

TELEFLEX INC
Form PRE 14A
March 15, 2007

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A**

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

Filed by the Registrant

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 §240.14a-12

Teleflex Incorporated

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) 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 or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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- o Fee paid previously with preliminary materials.
- o 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:

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(3) Filing Party:

(4) Date Filed:

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155 South Limerick Road, Limerick, Pennsylvania 19468

**Notice of Annual Meeting of Stockholders
To Be Held on May 4, 2007**

March , 2007

TO THE STOCKHOLDERS OF TELEFLEX INCORPORATED:

The Annual Meeting of Stockholders of Teleflex Incorporated (the Annual Meeting) will be held on Friday, May 4, 2007 at 11:00 a.m., local time, at *The Inn at Valley Forge, 251 West DeKalb Pike, King of Prussia, Pennsylvania 19406*, for the following purposes:

1. To elect three directors of the Company to serve for a term of three years, until their successors have been elected and qualified;
2. To vote upon a proposal to amend the Company s Certificate of Incorporation to increase the number of authorized shares of common stock of the Company;
3. To vote upon a proposal to ratify the appointment of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm for the 2007 fiscal year; and
4. To transact such other business as may properly come before the meeting.

The Board of Directors has fixed Friday, March 9, 2007, as the Record Date for the meeting. This means that owners of the Company s common stock at the close of business on that date are entitled to receive notice of and to vote at the Annual Meeting.

STOCKHOLDERS ARE REQUESTED TO DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD IN THE ENCLOSED ENVELOPE. NO POSTAGE IS NECESSARY IF MAILED IN THE UNITED STATES OR CANADA. YOU MAY ALSO VOTE BY TELEPHONE BY CALLING TOLL FREE 1-800-PROXIES (776-9437), OR VIA THE INTERNET AT WWW.VOTEPROXY.COM.

By Order of the Board of Directors,

LAURENCE G. MILLER, Secretary

PLEASE VOTE YOUR VOTE IS IMPORTANT

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**TELEFLEX INCORPORATED
155 South Limerick Road
Limerick, Pennsylvania 19468**

PROXY STATEMENT

GENERAL INFORMATION

This proxy statement is furnished to stockholders by the Board of Directors of the Company for solicitation of proxies for use at the Company's Annual Meeting of Stockholders to be held on Friday, May 4, 2007, 11:00 a.m., local time, at The Inn at Valley Forge, 251 West Dekalb Pike, King of Prussia, Pennsylvania 19406. The proxies may also be voted at any adjournment or postponement of the Annual Meeting. Only stockholders of record at the close of business on March 9, 2007, the Record Date, are entitled to vote. Each owner of record on the Record Date is entitled to one vote for each share of common stock held. On the Record Date, the Company had 39,138,686 shares of common stock outstanding.

This proxy statement and the enclosed form of proxy were mailed to stockholders on or about March 1, 2007. A copy of the Company's Annual Report is provided with this proxy statement.

The Company will pay the cost of solicitation of proxies. In addition to this mailing, proxies may be solicited, without extra compensation, by our officers and employees, by mail, telephone, facsimile, electronic mail and other methods of communication. The Company reimburses banks, brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses in forwarding solicitation materials to the beneficial owners of the Company's common stock. In addition, the Company has retained The Altman Group, Inc. (AGI), 1200 Wall Street West 3rd Floor, Lyndhurst, NJ 07071, to aid in the solicitation of proxies by mail, telephone, facsimile, e-mail and personal solicitation and will request brokerage houses and other nominees, fiduciaries and custodians to forward soliciting materials to beneficial owners of the Company's Common Stock. For these services, the Company will pay AGI a fee of \$8,500 and will reimburse AGI for its reasonable out-of-pocket expenses.

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QUESTIONS AND ANSWERS

1. What is a proxy ?

It is your way of legally designating another person to vote for you. That other person is called a proxy. If you designate another person as your proxy in writing, the written document is called a proxy or proxy card.

2. What is a proxy statement ?

It is a document required by the Securities and Exchange Commission (the SEC) that contains information about the matters that stockholders will vote upon at the Annual Meeting. The proxy statement also includes other information required by SEC regulations.

3. What is a quorum ?

A quorum is the minimum number of stockholders who must be present or voting by proxy in order to conduct business at the meeting. A majority of the outstanding shares, whether present in person or represented by proxy, will constitute a quorum at the Annual Meeting. Shares represented by proxies marked to abstain from voting for a proposal or to withhold voting for one or more nominees and broker non-votes are counted for purposes of determining the presence of a quorum.

4. What is a broker non-vote ?

A broker non-vote occurs when a nominee, such as a broker or bank, holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner.

5. How many votes are required to approve the proposals?

A plurality of the votes cast at the meeting is required to elect directors; that is, the three nominees receiving the highest number of votes for the class whose term expires at the 2010 Annual Meeting.

The affirmative vote of a majority of outstanding shares is required to approve the amendment of the Company's Certificate of Incorporation to increase the number of authorized shares of common stock.

The affirmative vote of a majority of outstanding shares present, in person or by proxy, and entitled to vote is necessary to ratify the appointment of PricewaterhouseCoopers LLP and to approve any other proposal.

Abstentions will be included in the vote count and have the same effect as voting against a proposal. Broker non-votes will not be included in the vote count and will have no effect on the vote with respect to the proposal concerning the ratification of the appointment of the Company's independent registered public accounting firm, but will have the effect of a vote against the proposal to amend the Company's Certificate of Incorporation.

6. How do I vote?

You may vote through any of the following methods:

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attend the Annual Meeting in person and submit a ballot,

sign and date each proxy card you receive and return it in the prepaid envelope included in your proxy package,

vote by telephone by calling 1-800-PROXIES (776-9437) or

vote via the internet at www.voteproxy.com.

The shares represented by each proxy will be voted in accordance with the instructions in the proxy card, unless the proxy is revoked before it is exercised. Any proxy card which is signed and returned without any markings indicating how you wish to vote will be counted as a vote FOR the election of directors, FOR the proposal to amend the Company's Certificate of Incorporation and FOR the ratification of PricewaterhouseCoopers LLP as independent registered public accounting firm for 2007.

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7. How can I revoke my proxy?

You may revoke your proxy at any time before the proxy is exercised by submitting a notice of revocation or submitting an executed proxy card bearing a later date to the Secretary of the Company at the Company's principal executive offices, at 155 South Limerick Road, Limerick, Pennsylvania 19468. You may also revoke your proxy by attending the Annual Meeting in person and giving notice of your intention to vote at the Annual Meeting. Attendance at the Annual Meeting will not by itself revoke a previously granted proxy.

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PROPOSAL 1:

ELECTION OF DIRECTORS

Our Board of Directors (the Board) currently consists of eleven members divided into three classes, with one class being elected each year for a three-year term. At the Annual Meeting, three directors will be elected for terms expiring at our Annual Meeting of Stockholders in 2010 and until their successors are elected and qualified. The Board, upon the recommendation of the Governance Committee, has nominated Patricia C. Barron, James W. Zug and Jeffrey A. Graves for election for three-year terms.

Mrs. Barron and Mr. Zug are the continuing directors who previously were elected by our stockholders. Donald Beckman has advised the Board that he does not wish to stand for reelection. Mr. Beckman has been a director of the Company since 1981. The Board is profoundly grateful for Mr. Beckman's contributions over the past twenty-six years. Mr. Graves is a new nominee standing for election as director in this class.

The persons named in the enclosed proxy intend to vote properly executed proxies for the election of Mrs. Barron and Messrs. Zug and Graves. We do not anticipate that any nominee will be unable or unwilling to stand for election, but if that happens, the proxies may be voted for one or more substitute nominees designated by the Board, or the Board may decide to reduce the number of directors.

Information with respect to the nominees and continuing directors is set forth in the tables below.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF ALL NOMINEES.

Nominees for election to the Board of Directors Terms expiring in 2010

Patricia C. Barron, 64 Elected in 1998	Retired; Clinical Professor, Stern School of Business, New York University, New York, New York (2000-2003); Vice President, Business Operations, Xerox Corporation (1998); President, Xerox Engineering Systems Division (1994-98). Director, Quaker Chemical Company, Ultralife Batteries Corporation and U.S.A.A.
Jeffrey A. Graves, 45 Nominee	President and Chief Executive Officer, C&D Technologies, Inc., a producer of power conversion systems and electrical power storage (2005 present); Chief Executive Officer, Kemet Corporation (2003 to 2005); President and Chief Operating Officer, Kemet Corporation (2002-2003); Vice President of Technology and Engineering, Kemet Corporation (2001-2002); Manager, Power Systems Division of General Electric Company (1996-2001); Manager, Corporate Research and Development Center of General Electric Company (1994 to 1996). Director, C&D Technologies, Inc. and Technitrol, Inc.
James W. Zug, 66 Elected in 2004	Retired; Audit Partner, PricewaterhouseCoopers LLP and Coopers & Lybrand (1973-2000).

Director, Amkor Technology Inc., Brandywine Group of Mutual Funds
and Allianz Funds.

The following individuals currently serve as directors in the two other classes. Their terms will end at the Annual Meetings in 2008 and 2009, respectively.

Terms expiring in 2008

William R. Cook, 63
Elected in 1998

Retired; President and Chief Executive Officer, Severn Trent Services,
Inc., a water and waste utility company (1999-2002); Chairman, President
and Chief Executive Officer, BetzDearborn, Inc. (1993-98).

Director, Quaker Chemical Company.

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George Babich, Jr., 55 Elected in 2005	Retired; President of The Pep Boys Manny, Moe & Jack, a full-service automotive retail and service chain (March 2002-January 2005); Chief Financial Officer and Senior/Executive Vice President of The Pep Boys Manny, Moe & Jack (2000-2002); President and Chief Financial Officer of The Pep Boys Manny, Moe & Jack (2002-2004).
Benson F. Smith, 59 Elected in 2005	Chief Executive Officer, BFS & Associates, LLC, a company specializing in strategic planning and venture investing (2000-Present); President and Chief Operating Officer, C.R. Bard, Inc. (1994-98). Director, Rochester Medical Corporation and ZOLL Medical Corporation.
John J. Sickler, 65 Elected in 2006	Vice Chairman of the Company since December 2000; Interim Chief Financial Officer of the Company (December 2003-August 2004); Senior Vice President of the Company (April 1983-December 2000); Director of the Company (1979-1992).
Terms expiring in 2009	
Jeffrey P. Black, 47 Elected in 2002	Chairman, President and Chief Executive Officer of the Company (Chairman, May 2005 Present; President, December 2000-present; Chief Executive Officer, May 2002-present); President, Teleflex Fluid Systems (1999-2000); President, Teleflex Industrial Group (July-December 2000); Vice President, Teleflex Fluid Systems (1996-99).
Sigismundus W.W. Lubsen, 63 Elected in 1992	Retired: Member of the Executive Board, Heineken N.V., Amsterdam, the Netherlands, a manufacturer of beverage products (1995-2002). Director, Laurus N.V., RUVABO B.V., and I.F.F. (Nederland) Holding B.V., the Netherlands.
Judith M. von Seldeneck, 66 Elected in 2003	Chairman and Chief Executive Officer, Diversified Search Inc., a generalist executive search firm (1974-present). Director, Chair, Compensation Committee and Member of Board Strategic Planning Committee, Tasty Baking Company; Director, Citizens Bank of Pennsylvania; Chairwoman, Greater Philadelphia Chamber of Commerce (October 2001-October 2002); Chair, Philadelphia Chapter of the National Association of Corporate Directors.
Harold L. Yoh III, 46 Elected in 2003	Chairman of the Board and Chief Executive Officer of The Day & Zimmermann Group, Inc., a leading global provider of diversified managed services (1999-present). Director, Greater Philadelphia Chamber of Commerce, Chairman (October 2002-October 2003).

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CORPORATE GOVERNANCE

Corporate Governance Principles and Other Corporate Governance Documents

Our Corporate Governance Principles, including guidelines for the determination of director independence, the operations, structure and meetings of the Board, the committees of the Board and other matters relating to the Company's corporate governance, are available on the Investors page of our website. Also available on the Investors page are other corporate governance documents, including the Code of Ethics, the Code of Ethics for Chief Executive Officer and Senior Financial Officers, the Charter of the Audit Committee, the Charter of the Governance Committee and the Charter of the Compensation Committee. Any amendments to, or waivers of, the codes of ethics will be disclosed on our website promptly following the date of such amendment or waiver. You may access these documents at www.teleflex.com. You may also request these documents in print form by contacting us at Teleflex Incorporated, 155 South Limerick Road, Limerick, Pennsylvania 19468, Attention: Corporate Communications.

Board Independence

The Board has affirmatively determined that George Babich, Jr., Patricia C. Barron, William R. Cook, Jeffrey A. Graves, Sigismundus W.W. Lubsen, Judith M. von Seldeneck, Benson F. Smith, Harold L. Yoh III and James W. Zug are independent. All of such independent directors meet the categorical standards set forth in the Corporate Governance Principles, which have been adopted by the Board to assist it in making determinations of independence. The Board has further determined that the members of the Audit Committee, the Compensation Committee and the Governance Committee are independent within the meaning of the rules of the New York Stock Exchange (the NYSE), and that the members of the Audit Committee meet the additional independence requirements of the NYSE applicable to Audit Committee members.

To assist the Board in making determinations of independence, the Board has adopted the following categorical standards. The Board will determine the materiality of any relationship which a director has with the Company by considering all relevant facts and circumstances. The Board may determine that a director is not independent notwithstanding that none of the following categorical disqualifications apply. However, if any of the following categorical disqualifications apply, a director may not be considered independent.

A director who is an employee or whose immediate family member is an executive officer of the Company is not independent until the expiration of the three years after the end of such employment.

A director who receives, or if an immediate family member of the director is an executive employee of ours and has received, more than \$100,000 per year in direct compensation from us, other than director and committee fees, pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service) and compensation received by a director for former service as an interim Chairman or CEO during the immediately preceding three-year period, may not be considered independent until the expiration of the three years after such director or family member ceases to receive more than \$100,000 per year in compensation or such person ceases to be an immediate family member or becomes incapacitated, as may be applicable.

A director who is employed by, or whose immediate family member is a current partner of a firm that is our internal or external auditor or a current employee of such a firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice may not be considered independent.

A director who was, or whose immediate family member was a partner or employee of a firm that is our internal or external auditor and personally worked on our audit during the immediately preceding three-year period may not be considered independent until the expiration of the three years after the end of such service or employment relationship or such person ceases to be an immediate family member or becomes incapacitated, as may be applicable.

A director who is employed, or whose immediate family is employed, as an executive officer of another company where any of our present executives serve on such other company's compensation committee may not be considered independent until the expiration of the three years after the

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end of such service or employment relationship or such person ceases to be an immediate family member or becomes incapacitated, as may be applicable.

A director who is an employee, or whose immediate family member is an executive officer, of a company that makes payments to, or receives payments from, us for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues may not be considered independent until the expiration of the three years after such receipts or payments fall below such threshold or after such person ceases to be an immediate family member or becomes incapacitated, as may be applicable.

Lead Director

In March 2006, the Board established the position of Lead Director of the Board. Mr. William R. Cook was appointed as our initial Lead Director at the Annual Meeting on May 5, 2006 to serve a one year term or until his successor is appointed and qualified. The duties and responsibilities of the Lead Director include:

coordinating and developing the agenda for, and presiding over, executive sessions of the Board's independent directors;

facilitating communications among and between our directors and senior executives, including with respect to any concerns they may have about us and our performance;

collaborating with the Chairman of the Board to ensure appropriate information flow to the Board;

interviewing, along with the Governance Committee Chair, and making recommendations to the Governance Committee and the Board concerning Board candidates; and

providing input to the members of the Compensation Committee regarding the Chief Executive Officer's performance, and, along with the Compensation Committee Chair, meet with the Chief Executive Officer to discuss the Board's evaluation.

The independent directors of the Board have the authority to make decisions concerning the Lead Director, including the power to appoint and remove the Lead Director and the authority to modify the Lead Director's duties and responsibilities.

Executive Sessions of Non-Management Directors

Directors who are not executive officers or otherwise employed by us or any of our subsidiaries, who we refer to as the non-management directors, meet regularly in accordance with a schedule adopted at the beginning of each year and on such additional occasions as a non-management director may request. Such meetings are held in executive session, without the presence of any directors who are executive officers. The Lead Director presides over such meetings.

Stockholders or other interested persons wishing to communicate with members of the Board should send such communications to Teleflex Incorporated, 155 South Limerick Road, Limerick, Pennsylvania 19468, Attention: Corporate Communications. These communications will be forwarded to specified individual directors, or, if applicable, to all the members of the Board as deemed appropriate. Stockholders or other interested persons may also communicate directly and confidentially with the Lead Director, the non-management directors as a group or the Chairman or other members of the Audit Committee through the Teleflex Ethics Hotline at 1-888-883-1499 or for

international calls, 1-203-557-8604.

The Board and Board Committees

The Board held eight meetings in 2006. The Board does not have a formal policy concerning attendance at its Annual Meeting of Stockholders but encourages all directors to attend. All of the Board members except Harold L. Yoh III attended the 2006 Annual Meeting of Stockholders.

The Board has established a Governance Committee, a Compensation Committee and an Audit Committee.

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Governance Committee

The members of the Governance Committee are Mrs. Barron and Messrs. Lubsen and Cook. The Governance Committee is responsible for identifying qualified individuals for board membership and recommending individuals for nomination to the Board and its committees. In addition, the Governance Committee reviews and makes recommendations to the Board as to changes in Board structure, the range of qualifications that should be represented on the Board and eligibility criteria for individual Board membership. The Governance Committee is also responsible for developing and recommending corporate governance principles to the Board and overseeing the evaluation of the Board and management.

The Governance Committee held five meetings in 2006. The Governance Committee considers candidates for Board membership. Our Corporate Governance Principles provide that directors are expected to possess the highest character and integrity, and to have business, professional, academic, government or other experience which is relevant to our business and operations. In addition, directors must be able to devote substantial time to our affairs. The charter of the Governance Committee provides that in evaluating nominees, the Governance Committee should consider the attributes set forth above. Under our Corporate Governance Principles, a director must retire from the Board at the expiration of his or her term following attainment of age 70, except in special circumstances which shall be described in a resolution adopted by the Board requesting such director to defer retirement.

To assist the Governance Committee to identify candidates for nomination as directors, the committee sometimes employs a third party search firm and also receives recommendations of candidates from Board members. Mr. Graves was initially recommended by a current member of the Board.

In addition, the Governance Committee will consider recommendations for director candidates from stockholders. Stockholders can recommend candidates for nomination by delivering or mailing written notice of nominations to Teleflex Incorporated, 155 South Limerick Road, Limerick, Pennsylvania 19468, Attention: Secretary. In order to enable consideration of the candidate in connection with our 2008 Annual Meeting, a stockholder must submit the following information by December , 2007:

the name of the candidate and information about the candidate that would be required to be included in a proxy statement under the rules of the Securities and Exchange Commission;

information about the relationship between the candidate and the recommending stockholder; and

the consent of the candidate to serve as a director.

In considering any candidate proposed by a stockholder, the Governance Committee will reach a conclusion based on the criteria described above. The Governance Committee may seek additional information regarding the candidate. After full consideration, the stockholder proponent will be notified of the decision of the Governance Committee. The Governance Committee will consider all potential candidates in the same manner regardless of the source of the recommendation.

Compensation Committee

The members of the Compensation Committee are Mrs. von Seldeneck and Messrs. Lubsen, Smith and Yoh. The duties and responsibilities of the Compensation Committee include, among other things, the following:

review and recommend to the Board for approval all compensation plans in which any director or executive officer may participate and all other compensation plans in which our executives generally may participate;

review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer and evaluate annually the Chief Executive Officer's performance in light of those goals and objectives;

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review, and recommend to the other independent directors for approval, any employment agreements, severance agreements, retention agreements, change in control agreements and other similar agreements for the benefit of the Chief Executive Officer;

review and approve compensation of our executive officers (other than the Chief Executive Officer), and any employment agreements, severance agreements, retention agreements, change in control agreements and other similar agreements for the benefit of any of our executive officers (other than the Chief Executive Officer);

establish goals for performance-based awards under incentive compensation plans (including stock compensation plans);

administer and grant, or recommend to the Board the grant of, stock options and other equity-based compensation awards under our stock compensation plans;

review and recommend to the other independent directors for approval all material executive perquisites for the Chief Executive Officer's benefit;

review and approve all material executive perquisites for the benefit of any of our executive officers (other than the Chief Executive Officer); and

review and evaluate the Company's pension plan performance.

The Compensation Committee held seven meetings in 2006.

Audit Committee

The members of the Audit Committee are Messrs. Cook, Babich and Zug. The Audit Committee has responsibility to, among other things, assist the Board in its oversight of the following matters:

the integrity of our financial statements;

our internal control compliance;

our compliance with the legal and regulatory requirements;

the independent auditor's qualifications and independence; and

the performance of our internal audit function and its independent registered public accounting firm.

The Audit Committee has sole authority to appoint retain, compensate, evaluate and terminate the independent auditors, and reviews and approves in advance all audit and lawfully permitted non-audit services performed by the independent auditors. In addition, the Audit Committee oversees the performance of the persons performing our internal audit function; and meets separately, periodically, with management, the independent registered public accounting firm and our own internal auditors. The Audit Committee also periodically discusses with management our policies with respect to risk assessment and risk management.

Stockholders may contact our Audit Committee to report complaints about our accounting, internal accounting controls or auditing matters by writing to the following address: Teleflex Incorporated, 155 South Limerick Road, Limerick, Pennsylvania 19468, Attention: Audit Committee. Stockholders can report their concerns to the Audit Committee anonymously or confidentially.

The Board has determined that the three Audit Committee members, Messrs. Babich, Cook and Zug, meet the criteria of an audit committee financial expert as that term is defined in SEC regulations.

The Audit Committee held seven meetings in 2006.

Director Compensation

Directors who are also employees of ours or any of our subsidiaries receive no additional compensation for their service as directors. Non-management directors receive an annual cash retainer, which is payable in equal monthly installments. The amount of the annual cash retainer was increased from \$20,000

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to \$25,000 in June 2006. In addition, non-management directors currently are paid the following equity based compensation under our 2000 Stock Compensation Plan:

upon their first election or appointment to the board, a grant of 5,000 stock options;

an annual grant of 2000 stock options; and

an annual grant of shares of restricted stock having a certain market value on the grant date, which value was \$20,000 for 2006 and was increased to \$25,000 for 2007.

The non-management directors also receive a fee for each Board meeting attended equal to \$2,000 for meetings attended in person and \$1,000 for telephonic participation. Members of our Audit, Compensation and Governance Committees are also entitled to a fee of \$1,000 for each committee meeting attended, whether in person or telephonically.

The Lead Director receives an annual restricted stock award having a market value of \$20,000 on the grant date. The Chairpersons of our Audit, Compensation and Governance Committees receive an annual stipend of \$10,000, \$5,000 and \$5,000, respectively. We do not provide any pension benefits to the non-management directors.

We provide the non-management directors with \$100,000 of life insurance and \$100,000 of accidental death or dismemberment coverage during their service on the Board.

The table below summarizes the compensation paid to non-management directors during the fiscal year ended December 31, 2006.

<i>Name</i>	<i>Fees Earned Or Paid in Cash(1)</i>	<i>Stock Awards(2)</i>	<i>Option Awards(3)</i>	<i>Change in Pension Value and Nonqualified Deferred Compensation(4)</i>	<i>All Other Compensation (5)</i>	<i>Total</i>
George Babich, Jr.	\$ 44,917	\$ 19,490	\$ 44,860		\$ 2,268	\$ 111,535
Patricia C. Barron	\$ 40,833	\$ 19,490	\$ 42,005		\$ 2,268	\$ 104,596
Donald Beckman	\$ 39,917	\$ 19,490	\$ 42,005	\$ 942	\$ 2,268	\$ 104,622
William C. Cook	\$ 59,917	\$ 38,980	\$ 42,005		\$ 2,268	\$ 143,170
Sigismundus W.W. Lubsen	\$ 49,917	\$ 19,490	\$ 42,005		\$ 2,268	\$ 113,680
Judith M. von Seldeneck	\$ 40,917	\$ 19,490	\$ 41,301		\$ 2,268	\$ 103,976
Benson F. Smith	\$ 36,917	\$ 19,490	\$ 44,860		\$ 2,268	\$ 103,535
Harold L. Yoh III	\$ 38,917	\$ 19,490	\$ 41,301		\$ 2,268	\$ 101,976
James W. Zug	\$ 44,917	\$ 19,490	\$ 47,669		\$ 2,268	\$ 114,344

(1) Mr. Beckman and Mrs. von Seldeneck each deferred \$22,917 of their 2006 cash compensation into a deferral account under our Deferred Compensation Plan.

(2)

The amounts shown in this column represent the dollar amount recognized for financial statement reporting purposes with respect to the 2006 fiscal year for the fair value of restricted stock awards granted in 2006 as well as prior fiscal years, in accordance with SFAS 123R. Each non-management director was granted 293 shares of restricted stock in May 2006 with a grant date fair value of \$20,000. Mr Cook received an additional 293 shares of restricted stock in May 2006 with a grant date fair value of \$20,000 in respect of his service as Lead Director. These shares are subject to certain restrictions under our 2000 Stock Compensation Plan for a period of six months after the date of grant.

- (3) The amounts shown in this column represent the dollar amount recognized for financial statement reporting purposes with respect to the 2006 fiscal year for the fair value of option awards granted in 2006 as well as prior fiscal years, in accordance with SFAS 123R. In accordance with SEC rules, the amounts shown exclude the impact of estimated forfeitures. A discussion of the assumptions used in calculating these values may be found in Note 1 to our 2006 audited financial statements appearing in our Form 10-K for the fiscal year ended December 31, 2006, as filed with the SEC. Each non-management director was granted 2,000 stock options in February 2006 with a grant date fair value of \$28,540. These options are fully vested at the time of grant. As of December 31, 2006, each non-management director had the following number of options outstanding: Mr. Babich: 7,000; Mrs. Barron: 23,000; Mr. Beckman: 18,000; Mr. Cook: 21,000; Mr. Lubsen: 18,000; Mrs. von Seldeneck: 13,000; Mr. Smith: 7,000; Mr. Yoh: 13,000; and Mr. Zug: 9,000.
- (4) The amount reported in this column represents the above-market earnings on the non-qualified deferred compensation plan in which Mr. Beckman participates. Above-market earnings represent the difference between market interest rates determined

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under SEC rules and the interest credited to the named executive officer under our Deferred Compensation Plan. For additional information, see the Nonqualified Deferred Compensation Table.

- (5) The information reported reflects the dollar value of life and accidental death and dismemberment insurance premiums paid for the benefit of each non-management director.

Compensation Committee Interlocks and Insider Participation

Mr. Beckman, who served as a member of the Compensation Committee until May 2006, is of counsel to Beckman and Associates, a law firm, which provides legal services to the Company.

AUDIT COMMITTEE REPORT

The Audit Committee of the Board of Directors is comprised of three non-management directors, each of whom has been determined by the Board to be independent under the rules of the NYSE and the SEC. The Audit Committee's responsibilities are set forth in its amended and restated charter, which was adopted by the Board on March 7, 2005.

Generally, the Audit Committee oversees and reviews with the full Board any issues with respect to the Company's financial statements, the structure of our legal and regulatory compliance, the performance and independence of our independent registered public accounting firm and the performance of our internal audit function. The Committee retains our independent registered public accounting firm to undertake appropriate reviews and audits of our financial statements and our internal controls over financial reporting, determines the compensation of the independent registered public accounting firm and pre-approves all of their services. The preparation of our financial statements is the responsibility of our management. The Audit Committee maintains oversight of the independent registered public accounting firm by discussing the overall scope and specific plans for their audits, the results of their examinations and the overall quality of our financial reporting.

The Audit Committee maintains oversight of our internal audit function by reviewing the appointment and replacement of our director of internal auditing and periodically meets with the director of internal auditing to receive and review reports of the work of our internal audit department. The Audit Committee meets with management on a regular basis to discuss any significant matters, internal audit recommendations, policy or procedural changes, and risks or exposures, if any, that may have a material effect on our financial statements.

The Audit Committee has taken the following actions:

appointed and retained PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ended December 31, 2006;

reviewed and discussed with management our audited financial statements for the fiscal year ended December 31, 2006;

reviewed and discussed with management our unaudited financial statements for each of the fiscal quarters ended March 26, 2006, June 25, 2006 and September 26, 2006;

discussed with our independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61 Communications with Audit Committees, as amended;

received the written disclosures and the letter from our independent registered public accounting firm required by Independence Standards Board Standard No. 1 Independence Discussions with Audit Committees, as then

in effect, and has discussed with our independent registered public accounting firm their independence;
discussed matters with our independent registered public accounting firm outside the presence of management;
reviewed internal audit recommendations;
discussed with our independent registered public accounting firm the quality of our financial reporting; and

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reviewed and discussed with our independent registered public accounting firm and management the status of activities intended to maintain compliance with §404 of the Sarbanes-Oxley Act.

In reliance on the reviews, reports and discussions referred to above, the Audit Committee recommended to our Board, and the Board has approved, the inclusion of the audited financial statements in our Annual Report on Form 10-K for the year ended December 31, 2006, for filing with the SEC.

AUDIT COMMITTEE

WILLIAM R. COOK, *CHAIRMAN*

GEORGE BABICH, JR.

JAMES W. ZUG

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COMPENSATION DISCUSSION AND ANALYSIS

INTRODUCTION

In this Compensation Discussion and Analysis, we address the compensation paid or awarded to our executive officers listed in the Summary Compensation Table that follows this discussion. We refer to these executive officers as our named executive officers.

EXECUTIVE COMPENSATION OVERVIEW

Compensation Objectives

Our executive compensation program is designed to promote the achievement of specific annual, long-term and strategic goals by our executive management team and to align our executives' interests with those of our stockholders. In this regard, the components of the compensation program for our executives, including the named executive officers, are intended to meet the following objectives:

Provide compensation that enables us to attract and retain highly-skilled executives. We refer to this objective as competitive compensation.

Create a compensation structure that in large part is based on the achievement of performance goals. We refer to this objective as performance incentives.

Provide long-term incentives to align executive and stockholder interests. We refer to this objective as stakeholder incentives.

Provide an incentive for long-term continued employment with us. We refer to this objective as retention incentives.

We have fashioned the components of our executive compensation program to meet these objectives as follows:

<i>Type of Compensation</i>	<i>Objectives Addressed</i>
Salary	Competitive Compensation
Annual Bonus	Performance Incentives
Long-Term Compensation Stock Option Grants	Competitive Compensation Stakeholder Incentives Performance Incentives
Long-Term Compensation Cash Award	Competitive Compensation Retention Incentives Performance Incentives Stakeholder Incentives Competitive Compensation Retention Incentives

Role of Compensation Committee and Executive Officers

The Compensation Committee of our Board of Directors is responsible for the oversight of our executive compensation program. The Compensation Committee makes all decisions concerning compensation awarded to our executive officers, other than our Chairman, Chief Executive Officer and President, Jeffrey P. Black. Determinations concerning Mr. Black's compensation are made by our Board of Directors upon the recommendation of the Compensation Committee.

Mr. Black, with the assistance of our human resources department and our compensation consultant, Mercer Human Resource Consulting, which we refer to below as Mercer, provides statistical data to the Compensation Committee to assist it in determining appropriate compensation levels for our executives. Mr. Black also provides the Compensation Committee with recommendations as to components of the compensation of our executives. Mr. Black does not make recommendations as to his own compensation. While the Compensation Committee utilized this information, and values Mr. Black's observations with regard to other executive officers, the ultimate decisions regarding executive compensation are made by the Compensation Committee.

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Determination of Compensation

In making our compensation determinations, we periodically reference several published compensation surveys utilized by Mercer that provide information regarding compensation paid by manufacturing companies to executives in functionally comparative positions to our executives. The survey data is size adjusted by Mercer using a regression analysis where available; otherwise, we limited the sample to companies having annual revenues ranging from approximately 0.5 to 2 times our annual revenues. This resulted in samplings ranging from 100-150 to 300-400 companies, depending on the comparable executive position. We refer to these companies as the general market companies. In light of the fact that we wish to emphasize a performance orientation in our compensation program, we position base salaries to be at a lower level relative to the general market companies than total direct compensation, which includes the target amounts of annual bonus and long-term incentive compensation in addition to base salary. Specifically, we generally seek to position executive salaries to approximate the median of the salaries paid to comparable executives by the general market companies, while positioning total direct compensation to approximate the 65th percentile of total direct compensation paid by the general market companies. We also seek to position total cash compensation, which includes salary and target amount of annual bonus, at the same 65th percentile level. However, we may set compensation below or above these levels as we deem appropriate. Factors that may affect our determination include individual performance and comparable data relating to a peer group of manufacturing companies selected by our Compensation Committee. This group of companies, which we refer to as the peer group companies, was selected in 2003 and is subject to periodic review and update by our Compensation Committee.

We use the peer group companies as a secondary point of evaluation to validate compensation decisions, and in certain instances we have adjusted compensation in response to peer group data. Moreover, as explained in more detail below, we fashion the cash award portion of our long-term incentive compensation based on our total shareholder return as compared to the total shareholder return of the peer group companies. The peer group companies currently consist of the following:

- | | | |
|----------------------------------|------------------------|----------------------------|
| AMETEK, Inc., | Flowserve Corporation, | ITT Industries, Inc., |
| Carlisle Companies Incorporated, | GenCorp Inc., | Pentair, Inc., |
| Crane Co., | Goodrich Corporation, | Roper Industries, Inc. and |
| Dover Corporation, | IDEX Corporation, | The Timken Company. |

We reference these companies because they are diversified industrial companies of roughly comparable size to ours, and we believe that they are considered by analysts to be competitors for investor capital.

In making our compensation determinations, we used data provided to us by Mercer. In determining executive compensation in 2006, we considered, among other things, Mercer's advice that compensation that is within 15 percent above or below the 65th percentile market reference point for total direct compensation and total cash compensation and the 50th percentile market reference point for salary is within the competitive range we are seeking.

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2006 COMPENSATION

Salaries

Base salary ranges for our executives are determined based on each executive's position and responsibility by using market data. As noted above, we generally seek to position salaries for our named executive officers to approximate the median of salaries for positions of comparable responsibility reported by the general market companies. Salary levels are typically considered annually as part of our performance review process. In addition, salary reviews may occur at other times due to events such as a promotion or other change in job responsibility.

For 2006, salary increases for all named executive officers other than Messrs. Black and Northfield did not exceed three percent. Mr. Black's salary was increased by 13.3 percent, reflecting the considerations that resulted in our granting of a special equity award to Mr. Black and our entry into an employment agreement with Mr. Black, which are described below. Mr. Northfield's salary increase of 10 percent reflected his promotion to President of our Commercial group. We believe that the salaries paid to our named executive officers in 2006 were within the competitive range.

Annual Executive Incentive Compensation

We provide annual cash incentive opportunities to subject a meaningful amount of an executive's total cash compensation to the achievement of performance objectives. In this regard, we target total cash compensation, which is the sum of an executive's salary and target amount of annual bonus, to approximate the 65th percentile of total cash compensation for comparable executives in the general market companies, in contrast to the median reference point used in connection with salaries. Nevertheless, the actual amounts of annual bonus paid out to our executives is based on achievement of applicable corporate, business segment or individual performance goals and can vary considerably from the target amount.

Our annual incentive awards have two components:

an annual bonus opportunity relating to financial performance-based criteria awarded under our Executive Incentive Plan, which was approved by our stockholders in 2006; and

an annual bonus opportunity based on individual performance criteria, which was awarded in 2006 under our Performance Participation Plan.

The financial performance-based component under our Executive Incentive Plan comprises 80 or 100 percent of the target award opportunity. The individual performance component under our Performance Participation Plan comprises 20 percent of the target award opportunity for some of our named executive officers. We have weighted the annual incentive awards largely or completely to the financial performance-based component because we believe that emphasizing corporate or business unit financial performance encourages a unified commitment by our executives to performance that we believe more directly affects stockholder value.

Executive Incentive Plan Opportunity

For our named executive officers that do not have responsibility for a specific business segment, namely Messrs. Black, Sickler and Headley, the financial performance-based component was based on the amount of our earnings per share excluding restructuring charges, or EPS. In 2006, we used EPS as our principal performance

measure because we believe that a fundamental objective of an executive officer is to significantly increase stockholder value, and for a large, well established industrial enterprise like ours, EPS is a key metric affecting share price and, thus, stockholder value. We excluded restructuring charges from our EPS target because such charges are not contained within our earnings guidance and adjusted results reported to investors and are generally disregarded in assessing whether stockholder value has been generated. In the future, our Compensation Committee may determine to use additional financial performance-based criteria that are reflective of our performance.

For Messrs. Northfield and Suddarth, who each have responsibility with respect to one of our business segments, their entire incentive award opportunity was allocated to the financial performance-based component. Fifty percent of Mr. Northfield's and 40 percent of Mr. Suddarth's target award opportunity was based on segment operating income before the allocation of company costs to the business segment and excluding the impact of currency fluctuations. We believe that operating income, adjusted as described

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above, is a reliable overall measure of the performance of a business segment. Therefore, we believe that a significant portion of the target award for an executive who is responsible for a business segment should be based on this metric. The remaining 50 percent of Mr. Northfield's and an additional 40 percent of Mr. Suddarth's financial performance-based component was based on asset velocity index, which we use to measure the executive's success in managing certain operating working capital items. Asset velocity index is the sum of reported accounts receivable and inventories net of accounts payable and deferred revenue for the business segment expressed as a percentage of annualized quarterly revenues at the balance sheet date (the average of the asset velocity index at the end of each quarter is used for purposes of determining achievement of the stated goal). We believe that an important factor in our performance is the effective utilization of our cash resources and other working capital items. Executives with responsibility for individual business segments are most directly involved in utilizing these assets; therefore we applied this performance measure to them. We allocated the final 20 percent of Mr. Suddarth's financial performance-based component to EPS in order to attribute a certain portion of his opportunity to the overall financial performance of our company. Mr. Northfield's award opportunity did not include EPS as a component because we believed that it was important to emphasize operating income and asset velocity for our Commercial segment in 2006.

For 2006, an executive's award payout related to EPS could range from 50 percent of the target award, if threshold levels of performance equivalent to approximately 93 percent of the EPS target were achieved, to 200 percent of the target award, if the maximum performance level equivalent to approximately 103 percent of the EPS target was achieved or exceeded. Award payouts related to other financial performance-based measures could similarly range from 50 percent to 200 percent of the target award, if achievement exceeded threshold levels.

Performance Participation Plan Opportunity

In 2006, Messrs. Black, Sickler and Headley participated in the individual performance-based component of our annual executive incentive compensation program, which is made available under our Performance Participation Plan. This component provides award opportunities dependent upon an evaluation of an executive's overall performance during the preceding fiscal year, including the executive's satisfaction of individual performance objectives that are established at the beginning of the preceding fiscal year. Depending on the extent to which the executive satisfies the objectives, he may receive no payment or a payment of up to 200 percent of the individual performance component of the target award opportunity.

2006 Executive Incentive Compensation Targets and Awards

The target award payable to a named executive officer for 2006 if the target financial performance-based objective or objectives were achieved and 100 percent of the individual performance component award opportunity was paid is equal to a percentage of the executive's salary, as shown on the following table:

<i>Name</i>	<i>Target Award Opportunity as Percentage of Salary</i>	<i>Target Award Opportunity</i>
Jeffrey P. Black	100%	\$ 850,000
John J. Sickler	60%	\$ 264,001
Martin S. Headley	60%	\$ 250,908
John B. Suddarth	50%	\$ 150,000
Vince Northfield	50%	\$ 165,000

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The following table provides information for each named executive officer regarding applicable performance measures and actual payments with respect to 2006, based on the degree of achievement with respect to each performance measure:

<i>Name</i>	<i>Performance Measure</i>	<i>Performance Measure as a Percentage of Total Target Award Opportunity</i>	<i>Actual Award</i>	<i>Actual Award as a Percentage of Target Award Opportunity for the Performance Measure</i>
Jeffrey P. Black	EPS Individual Performance	80%	\$ 0	0%
John J. Sickler	EPS Individual Performance	20%	\$ 161,500	95%
Martin S. Headley	EPS Individual Performance	80%	\$ 47,520	90%
John B. Suddarth	EPS Asset Velocity Index Operating Income	80%	\$ 0	0%
		20%	\$ 37,630	75%
Vince Northfield	Asset Velocity Index Operating Income	20%	\$ 0	0%
		40%	\$ 102,600	171%
		40%	\$ 120,000	200%
	Asset Velocity Index	50%	\$ 116,500	141%
	Operating Income	50%	\$ 0	0%

The actual award payments are reflected in the **Bonus** column of the Summary Compensation Table.

Senior Executive Supplemental Bonus Awards

In February 2007, our Board of Directors, upon the recommendation of our Compensation Committee, approved supplemental bonus awards for certain of our senior executives, including Messrs. Black, Headley and Sickler. The amount of the supplemental bonus award approved for each named executive officer is set forth below.

<i>Name</i>	<i>2006 Supplemental Bonus Award</i>
Jeffrey P. Black	\$ 255,000
John J. Sickler	\$ 152,480
Martin S. Headley	\$ 75,260

The supplemental awards granted to Messrs. Black and Headley were approved by the Board in recognition of their contributions in our achievement of certain key financial metrics in 2006, which included record revenues and cash flow from operations, the achievement of our asset velocity target and significant improvements in operating profit margins. The Board determined that these awards, representing 30 percent of Messrs. Black's and Headley's target award opportunity under the 2006 annual incentive award program, provided meaningful recognition of Messrs. Black's and Headley's contributions to our 2006 financial results, while remaining well below the award that

would have been payable had the minimum EPS payout level been achieved.

Mr. Sickler's supplemental award was granted by the Board in recognition for his service and accomplishments as interim president of our Medical segment during 2006. In particular, the Board considered Mr. Sickler's increased responsibilities in serving as interim president of the Medical segment, his contributions in addressing the operational inefficiencies that occurred within our Medical segment during the first half of 2006 and the significant improvements in operating profit margins experienced by our Medical segment during the second half of 2006.

The supplemental bonus award payments are reflected in the Bonus column of the Summary Compensation Table.

Long-Term Incentive Compensation

Our long-term incentive compensation program is designed to provide stock and cash-based incentive compensation to promote achievement of corporate goals, encourage the growth of stockholder value and enable participation in our long-term growth and profitability. We seek to fashion long-term incentive compensation so that it is competitive with the 65th percentile of the general industry companies. As a

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result, the long-term incentive compensation opportunity was designed to be equivalent to 140 percent to 300 percent of a named executive officer's salary. We refer to this percentage of salary as the long-term incentive percentage. The 2006 long-term incentive percentage for each named executive officer and the dollar amount of the executive's long-term compensation opportunity is as follows:

<i>Name</i>	<i>Long-Term Incentive Percentage</i>	<i>Total Long-Term Compensation Opportunity</i>
Jeffrey P. Black	300%	\$ 2,550,000
Martin S. Headley	175%	\$ 731,815
Vince Northfield	140%	\$ 462,000
John B. Suddarth	140%	\$ 420,000

Mr. Sickler does not participate in our long-term incentive program because we believe that the compensation arrangement set forth in Mr. Sickler's employment agreement, taken together with prior equity awards granted to Mr. Sickler, provides him with an appropriate level of compensation.

Our long-term incentive compensation includes stock options issued under our 2000 Stock Compensation Plan and cash incentive opportunities awarded under our Executive Incentive Plan. We applied 65 percent of the long-term compensation opportunity to stock options, and the remaining 35 percent to a cash incentive opportunity that is payable based upon the extent to which our total shareholder return during a three year performance period beginning in 2006 exceeds the total shareholder return achieved by the peer group companies. We designed these components and the weighting of our long-term compensation to align the interests of our named executive officers to our stockholders, by providing an incentive to our executives for the favorable performance of our common stock both in absolute terms and in terms of its relative performance as against peer group common stock.

We allocated 65 percent of the long-term award to stock options because we believe that absolute return should be the principal determinant of the economic return received by our executives from long-term compensation. We did not allocate the entire award to stock options because we believe that if we underperform in relation to the peer group companies, our executives should not realize the total long-term compensation opportunity. Conversely, we provide a cash award component based on total shareholder return because we believe that if our common stock outperforms the common stock of our peers, some economic benefit is appropriate, even if absolute returns do not result in the stock options accruing meaningful value. In addition, we believe this comparative approach to a portion of our long-term compensation supports retention of our executives, as they may be subject to recruiting activity by companies that have not performed as well.

Stock Option Awards

In accordance with the rationale described above, we granted stock options to our named executive officers in 2006 based upon 65 percent of the total long-term incentive compensation opportunity. Using a Black Scholes methodology, we valued the stock options at \$19.99 per underlying share. In calculating this value, we assumed that options are held for their full ten-year term.

As a result of these computations, the named executive officers received stock options for the respective numbers of underlying shares set forth below in the Grants of Plan-Based Awards table under the column heading, All Other Option Awards: Number of Securities Underlying Options. The dollar amount for option awards shown in the Summary Compensation Table generally reflects the dollar amount recognized for financial statement purposes in

accordance with FAS 123R. Therefore, it includes amounts with respect to only a portion of the options granted in 2006, while also including amounts from earlier option grants. See note 2 to the Summary Compensation Table for further information.

Stock options awarded under the long-term incentive compensation program are generally granted in February of each year and have an exercise price equal to the average of the high and low sales prices of our common stock on the date of grant rounded to the nearest \$0.25 increment. Our options generally vest in equal annual increments on the first three anniversaries of the date of grant. We believe that these vesting terms provide our executives with meaningful incentive for continued employment. For additional information regarding stock option terms, see the footnotes accompanying the Grants of Plan-Based Awards table.

Table of Contents*Cash Incentive Awards*

The remaining 35 percent of the long-term compensation opportunity represents the target award based on total shareholder return as compared to the peer group companies. Total shareholder return is the appreciation in value of a share of stock of a company from the first trading day to the last trading day of the specified performance period plus the aggregate dividends paid in respect of such share during the performance period. Payment is based on a sliding scale so that the amount of the payment generally increases to the extent that our total shareholder return exceeds the total shareholder return of the peer group companies. Specifically, if our total shareholder return exceeds the return of five of the peer group companies, the threshold payment equal to 72 percent of the target award will be paid. If our total shareholder return exceeds one-half of the peer group companies, 100 percent of the target amount will be paid. The maximum payout, equal to 200 percent of the target amount, will be paid if our total shareholder return exceeds that of at least ten of the peer group companies. These award levels are subject to adjustment in the event that merger or acquisition activity changes the number of peer group companies. The amount that actually will be paid out with regard to cash incentive opportunities awarded in 2006 will be determined following 2008.

We have used the long-term compensation methodology described above for the past few years, and the three year performance period for the 2004 cash incentive opportunity was completed in 2006. For that period, our total shareholder return did not meet the minimum threshold for payment.

Special Equity Award for Jeffrey P. Black

In 2006, our Board of Directors, upon the recommendation of our Compensation Committee, granted Mr. Black a special equity award of stock options to purchase 80,000 shares of our common stock, which will vest in three equal annual installments, and 30,000 shares of restricted stock, which will vest over a two year period. The Compensation Committee, utilizing data provided by Mercer, recommended these grants in light of Mr. Black's assumption of duties as Chairman of the Board in addition to his responsibilities as President and Chief Executive Officer. Moreover, the award was made in recognition of earlier determinations made regarding Mr. Black's compensation. When Mr. Black first became our Chief Executive Officer in 2002, the Committee determined that his salary initially should be at a level below the midpoint of the range of chief executive officer salaries of the general market companies in order to maintain a growth opportunity for Mr. Black. While salary increases in 2004 and 2005 were designed to enable Mr. Black's salary to more closely approach the midpoint, his compensation, in varying degrees, remained below the midpoint level until 2006. Moreover, Mr. Black's target total direct compensation, while approaching the 65th percentile of the market group, was substantially below the equivalent percentage of the peer group. Further, the Committee believed that Mr. Black's performance warranted this award, and noted particularly his leadership in the formulation and execution of our restructuring programs, and the marked improvements in our operating performance and cash management. The equity award is addressed in the Stock Awards and Option Awards columns of the Grants of Plan Based Awards Table and accompanying footnotes.

Employment Agreement for Jeffrey P. Black

In March 2006, we entered into an employment agreement with Mr. Black. The employment agreement fixed a minimum annual base salary of \$850,000 per year and provides some personal benefits to Mr. Black. In addition, the agreement contains provisions relating to payments and benefits if Mr. Black is terminated without cause or if he terminates employment for good reason. The agreement also has provisions addressing termination in the event of a change in control that initially were addressed in a change in control agreement we entered into with Mr. Black in 2005 and that was replaced by the employment agreement provisions. The personal benefits made available to Mr. Black under the employment agreement are described in the narrative and footnotes accompanying the Summary Compensation Table. The payments that may be made to Mr. Black upon termination of his employment are described

below under Potential Payments Upon Termination or Change in Control.

Our determination to enter into the employment agreement with Mr. Black was based on our judgment of his performance since he first became Chief Executive Officer in 2002. We concluded that it was important to provide a strong incentive for Mr. Black to continue to serve as our Chief Executive Officer and to assume responsibilities as Chairman. The employment agreement was designed to provide such an

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incentive. On the other hand, we believe that it is appropriate to revisit Mr. Black's fundamental employment and severance terms from time to time. Therefore, the agreement generally will terminate on its third anniversary, and we have undertaken to negotiate terms of a successor agreement as we approach the termination date.

Personal Benefits

We provide our named executive officers with personal benefits that we believe are appropriate as part of a competitive compensation package that better enables us to attract and retain highly skilled executives. We periodically review the levels of perquisites and other personal benefits provided to our named executive officers. The personal benefits currently provided to our named executive officers include personal use of our corporate aircraft by Mr. Black, a company car and life insurance coverage for our named executive officers, and country club membership fees for Mr. Black and Mr. Northfield. Additional information regarding these benefits is provided in the Summary Compensation Table and the accompanying footnotes.

ONGOING AND POST-EMPLOYMENT ARRANGEMENTS

We have several plans and agreements addressing compensation for our named executive officers that accrue value as the executive continues to work for us, provide special benefits upon certain types of termination events and provide retirement benefits. These plans and agreements were designed to be a part of a competitive compensation package that would encourage our executives to remain employed by us. Not all plans apply to each named executive officer, and the participants are indicated in the discussion below.

Change in Control Arrangements

We have change in control arrangements with each of our named executive officers other than Mr. Sickler. The terms of Mr. Black's change in control arrangement are set forth in Mr. Black's employment agreement, and the terms of our change in control arrangements with each of our other named executive officers is set forth in a change of control agreement that we have entered into with each of the executives. Our agreement with each executive provides for payments and other benefits to the executive if we terminate the executive's employment for any reason other than disability or cause or if the executive terminates employment for good reason within two years following a change in control. The change in control provisions in Mr. Black's employment agreement differ from the change in control provisions for the other named executive officers with respect to the amount of the payments upon the relevant termination following the change in control. For a more detailed discussion of these arrangements, see Potential Payments Upon Termination or Change in Control, below. If an executive becomes liable for payment of any excise tax under Section 4999 of the Internal Revenue Code with respect to any payment received in connection with a change in control, we will make an additional payment to the executive. This payment is designed so that, after payment of all excise taxes and any other taxes payable in respect of the additional payment, the executive will retain the same amount as if no excise tax had been imposed. See Tax Considerations below for further information regarding the additional payment. We entered into these change in control arrangements so that our executives can focus their attention and energies on our business during periods of uncertainty that may occur due to a potential change in control. In addition, we want our executives to support a corporate transaction involving a change in control that is in the best interests of our stockholders, even though the transaction may have an effect on the executive's continued employment with us. We believe these arrangements provide a key incentive for our executives to remain with us.

Jeffrey P. Black Employment Agreement

In addition to the change in control provisions described above, we have also agreed to provide payments and other benefits to Mr. Black if, outside of the context of a change in control, we terminate his employment without cause or

he terminates employment for good reason. See Potential Payments Upon Termination or Change in Control for additional information.

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John J. Sickler Employment Agreement

Our employment agreement with John J. Sickler, our Vice Chairman, dated March 7, 2005, provides that upon Mr. Sickler's termination of employment, Mr. Sickler will retire and receive his vested and other benefits to which he is entitled under the our benefit plans. During the four years immediately following such retirement he will be entitled to health insurance at our expense and will be subject to a non-competition covenant. During the three years immediately following the termination of his employment, he will make himself available to us as an independent consultant and will be paid a monthly retainer fee at the rate of his base salary in effect immediately before his retirement. In addition, we will pay him compensation for each day of consulting service at a rate mutually agreed in writing. In July 2006, we entered into an amendment to Mr. Sickler's agreement, which was principally designed to provide benefits to Mr. Sickler or his estate in the event of his death or disability. The amendment provides that in the event of Mr. Sickler's death while employed, we will make a lump sum payment to his estate equal to three times his annual salary. In addition, in the event of Mr. Sickler's death during a three year post-employment consultancy period, he will be entitled to a lump sum payment equal to any unpaid retainer fees to be paid to Mr. Sickler for that period. Moreover, if he becomes disabled during the consultancy period, he will continue to receive the retainer fees and will not be required to provide service beyond those he reasonably is capable of providing. See Potential Payments Upon Termination or Change in Control for additional information.

Teleflex Incorporated Retirement Income Plan

The Teleflex Incorporated Retirement Income Plan, or TRIP, is a tax qualified defined benefit plan that provides benefits to all salaried employees following retirement based upon a formula relating to years of service and annual compensation. All of our named executive officers currently participate in this plan. The plan was closed to new participants on January 1, 2006. See the Pension Benefits table and accompanying narrative, and Potential Payments Upon Termination or Change-in-Control for additional information.

Supplemental Executive Retirement Plan

We maintain a Supplemental Executive Retirement Plan, or SERP, which is a nonqualified defined benefit plan that provides benefits for executives to the extent that their compensation cannot be taken into account under the TRIP because the compensation exceeds limits imposed under the Internal Revenue Code. We refer to the compensation that exceeds these limits as excess compensation. For 2006, compensation in excess of \$220,000 constitutes excess compensation. Under the SERP, a participant accumulates units of annual pension benefit equal to 2.0% of his or her eligible excess compensation for the first 35 years of service, and 1.833% of such compensation for each additional year of service. All of the named executive officers, other than Messrs. Northfield and Suddarth, participate in the SERP. See the Pension Benefits table and accompanying narrative, and Potential Payments Upon Termination or Change in Control for additional information.

Deferred Compensation Plan

We maintain a Deferred Compensation Plan, which is a nonqualified plan under which executives may defer certain amounts of their annual and long-term incentive compensation. Salary deferral elections are made annually by eligible executives in respect of salary amounts to be earned in the following year. Participants may direct the investment of deferred amount into a fixed interest fund or one or more notional funds. All of the named executive officers are eligible to participate in the Deferred Compensation Plan. See the Nonqualified Deferred Compensation Table 2006 for additional information.

TAX CONSIDERATIONS

Section 162(m) of the Internal Revenue Code limits to \$1 million the deductibility for federal income tax purposes of annual compensation paid by a publicly held company to its chief executive officer and its four other highest paid executives, unless certain conditions are met. To the extent feasible, we structure executive compensation to preserve deductibility for federal income tax purposes. In this regard, our stock compensation plans are designed to preserve, to the extent otherwise available, the deductibility of income realized upon the exercise of stock options. Moreover, our Executive Incentive Plan is designed to facilitate the deductibility of the non-discretionary portion of annual bonus awards and the cash portion of long-term incentive awards that meet the conditions for qualified performance-based compensation under

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Section 162(m). Nevertheless, we retain the discretion to authorize compensation that may not be deductible. The compensation paid to Mr. Black in 2006 exceeded the deductible limit by approximately \$285,203. In addition, it is possible that some portion of compensation paid to our executives in future years will be non-deductible, particularly if a change-in-control occurs or, in the case of Mr. Black, upon vesting of the restricted stock award granted to him in 2006.

As noted above, under our change in control arrangements, we will make an additional payment to our executives if payments to them resulting from a change in control are subject to the excise tax imposed by Section 4999 of the Internal Revenue Code. It is possible that a change in control could result in our making additional payments to our executives, particularly Mr. Black, who is entitled to receive a larger payment than other executives following a change in control if the conditions for payment are satisfied. Nevertheless, we believe that our payments relating to the excise tax are appropriate to preserve the incentive for executives to maintain their employment with us.

COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Company has reviewed and discussed with management the Compensation Discussion and Analysis required by SEC regulations and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

BENSON F. SMITH

SIGISMUNDUS W.W. LUBSEN, *CHAIRMAN*
JUDITH M. von SELDENECK

HAROLD L. YOH III

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The following table sets forth, for the fiscal year ended December 31, 2006, certain compensation information with respect to the Company's Chief Executive Officer, Chief Financial Officer and each of the three other most highly compensated executive officers, determined in accordance with SEC regulations, during the fiscal year ended December 31, 2006. These individuals are referred to in this Proxy Statement as the named executive officers.

<i>Name and Principal Position</i>	<i>Year</i>	<i>Salary</i>	<i>Bonus</i>	<i>Stock Awards(1)</i>	<i>Option Awards(2)</i>	<i>Change in Pension Value and Nonqualified Deferred Compensation(3)</i>	<i>All Other Compensation(4)</i>	<i>Total</i>
Frederick P. Black Chairman, President and Chief Executive Officer	2006	\$ 850,000	\$ 416,500	\$ 665,200	\$ 1,062,822	\$ 72,830	\$ 82,679	\$ 3,150,030
William S. Headley Executive Vice President and Chief Financial Officer	2006	\$ 418,180	\$ 112,890	\$ 97,619	\$ 250,857	\$ 35,042	\$ 33,635	\$ 948,223
William J. Sickler								