock outstanding on March 31, 2006 will be entitled to one vote for each share held on all matters coming before the meeting. The holders of record of a majority of the outstanding shares of Common Stock present in person or by proxy will constitute a quorum for the transaction of business at the meeting. Shareholders are not entitled to cumulative voting rights. Under the rules of the Securities and Exchange Commission, or the SEC, boxes and a designated blank space are provided on the proxy card for shareholders if they wish either to abstain on one or more of the proposals or to withhold authority to vote for one or more nominees for director. In accordance with New York State law, such abstentions are not counted in determining the votes cast at the meeting. With respect to Proposal (1), the director nominees who receive the greatest number of votes at the meeting will be elected to the Board of Directors of the Company. Votes against, and votes withheld in respect of, a candidate have no legal effect. Proposals (2) and (3) require the affirmative vote of the holders of a majority of the votes cast at the meeting in order to be approved by the shareholders.

When properly executed, a proxy will be voted as specified by the shareholder. If no choice is specified by the shareholder, a proxy will be voted “for” all portions of items (1), (2) and (3) and in the proxies’ discretion on any other matters coming before the meeting.

Under the rules of the New York Stock Exchange, Inc., which effectively govern the voting by any brokerage firm holding shares registered in its name or in the name of its nominee on behalf of a beneficial owner, Proposals (1) and (2) are considered “discretionary” items upon which brokerage firms may vote in their discretion on behalf of their clients if such clients have not furnished voting instructions within ten days prior to the Annual Meeting. Proposal (3) is considered “non discretionary” and brokers who have received no instructions from their clients do not have discretion to vote on this item. The broker non-votes will be treated in the same manner as votes present.

PROPOSALS TO BE SUBMITTED AT THE SHAREHOLDERS MEETING

There are three proposals expected to be submitted for shareholder approval. The first concerns the election of directors. The second concerns ratifying the appointment of the Company’s independent registered public accounting firm (independent accountants). The third concerns approval of a new stock incentive plan. These proposals are more fully described below.

PROPOSAL ONE: ELECTION OF DIRECTORS

At the meeting, seven directors are to be elected to serve on the Company’s Board of Directors. The shares represented by proxies will be voted as specified by the shareholder. If the shareholder does not specify his or her choice, the shares will be voted in favor of the election of the nominees listed on the proxy card, except that in the event any nominee should not continue to be available for election, such proxies will be voted for the election of such other persons as the Corporate Governance and Nominating Committee of the Board of Directors may recommend. The Company does not presently contemplate that any of the nominees will become unavailable for election for any reason. The director nominees who receive the greatest number of votes at the meeting will be elected to the Board of Directors of the Company. Votes against, and votes withheld in respect of, a candidate have no legal effect. Shareholders are not entitled to cumulative voting rights.

The Board of Directors presently consists of seven directors. Directors hold office for terms expiring at the next annual meeting of shareholders and until their successors are duly elected and qualified. Each of the nominees proposed for election at the Annual Meeting is presently a member of the Board of Directors and has been elected by the shareholders.

The following table sets forth certain information regarding the members of, and nominees for, the Board of Directors:

NOMINEES FOR ELECTION AT THE 2006 ANNUAL MEETING

<u>Name</u>	<u>Age</u>	<u>Served As Director Since</u>	<u>Principal Occupation or Position with the Company</u>
Eugene R. Corasanti	75	1970	Chairman of the Board of Directors and Chief Executive Officer of the Company.
Joseph J. Corasanti	42	1994	President and Chief Operating Officer of the Company; Director of the Company; Director of II-VI, Inc. (Nasdaq: IIVI).
Bruce F. Daniels	71	1992	Executive, retired; former Controller of the international division of Chicago Pneumatic Tool Company; Director of the Company. As noted below, the Board of Directors has determined that Mr. Daniels is independent, and is a financial expert.
Jo Ann Golden	58	2003	Partner of Dermody, Burke and Brown, CPAs, LLC (accountants); Director of the Company. As noted below, the Board of Directors has determined that Ms. Golden is independent, and is a financial expert.
Stephen M. Mandia	41	2002	President of East Coast Olive Oil Corp.; Director of the Company. As noted below, the Board of Directors has determined that Mr. Mandia is independent.
William D. Matthews	71	1997	Retired Chairman of the Board of Directors and retired Chief Executive Officer of Oneida Ltd. (NYSE: OCQ), Chairman of the Board of Directors of Oneida Financial Corporation (Nasdaq: ONFC) and a former director of Coyne Textile Services; Director of the Company. As noted below, the Board of Directors has determined that Mr. Matthews is independent, and is a financial expert.
Stuart J. Schwartz	69	1998	Physician, retired; Director of the Company. As noted below, the Board of Directors has determined that Dr. Schwartz is independent.

More information concerning the directors and nominees is set forth below under the heading Corporate Governance Matters - Directors, Executive Officers, Senior Officers and Nominees for the Board of Directors

The Board of Directors recommends a vote FOR this proposal.

PROPOSAL TWO: INDEPENDENT ACCOUNTANTS

The independent accountants for the Company have been PricewaterhouseCoopers LLP since 1982. The Audit Committee appointed PricewaterhouseCoopers LLP to be nominated as independent accountants for 2006, subject to shareholder ratification.

Unless otherwise specified, shares represented by proxies will be voted for the ratification of the appointment of PricewaterhouseCoopers LLP as independent accountants for 2006. Neither our certificate of incorporation nor our by-laws require that the shareholders ratify the appointment of PricewaterhouseCoopers LLP as our independent accountants. We are doing so because we believe it is a matter of good corporate governance. If the shareholders do not ratify the appointment, the Audit Committee will reconsider whether to retain PricewaterhouseCoopers LLP, but may elect to retain them. 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 PricewaterhouseCoopers LLP are expected to be present at the meeting. Such representatives will 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 PricewaterhouseCoopers LLP as independent accountants for the Company for 2006.

The Board of Directors recommends a vote FOR this proposal.

PROPOSAL THREE: THE 2006 STOCK INCENTIVE PLAN

On February 17, 2006, upon the recommendation of our Compensation Committee, our Board of Directors unanimously approved the 2006 Stock Incentive Plan, subject to approval by our shareholders. The 2006 Stock Incentive Plan will be applicable only to awards granted on or after the date the 2006 Stock Incentive Plan is approved by shareholders (the "Effective Date").

The following summary of the material terms of the 2006 Stock Incentive Plan is qualified in its entirety by reference to the complete text of the 2006 Stock Incentive Plan, which is attached hereto as Exhibit A.

Overview

The purpose of the 2006 Stock Incentive Plan is to attract, retain and motivate officers, directors, employees, consultants and others who may perform services for the Company, to compensate them for their contributions to the long-term growth and profits of the Company and to encourage them to acquire a proprietary interest in the success of the Company. Awards may be made to any officer, director, employee, consultant and to any other individual who may perform services for the Company and its subsidiaries and affiliates selected by the committee that administers the 2006 Stock Incentive Plan. The 2006 Stock Incentive Plan provides for grants of options, stock appreciation rights ("SARs"), dividend equivalent rights, restricted stock ("Restricted Shares"), restricted stock units ("RSUs"), and other equity-based and equity-related awards (collectively, "Awards").

Administration

The 2006 Stock Incentive Plan generally will be administered by the Compensation Committee of the Board of Directors (the "Compensation Committee") or such other committee that the Board of Directors may select from time to

time. To the extent we decide that it is appropriate for compensation realized from Awards to be considered “qualified performance-based compensation” under section 162(m) of the Code, the Committee will be a committee or subcommittee of the Board of Directors made up of two or more directors, each of whom is an “outside director” within the meaning of section 162(m) of the Code. The Board of Directors, in its sole discretion, also may grant Awards or administer the 2006 Stock Incentive Plan.

The Compensation Committee will have complete control over the administration of the 2006 Stock Incentive Plan and will have sole discretion to make all determinations in respect of the 2006 Stock Incentive Plan (including, for example, the ability to determine whether individual Awards may be settled in cash, shares of Common Stock, other securities, other Awards or other property).

Amendment

The Board of Directors may, at any time, suspend, discontinue, revise or amend the 2006 Stock Incentive Plan in any respect whatsoever, and may also suspend the ability of a recipient of an Award to exercise or otherwise realize the value of his/her Award. Any amendment that materially adversely affects a recipient, however, requires such recipient's prior written consent. In general, shareholder approval of any suspension, discontinuance, revision or amendment will be obtained only to the extent necessary to comply with any applicable law, rule or regulation.

Eligibility

Awards may be made to officers, directors, employees, consultants and other individuals who may perform services for the Company and its subsidiaries, in the sole discretion of the Compensation Committee. As of March 31, 2006, approximately 300 officers, directors and employees would be eligible to receive Awards under the 2006 Stock Incentive Plan.

Shares Subject to the Plan; Other Limitations of Awards

The total number of shares of Common Stock that may be delivered pursuant to Awards granted under the 2006 Stock Incentive Plan on or after the Effective Date initially may not exceed 1,000,000 shares. These shares may be authorized but unissued shares of Common Stock or authorized and issued shares of Common Stock held in our treasury or otherwise acquired for the purposes of the 2006 Stock Incentive Plan. If, after the Effective Date, any Award that is granted on or after the Effective Date is forfeited or otherwise terminates or is canceled without the delivery of shares of Common Stock or shares of Common Stock are surrendered or withheld from any Award to satisfy any obligation of the Award recipient (including federal, state or foreign taxes) then the shares covered by such forfeited, terminated or canceled Award or which are equal to the number of shares surrendered or withheld will again become available to be delivered pursuant to Awards granted under the 2006 Stock Incentive Plan. In addition, any shares of Common Stock (a) delivered by the Company, (b) with respect to Awards which are made by the Company and (c) with respect to which the Company becomes obligated to make Awards, in each case through the assumption of, or in substitution for, outstanding awards previously granted by an acquired entity, will not count against the shares of Common Stock available to be delivered pursuant to Awards under the 2006 Stock Incentive Plan.

No more than 1,000,000 shares of Common Stock may be delivered under the 2006 Stock Incentive Plan pursuant to the exercise of incentive stock options granted under the 2006 Stock Incentive Plan.

The maximum number of shares of Common Stock with respect to which options or SARs may be granted to an individual recipient in any calendar year is 200,000 shares of Common Stock

The Compensation Committee has the authority (but not the obligation) to adjust the number of shares of Common Stock issuable under the 2006 Stock Incentive Plan and to adjust the terms of any outstanding Awards, in any such manner as it deems appropriate to prevent the enlargement or dilution of rights, or otherwise with respect to Awards, for any increase or decrease in the number of issued shares of Common Stock (or issuance of shares of stock other than shares of Common Stock) resulting from certain corporate transactions that affect the capitalization of the Company.

Types of Awards

The 2006 Stock Incentive Plan provides for Awards in the form of options intended to qualify as incentive stock options under section 422 of the Code ("ISOs"), nonqualified stock options, SARs, dividend equivalent rights, Restricted Shares, RSUs and other equity-based or equity-related awards pursuant to which Common Stock, cash or other property may be delivered to the Award recipient. Each Award will be evidenced by an award agreement (an

“Award Agreement”), which will govern that Award’s terms and conditions.

Options entitle the recipient to purchase shares of Common Stock at the exercise price specified by the Compensation Committee in the recipient’s Award Agreement. A SAR may entitle the recipient to receive shares of Common Stock, cash or other property equal in value to the appreciation of the Common Stock over the exercise price specified by the Compensation Committee in the recipient’s Award Agreement. Options and SARs will become vested and exercisable as and when specified in the recipient’s Award Agreement. Outstanding and exercisable options and SARs may be exercised in accordance with procedures established by the Compensation Committee.

A Restricted Share is a share of Common Stock that is registered in the recipient’s name, but that is subject to certain transfer and/or forfeiture restrictions for a period of time as specified in the recipient’s Award Agreement. The recipient of a Restricted Share will have the rights of a shareholder, subject to any restrictions and conditions specified by the Compensation Committee in the recipient’s Award Agreement.

A RSU is an unfunded, unsecured right to receive a share of Common Stock (or cash or other securities or property) at a future date upon satisfaction of the conditions specified by the Compensation Committee in the recipient's Award Agreement.

A dividend equivalent right represents an unfunded and unsecured promise to pay to the recipient an amount equal to all or any portion of the dividends that would be paid on a specified number of shares of Common Stock if such shares were owned by the recipient. The conditions and restrictions for payments in connection with dividend equivalent rights will be determined by the Compensation Committee as specified in the recipient's Award Agreement. A dividend equivalent right may be granted alone or in connection with another Award.

No recipient of any Award under the 2006 Stock Incentive Plan will have any of the rights of a shareholder of the Company with respect to shares subject to an Award until the delivery of such shares of common stock to such person.

The 2006 Stock Incentive Plan provides that upon a "Change in Control" (as such term is defined in the 2006 Stock Incentive Plan), each option and SAR shall accelerate and be deemed fully vested and exercisable, the restrictions on Restricted Shares and RSUs shall lapse, and performance conditions shall be deemed satisfied in full.

Except to the extent otherwise expressly provided in an applicable Award Agreement, no Award (or any rights and obligations thereunder) granted to any person under the 2006 Stock Incentive Plan may be sold, exchanged, transferred, assigned, pledged, hypothecated, fractionalized, hedged or otherwise disposed of (including through the use of any cash-settled instrument) other than by will or by the laws of descent and distribution, and all such Awards (and any rights thereunder) shall be exercisable during the life of the recipient only by the recipient or by the recipient's legal representative.

The expiration date of each Award will be determined by the Compensation Committee and specified in a recipient's Award Agreement. Awards under the 2006 Stock Incentive Plan may be granted in lieu of, or determined by reference to, cash bonus and/or other compensation.

New Plan Benefits

The amount of each participant's Award for the 2006 calendar year will be determined based on the discretion of the Compensation Committee and therefore cannot be calculated. As a result, we cannot determine the number or type of Awards that will be granted under the 2006 Stock Incentive Plan to any participant for the 2006 fiscal year.

U.S. Federal Tax Implications of Option Awards and SARs

The following is a brief description of the U.S. federal income tax consequences generally arising with respect to the grant of options or SARs.

The grant of an option or SAR will create no tax consequences for the recipient or the Company. A recipient will not recognize taxable income upon exercising an ISO (except that the alternative minimum tax may apply). Upon exercising an option (other than an ISO) or SAR, the recipient generally will recognize ordinary income equal to the excess of the fair market value of the freely transferable and nonforfeitable shares (and/or cash or other property) acquired on the date of exercise over the exercise price.

Upon a disposition of shares acquired upon exercise of an ISO before the end of the applicable ISO holding periods, the recipient generally will recognize ordinary income equal to the lesser of (i) the excess of the fair market value of the shares at the date of exercise of the ISO over the exercise price, or (ii) the amount realized upon the disposition of the ISO shares over the exercise price. The amount realized upon the disposition of the ISO shares over the exercise price. Otherwise, a recipient's disposition of shares acquired upon the exercise of an Option (including an ISO for

which the ISO holding periods are met) or SAR generally will result in short-term or long-term (which will always be the case for ISOs if the holding periods are met) capital gain or loss measured by the difference between the sale price and the recipient's tax basis in such shares (the tax basis in option shares generally being the exercise price plus any amount recognized as ordinary income in connection with the exercise of the Option).

The Company generally will be entitled to a tax deduction equal to the amount recognized as ordinary income by the recipient in connection with the exercise of an Option or SAR. The company generally is not entitled to a tax deduction with respect to any amount that represents a capital gain to a recipient or that represents compensation in excess of \$1 million paid to "covered employees" that is not "qualified performance-based compensation" under section 162(m) of the Code. Accordingly, the Company will not be entitled to any tax deduction with respect to an ISO if the recipient holds the shares for the ISO holding periods prior to disposition of the shares and may not be entitled to any deduction with respect to certain Options or SARS that may be exercised by "covered employees."

The Board of Directors recommends a vote FOR this proposal.

As of March 31, 2006, the closing price of a share of Common Stock on the Nasdaq Stock Market was \$19.15.

OTHER BUSINESS

Management knows of no other business which will be presented for consideration at the Annual Meeting, but should any other matters be brought before the meeting, it is intended that the persons named in the accompanying proxy will vote such proxy at their discretion.

SHAREHOLDER PROPOSALS FOR 2007 ANNUAL MEETING

Any shareholder desiring to present a proposal to the shareholders at the 2007 Annual Meeting, which currently is expected to be scheduled on or about May 15, 2007, and who desires that such proposal be included in the Company's proxy statement and proxy card relating to that meeting, must transmit such proposal to the Company so that it is received by the Company at its principal executive offices on or before December 13, 2006. All such proposals should be in compliance with applicable SEC regulations. The Company's Nominating and Corporate Governance Committee will consider nominees for election as directors who are proposed by shareholders if the following procedures are followed. Shareholders wishing to propose matters for consideration at the 2007 Annual Meeting or to propose nominees for election as directors at the 2007 Annual Meeting must follow specified advance notice procedures contained in the Company's by-laws, a copy of which is available on request to the General Counsel of the Company, c/o CONMED Corporation, 525 French Road, Utica, New York 13502 (Telephone (315) 797-8375). As of the date of this proxy statement, shareholder proposals, including director nominee proposals, must comply with the conditions set forth in Section 1.13 of the Company's by-laws and to be considered timely, notice of a proposal must be received by the Company between February 14, 2007 and March 16, 2007.

CORPORATE GOVERNANCE MATTERS
DIRECTORS, EXECUTIVE OFFICERS, SENIOR OFFICERS AND
NOMINEES FOR THE BOARD OF DIRECTORS

Director Nominees

EUGENE R. CORASANTI (age 75) has served as Chairman of the Board of the Company since its incorporation in 1970. Mr. Corasanti has also served as the Company's Chief Executive Officer since its founding, having served as President and Chief Operating Officer from its founding until August 1999. Prior to the founding of the Company, Mr. Corasanti was an independent public accountant. Mr. Corasanti holds a B.B.A. degree in Accounting from Niagara University. Eugene R. Corasanti's son, Joseph J. Corasanti, is President and Chief Operating Officer and a Director of the Company.

JOSEPH J. CORASANTI (age 42) has served as President and Chief Operating Officer of the Company since August 1999 and as a Director of the Company since May 1994. Mr. Corasanti is also a member of the Board of Directors of II-VI, Inc. (Nasdaq: IIVI), a manufacturer of optical and electro-optical components and devices for infrared, e-ray, gamma-ray, telecommunication and other applications, where Mr. Corasanti is a member of the audit committee. He also served as General Counsel and Vice President-Legal Affairs of the Company from March 1993 to August 1998 and Executive Vice-President/General Manager of the Company from August 1998 to August 1999. Prior to that time he was an Associate Attorney with the law firm of Morgan, Wenzel & McNicholas, Los Angeles, California from 1990 to March 1993. Mr. Corasanti holds a B.A. degree in Political Science from Hobart College and a J.D. degree from Whittier College School of Law. Joseph J. Corasanti is the son of Eugene R. Corasanti, Chairman and Chief Executive Officer of the Company.

BRUCE F. DANIELS (age 71) has served as a Director of the Company since August 1992. Mr. Daniels is a retired executive. From August 1974 to June 1997, Mr. Daniels held various executive positions, including a position as Controller with Chicago Pneumatic Tool Company. Mr. Daniels holds a B.S. degree in Business from Utica College of Syracuse University. The Board of Directors has determined that Mr. Daniels is independent, and that he is an audit committee financial expert, within the meaning of the rules of the Securities and Exchange Commission.

JO ANN GOLDEN (age 58) was elected to the Board of Directors in 2003 following the recommendation of the Nominating and Corporate Governance Committee, which nomination was approved by the full Board of Directors in February 2003. Ms. Golden is a certified public accountant and the managing partner of the New Hartford, New York office of Dermody Burke and Brown, CPAs, LLC, an accounting firm. Ms. Golden is the past President of the New York State Society of Certified Public Accountants (the State Society), having served previously as the Secretary and Vice President of the State Society. In addition, Ms. Golden is a past president of the New York State Society's Foundation for Accounting Education. Ms. Golden is also a past member of the governing Council of the American Institute of Certified Public Accountants (AICPA), and was a member of the AICPA's Global Credential Survey Task Force in 2001. Ms. Golden holds a B.A. from the State University College at New Paltz, and a B.S. in Accounting from the Utica College of Syracuse University. The Board of Directors has determined that Ms. Golden is independent, and that she is an audit committee financial expert, within the meaning of the rules of the Securities and Exchange Commission.

STEPHEN M. MANDIA (age 41) has served as a Director of the Company since July 2002. Mr. Mandia has been the President and Chief Executive Officer of East Coast Olive Oil Corp. since 1991. Mr. Mandia also possesses financial ownership and sits on the board of Gem Packing Corp., Utica Plastics, LLC, ECOO Realty Corp., Olive Transport Corp. and Northside Gourmet Corp., which are all affiliated with East Coast Olive Oil Corp. Mr. Mandia holds a B.S. Degree from Bentley College, located in Waltham, Massachusetts, having also undertaken undergraduate studies at Richmond College in London. The Board of Directors has determined that Mr. Mandia is independent within the meaning of the rules of the Securities and Exchange Commission.

WILLIAM D. MATTHEWS (age 71) has served as a Director of the Company since August 1997. From 1986 until retiring from the positions in 1999, Mr. Matthews was the Chairman of the Board and the Chief Executive Officer of Oneida Ltd. Mr. Matthews is the Chairman of the Board of Directors and a member of the audit committee of Oneida Financial Corporation (Nasdaq: ONFC) and a former director of Coyne Textile Services. Mr. Matthews holds a B.A. degree from Union College and an L.L.B. degree from Cornell University School of Law. The Board of Directors has determined that Mr. Matthews is independent, and that he is an audit committee financial expert, within the meaning of the rules of the Securities and Exchange Commission.

STUART J. SCHWARTZ (age 69) has served as a Director of the Company since May 1998. Dr. Schwartz is a retired physician. From 1969 to December 1997 he was engaged in private practice as a urologist. Dr. Schwartz holds a B.A. degree from Cornell University and an M.D. degree from SUNY Upstate Medical College, Syracuse. The Board of Directors has determined that Dr. Schwartz is independent within the meaning of the rules of the Securities and Exchange Commission.

The Board of Directors has determined that Messrs. Daniels, Mandia and Matthews, Ms. Golden and Dr. Schwartz have no material relationship with the Company and are independent under the standards of the Nasdaq Stock Market.

After conducting a self-assessment, the Board agreed that the independent directors would meet in executive session after at least two Board meetings each year. Currently there is no lead director, and the independent directors designate, on a rotational basis, which director will preside at each executive session.

The Company's Directors are elected at each annual meeting of shareholders and serve until the next annual meeting and until their successors are duly elected and qualified. Eugene R. Corasanti's employment is subject to an employment agreement which, as amended, expires on December 31, 2006, as further described below. Joseph J. Corasanti's employment is subject to an amended and restated employment agreement which expires on December 31, 2009. The Company's other officers are appointed by the Board of Directors and, except as set forth in the following section, hold office at the will of the Board of Directors.

Executive Officers and Senior Officers

WILLIAM W. ABRAHAM (age 74) joined the Company in May 1977 as General Manager. He served as the Company's Vice President-Manufacturing and Engineering from June 1983 until October 1989. In November of 1989 he was named Executive Vice President and in March 1993, he was named Senior Vice President of the Company. Mr. Abraham holds a B.S. degree in Industrial Management from Utica College of Syracuse University.

THOMAS M. ACEY (age 59) has been employed by the Company since August 1980 and has served as the Company's Treasurer since August 1988 and as the Company's Secretary since January 1993. Mr. Acey holds a B.S. degree in Public Accounting from Utica College of Syracuse University and prior to joining the Company was employed by the certified public accounting firm of Tartaglia & Benzo in Utica, New York.

DANIEL S. JONAS (age 42) joined the Company as General Counsel in August 1998 and in addition became the Vice President-Legal Affairs in March 1999. In September 1999 through July 2005, Mr. Jonas assumed responsibility for certain of the Company's Regulatory Affairs and Quality Assurance departments. In March 2003, Mr. Jonas also became responsible for the administration of the Company's ethics policy. Mr. Jonas is also a director and secretary of CNY MedTech Association, Inc. and CNY MedTech Foundation, Inc. Prior to his employment with the Company, Mr. Jonas was a partner with the law firm of Harter, Secrest & Emery, LLP in Syracuse from January 1998 to August 1998, having joined the firm as an Associate Attorney in 1995. Prior to that he was an Associate Attorney at Miller, Alfano & Raspanti, P.C. in Philadelphia from 1992 to 1995 as well as an adjunct professor of law at the University of Pennsylvania Law School from 1991 to 1995. Mr. Jonas holds an A.B. degree from Brown University and a J.D. from

the University of Pennsylvania Law School.

JANE E. METCALF (age 49) joined the Company in July 2005 as the Vice President of Corporate Regulatory Affairs. Prior to her employment with the Company, Ms. Metcalf was the Vice President of Quality Assurance and Regulatory Affairs at 3F Therapeutics in Lake Forest, California, from June 2003 through June 2005, and held the position of Vice President Development Systems and Vice President Quality Assurance and Regulatory Affairs for Avail Medical in Santa Ana, California, from April 2000 through May, 2003. Prior to that, Ms. Metcalf held management positions with Medtronic and Allergan. Ms. Metcalf holds a B.S. in Chemical Engineering from the University of Massachusetts, and an M.B.A. from the University of California.

DAIVD R. MURRAY (age 58) joined the Company in 2004 as the President of ConMed Electrosurgery in July 2004. Mr. Murray was self-employed as a consultant to medical device businesses from 2001 through 2004, and served as the President and Chief Executive Officer of Cryogen, Inc. from 1996 through 2001. Mr. Murray holds a B.S. in Industrial Management from Purdue University, and a M.B.A. in Finance from the Wharton School of the University of Pennsylvania.

LUKE A. POMILIO (age 41) joined the Company as Controller in September 1995. In addition, in September 1999, Mr. Pomilio became a Vice President with responsibility for certain of the Company's manufacturing and research and development activities. Prior to his employment with the Company, Mr. Pomilio served as Controller of Rome Cable Corporation, a wire and cable manufacturer. He was also employed as a certified public accountant for Price Waterhouse LLP where he most recently served as an audit manager. Mr. Pomilio graduated with a B.S. degree in Accounting and Law from Clarkson University.

ROBERT D. SHALLISH, JR. (age 57) joined the Company as Chief Financial Officer and Vice President-Finance in December 1989 and has also served as an Assistant Secretary since March 1995. Prior to this he was employed as Controller of Genographics Corporation in Syracuse, New York since 1984. He was employed by Price Waterhouse LLP as a certified public accountant and senior manager from 1972 through 1984. Mr. Shallish graduated with a B.A. degree in Economics from Hamilton College and holds a Master's degree in Accounting from Syracuse University.

JOHN J. STOTTS (age 49) joined the Company as Vice President-Marketing and Sales for Patient Care in July 1993 and became Vice President-Marketing in December 1996. In January 2000, Mr. Stotts became Vice President - Marketing and Sales for Patient Care Products, a position now referred to as Vice President - Patient Care. Prior to his employment with the Company, Mr. Stotts served as Director of Marketing and Sales for Medtronic Andover Medical, Inc. Mr. Stotts holds a B.A. degree in Business Administration from Ohio University.

DENNIS M. WERGER (age 52) joined the Company in November 2004 as the Vice President and General Manager of ConMed Endoscopic Technologies ("CET"). From October 2002 until November 2004, Mr. Werger was the President and Chief Operating Officer of Granit Medical Innovations, LLC in Nashua, N.H. and New York, N.Y. Prior to that, Mr. Werger was the Vice President of Marketing for the Endoscopic Technologies division of C.R. Bard in Billerica, MA, having held other positions with C.R. Bard prior to that. Mr. Werger holds a B.S. in Accounting degree from Mt. St. Mary's College, and a Masters in Business Administration from the University of Phoenix in Denver, Colorado.

FRANK R. WILLIAMS (age 57) joined the Company in 1974 as Sales Manager and Director of Marketing and became Vice President-Marketing and Sales in June 1983. In September 1989, Mr. Williams was named Vice President-Business Development. In November 1995, he was named Vice President-Technology Assessment and in January 2000, was also named Vice President-Research and Development and Marketing for Minimally Invasive Surgical Products, a position now known as Vice President - Endoscopy. Mr. Williams graduated with a B.A. degree from Hartwick College in 1970 as a biology major and did his graduate study in Human Anatomy at the University of Rochester College of Medicine.

GERALD G. WOODARD (age 58) joined the Company as President of Linvatec Corporation, a wholly-owned subsidiary of the Company, in May 2000. Prior to his employment with the Company, Mr. Woodard served as the President of Elekta Holdings, Inc. from March 1998 to May 2000. Prior to holding this position Mr. Woodard was the President of the Monitoring and Information Systems Division of Marquette Medical Systems from November 1995 to March 1998. Mr. Woodard holds a B.G.S. degree from Indiana University.

COMPENSATORY ARRANGEMENTS AND RELATED TRANSACTIONS

The Company has outstanding agreements with certain executive employees of the Company selected by the Board of Directors. These agreements provide that the individuals will not, in the event of the commencement of steps to effect a Change of Control (defined generally as an acquisition of 20% or more of the outstanding voting shares or a change in a majority of the Board of Directors), voluntarily leave the employ of the Company until a third person has terminated his or her efforts to effect a Change of Control or until a Change of Control has occurred.

In the event of a termination of the individual's employment within two years and six months of a Change of Control, the executive is entitled to three years' compensation, including bonus, retirement benefits equal to the benefits he would have

received had he completed three additional years of employment, continuation of all life, accident, health, savings, or other fringe benefits for three years, as well as any excise or other tax that may become due as a result of such Change of Control.

The Board of Directors of the Company may terminate any such agreement upon three years prior written notice. The Board of Directors may also, at any time, terminate an agreement with respect to any executive employee who is affiliated with any group seeking or accomplishing a Change of Control. Messrs. E. Corasanti, J. Corasanti, Abraham, Murray, Shallish and Woodard are each a party to such an agreement, as are certain other officers of the Company and/or its subsidiaries.

MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEES

The full Board of Directors met seven times in person or by telephone conference call, and voted by unanimous consent on two occasions during 2005. Each director attended or acted upon 100% of the total 2005 full board meetings or unanimous consents, except one director who was unable to attend one of the telephone conference calls.

The Company's Board of Directors currently has three standing committees: the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee

The Audit Committee presently consists of Messrs. Daniels, Matthews and Mandia and Ms. Golden. As more fully detailed in its charter, the Audit Committee is charged with (a) oversight of the Company's accounting and financial reporting principles, policies and internal accounting controls and procedures; (b) oversight of the Company's financial statements and the independent audit thereof; (c) nominating the outside auditors to be proposed for shareholder approval; (d) evaluating and, where deemed appropriate, replacing the independent auditors; (e) pre-approving all services permitted by law to be performed by the independent auditors, (f) approving all related-party transactions; and (g) establishing procedures for (i) the receipt, retention and treatment of complaints by the Company regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. The Audit Committee has delegated its authority to pre-approve work by the independent auditors and related party transactions to the Chairman of the Audit Committee, who is required to disclose any such pre-approvals at the Audit Committee's next meeting. The Audit Committee met 11 times during 2005. All members of the Audit Committee attended every meeting. The current Audit Committee Charter is attached as an appendix to the 2004 proxy statement.

The Compensation Committee presently consists of Messrs. Matthews, Daniels and Mandia. As set forth in its charter the Compensation Committee is charged with reviewing and establishing levels of salary, bonuses, benefits and other compensation for the Company's officers. The Compensation Committee met in person or by telephone conference call 8 times during 2005, and acted by unanimous written consent on one occasion. All members of the Compensation Committee attended every meeting. The current Compensation Committee Charter is attached as an appendix to the 2004 proxy statement.

The Nominating and Corporate Governance Committee presently consists of Messrs. Daniels and Mandia and Dr. Schwartz. As stated in its charter, the Nominating and Corporate Governance committee is responsible for recommending individuals to the full Board of Directors for nominations as members of the Board of Directors, and for developing and recommending to the full Board of Directors a set of corporate governance principles. The Nominating and Corporate Governance Committee will consider, but is not obligated to accept, shareholder recommendations for individuals to be nominated provided that such recommendations are submitted in writing to the Company's General Counsel within the time frame for Shareholder Proposals for the Annual Meeting. The Nominating and Corporate Governance Committee held three meetings in person during 2005. All members of the Nominating and Corporate Governance Committee attended every meeting. The current Nominating and Corporate Governance Committee Charter is attached as an appendix to the 2004 proxy statement.

Each Director was paid \$1,000 for each of the six meetings of the full Board of Directors personally attended, \$500 for each meeting which a director attends through telephone conference call, and Messrs. Daniels, Mandia and Matthews, Dr. Schwartz and Ms. Golden, as non-employee directors, are paid \$5,000 for each fiscal quarter of service on the Board of Directors. Each member of the Audit Committee was paid \$500 for each meeting of the Audit Committee attended, and each director is paid \$500 for each committee on which he or she serves, with the chair of each committee receiving an additional \$500 per meeting, except with respect to the Audit Committee chair, who receives an additional \$1,000 per meeting. In addition, under the Company's Stock Option Plan for Non-Employee Directors, each non-employee director (Messrs. Daniels, Matthews, Mandia, Ms. Golden and Dr. Schwartz in 2003) (Messrs. Daniels, Matthews, Mandia, Ms. Golden and Dr. Schwartz in 2004 and 2005) re-elected or continuing as a director, receives 4,500 options with an option price equal to the fair market value of the Company's Common Stock on the business day following each annual meeting of the shareholders.

Fees Paid to Directors

	2005	2004	2003
Eugene R. Corasanti	\$ 5,000	\$ 5,500	\$ 6,000
Joseph J. Corasanti	\$ 5,000	\$ 5,500	\$ 6,000
Bruce F. Daniels	\$ 48,500	\$ 50,000	\$ 32,000
Jo Ann Golden	\$ 31,000	\$ 32,000	\$ 16,000
Stephen M. Mandia	\$ 36,000	\$ 36,000	\$ 29,000
William D. Matthews	\$ 37,000	\$ 35,000	\$ 28,000
Stuart Schwartz	\$ 26,500	\$ 26,500	\$ 25,000
TOTAL	\$ 189,000	\$ 190,500	\$ 142,000

The Board of Directors has the following committees, with the membership of each committee as indicated:

Board of Directors

Eugene R. Corasanti,
Chairman
Joseph J. Corasanti
Bruce F. Daniels
Jo Ann Golden
Stephen M. Mandia
William D. Matthews
Stuart J. Schwartz

Compensation Committee

William D. Matthews,
Chairman
Bruce F. Daniels
Stephen M. Mandia

Audit Committee

Bruce F. Daniels,
Chairman
Jo Ann Golden
Stephen M. Mandia
William D. Matthews

Nominating and Corporate Governance Committee

Bruce F. Daniels,
Chairman
Stephen M. Mandia
Stuart J. Schwartz

AUDIT COMMITTEE REPORT

The role of the Audit Committee is to assist the Board of Directors in its oversight of the Company's financial reporting process. The Board of Directors, in its business judgment, has determined that all members of the Audit Committee are "independent", as required by applicable listing standards of the Nasdaq Stock Market, in that no member of the Audit Committee has received any payments, other than compensation for Board services, from the Company. Although not currently engaged professionally in the practice of auditing or accounting, the Audit Committee and Board of Directors have determined that Messrs. Daniels and Matthews qualify as "audit committee financial experts" within the meaning of Section 407 of the Sarbanes-Oxley Act of 2002 and the implementing regulations. In addition, the Audit Committee and Board of Directors have determined that Ms. Golden qualifies as an "audit committee financial expert" within the meaning of Section 407 of the Sarbanes-Oxley Act of 2002 and the implementing regulations. The Audit Committee operates pursuant to a Charter that was last amended and restated by the Board of Directors on March 17, 2004. A copy of the amended and restated charter is attached to the 2004 proxy statement.

Management is responsible for CONMED's internal controls, financial reporting process and compliance with laws and regulations. The independent accountants are responsible for performing an integrated audit of CONMED's consolidated financial statements and of its internal control over financial reporting in accordance the standards of the Public Company of Accounting Oversight Board (PCAOB). The Audit Committee's responsibility is to monitor and oversee these processes, as well as to attend to the matters set forth in the amended and restated charter.

In this context, the Audit Committee has met on several occasions and held discussions with management and with the independent auditors, including executive meetings without management present. Management represented to the Audit Committee that the Company's consolidated financial statements were prepared in accordance with generally accepted accounting principles, and the Committee has reviewed and discussed the consolidated financial statements with management and the independent auditors. The Audit Committee discussed with the independent auditors matters required to be discussed by Statement on Auditing Standards Nos. 61, 89 and 90 (Communication with Audit Committees).

CONMED's independent auditors also provided to the Audit Committee the written disclosures and the letter required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and the Audit Committee discussed with the independent accountants their independence. In this regard, the Audit Committee has determined that the provision of non-audit services by the independent auditors is compatible with the auditor's independence in light of the nature and extent of permissible non-audit services provided to the Company.

Members of the Audit Committee rely without independent verification on the information provided to them and on the representations made by management and the independent accountants. Accordingly, the Audit Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or appropriate internal control and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit Committee's considerations and discussions referred to above do not assure that the audit of the Company's financial statements has been carried out in accordance with generally accepted auditing standards, that the financial statements are presented in accordance with generally accepted accounting principles or that the Company's auditors are in fact "independent."

Based upon the Audit Committee's review and discussions referred to above, and subject to the limitations on the role and responsibilities of the Audit Committee referred to above and in the Charter, the Audit Committee recommended that the Board of Directors include the Company's audited consolidated financial statements in CONMED's Annual Report on Form 10-K for the year ended December 31, 2005 filed with the SEC.

Submitted by the Audit Committee,

Bruce F. Daniels Jo Ann Golden
(Chair)

Stephen M. Mandia William D. Matthews

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CORPORATE GOVERNANCE AND NOMINATING COMMITTEE REPORT

The role of the Corporate Governance and Nominating Committee is to recommend individuals to the Board for nomination as members of the Board and its committees and to develop and recommend to the Board a set of corporate governance principles applicable to the Company. The Board of Directors, in its business judgment, has determined that all members of the Corporate Governance and Nominating Committee are “independent,” as required by applicable listing standards of the Nasdaq Stock Market, in that no member of the Corporate Governance and Nominating Committee has received any payments, other than compensation for Board services, from the Company. The Corporate Governance and Nominating Committee operates pursuant to a Charter that was last amended and restated by the Board of Directors on February 29, 2004. A copy of the amended and restated charter is attached to the 2004 proxy statement.

The Corporate Governance and Nominating Committee has no fixed process for identifying and evaluating potential candidates to be nominees. To date, the Corporate Governance and Nominating Committee has not retained the services of any third party to assist in the process of identifying or evaluating candidates, although this could change should circumstances warrant the services of a third party. Likewise, the Corporate Governance and Nominating Committee has no fixed set of qualifications that must be satisfied before a candidate will be considered. Rather, the Corporate Governance and Nominating Committee has opted to retain the flexibility to consider such factors as it deems appropriate. These factors may include judgment, skill, diversity, experience with businesses and other organizations of comparable size, the interplay of the candidate’s experience with the experience of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board.

The Committee may consider candidates proposed by management, but is not required to do so. As previously disclosed, the Corporate Governance and Nominating Committee will consider any nominees submitted to the Company by shareholders wishing to propose nominees for election as directors at the 2007 Annual Meeting, provided that the shareholders proposing any such nominees have adhered to specified advance notice procedures contained in the Company’s by-laws, a copy of which is available on request to the General Counsel of the Company, CONMED Corporation, 525 French Road, Utica, New York 13502 (Telephone (315) 797-8375).

Submitted by the Corporate Governance and Nominating Committee,

Bruce F. Daniels Stephen M. Mandia
(Chair)
Stuart J. Schwartz

SHAREHOLDER COMMUNICATIONS WITH THE BOARD OF DIRECTORS

Shareholders who wish to communicate with the Board of Directors may do so by sending correspondence to the attention of the General Counsel of the Company at 525 French Road, Utica New York 13502 with a cover letter explaining that the correspondence is intended for the Board of Directors. At this time, no communications received by the Company in this manner will be screened, although this could change without prior notice. In addition, questions may be posed to directors during the question and answer period at the Annual Meeting of Shareholders. The Company has no formal policy requiring that directors attend the Annual Meeting of Shareholders, although the Company’s expectation is that all directors will attend absent exceptional circumstances. Historically, all directors have attended the Annual Meeting of Shareholders, and all directors were present at the 2005 Annual Meeting of Shareholders.

ETHICS DISCLOSURE

The Company has adopted, as of March 31, 2003, an ethics program which applies to all employees, including senior financial officers and the principal executive officer. The ethics program is generally available through the investor relations section of the CONMED Corporation web site (www.Conmed.com), and is administered by the Company's General Counsel. The Program codifies standards reasonably necessary to deter wrongdoing and to promote honest and ethical conduct, avoidance of conflicts of interest, full, fair, accurate, timely and understandable disclosure, compliance with laws, prompt internal reporting of code violations and accountability for adherence to the code and permits anonymous reporting by employees to an independent third-party, which will alert the Chair of Audit Committee of Board of Directors if and when it receives any anonymous reports.

AUDIT FEES

The aggregate fees and expenses billed by PricewaterhouseCoopers LLP for professional services rendered for the audit of the Company's annual financial statements for the years ended December 31, 2004 and December 31, 2005, for the reviews of the financial statements included in the Company's Quarterly Reports on Form 10-Q for those years, and for the audit of the Company's internal control over financial reporting as of December 31, 2004 and December 31, 2005, and all other audit related, and tax consulting and other fees and expenses, are set forth in the table below.

Fee Summary	2005	2004
Audit Fees and Expenses:		
Audit of Annual Financial Statements and Interim Reviews	\$ 1,147,000	\$ 507,500
Audit of Internal Control over Financial Reporting	Included above	\$ 915,000
SEC Registration Statements	\$ 0	\$ 125,000
Total Audit Fees and Expenses	\$ 1,147,000	\$ 1,547,500
Audit Related:		
Benefit Plan Audits	\$ 0	\$ 0
Tax:		
Tax Compliance and Consulting Services	\$ 337,000	\$ 364,211
All Other:		
Research Service License	\$ 1,500	\$ 1,500
Total Fees and Expenses	\$ 1,485,500	\$ 1,913,211

The Audit Committee has adopted procedures requiring prior approval of particular engagements for services rendered by the Company's independent auditors. Consistent with applicable laws, the procedures permit one or more members of the Audit Committee to approve such services pursuant to authority delegated by the Audit Committee, provided the Audit Committee is informed.

COMPENSATION OF EXECUTIVE OFFICERS

The following information relates to all plan and non-plan compensation awarded to, earned by, or paid to (i) Eugene R. Corasanti, the Chairman of the Board of Directors and Chief Executive Officer of the Company (the "CEO") and (ii) the Company's four most highly compensated executive officers, other than the CEO, who were serving as executive officers of the Company at December 31, 2005 (the CEO and such officers, the "Named Executive Officers").

The following information does not reflect any compensation awarded to or earned by the Named Executive Officers subsequent to December 31, 2005, except as may otherwise be indicated. Any compensation awarded to or earned by

the Named Executive Officers during 2006 will be reported in the proxy statement for the Company's 2007 Annual Meeting of Shareholders, unless such compensation has been previously reported.

Summary Compensation Table

The following table sets forth for the Named Executive Officers for each of the last three fiscal years: (i) the name and principal position of the executive officer (column (a)); (ii) the year covered (column (b)); (iii) annual compensation (columns (c), (d) and (e)), including: (A) base salary earned during the year covered (column (c)); (B) bonus earned during the year covered (column (d)); and (C) other annual compensation not properly categorized as salary or bonus (column (e)); (iv) long-term compensation, including the sum of the number of stock options granted (column (f)); and all other compensation (column (g)).

Summary Compensation Table

(a)	(b)	Annual Compensation			Long-Term Compensation Awards	All Other Compensation ⁽³⁾
		(c)	(d)	(e)	(f)	(g)
Name Principal Position	Fiscal Year	Salary (\$)	Bonus ⁽¹⁾ (\$)	Other Annual Compensation ⁽²⁾ (\$)	Options (#)	(\$)
Eugene R. Corasanti Chief Executive Officer Chairman of the Board	2005	440,595	0	596,678	10,000	43,520
	2004	429,778	0	542,435	125,000	39,709
	2003	387,307	120,000	493,122	125,000	36,320
Joseph J. Corasanti President, Chief Operating Officer	2005	388,760	0	186,051	125,000	118,629 ⁽⁴⁾
	2004	359,977	0	146,410	125,000	70,545
	2003	292,308	91,500	133,000	125,000	20,319
David R. Murray⁽⁵⁾ President of ConMed Electrosurgery	2005	255,769	52,000	-	5,000	13,747
	2004	95,970	9,625	-	20,000	2,400
	2003	n/a	n/a	-	n/a	n/a
Robert D. Shallish, Jr. Chief Financial Officer	2005	221,224	0	-	15,000	21,541
	2004	219,911	0	-	10,000	21,772
	2003	198,682	60,830	-	10,000	17,457
Gerald G. Woodard President of ConMed Linvatec	2005	267,519	0	-	10,000	11,298
	2004	259,872	103,949	-	10,000	13,985
	2003	231,292	11,565	-	10,000	15,805

- (1) Annual Compensation - Bonus includes cash bonuses in year earned even if paid after the fiscal year end.
- (2) Amounts represent deferred compensation and accrued interest for Messrs. E. and J. Corasanti. See the discussion of the employment agreements for Messrs. E. and J. Corasanti, below.
- (3) All Other Compensation consists of company contributions, if any, to employee 401(k) plan accounts on the same terms offered to all other employees, payments for supplemental insurance policies and other payments relating to automobile leases and/or allowances and dues payments. In addition, with respect to Mr. J. Corasanti, All Other Compensation also includes reimbursements for certain insurance policies as provided for in his Amended and Restated Employment Agreement, which is further described below. All other compensation does

not include the costs for health insurance, life insurance and other benefits generally available to other employees on the same terms as those offered to the officers listed above.

- (4) Includes \$88,380 paid to Mr. J. Corasanti to pay, after the payment of taxes, the premium on certain life insurance policies, as discussed below.
- (5) Mr. Murray's employment commenced as of July 20, 2004.

Eugene R. Corasanti has a five-year employment agreement (the "CEO Employment Agreement") with the Company, which originally extended through December 31, 2001, and was extended through December 31, 2006. The CEO Employment Agreement provides for Mr. E. Corasanti to serve as chief executive officer of the Company for five years at an annual salary not less than \$300,000, as determined by the Board of Directors. Mr. E. Corasanti also receives deferred compensation of \$100,000 per year (which the Board increased to \$200,000 for 2000 and subsequent years) with interest at 10% per

annum, payable in 120 equal monthly installments upon his retirement or to his beneficiaries at death, and is entitled to participate in the Company's employee stock option plan, pension and other employee benefit plans and such bonus or other compensatory arrangements as may be determined by the Board of Directors. In the event that the Board of Directors should fail to re-elect Mr. E. Corasanti as chief executive officer or should terminate his employment for reasons other than just cause, Mr. E. Corasanti will become entitled to receive the greater of three years' base annual salary or the balance of his base annual salary plus the average of the bonuses, deferred compensation and incentive compensation awarded to Mr. E. Corasanti during the three years prior to such termination for the five-term employment term, and shall continue to receive other employment benefits, for the greater of three years or the balance of the CEO Employment Agreement's five-year term. In the event of Mr. E. Corasanti's death or disability, Mr. E. Corasanti or his estate or beneficiaries will be entitled to receive 100% of his base annual salary and other employment benefits (other than deferred compensation) for the balance of the CEO Employment Agreement's term. If, during the term of Mr. E. Corasanti's employment under the Employment Agreement and within two years after a Change in Control, his employment with the Company is terminated by the Company, other than for Cause or by him for Good Reason (as such capitalized terms are defined in the Employment Agreement), Mr. E. Corasanti will be entitled to receive (a) a lump sum payment equal to three times the sum of (i) his base salary on the date of such termination or his base salary in effect immediately prior to the Change in Control, whichever is higher, plus (ii) the average of the bonuses, deferred compensation and incentive compensation awarded to Mr. E. Corasanti during the three years prior to such termination; (b) continued coverage under the benefit plans in which he participates for a period of two years from the date of such early termination; (c) a lump sum payment equal to the aggregate amount credited to his deferred compensation account; and (d) awards for the calendar year of such termination under incentive plans maintained by the Company as though any performance or objective criteria used in determining such awards were satisfied. The Board of Directors determined that Mr. E. Corasanti's base annualized salary would be \$450,500 for 2005.

Joseph J. Corasanti has an employment agreement (the "COO Employment Agreement") with the Company, extending from January 1, 2000 through December 31, 2009. The COO Employment Agreement, which was amended and restated as of November 12, 2004, provides for Mr. J. Corasanti to serve as chief operating officer of the Company for at an annual salary originally not less than \$200,000, and not less than \$375,000 since November 12, 2004, as determined by the Board of Directors. Mr. J. Corasanti also receives deferred compensation of \$100,000 per year with interest at 10% per annum for payments accrued through December 31, 2004, with payments of \$125,000 to accrue in each year commencing December 31, 2005 with interest at two percent above prime per annum, payable upon his departure or retirement, or to his beneficiaries at death. Mr. J. Corasanti is entitled to participate in the Company's employee stock option plan and pension and other employee benefit plans and such bonus or other compensatory arrangements as may be determined by the Board of Directors. Mr. J. Corasanti is also entitled to be paid an amount sufficient after the payment of applicable taxes to permit Mr. J. Corasanti to purchase certain life insurance policies. In the event that the Board of Directors should fail to re-elect Mr. J. Corasanti as chief operating officer or should terminate his employment for reasons other than just cause, Mr. J. Corasanti will become entitled to receive the greater of three years' base annual salary or the balance of his base annual salary plus the average of the bonuses, deferred compensation and incentive compensation awarded to Mr. Corasanti during the three years prior to such termination for the remaining term of his employment contract, and shall continue to receive other employment benefits, for the greater of three years or the balance of the COO Employment Agreement's term. In the event of Mr. J. Corasanti's death or disability, Mr. J. Corasanti or his estate or beneficiaries will be entitled to receive 100% of his base annual salary and other employment benefits (other than deferred compensation) for the balance of the COO Employment Agreement's term. If, during the term of Mr. Corasanti's employment under the COO Employment Agreement and within two years after a Change in Control, his employment with the Company is terminated by the Company, other than for Cause or by him for Good Reason (as such capitalized terms are defined in the Employment Agreement), Mr. J. Corasanti will be entitled to receive (a) a lump sum payment equal to three times the sum of (i) his base salary on the date of such termination or his base salary in effect immediately prior to the Change in Control, whichever is higher, plus (ii) the average of the bonuses, deferred compensation and incentive compensation awarded to Mr. J. Corasanti during the three years prior to such termination; (b) continued coverage under the benefit plans in

which he participates for a period of two years from the date of such early termination; (c) a lump sum payment equal to the aggregate amount credited to his deferred compensation account; and (d) awards for the calendar year of such termination under incentive plans maintained by the Company as though any performance or objective criteria used in determining such awards were satisfied. During 2005, the Board of Directors determined that Mr. J. Corasanti's base annualized salary would be \$397,500.

STOCK OPTION PLANS

1999 Long-Term Incentive Stock Plan

In May 1999, the shareholders approved the CONMED Corporation 1999 Long-Term Incentive Plan (the “1999 LTIP”). Under the 1999 LTIP, in the discretion of the Compensation Committee of the Board of Directors (the “Committee”), options, performance shares and restricted stock may be granted to employees and/or consultants of the Company and its subsidiaries. The Committee presently consists of Messrs. Matthews, Daniels and Mandia.

Options may be granted which are (i) incentive stock options within the meaning of Internal Revenue Code Section 422, (ii) options other than incentive stock options (*i.e.*, non-qualified options), (iii) performance shares, and (iv) restricted stock (collectively, the “awards”). A total of 3,500,000 shares of Common Stock (subject to adjustment for stock splits and other changes in the Company’s capital structure) had been reserved against the issuance of awards to be granted under the 1999 LTIP. Shares reserved under an award which for any reason expires or is terminated, in whole or in part, shall again be available for the purposes of the 1999 LTIP. As of March 31, 2006, options relating to 3,416,118 shares of Common Stock have been granted and not terminated under the 1999 LTIP. As of March 31, 2006, 1,539,630 of the options are exercisable. As of March 31, 2006, options relating to 83,882 shares of Common Stock remain available to be granted.

The 1992 Plan

In April 1992, the shareholders approved the CONMED Corporation 1992 Stock Option Plan (as amended and approved by the shareholders on May 21, 1996, the “1992 Plan”). Under the 1992 Plan, in the discretion of the Compensation Committee of the Board of Directors, options may be granted to officers and key employees of the Company and its subsidiaries for the purchase of shares of Common Stock. The Compensation Committee presently consists of Messrs. Matthews, Daniels and Mandia.

Options may be granted which are (i) incentive stock options within the meaning of Internal Revenue Code Section 422 or (ii) options other than incentive stock options (*i.e.*, non-qualified options). A total of 3,000,000 shares of Common Stock (subject to adjustment for stock splits and other changes in the Company’s capital structure) had been reserved against the exercise of options to be granted under the 1992 Plan. Shares reserved under an option which for any reason expires or is terminated, in whole or in part, shall again be available for the purposes of the 1992 Plan. No additional options are available to be granted under the 1992 Plan. As of March 31, 2006, options relating to 2,913,230 shares of Common Stock have been granted and not terminated under the 1992 Plan, of which options relating to 564,684 shares of Common Stock are still exercisable.

Stock Option Plan for Non-Employee Directors

In May 1995, the shareholders of the Company approved the Stock Option Plan For Non-Employee Directors of CONMED Corporation (the “Non-Employee Directors Plan”). All members of the Company’s Board of Directors who are not current or former employees of the Company or any of its subsidiaries (“Non-Employee Directors”) are eligible to participate in the Non-Employee Directors Plan. Under the Non-Employee Directors Plan, each Non-Employee Director elected, reelected or continuing as a director receives 4,500 options (which are non-qualified stock options under the Internal Revenue Code of 1986) with an option price equal to the fair market value of the Company’s Common Stock on the business day following each annual meeting of the shareholders.

A total of 212,500 shares of Common Stock (subject to adjustment for stock splits and other changes in the Company's capital structure) had been reserved against the exercise of options to be granted and not terminated under the Non-Employee Directors Plan, of which options for 155,334 shares of Common Stock have been granted and not terminated and options for 23,500 shares are still exercisable. Options relating to 57,166 shares of Common Stock remain available to be granted. Shares issuable under the Non-Employee Directors Plan may be authorized but unissued shares or treasury shares. Shares reserved under an option which for any reason expires or is terminated, in whole or in part, shall again be available for the purposes of the Non-Employee Directors Plan.

Plan Category		Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (\$)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in the Second Column)
Equity Compensation Plans approved by security holders	1999 Long-Term Incentive Stock Plan	2,437,831	23.17	83,882
	1992 Stock Option Plan	596,886	17.45	0
	Stock Option Plan for Non-Employee Directors	46,000	28.87	23,500
Equity Compensation Plans approved by security holders	N/A			

Option Grants Table

The following table sets forth, with respect to grants of stock options made during 2005 to each of the Named Executive Officers: (i) the name of the executive officer (column (a)); (ii) the number of securities underlying options granted (column (b)); (iii) the percent the grant represents of the total options granted to all employees during 2003; (iv) the per share exercise price of the options granted (column (d)); (v) the expiration date of the options (column (e)); and (vi) the potential realizable value of each grant, assuming the market price of the Common Stock appreciates in value from the date of grant to the end of the option term at a rate of (A) 5% per annum (column (f)) and (B) 10% per annum (column (g)).

Option Grants in 2005

(a)	Individual Grants			(e)	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term	
	(b)	(c)	(d)		(f)	(g)
Name	Number of Securities Underlying Options Granted (#)	% of Total Options Granted to Employees in 2005	Exercise or Base Price (\$/Sh)	Expiration Date	5%(\$)	10%(\$)
Eugene R. Corasanti	10,000	1.99	31.40	05/17/2015	194,473	500,435
Joseph J. Corasanti	125,000	24.83	31.40	05/17/2015	2,468,411	6,255,439
David R. Murray	5,000	0.99	31.40	05/17/2015	98,736	250,218
Robert D. Shallish, Jr.	15,000	2.98	31.40	05/17/2015	296,209	750,653
Gerald G. Woodard	10,000	1.99	31.40	05/17/2015	197,473	500,435

Aggregated Option Exercises and Year-End Option Value Table

The following table sets forth, with respect to each exercise of stock options during 2005 by each of the Named Executive Officers and the year-end value of unexercised options on an aggregated basis: (i) the name of the executive

officer (column (a)); (ii) the number of shares received upon exercise, or, if no shares were received, the number of securities with respect to which the options were exercised (column (b)); (iii) the aggregate dollar value realized upon exercise (column (c)); (iv) the total number of securities underlying unexercised options held at December 31, 2005, separately identifying the exercisable and unexercisable options (column (d)); and (v) the aggregate dollar value of in-the-money, unexercised options held at December 31, 2005, separately identifying the exercisable and unexercisable options (column (e)). The Company has not issued any stock appreciation rights.

Aggregated Option Exercises in 2005 and December 31, 2005 Option Values

(a) Name	(b) Shares Acquired on Exercise (#)	(c) Value Realized (\$)	Unexercised Options at 12/31/05 (d)		Value of Unexercised In-the- Money Options at 12/31/05 (\$)(1) (e)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Eugene R. Corasanti	457,996	6,454,616.71	334,793	0	317,041.01	0
Joseph J. Corasanti	82,503	1,263,395.64	694,724	75,000	2,054,048.61	444,000
David Murray	0	0	4,000	21,000	5,480.00	