



ArthroCare Corporation





ARTC NASDAQ

Advanced Medical Equipment

Market Capitalization USD:

\$789.64 mm

CONCERN LEVEL: AVERAGE

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance. 
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group. 
- 7 The company's dilution from equity incentives is 10 percent or less. 
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: David F. Fitzgerald

Age: 78

CEO Since: 2009

	2009	2010	2011
Base Salary	\$426,573	\$534,154	\$548,375
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$360,000	\$802,126	\$425,539
Benefits and Perquisites	\$2,500	\$2,823	\$3,700
TOTAL ANNUAL COMPENSATION	\$789,073	\$1,339,103	\$977,614
Increase in Post-Retirement Benefits	\$0	\$0	\$0
Stock Option Awards	\$1,823,590	\$178,689	\$154,074
Stock Awards	\$824,966	\$1,224,844	\$970,843
TOTAL COMPENSATION	\$3,437,629	\$2,742,636	\$2,102,531
Median of Other Named Executive Officers Total Compensation	\$1,161,727	\$974,143	\$836,593
Value Realized on Exercise of Stock Option	\$0	\$0	\$84,174
Value Realized on Vesting of Stock	\$16,822	\$424,837	\$376,191
TOTAL REALIZED EQUITY COMPENSATION	\$16,822	\$424,837	\$460,365

Proxy Date: 3 Apr 2012

Annual Meeting Date: 24 May 2012

Equity Reserves: 20.19%

Stock Option Run Rate: 1.83%

ArthroCare Corporation

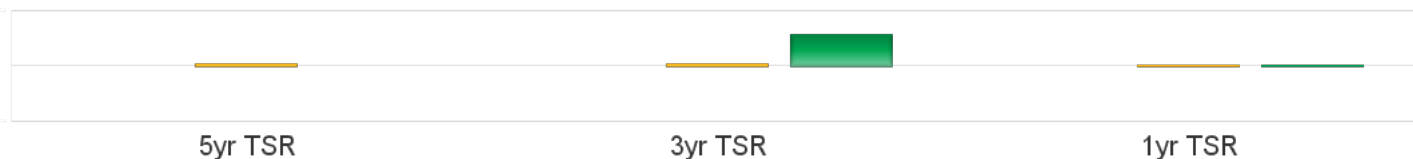
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Performance Comparison

■ S&P500 ■ Industry ■ ARTC



Peer Comparisons (TRBC) =Advanced Medical Equipment

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
ARTC	ArthroCare Corporation	\$3,437,629	\$2,742,636	\$2,102,531	\$789,639,976
BRKR	Bruker Corporation	\$809,748	\$1,183,444	\$892,100	\$2,243,596,934
PKI	PerkinElmer, Inc.	\$5,825,388	\$7,948,297	\$12,819,181	\$2,172,315,631
THOR	Thoratec Corporation	\$2,660,617	\$3,851,202	\$4,474,166	\$1,949,965,530
VOLC	Volcano Corporation	\$2,009,762	\$2,945,086	\$3,213,446	\$1,555,108,831
MAKO	MAKO Surgical Corp.	\$2,708,184	\$3,628,580		\$1,418,253,546
NXTM	NxStage Medical, Inc.	\$578,155	\$2,434,378	\$1,686,528	\$1,142,583,136

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Accuray, Inc., AngioDynamics, Inc., Greatbach, Inc., Integra Lifesciences Holdings Corp., Merit Medical Systems Inc., NxStage Medical, Inc., Symmetry Medical Inc., Wright Medical Group Inc., Align Technology Inc., Cantel Medical Corp, Haemonetics Corp., Masimo Corp., Natus Medical Incorporated, Orthofix International, Thoratec Corp., Zoll Medical Corp., American Medical Systems Holdings Inc., ConMed Corporation, ICU Medical Inc., Medical Action Industries Inc., NuVasive, Inc., Sonosite Inc., Volcano Corp.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
James G. Foster	Chairman	65	Male	10	Outside Related
Barbara D. Bovan	Member	63	Female	8	Outside
Christian Ahrens	Member	35	Male	3	Outside Related
Peter L. Wilson	Member	67	Male	11	Outside Related

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