

INVACARE CORP
Form DEF 14A
April 07, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934

Filed by the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
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- Definitive Proxy Statement
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Invacare Corporation

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Invacare Corporation
Notice of Annual Meeting and Proxy Statement

2017 Annual Meeting of Shareholders
May 18, 2017

April 7, 2017

Dear Shareholder,

Enclosed are Invacare's 2017 Proxy Statement and voting materials. We encourage you to use the proxy statement, along with other materials such as the Company's Form 10-K, to help you participate in this year's shareholder voting process. The proxy statement is a means for us to provide information about our Board of Directors and governance practices and to communicate the alignment of our executive compensation program with the interest of shareholders. This alignment is important, as we transform our Company from being a generalist durable medical equipment company to focusing on clinical solutions for complex rehabilitation and post-acute care.

This year's Annual Meeting of Shareholders will be held:

Thursday, May 18, 2017 at 10:00 A.M. EDT

You are invited to join the meeting in person at:

Lorain County Community College
Spitzer Conference Center, Grand Room
1005 North Abbe Road
Elyria, OH 44035

After the business of the meeting is concluded, Matthew E. Monaghan, Chairman, President and Chief Executive Officer, will report on Invacare's transformation activities. A copy of this presentation will be posted at www.invacare.com/investorrelations.

Please vote your proxy. Whether or not you expect to attend the Annual Meeting in person, please return the enclosed proxy card as soon as possible to ensure your shares are represented.

Sincerely,
Lara L. Mahoney
Vice President
Investor Relations & Corporate Communications

Invacare Corporation
One Invacare Way, Elyria, OH 44035 USA
440-329-6000 www.invacare.com

Invacare Corporation
Notice of Annual Meeting of Shareholders
To Be Held On May 18, 2017

The Annual Meeting of Shareholders of Invacare Corporation (the "Company") will be held at the Lorain County Community College, Spitzer Conference Center, Grand Room, 1005 North Abbe Road, Elyria, Ohio on Thursday, May 18, 2017, at 10:00 A.M. EDT, for the following purposes:

1. To elect seven Directors for a one-year term expiring in 2018;
2. To ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for its 2017 fiscal year;
3. To hold an advisory vote to approve the compensation of the Company's named executive officers;
4. To hold an advisory vote regarding the frequency of future advisory votes on the compensation of the Company's named executive officers; and
5. To transact any other business as may properly come before the Annual Meeting.

Holders of common shares and Class B common shares of record as of the close of business on Monday, March 22, 2017 are entitled to vote at the Annual Meeting. It is important that your shares be represented at the Annual Meeting. For that reason, we ask that you promptly sign, date and mail the enclosed proxy card in the return envelope provided. Shareholders who attend the Annual Meeting may revoke their proxy and vote in person.

By Order of the Board of Directors,
Anthony C. LaPlaca
Secretary
April 7, 2017

Important Notice Regarding the Availability of Proxy Materials
for the Shareholder Meeting to Be Held on May 18, 2017:
The Proxy Statement and the 2016 Annual Report are also available
at www.invacare.com/annualreport.

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Proxy Summary

PROXY SUMMARY

The Board of Directors is pleased to present this year's notice of Annual Meeting and Proxy Statement (Shown above from left to right: Michael F. Delaney, Marc M. Gibeley, Dale C. LaPorte, Michael J. Merriman, Susan H. Alexander, Matthew E. Monaghan, Clifford D. Nastas, Baiju R. Shah, C. Martin Harris, M.D., and Anthony C. LaPlaca - Senior Vice President, General Counsel and Secretary)

To assist you in reviewing the proposals to be acted upon at the Annual Meeting, the Company is providing the following information on corporate governance highlights, Board composition, the Company's transformation strategy, and key executive compensation actions and decisions. This is a summary only and does not contain all the information that should be considered in connection with this proxy statement. For more complete information, please read this entire proxy statement and the Company's 2016 Annual Report on Form 10-K before voting.

Annual Meeting of Shareholders

Date and Time	May 18, 2017 at 10 A.M. EDT
Place	Lorain County Community College, Spitzer Conference Center, Grand Room 1005 North Abbe Road, Elyria, Ohio 44035
Record Date	March 22, 2017
Voting	Holders of outstanding common shares and Class B common shares as of the record date are entitled to vote at the Annual Meeting
Stock Symbol	IVC
Exchange	NYSE
Transfer Agent	Wells Fargo

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Proxy Summary

Annual Meeting Proposals

Item of Business	Board's Recommendation	See Page(s)
(1) To elect seven Directors for a one-year term expiring in 2018	FOR all Nominees	9-16
(2) To ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for its 2017 fiscal year	FOR	28
(3) To hold an advisory vote to approve the compensation of the Company's named executive officers	FOR	32
(4) To hold an advisory vote regarding the frequency of future advisory votes on the compensation of the Company's named executive officers	ONE YEAR	33

Corporate Governance Highlights

We are committed to good corporate governance, which we believe promotes the long-term interests of shareholders and strengthens Board and management accountability. We believe good governance also fosters trust in the Company by all stakeholders, including our customers, employees and the communities that we serve. Our Corporate Governance framework includes the following features:

- * Annual election of Directors, with majority voting and resignation policy
- * 6 of 7 independent Directors
- * Lead independent Director with oversight of independent Directors' executive sessions and information flow to the Board
- * Shareholder majority voting standard to amend charter or regulations
- * Policy restricting Directors to serve on no more than three other public company boards
- * Board conducts annual evaluation of Chairman, President and CEO
- * Annual self-assessments and evaluation of Board and committees
- * No "poison pill" in place
- * Formal Code of Conduct, ethics hotline, and ethics training and communications to reinforce Invacare's culture of compliance
- * Risk oversight by full Board and designated committees
- * Prohibition of hedging, pledging, and short sales by Executive Officers and Directors
- * Annual Say on Pay vote

Board Composition

Our Board has undergone a dramatic transformation in recent years. As of the 2017 Annual Meeting, if all nominees are elected, average Director tenure and age will be approximately 4 years and 54 years, respectively. This represents a significant turnover since January 2014, when average tenure and age were approximately 15 years and 66 years, respectively.

We are proud of the diverse qualifications, breadth of leadership skills, industry experience, and gender, racial and ethnic diversity of our Board.

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Proxy Summary

Board of Directors and Committees

Our Board is comprised of individuals with the integrity, skills and expertise necessary to oversee the business. A strong philosophy of active engagement and constructive debate are guiding principles for how the Board conducts itself for the benefit of all shareholders. The following table summarizes information about each of our Director nominees, whose qualifications are further described on Pages 10-16.

Name	Age	Director Since	Independent	Experience	Committee Membership
				Regulatory Affairs	
Susan H. Alexander	60	2016	Yes	Legal	Regulatory and Compliance
				Corporate Governance Global Healthcare	
Marc M. Gibeley	52	2015	Yes	Consumerism Corporate Governance	Audit
C. Martin Harris, M.D. (Lead Director)	60	2003	Yes	Healthcare Strategic Public Company General Management	Compensation and Management Development Nominating and Governance (Chair) Audit (Chair)
Michael J. Merriman	60	2014	Yes	Financial Public Company General Management	Compensation and Management Development
Matthew E. Monaghan	49	2015	No	Medical Device Experience Public Company General Management	No Audit
Clifford D. Nastas	54	2015	Yes	Manufacturing & Operations Biotech & Health Sciences	Regulatory and Compliance (Chair - effective May 18, 2017) Compensation and Management Development (Chair)
Baiju R. Shah	45	2011	Yes	Strategic Planning	Regulatory and Compliance

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Proxy Summary

Executive Leadership Driving Business Transformation

Invacare designs, manufactures and distributes durable medical devices that assist people with congenital, acquired and degenerative conditions. In these circumstances, the people who use our devices may be otherwise challenged with basic needs of living, or may be immobile or dependent upon others for essential care. Our solutions help people with these challenges in four areas of care: move, breathe, rest, and hygiene.

In April 2015, we welcomed our new Chief Executive Officer, Matthew E. Monaghan, who has a breadth of general management, medical device and turnaround experience within global companies. Mr. Monaghan, along with the management team and Board of Directors, established a three-phase business transformation strategy to shift our focus from being a generalist durable medical equipment company to one that focuses our strong technical and innovation capabilities on solving complex clinical needs for post-acute care.

As of early 2017, we are well into the first phase and moving into the second phase of our three-phase business transformation, which is expected to yield returns for re-investment and long-term growth.

We are using the following metrics, with directional trends we expect to see, to report on and track our progress through the three-phase transformation:

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Proxy Summary

Executive Compensation

Our executive compensation program is based on the following key principles:

- Pay for Performance Our executives are rewarded for meeting or exceeding financial and operating performance objectives and for leadership excellence.
- Alignment with Shareholders' Interests Our performance goals are established with the objective of restoring the Company's ability to generate sustainable and profitable growth.
- Retention of Talent Our compensation program is structured to encourage our executives to remain with the Company for long and productive careers.

Compensation Governance Practices

We have several governance practices which we believe support the soundness and efficacy of our compensation programs. In short:

- | What We Do | What We Don't Do |
|---|---|
| þ Pay for Performance | ý No Gross-Ups for Excise Taxes in New Arrangements |
| þ Annual Say-on-Pay | ý No Repricing Stock Options |
| þ Clawback Policy | ý No Hedging or Pledging of Company Stock |
| þ Short-Term and Long-Term Incentives | ý No Dividend Equivalents on Unvested Equity Grants |
| þ Independent Compensation Consultant | |
| þ Stock Ownership Guidelines | |
| þ Limited Perquisites and Related Tax Gross-Ups | |
| þ Double-Trigger Change of Control Agreements | |
| þ Mitigate Inappropriate Risk Taking | |

Executive Compensation is Tied to Performance

To promote the strategic goals of our business transformation and considering the investments being made in the Company's long-term earnings potential which may not, by their nature each, result in immediate financial improvements, the performance-based elements of our executive compensation program are based on financial metrics that are indicative of progress toward these goals.

Our corporate performance was a key factor in our 2016 named executive officer (NEO) compensation program.

Highlights of the alignment of our pay practices with performance are as follows:

- A substantial portion of the named executive officers' total compensation is "at risk" based on performance goals.
- We utilize both long-term and short-term awards, comprised of long-term equity-based awards and an annual cash bonus award.
- A significant percentage of long-term incentive awards are performance based.
- The key metrics for our annual cash bonus awards were Gross Profit Dollars, which measures the progress of our transformation, along with Adjusted Operating Income, which is a traditional operating performance measure.
- The key metric for performance share awards in 2016 was Average Gross Profit Percentage, which is a leading indicator of our transformation and shift in focus to higher margin, clinically complex products.

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Proxy Summary

The Company uses multiple performance measures and seeks to provide an appropriate mix of annual and long-term incentives that balance short-term and long-term objectives.

See Pages 34-66 for additional information regarding executive compensation.

Response to Advisory Vote and Shareholder Feedback

Approximately 93% of the votes cast at the 2016 Annual Meeting of Shareholders on the non-binding advisory vote on the compensation of the Company's named executive officers were voted in support of the Company's executive compensation program. Advisory say on pay votes have been held annually since 2011, and the Board of Directors has recommended to the shareholders that say on pay votes continue to be held every year. The Compensation and Management Development Committee (the "Compensation Committee") considered the results of the 2016 say on pay vote and believes that the approval of the proposal indicated that shareholders are supportive of the Company's executive compensation program and its philosophy and objectives. Accordingly, the Compensation Committee believes that its executive compensation decisions in 2016 are consistent with the philosophy and objectives that the Company's shareholders approved in 2016.

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Questions and Answers

QUESTIONS & ANSWERS REGARDING ANNUAL MEETING

Why am I receiving these materials?

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Invacare for use at the Annual Meeting of Shareholders to be held on May 18, 2017, and any adjournments or postponements that may occur. The time, place and purposes of the Annual Meeting are set forth in the Notice of Annual Meeting of Shareholders, which accompanies this proxy statement. This proxy statement is being mailed to shareholders on or about April 7, 2017.

Who is paying for this proxy solicitation?

The Company will pay the expense of soliciting proxies, including the cost of preparing, assembling and mailing the notice, proxy statement and proxy. In addition to the solicitation of proxies by mail, Invacare's Directors, officers or employees, without additional compensation, may make solicitations personally and by telephone. The Company may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

Who is entitled to vote?

Only shareholders of record at the close of business on March 22, 2017, the record date for the meeting, are entitled to receive notice of and to vote at the Annual Meeting. On this record date, there were 32,041,694 common shares and 729,309 Class B common shares outstanding and entitled to vote.

How many votes do I have?

On each matter to be voted on, you have one vote for each outstanding common share you own as of March 22, 2017, and ten votes for each outstanding Class B common share you own as of March 22, 2017.

Except as otherwise provided by Invacare's amended and restated Articles of Incorporation or amended and restated Code of Regulations, each as amended to date, or required by law, holders of common shares and Class B common shares will at all times vote on all matters, including the election of Directors, together as one class. The holders of common shares and Class B common shares will vote together as one class on all four proposals described in this proxy statement. No holder of shares of any class has cumulative voting rights in the election of Directors.

The Company's Class B common shares were authorized in 1987 and offered to then existing shareholders in exchange for the issued and outstanding common shares owned by such shareholders. The purpose of the issuance of the Class B common shares was to permit future acquisitions and financings to be accomplished without significant voting dilution of the Company's shareholders and to ensure that proposals to acquire the Company would be presented to the Board for its consideration. Because the Class B common shares automatically convert to common shares upon a transfer to any holder other than a qualifying family member(s) of the original holder (or any entity controlled by a qualified family member(s) of the original holder), substantially all of the Class B common shares have been converted to common shares. The Company is not permitted to issue any additional Class B common shares except in very limited circumstances.

How do I vote?

If you are a shareholder of record, you can vote in person at the Annual Meeting or you can vote by signing and mailing in your proxy card in the enclosed envelope. If you are a shareholder of record, the proxy holders will vote your shares based on your directions.

If you sign and return your proxy card, but do not properly direct how your shares should be voted on a proposal, the proxy holders will vote "FOR" each of the Director nominees named in proposal 1, "FOR" proposals 2 and 3 and in favor of "One Year" on Proposal 4, and will use their discretion on any other proposals and other matters that may be brought before the Annual Meeting.

The Board of Directors does not know of any matters to be presented at the Annual Meeting other than those stated in the Notice of Annual Meeting of Shareholders. However, if other matters properly come

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Questions and Answers

before the Annual Meeting, it is the intention of the persons named in the accompanying proxy to vote based on their best judgment on any other matters unless instructed to do otherwise.

If you hold common shares through a broker or nominee, you may vote in person at the Annual Meeting only if you have obtained a signed proxy from your broker or nominee giving you the right to vote your shares.

How do I vote my common shares held in the Invacare Retirement Savings Plan?

If you are a participant in the Invacare Retirement Savings Plan, the voting instruction card should be used to instruct the trustee for the Invacare Retirement Savings Plan as to how to vote the number of common shares that you are entitled to vote under the plan. If you do not timely instruct the trustee for the Invacare Retirement Savings Plan as to how to vote the shares credited to your account under the plan, your shares, together with all other uninstructed shares, will be voted in the same proportions that shares for which instructions were received will be voted.

What are the voting recommendations of the Board of Directors?

The Board of Directors recommends that you vote:

•“For” the election of the seven Director nominees for a one-year term expiring in 2018;

•“For” the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for its 2017 fiscal year;

•“For” the approval of the compensation of the named executive officers;

•In favor of "One Year" for the frequency of future advisory votes on the compensation of the named executive officers.

What constitutes a quorum?

A quorum of shareholders will be present at the Annual Meeting if at least a majority of the aggregate combined voting power of common shares and Class B common shares outstanding on the record date are represented, in person or by proxy, at the Annual Meeting. On the record date, 39,334,784 votes were represented by outstanding shares; therefore, shareholders representing at least 19,667,393 votes will be required to establish a quorum. Abstentions and broker non-votes will be counted for the purpose of determining the presence of a quorum.

Can I revoke or change my vote after I submit a proxy?

Yes. You can revoke your proxy or change your vote at any time before the proxy is exercised at the Annual Meeting. This can be done by either submitting another properly completed proxy card with a later date, sending a written notice to the Company's Secretary, or by attending the Annual Meeting and voting in person. You should be aware that simply attending the Annual Meeting will not automatically revoke your previously submitted proxy; rather you must notify an Invacare representative at the Annual Meeting of your desire to revoke your proxy and vote in person.

Can I access the Notice of Annual Meeting, Proxy Statement and 2016 Annual Report on the Internet?

The Notice of Annual Meeting, Proxy Statement and 2016 Annual Report are available on the Internet at www.invacare.com/annualreport. We also will provide a copy of any of these documents to any shareholder free of charge, upon request by writing to: Shareholder Relations Department, Invacare Corporation, One Invacare Way, Elyria, Ohio 44035.

If you hold your shares in a bank or brokerage account, your bank or broker may also provide you copies of these documents electronically. Please check the information provided in the proxy materials mailed to you by your bank or broker regarding the availability of this service. Brokerage firms have the authority under the New York Stock Exchange rules to vote shares on certain “routine” matters when their customers do not provide voting instructions. However, on other matters, when the brokerage firm has not received voting instructions from its customers, the brokerage firm cannot vote the shares on that matter and a “broker non-vote” occurs. Proposal 2 is a routine matter, but the other proposals in this proxy statement are non-routine matters. Please be sure to give specific voting instructions to your broker so that your vote can be counted.

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Election of Directors (Proposal 1)

ELECTION OF DIRECTORS

(Proposal No. 1)

All Director nominees are nominated for election to serve a one-year term until the Annual Meeting in 2018 or until their successors have been duly elected. Each of the nominees has indicated his or her willingness to serve as a Director if elected.

In accordance with the Director age limitations in the Company's Corporate Governance Guidelines, Dale C. LaPorte will not stand for reelection and will retire from the Board upon the expiration of his current term at the 2017 Annual Meeting. Additionally, Michael F. Delaney previously notified the Board of Directors of his decision to not stand for re-election at the 2017 Annual Meeting, at which time his term as a Director will expire. Upon the expiration of the terms of Mr. LaPorte and Mr. Delaney as Directors at the 2017 Annual Meeting, the Board of Directors has fixed the number of Directors constituting the Board at seven.

Nominees

Name	Age	Position with the Company	Director Since
Matthew E. Monaghan	49	Chairman, President & CEO	2015
Susan H. Alexander	60	Independent Director	2016
Marc M. Gibeley	52	Independent Director	2015
C. Martin Harris, M.D.	60	Independent Director	2003
Michael J. Merriman	60	Independent Director	2014
Clifford D. Nastas	54	Independent Director	2015
Baiju R. Shah	45	Independent Director	2011

Votes Required

The nominees receiving the greatest number of votes will be elected. A proxy card marked "Withhold Authority" with respect to the election of one or more Directors will not be voted with respect to the nominee or nominees indicated. Abstentions and broker non-votes will not be voted for or withheld from the election of Directors and will not be counted for purposes of determining the number of votes cast in the election of Directors. However, please note that our majority voting Director resignation procedures under our Code of Regulations require any Director nominee who receives a greater number of votes marked "Withhold Authority" than marked "For" his or her election in an uncontested election of Directors to promptly tender his or her resignation to the Board following certification of the shareholder vote. Under the Company's procedures, the Nominating and Governance Committee, or another committee comprised entirely of independent Directors or the Board of Directors, will, within 90 days following the certification of the shareholder vote, consider, and the Board will determine, whether to accept the resignation. The Board's determination and explanation of its decision will be promptly disclosed in a press release or Form 8-K submitted to the SEC.

Director Biographies and Qualifications

Below is certain biographical information regarding our Director nominees, as well as a discussion of the qualifications that led the Board of Directors to conclude that each Director nominee should serve as a Director of the Company. Each of the individuals listed below has a wealth of knowledge, experience and expertise developed over a lifetime of achievement. In the discussion below, we have not detailed all of the numerous factors considered by the Board, but rather have highlighted the primary qualifications that led the Board to conclude that each of the following individuals should serve as a Director. The Board of Directors believes that the current Board composition reflects an appropriately diverse group of individuals with relevant knowledge and experience that greatly benefits the Company.

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Election of Directors (Proposal 1)

Susan A. Alexander

Age 60

Director Since 2016

Independent

* Regulatory and Compliance Committee

BACKGROUND

Susan H. Alexander was appointed by the Board as Director effective December 1, 2016. Ms. Alexander serves as the Executive Vice President, Chief Legal, Corporate Services and Secretary of Biogen Inc. (NASDAQ: BIIB), a biopharmaceutical company, since March 2017. Ms. Alexander has served as Executive Vice President, Chief Legal Officer and Corporate Secretary of Biogen from 2011 until March 2017 and as Executive Vice President, General Counsel and Corporate Secretary of Biogen from 2006 to 2011. Prior to joining Biogen, Ms. Alexander served as the Senior Vice President, General Counsel and Corporate Secretary of PAREXEL International Corporation (NASDAQ: PRXL), a biopharmaceutical services company from 2003 to 2006. From 2001 to 2003, Ms. Alexander served as General Counsel of IONA Technologies, a software company. From 1995 to 2001, Ms. Alexander served as Counsel at Cabot Corporation, a specialty chemicals and performance materials company. Prior to that, Ms. Alexander was a partner at the law firms of Hinckley, Allen & Snyder and Fine & Ambrogne.

QUALIFICATIONS

The Board concluded that Ms. Alexander should serve as a Director of the Company primarily due to her experience in the bio- and med-tech industries gained through her legal leadership roles in Biogen and PAREXEL International. Ms. Alexander has a broad range of corporate legal experience both from private law and general counsel positions in global med-tech, software and manufacturing companies and will bring strong cross-functional legal, regulatory and senior management expertise to the Board. The Board believes that Ms. Alexander's background and experience will be valuable in contributing to the Board's oversight of the Company's regulatory and compliance functions, particularly as the Company seeks to continue the transformation of its business and drive toward more clinically complex solutions in the health care industry.

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Election of Directors (Proposal 1)

Marc M. Gibeley

Age 52

Director Since 2015

Independent

* Audit Committee

BACKGROUND

Marc M. Gibeley has been a Director since November 2015. Mr. Gibeley serves as Chief Executive Officer and Director of Scientific Intake Ltd. Co., a medical device and digital healthcare company focused on weight management and the prevention of obesity related chronic diseases, since October 2016. Prior to joining Scientific Intake, Mr. Gibeley served as Head of Diabetes Care North America for Roche Holding AG (SIX: RO), a leading research-focused pharmaceuticals and diagnostics healthcare company from 2011 through 2016. Mr. Gibeley served as the President and Chief Executive Officer of WaveRx, a venture-backed diabetes neuropathy medical device company, from 2008 through 2011. Prior to joining WaveRx, Mr. Gibeley worked for several consumer packaged goods companies, including Procter & Gamble (NYSE: PG), Eastman Kodak (NYSE: KODK) and Kraft Foods (NASDAQ: KHC).

QUALIFICATIONS

The Board concluded that Mr. Gibeley should serve as a Director of the Company primarily due to his extensive experience in leading and managing medical device companies that have undergone substantial changes and transformed to focus on marketing products directly to consumers. He has a wide range of management expertise, including in sales, marketing, finance, customer support and product launches, as well as in regulatory affairs, manufacturing, and operations and commercial development, which has been developed over a career in consumer products businesses at various stages of development. The Board believes that Mr. Gibeley's background and experience will be valuable in contributing to the Board's oversight of the Company's strategy, finance and operations, particularly as the Company seeks to continue the transformation of its business and responds to the drive toward consumerism in the health care industry.

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Election of Directors (Proposal 1)

C. Martin Harris, M.D.

Age 60

Director Since 2003

Independent

* Lead Director

* Nominating and Corporate Governance Committee (Chair)

* Compensation and Management Development Committee

BACKGROUND

Dr. Harris has been a Director since January 2003 and Lead Director since May 2012. He also served as Invacare's Interim Chairman of the Board from December 2014 until May 2015. Since December 2016, Dr. Harris has served as the Associate Vice President of the Health Enterprise and Chief Business Officer of the Dell Medical School at The University of Texas, Austin. From 1996 until October 2016, Dr. Harris served as the Chief Information Officer and Chairman of the Information Technology Division of The Cleveland Clinic Foundation in Cleveland, Ohio and a Staff Physician for The Cleveland Clinic Hospital and The Cleveland Clinic Foundation Department of General Internal Medicine. Dr. Harris served from 2000 to 2016 as the Executive Director of e-Cleveland Clinic, a series of e-health clinical programs offered over the internet. Dr. Harris serves as a Director and member of the Audit Committee of HealthStream Inc. (NASDAQ: HSTM), Nashville, Tennessee, which provides internet-based learning and research solutions for the training, information, and education needs of the healthcare industry in the United States. He also serves on the Boards of Directors of Thermo Fisher Scientific Inc. (NYSE: TMO), Waltham, Massachusetts, which provides analytical instruments, equipment, reagents and consumables, software and services for research, manufacturing, analysis, discovery and diagnostics and of Colgate Palmolive Company (NYSE: CL), New York, NY., a consumer products producer of household, dental and oral consumer products.

QUALIFICATIONS

The Board concluded that Dr. Harris should serve as a Director of the Company primarily due to his experience in the healthcare industry as a leader of healthcare organizations and also his expertise in the use of information technology in the healthcare industry. Dr. Harris is nationally recognized for his leadership in developing and organizing electronic management of medical information, including electronic medical records. Through his work with organizations such as e-Cleveland Clinic and the National Health Information Infrastructure Task Force, Dr. Harris has gained experience which enables him to provide valuable input to the Board, and ultimately the Company, as to the latest developments and trends involving the use of information to enhance healthcare diagnoses, patient outcomes and cost efficiencies. In particular, he is able to assist the Board in staying abreast of developments in technological advances in the home medical equipment industry. Dr. Harris' understanding of information technology developments in the healthcare industry has proven to be instrumental to the Board's management of the Company's own strategy and information technology resources.

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Election of Directors (Proposal 1)

Michael J. Merriman

Age 60

Director Since 2014

Independent

* Audit Committee (Chair)

* Compensation and Management Development Committee

BACKGROUND

Mr. Merriman has been a Director since May 2014. Mr. Merriman has been an Operating Advisor of Resilience Capital Partners LLC, a private equity firm focused on principal investing in lower middle market underperforming and turnaround situations, since June 2008. Mr. Merriman served as President and Chief Executive Officer of The Lamson & Sessions Co. (formerly, NYSE: LMS), Cleveland, Ohio, a manufacturer of thermoplastic conduit, fittings and electrical switch and outlet boxes from November 2006 until the company was sold in November 2007. Mr. Merriman served as Senior Vice President and Chief Financial Officer of American Greetings Corporation (formerly, NYSE: AM), Cleveland, Ohio, a designer, manufacturer and seller of greeting cards and other social expression products from September 2005 until November 2006. He was a Director of American Greetings Corporation from 2006 through August 2013 when it became a private company. Prior to that, from August 1995 until April 2004, Mr. Merriman was the President and Chief Executive Officer of Royal Appliance Mfg. Co./ Dirt Devil Inc. (formerly, NYSE: RAM), a manufacturer of a full line of cleaning products for home and commercial use. Mr. Merriman is a Director of Nordson Corporation (Nasdaq: NDSN), Westlake, Ohio, a manufacturer of products and systems used for dispensing and processing adhesives, coatings, polymers, sealants and biomaterials; Regis Corporation (NYSE: RGS), Edina, Minnesota, a company that owns, franchises and operates beauty salons, hair restoration centers and cosmetology education; and OMNOVA Solutions Inc. (NYSE: OMN), Beachwood, Ohio, a technology-based company and an innovator of emulsion polymers, specialty chemicals, and decorative and functional surfaces.

QUALIFICATIONS

The Board concluded that Mr. Merriman should serve as a Director of the Company based on his experience and significant knowledge in executive management, strategy, corporate governance, acquisitions and divestitures, product development and investor relations, as well as his significant finance, financial reporting and accounting expertise, all developed through Mr. Merriman's prior experience as a public company chief executive officer and chief financial officer and as a certified public accountant, his current service on the Boards of Directors of three publicly traded companies, and his experience at Resilience.

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Election of Directors (Proposal 1)

Matthew E. Monaghan

Age 49

Director Since 2015

Chairman of the Board

President and Chief Executive Officer

BACKGROUND

Matthew E. Monaghan was appointed the Company's President and Chief Executive Officer in April 2015 and was elected Chairman of the Board in May 2015. Prior to joining Invacare, Mr. Monaghan served as a business unit leader at Zimmer Holdings (now Zimmer Biomet NYSE: ZBH), a major orthopedic implant company, serving first as Vice President and General Manager of the company's Global Hips business (December 2009 to January 2014) and later as Senior Vice President of Hips and Reconstructive Research (January 2014 until joining Invacare). While at Zimmer, Mr. Monaghan was responsible for the Hip Division's new product development, engineering, marketing, clinical studies, quality, regulatory affairs and results of the shared sales and supply chain functions. Later, those responsibilities also included directing research for various areas of material, process and product innovation. Prior to joining Zimmer in 2009, Mr. Monaghan spent eight years as an operating executive for two leading private equity firms, Texas Pacific Group (TPG) and Cerberus Capital Management, where he led acquisitions and operational improvements of portfolio companies. This included the carve-out from Baxter Healthcare of a global medical business; making significant improvements at a U.S. personal insurance business; and as COO of a consumer durable goods business spun off from Newell-Rubbermaid. For the first 13 years of his career, Mr. Monaghan held various engineering, financial and management positions at General Electric (NYSE: GE). Since November 2016, Mr. Monaghan has served as a Director of INC Research (NASDAQ: INCR), a contract research organization serving the needs of pharmaceutical clients.

QUALIFICATIONS

The Board concluded that Mr. Monaghan should serve as a Director of the Company primarily due to his role as Chief Executive Officer, as well as his considerable experience in managing and operating businesses, including medical device businesses subject to FDA regulation. The Board anticipates that Mr. Monaghan, in his role as Chief Executive Officer, will provide the Board with management perspective that will be valuable in overseeing the Company's business operations and transformation.

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Election of Directors (Proposal 1)

Clifford D. Nastas

Age 54

Director Since 2015

Independent

* Audit Committee

* Regulatory and Compliance Committee (Chair, as of May 18, 2017)

BACKGROUND

Clifford D. Nastas has been a Director since May 2015. Mr. Nastas has been the President and Chief Executive Officer of Radiac Abrasives Company, a manufacturer of conventional bonded and super abrasives in North America, since January 2016. Since 2014, Mr. Nastas has been a Director of Dan T. Moore Company, Inc., a holding company of diverse advanced materials manufacturing and technology businesses and became co-chairman in 2016. Also since 2014, Mr. Nastas has served as a Director of Shorr Packaging Corporation, an ESOP-owned company that distributes packaging supplies throughout North America. Mr. Nastas served as Chief Executive Officer and a Director of Material Sciences Corporation (formerly, Nasdaq: MASC), Elk Grove Village, Illinois, a publicly traded diversified industrial manufacturing company providing high-value coated metal, acoustical and lightweight composite solutions from 2005 until the company was sold in March 2014. From 2001 to 2005, Mr. Nastas served in various capacities at Material Sciences, including as President and Chief Operating Officer. Prior to joining Material Sciences, Mr. Nastas served in various general management, sales, and manufacturing capacities with Honeywell International, formerly Allied Signal (NYSE: HON), Morris Township, New Jersey, Avery Dennison Corporation (NYSE: AVY), Glendale, California, and Ford Motor Company (NYSE: F), Dearborn, Michigan.

QUALIFICATIONS

The Board concluded that Mr. Nastas should serve as a Director of the Company primarily due to his extensive business leadership and management expertise, which includes a broad range of experience in management, operations, sales, marketing, product development and engineering in a number of global businesses, including as the CEO of a publicly-traded company. The Board believes that Mr. Nastas' experience and background will enable him to provide the Board will valuable insight into numerous aspects of the Company's business.

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Election of Directors (Proposal 1)

Baiju R. Shah

Age 45

Director Since 2011

Independent

* Compensation and Management Development Committee (Chair)

* Regulatory and Compliance Committee

BACKGROUND

Mr. Shah has been a Director since May 2011. Mr. Shah has been the Chief Executive Officer and a Director of BioMotiv, LLC, a company focused on developing a portfolio of drug discoveries from research institutions into new medicines, since August 2012. Prior to that, Mr. Shah served as President and Chief Executive Officer and a Director of BioEnterprise Cleveland from 2004 to August 2012, Senior Vice President from 2003 to 2004 and a Vice President from 2002 to 2003. BioEnterprise is a Cleveland-based business formation, recruitment and acceleration initiative designed to grow health care companies and commercialize biomedical technologies. Prior to BioEnterprise, Mr. Shah worked for McKinsey & Company, where he was a leader in its Growth and Business Building practice. In addition, Mr. Shah serves as a member of the Citizens Financial Group (NYSE: CFG) advisory board. Mr. Shah also serves as a Director of multiple privately held biomedical-related companies in which BioMotiv, LLC has investments.

QUALIFICATIONS

The Board concluded that Mr. Shah should serve as a Director of the Company primarily due to his experience in the healthcare and biomedical industry gained through his leadership of BioMotiv and BioEnterprise. The business insight gained through his work at BioMotiv, BioEnterprise and McKinsey & Company, in particular, and his demonstrated abilities in advancing initiatives to help companies grow and expand, provides Mr. Shah with a perspective on healthcare business and growth initiatives that is invaluable to the Board.

Invacare's Board of Directors recommends that shareholders vote "FOR" the election of all seven Director nominees for a term expiring in 2018.

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CORPORATE GOVERNANCE

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines which contain principles that, along with the charters of the standing committees of the Board of Directors, provide the framework for Invacare's corporate governance. Among other things, the Corporate Governance Guidelines establish principles relating to:

- responsibilities and functions of the Board of Directors, such as meeting, orientation and continuing education guidelines;
- the composition of the Board, including Director independence and other qualification requirements;
- responsibilities of the Chairman of the Board, the Chief Executive Officer and the Lead Director;
- the establishment and functioning of Board committees;
- executive sessions of non-management Directors;
- Chief Executive Officer succession planning;
- Board access to management, and evaluation of the Chief Executive Officer;
- communication and interaction by the Board with shareholders and other interested parties;
- share ownership guidelines for Directors and executive officers;
- engagement by an independent committee of the Board with shareholder proponents following a majority vote on a shareholder proposal; and
- periodic self-assessment by the Board and each Board committee.

A copy of the Corporate Governance Guidelines can be found on the Company's website at www.invacare.com by clicking on the Investor Relations tab and then selecting the Corporate Governance link.

Director Independence

To be considered independent under the New York Stock Exchange independence criteria under Section 303A (the "NYSE Standards"), the Board of Directors must determine that a non-employee Director does not have a direct or indirect material relationship with Invacare. The Board of Directors has adopted the following guidelines (set forth in the Corporate Governance Guidelines) to assist it in making such determinations:

A non-employee Director will be considered independent if he or she, at any time that is considered relevant under the NYSE Standards (subject to any applicable transition rules of the NYSE Standards):

- (i) has not been employed by the Company or its affiliates;
- (ii) has not had an immediate family member who has been employed by the Company or its affiliates as an executive officer;
- (iii) has not received, and has not had an immediate family member who has received, more than such annual amount of direct compensation from the Company as may be considered relevant from time to time under the NYSE Standards, other than Director and committee fees and pension or other forms of deferred compensation for prior service (provided such deferred compensation is not in any way contingent on continued service);

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Corporate Governance

(iv) is not a partner of the Company's present internal or external auditor;

(v) does not have an immediate family member who is a partner of Invacare's present internal or external auditor;

(vi) has not been a partner or employee of a present or former internal or external auditor of Invacare who worked on Invacare's audit;

(vii) does not have an immediate family member who has been a partner or employee of a present or former internal or external auditor of Invacare who worked on Invacare's audit;

(viii) has not been employed, and does not have an immediate family member who has been employed, as an executive officer of another company where any of Invacare's present executives serve on that company's compensation committee; and

(ix) has not been an executive officer or an employee of another company, and does not have an immediate family member who has been an executive officer of another company, that does business with Invacare and makes payments to, or receives payments from, Invacare for property or services in an amount that, in any one of the three last fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.

Additionally, the following commercial and charitable relationships will be considered immaterial relationships and a non-employee Director will be considered independent if he or she does not have any of the relationships described in clauses (i) - (ix) above, and:

(A) is not an executive officer of another company, and does not have an immediate family member who is an executive officer of another company, that is indebted to the Company, or to which Invacare is indebted, where the total amount of either company's indebtedness to the other is more than 5% of the total consolidated assets of the other company and exceeds \$100,000 in the aggregate; and

(B) does not serve, and does not have an immediate family member who serves, as an officer, Director or trustee of a foundation (other than Invacare's foundation), university, charitable or other not for profit organization, and Invacare's, or Invacare foundation's, annual discretionary charitable contributions (any matching of employee charitable contributions will not be included in the amount of contributions for this purpose) to the organization, in the aggregate, are more than 5% percent of that organization's total annual revenues (or charitable receipts in the event such organization does not generate revenues).

In the event that a non-employee Director has a relationship of the type described in clauses (A) or (B) in the immediately preceding paragraph that falls outside of the "safe harbor" thresholds set forth in such clauses (A) and (B), or if the Director had any such relationship during the prior three years that fell outside of such "safe harbor" thresholds, then in any such case, the Board of Directors annually shall determine whether the relationship is material or not, and therefore, whether the Director would be independent or not. If any relationship does not meet the categorical standards of immateriality set forth in clauses (i) and (ii) in the immediately preceding paragraph, Invacare will explain in its next proxy statement the basis for any Board of Directors determination that such relationship is immaterial.

In addition, any Director serving on the Audit Committee of Invacare may not be considered independent if he or she directly or indirectly receives any compensation from Invacare other than Director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not in any way contingent on continued service).

The Board examined the transactions and relationships between Invacare and its affiliates and each of the Directors, any of their immediate family members and their applicable affiliates. Based on this review, the Board affirmatively determined that each of the Directors, other than Mr. Monaghan, is independent and does not have any direct or indirect material relationship with Invacare pursuant to the categorical standards set forth in Invacare's Corporate Governance Guidelines and the NYSE Standards.

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Corporate Governance

Board Meetings, Annual Meeting of Shareholders and Attendance

During the fiscal year ended December 31, 2016, the Board of Directors held four regular quarterly meetings and three additional meetings. Each Director attended at least 75% of the aggregate of (1) the total number of meetings held by the Board of Directors and (2) the total number of meetings held by committees of the Board on which he or she served during 2016. Board members are expected to attend Invacare's Annual Meeting of shareholders. Each Director then serving on the Board attended last year's annual shareholders meeting.

Executive Sessions

Independent Directors meet in executive sessions, presided over by the Company's Lead Director, at the end of each of the regularly scheduled quarterly Board meetings. In addition, the Directors meet in director-only executive sessions, presided over by the Chairman of the Board, after the end of each of the regularly scheduled quarterly Board meetings.

Board Nominations and Shareholder Recommendations

The Nominating and Governance Committee will seek candidates for an open Director position by soliciting suggestions from Committee members, the Chairman of the Board, incumbent Directors, senior management or others. The Committee also may retain a third-party executive search firm to identify candidates from time to time. In 2016, the Company retained such an executive search firm which identified Ms. Alexander as a candidate.

The Committee will consider any unsolicited recommendation for a potential candidate to the Board from Committee members, the Chairman of the Board, other Board members, management or shareholders. The Committee will accept shareholder recommendations regarding potential candidates for the Board, provided that shareholders send their recommendations to the Chair of the Nominating and Governance Committee, c/o Executive Offices, Invacare Corporation, One Invacare Way, Elyria, Ohio 44035, with the following information:

• The name and contact information for the candidate;

• A brief biographical description of the candidate, including his or her employment for at least the last five years, educational history, and a statement that describes the candidate's qualifications to serve as a Director;

• A statement describing any relationship between the candidate and the nominating shareholder, and between the candidate and any employee, Director, customer, supplier, vendor or competitor of Invacare; and

• The candidate's signed consent to be a candidate and to serve as a Director if nominated and elected, including being named in Invacare's proxy statement.

Once the Nominating and Governance Committee has identified a prospective candidate, the Committee makes a determination whether to conduct a full evaluation of the candidate. This initial determination is based primarily on the Board's need to fill a vacancy or desire to expand the size of the Board, the likelihood that the candidate can meet the Nominating and Governance Committee's evaluation criteria set forth below, as well as compliance with all other legal and regulatory requirements. The Nominating and Governance Committee will rely on public information about a candidate, personal knowledge of any committee or Board member or member of management regarding the candidate, as well as any information submitted to the Committee by the person recommending a candidate for consideration. The Nominating and Governance Committee, after consultation with the Chairman of the Board, will decide whether additional consideration of the candidate is warranted.

If additional consideration is warranted, the Nominating and Governance Committee may request the candidate to complete a questionnaire that seeks additional information about the candidate's independence, qualifications, experience and other information that may assist the Committee in evaluating the candidate.

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Corporate Governance

The Committee may interview the candidate in person or by telephone and may ask the candidate to meet with senior management and/or other Directors. The Committee would then evaluate the candidate against the standards and qualifications set out in the Nominating and Governance Committee's charter. While the Board does not maintain a policy regarding the diversity of its members, the Nominating and Governance Committee charter specifies that a Director should have a range of experience and knowledge relevant to the Company, and that such relevant experience and knowledge may be gained through diverse or unique life experiences. The Nominating and Governance Committee and the Board believe that the current Board composition reflects a diverse group of individuals with relevant knowledge and experience that greatly benefits the Company. Additionally, the Nominating and Governance Committee will consider other relevant factors as it deems appropriate (including independence issues and familial or related party relationships).

Before nominating an existing Director for re-election at an Annual Meeting, the Committee will consider:

- The Director's value to the Board; and
- Whether the Director's re-election would be consistent with Invacare's governance guidelines.

After completing the Nominating and Governance Committee's evaluation of new candidates or existing Directors whose terms are expiring, if the Committee believes the candidate would be a valuable addition to the Board or the existing Director is a valued member of the Board, then the Nominating and Governance Committee will make a recommendation to the full Board that such candidate or existing Director should be nominated by the Board. The Board will be responsible for making the final determination regarding prospective nominees after considering the recommendation of the Committee. These procedures were adhered to with respect to nominees for election at this meeting, who were unanimously recommended by the Nominating and Governance Committee and the entire Board of Directors.

Independent Lead Director

The Company has an independent Lead Director who is responsible for coordinating the activities of the independent Directors. Dr. Harris served as Lead Director in 2016. The following are the specific responsibilities of the Lead Director set forth in the Company's Corporate Governance Guidelines:

- (i) advising the Chairman of the Board as to an appropriate schedule of Board meetings, seeking to ensure that the independent and non-executive Directors can perform their duties responsibly while not interfering with the flow of Company operations;
- (ii) providing the Chairman of the Board with input as to the preparation for the agendas for the Board and Committee meetings;
- (iii) advising the Chief Executive Officer as to the quality, quantity and timeliness of the flow of information from Company management that is necessary for the independent and non-executive Directors to effectively and responsibly perform their duties; although Company management is responsible for the preparation of materials for the Board, the Lead Director may specifically request the inclusion of certain material;
- (iv) interviewing, along with the chair of the Nominating and Governance Committee, all Board candidates, and making recommendations to the Nominating and Governance Committee and the Board;
- (v) assisting the Board and Company officers in assuring compliance with the Company's Corporate Governance Guidelines;
- (vi) recommending revisions to the Corporate Governance Guidelines as appropriate;
- (vii) coordinating and developing the agenda for and moderating executive sessions of the Board's independent Directors; acting as principal liaison between the independent Directors and the Chairman and Chief Executive Officer on sensitive issues;

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Corporate Governance

- (viii) evaluating, along with the members of the Compensation and Management Development Committee, the performance of the Chairman and Chief Executive Officer; meeting with the Chairman and Chief Executive Officer to discuss the Committee's evaluation of performance;
- (ix) discussing with the Chairman of the Board and the Nominating and Governance Committee the membership of the various Board Committees, as well as selection of the Committee chairs;
- (x) responding to the concerns of any Directors, whether or not these concerns are discussed with the full Board;
- (xi) with input from the Chairman of the Board, assisting the Nominating and Governance Committee in its role with the annual self-assessment and evaluation process of the Board and its committees;
- (xii) acting as a resource for, and counsel to, the Chairman of the Board; and
- (xiii) performing other responsibilities as delegated by the Board.

A description of the responsibilities of the Lead Director also is included as Exhibit C to Invacare's Corporate Governance Guidelines, which is available at www.invacare.com by clicking on the Investor Relations tab and then the Corporate Governance link.

Determination of Current Board Leadership Structure

The Board believes that the Chief Executive Officer is best situated to serve as Chairman of the Board because he is the Director most familiar with the Company's business and industry. The Board believes that combining the roles of Chief Executive Officer and Chairman of the Board provides an efficient and effective leadership model for Invacare by fostering clear accountability, effective decision-making, and alignment of corporate strategy. The Board's independent Directors bring experience, oversight and expertise from outside the Company and industry, while the Chief Executive Officer brings company and industry-specific experience and expertise. One of the key responsibilities of the Board is to develop strategic direction and hold management accountable for the execution of strategy once it is developed. The Board believes the combined role of Chief Executive Officer and Chairman, together with an independent Lead Director having the duties described above, is in the best interests of shareholders because it strikes an appropriate balance for the Company; with the Chief Executive Officer also serving as Chairman, there is unified leadership and a focus on strategic development and execution, while the Lead Director helps assure independent oversight of management.

Members of the Board Committees

The current composition of the Board committees, as of April 7, 2017, is set forth below.

Director	Audit Committee	Nominating and Governance Committee	Compensation and Management Development Committee	Regulatory and Compliance Committee
Susan H. Alexander				Member
Michael F. Delaney (*)		Member		
Marc M. Gibeley	Member			
C. Martin Harris, M.D. - Lead Director		Chair	Member	
Dale C. LaPorte (*)		Member		Chair
Michael J. Merriman	Chair		Member	
Clifford D. Nastas	Member			Member
Bajju R. Shah			Chair	Member

* Not standing for re-election

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Corporate Governance

Principal Functions of the Board Committees

The Board has an Audit Committee; a Nominating and Governance Committee; a Compensation and Management Development Committee; and a Regulatory and Compliance Committee.

Audit Committee. The Audit Committee assists the Board in monitoring (i) the integrity of Invacare's financial statements, (ii) the independence, performance and qualifications of Invacare's internal and independent auditors, (iii) Invacare's compliance with legal and regulatory requirements related to the Company's financial statements and accounting policies (iv) Invacare's risk assessment and management process. The specific functions and responsibilities of the Audit Committee are set forth in the Audit Committee Charter adopted by the Board of Directors, a copy of which is available at www.invacare.com by clicking on the Investor Relations tab and then the Corporate Governance link. The Audit Committee met nine times during 2016. The Audit Committee met in executive session without management four times in 2016 at the end of its regularly scheduled quarterly meetings. The Board has determined that each member of the Audit Committee satisfies the current independence standards of the New York Stock Exchange listing standards and Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended. The Board also has determined that Michael J. Merriman, the Chair of the Audit Committee, qualifies as an "audit committee financial expert" as that term is defined in Item 407(d)(5) of Regulation S-K.

Nominating and Governance Committee. The Nominating and Governance Committee assists the Board (i) in identifying and recommending individuals qualified to become Directors and will consider all qualified nominees recommended by shareholders, and (ii) on all matters relating to corporate governance of the Company, including, but not limited to, the development and implementation of the Company's corporate governance policies and guidelines. Each of the current members of the Nominating and Governance Committee is independent within the meaning of the New York Stock Exchange listing standards and Invacare's Corporate Governance Guidelines. The Board of Directors has adopted a charter for the Nominating and Governance Committee, which is available at www.invacare.com by clicking on the Investor Relations tab and then the Corporate Governance link. The Nominating and Governance Committee met four times during 2016 and one time in executive session. James L. Jones served on the Nominating and Governance Committee during 2016 until his resignation from the Board of Directors on August 26, 2016 at which time he was replaced by Dale C. LaPorte.

Compensation and Management Development Committee. The Compensation and Management Development Committee assists the Board in developing and implementing (i) executive compensation programs that are fair, equitable and aligned with the interests of shareholders and that are effective in the recruitment, retention and motivation of executive talent required to successfully meet Invacare's strategic objectives and (ii) a management succession plan that meets Invacare's present and future needs. See "Compensation Discussion and Analysis" for additional information on the committee and its activities. Each of the current members of the Compensation and Management Development Committee is independent within the meaning of the New York Stock Exchange listing standards, including the standards in Rule 303A.02(a)(ii), and Invacare's Corporate Governance Guidelines. The Board of Directors has adopted a charter for the Compensation and Management Development Committee, which is available at www.invacare.com by clicking on the Investor Relations tab and then the Corporate Governance link. The Compensation and Management Development Committee met five times during 2016 and met one time in executive session without management present after a Committee meeting during the year. James L. Jones served on the Compensation and Management Development Committee during 2016 until his resignation from the Board of Directors on August 26, 2016 at which time he was replaced by C. Martin Harris, M.D.

Regulatory and Compliance Committee. The Regulatory and Compliance Committee assists the Board in its oversight of the Company's legal and regulatory compliance matters, including medical device regulatory compliance. Each of the current members of the Regulatory and Compliance Committee is independent within the meaning of the New York Stock Exchange listing standards and Invacare's Corporate Governance Guidelines. The Board of Directors has adopted a charter for the Regulatory and Compliance Committee, which is available at www.invacare.com by clicking on the Investor Relations tab and then the

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Corporate Governance

Corporate Governance link. The Regulatory and Compliance Committee met five times during 2016. Susan H. Alexander joined the Board of Directors and the Regulatory and Compliance Committee on December 1, 2016.

Board Role in Risk Oversight

Risk is inherent in any business, and the Company's management is responsible for the day-to-day management of risks that it faces. The Board, on the other hand, has responsibility for the oversight of risk management. In its risk oversight role, the Board has the responsibility to evaluate the risk management process to ensure its adequacy and to seek assurances that it is implemented properly by management.

The Board believes that full and open communication between management and the Board of Directors is essential for effective risk management and oversight. At each quarterly meeting, the Board of Directors receives presentations from senior management on business operations, financial results and strategic matters, including a quarterly assessment of the sensitivity of the various business, financial, operational, information technology, compliance and human capital risks faced by the Company, and discusses the Company's strategies, key challenges, and risks and opportunities. Relevant members of senior management attend significant portions of the Board's quarterly meetings, as well as many of the Board committee meetings, in order to address any questions or concerns raised by the Board on risk management-related and other matters.

The Board's committees assist the Board in fulfilling its oversight responsibilities in certain areas of risk. The Audit Committee assists the Board in fulfilling its oversight responsibilities, including oversight of the Company's enterprise risk management process and its assessment and management of risk in the areas of financial reporting, internal controls, business and operations, financial statements and accounting policies and information systems. Enterprise risk assessment reports of the various business, financial, operational, information technology, compliance and human capital risks faced by the Company are provided to the Audit Committee by management and the Company's internal auditors on a quarterly basis. The Regulatory and Compliance Committee assists the Board in its oversight of the Company's legal and regulatory compliance matters generally, including medical device regulatory compliance matters. The Compensation and Management Development Committee assists the Board in fulfilling its oversight responsibilities with respect to the management of risks arising from the Company's compensation policies and programs, talent management and succession planning for executive officers and employment related risks. The Nominating and Governance Committee assists the Board in fulfilling its oversight responsibilities with respect to the management of risks associated with Board organization and structure, code of conduct, insider trading, conflict of interest policies and corporate governance, as well as overseeing the membership and independence of the Board of Directors. From time to time, the Board may establish special committees to assist it in the monitoring and oversight of certain risks. However, while these committees are responsible for evaluating certain risks and overseeing the management of those risks, the entire Board is regularly informed about those risks and committee activities through committee reports.

Codes of Ethics

Invacare has adopted a Code of Business Conduct and Ethics that applies to all Directors, officers and employees. Invacare has also adopted a separate Financial Code of Ethics that applies to its Chief Executive Officer (its principal executive officer), its Chief Financial Officer (its principal financial officer and principal accounting officer) and its controller or persons performing similar functions. Investors can find both codes on the Company's website at www.invacare.com by clicking on the Investor Relations tab and then selecting the Corporate Governance link. Invacare will post any amendments to the codes, as well as any waivers that are required to be disclosed pursuant to the rules of the Securities and Exchange Commission and the New York Stock Exchange, within four business days, on its website.

Employees have been notified that if they have any questions or concerns regarding financial integrity, legal or regulatory compliance, ethical business conduct, or activities that may be improper under the Company's Code of Business Conduct and Ethics, or otherwise have work related concerns, they are invited to speak with their supervisor, or any other member of management at any time. They also may report any

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concerns in writing to the Chief Executive Officer or the Chair of the Audit Committee, or submit a report to the Company's EthicsPoint ethics and compliance hotline reporting service, which is used to consolidate and summarize reports received. All EthicsPoint reports are reviewed by the Audit Committee.

The Company's EthicsPoint service is not intended to replace other communication channels already in place. However, if employees have a concern regarding a financial integrity, legal or regulatory compliance, or ethics related matter, or believe they cannot communicate effectively using existing internal channels, they may report the concern through the Company's EthicsPoint hotline reporting service by telephone or online at <http://invacare.ethicspoint.com>. Reports through EthicsPoint may be made anonymously and without reprisals for matters reported in good faith.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee was at any time during 2016 or at any other time an officer or employee of the Company or any of its subsidiaries. In addition, during 2016, none of the Company's executive officers served as a member of the board of directors or the compensation committee of any other entity that has one or more executive officers serving on the Company's Board or Compensation Committee. C. Martin Harris, M.D., James L. Jones, Michael J. Merriman and Baiju R. Shah were the non-employee Directors who served on the Compensation Committee during 2016. Dr. Harris replaced Mr. Jones upon his resignation on August 26, 2016.

Director Orientation Program

All new Directors are provided an orientation to acquaint them with the Company's business, history, strategy, plans, financial statements, compliance programs, Corporate Governance Guidelines, Code of Business Conduct and Ethics, Insider Trading Policy, and public reporting and disclosure requirements and the Company's related policies and practices. New Directors are also introduced to the Company's senior leadership team, internal auditors, and independent auditors. In addition, from time to time, Directors receive information and updates on legal and regulatory changes that affect the Company, its employees and the operation of the Board. The Nominating and Governance Committee from time to time makes other recommendations regarding further educational opportunities for Directors.

Communications with the Board

Shareholders and other interested parties may communicate their concerns directly to the entire Board or specifically to non-management Directors of the Board. Such communications may be confidential or anonymous, if so designated, and may be submitted in writing to the following address: Shareholder Communication, c/o Executive Offices, Invacare Corporation, One Invacare Way, Elyria, Ohio 44035. The status of all outstanding concerns addressed to the entire Board or only to non-management Directors will be reported to the Chairman of the Board or to the chair of the Nominating and Governance Committee, respectively, on a quarterly basis.

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Director Compensation and Stock Ownership

DIRECTOR COMPENSATION AND STOCK OWNERSHIP GUIDELINES

Director Compensation Program

The Company's 2016 Director compensation program provided that non-employee Directors were paid the following:

Annual Cash Retainer	\$60,000
Lead Director Additional Fee	20,000
Committee Chair Additional Fees:	
Audit	15,000
Compensation and Management Development	15,000
Regulatory and Compliance	15,000
Nominating and Governance	10,000
Fee per meeting in excess of 24 meetings	1,500

Additionally, in March 2016, each non-employee Director was granted a restricted stock unit award of 5,678 shares, which vests in full on May 15, 2017. In accordance with the Director compensation program, Ms. Alexander received a grant of 2,839 shares, or 50% of the annual restricted stock unit grant, as she joined the Board during the second half of 2016.

Director Stock Ownership Guidelines

The Company maintains stock ownership guidelines for its non-employee Directors for the purpose of aligning the interests of the Directors with those of the shareholders of the Company. Under the current guidelines of the stock ownership program, non-employee Directors are expected to own at least 7,500 common shares.

“Stock ownership” is defined to include shares held directly or indirectly by the Director, all unvested restricted stock held by the Director and 30% of the shares underlying unexercised stock options held by the Director that are “in the money” by at least 20%.

Directors are expected to reach their respective ownership levels under the stock ownership guidelines over five (5) years from the date they join the Board of Directors, and maintain that level of stock ownership afterward. The guidelines provide that Directors are required to hold their “net shares” from equity awards until they reach their applicable minimum ownership level, and once they reach the minimum level, they must hold their net shares from equity awards for at least one (1) year after such shares have vested, in the case of restricted stock awards, or have been acquired upon the exercise of stock options. “Net shares” means the difference between the actual shares awarded and any shares sold, surrendered or withheld to pay for taxes or to finance the cost of exercising a stock option. All of the Directors have either met the guidelines or are pursuing goals to meet the guidelines within the established timeframe.

Director Deferred Compensation Plan

All non-employee Directors may participate in the Company’s Director Deferred Compensation Plan, which permits participants to defer all or a part of their annual cash compensation and all or a part of their annual restricted stock unit grant. Participants may choose to defer either until they leave the Board of Directors or for a specified number of years, with a minimum of two years and a maximum of ten years, as specified at the time of the participant’s deferral election.

Deferred cash compensation may be credited to a “stock-unit” account that is deemed invested in the Company’s common shares or to an account that earns interest at a rate specified by the Compensation Committee. Deferred restricted stock unit grants are credited to the stock-unit accounts. Stock-unit accounts are credited with dividend equivalent units based on the number of vested stock units credited to the account

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Director Compensation and Stock Ownership

as of the applicable dividend record date. The value in a Director's account balance is distributed to the Director in a lump sum promptly following the end of the applicable deferral period. The value in a Director's stock-unit account is determined by multiplying the number of units credited to the account by the fair market value of the Company's common shares at the end of the deferral period, and is paid to the Director in an equivalent number of common shares of the Company issued under the Invacare Corporation 2013 Equity Compensation Plan (the "2013 Equity Plan"). Partial shares are rounded up or down to the nearest whole share. The value in a Director's interest-bearing account will be paid to the Director in cash.

No Directors participated in the plan during 2016.

Fiscal 2016 Director Compensation Table

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)(1)	Total (\$)
Susan H. Alexander	5,000	(2) 31,939	36,939
Michael F. Delaney	60,000	(3) 72,792	132,792
Marc M. Gibeley	60,000	(3) 72,792	132,792
C. Martin Harris, M.D.	90,000	(4) 72,792	162,792
James L. Jones	40,000	(5) 72,792	112,792
Dale C. LaPorte	77,500	(6) 72,792	150,292
Michael J. Merriman	75,000	(7) 72,792	147,792
Clifford D. Nastas	60,000	(3) 72,792	132,792
Baiju R. Shah	79,500	(8) 72,792	152,292

The values reported in this column represent the dollar amount of expense, calculated in accordance with ASC 718, Compensation - Stock Compensation, to be recognized for financial statement purposes over the respective vesting periods with respect to all restricted stock units awarded to each Director during 2016. These time-based restricted stock units were granted pursuant to the Invacare Corporation 2013 Equity Compensation Plan (the "2013 Equity Plan"), and vest in full on May 15, 2017, except for the award to Ms. Alexander which vests in full on February 20, 2018. For a description of the assumptions made in computing the values reported in this column, see "Equity Compensation" in the Notes to Consolidated Financial Statements contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

(2) The fees earned by Ms. Alexander in 2016 include a pro-rata portion of the annual retainer.

(3) Annual \$60,000 retainer earned.

(4) The fees earned by Dr. Harris include a \$60,000 retainer, a \$20,000 additional fee for his service as Lead Director and an \$10,000 fee for his service as Chair of the Nominating and Governance Committee.

(5) The fees earned by General Jones are a pro-rata portion of the \$60,000 annual retainer.

The fees earned by Mr. LaPorte include a \$60,000 retainer, a \$15,000 pro-rata fee for his service as Chair of the (6) Regulatory and Compliance Committee and \$2,500 for his attendance at two meetings in excess of the 24 meetings held in 2016.

(7) The fees earned by Mr. Merriman include a \$60,000 retainer and a \$15,000 fee for his service as Chair of the Audit Committee.

(8)