

IDEXX LABORATORIES INC /DE
Form DEF 14A
March 25, 2019

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

IDEXX Laboratories, Inc.
(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 0-1.
1) Title of each class of securities to which transaction applies:
2) Aggregate number of securities to which transaction applies:
3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
4) Proposed maximum aggregate value of transaction:
5) Total fee paid:
 Fee paid previously with preliminary materials.
Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
1) Amount Previously Paid:
2) Form, Schedule or Registration Statement No.:
3) Filing Party:
4) Date Filed:

Notice of 2019
Annual Meeting of
Shareholders &
Proxy Statement
Wednesday, May 8, 2019,
10:00 a.m., Eastern Time

Our
PURPOSE

To be a great company that creates exceptional long-term value for our customers, employees and shareholders by enhancing the health and well-being of pets, people and livestock.

Our Guiding Principles achieve and sustain market leadership exceed the expectations of our customers empower and reward our employees innovate with intelligence cultivate entrepreneurial spirit contribute to our communities

Jonathan W. Ayers
President, Chief Executive Officer and
Chairman of the Board of Directors
March 25, 2019

Dear Fellow Shareholders,

In 2018, IDEXX delivered another year of strong growth and financial performance, sustaining our track record of creating exceptional long-term value for our customers, employees and shareholders. We are inspired by the continued pursuit of our Purpose to enhance the health and well-being of pets, people and livestock.

Our Purpose

To be a great company that creates exceptional long-term value for our customers, employees and shareholders by enhancing the health and well-being of pets, people and livestock.

We achieved outstanding financial results in 2018, with 12% revenue growth over the prior year, driven by 12% organic revenue growth, operating margin expansion of 120 basis points and growth of diluted earnings per share (“EPS”) of 45% (or comparable constant currency EPS growth of 36%).¹ We further extended our track record of long-term shareholder value-creation, as reflected in the 20% compound annual growth rate of our stock price over the past fifteen years, and our 19% annual total shareholder return in 2018, which again outperformed the benchmark S&P 500[®] Index by 23%.²

Our continued progress reflects successful execution of our long-term strategy:

Focus on Growing, Highly Attractive Markets, Including the Global Pet Healthcare Market – Our businesses serve global markets with excellent long-term secular growth characteristics. We focus on investing in and expanding our core markets by driving the broad adoption of the innovations we uniquely bring to these markets. IDEXX is a leader in the global market segments for companion animal diagnostics and software, our primary businesses, with scale across both reference laboratory and point-of-care diagnostic modalities and a leading portfolio of software solutions. These market segments remain quite undeveloped in the U.S. and internationally and thus present significant runway for continued long-term growth.

Sustained Investment in Innovation – We estimate that IDEXX invests more than 80% of the companion animal diagnostic industry’s identifiable research and development (“R&D”) — with a long track record of novel, proprietary diagnostic and software product introductions; unparalleled new product development capability; and a robust pipeline. Our focus on innovation centers on advancing pet healthcare standards of care globally, enabling the long-term development of our largest market. In addition, although there are limited regulatory requirements for diagnostics in the pet healthcare market generally, we are committed to rigorous scientific validation of all our diagnostic innovations. Accordingly, our diagnostic innovations are fully backed by peer-reviewed and third-party studies, where possible, that confirm their unique claims and capabilities to assess the patient’s health status.

Customer Centricity – We have evolved from a product-centric to a customer-centric organization. With the largest and most-experienced companion animal diagnostics field-based professional organization in the world, we are developing and strengthening relationships with our customers, including individual veterinarians, which we believe accelerates adoption of our unique innovations and advances in pet healthcare standards. We are proud of our exceptional levels of customer loyalty and retention, which range from 96% to 99.9%, depending on the product line and geography. We continue to invest in capabilities of all types to earn our customers' trust and loyalty and to help them thrive.

Expansion of Our Recurring Revenue Business Model – Our business is designed around a durable, recurring revenue business model, with robust growth and profit characteristics and supported by our extraordinary customer retention rates. We estimate that our recurring revenue has grown from 81% of our total revenue in 2010 to 88% in 2018. The largest contributor to our recurring revenue is our Companion Animal Group (“CAG”) Diagnostics business, which provides both point-of-care and reference laboratory diagnostic solutions for veterinarians and constituted 75% of our total 2018 revenue. In 2018, CAG Diagnostics recurring revenue grew 14% on a reported basis and 13% on an organic basis.

Commitment to Sustained Growth in Financial Performance – As we invest in innovation and customer-centric capabilities to grow our markets, we remain committed to delivering strong financial results that drive growth in shareholder value. We have a consistent track record of organic revenue growth, operating margin expansion, strong free cash flow generation and a disciplined approach to capital allocation. As a result, our after-tax return on invested

capital, excluding cash and investments, in 2018 was 49%.³

2019 Proxy Statement | 3

Highly Attractive Global Pet Healthcare Market

While we serve several attractive markets, global pet healthcare is our largest market, representing 87% of our total revenues in 2018. Some of the factors driving the long-term growth of the pet healthcare market include:

- The enduring bond between pets and their owners, viewed by many as integral members of their family.
- The growing strength and importance of this bond for each successive generation of pet owners.
- Owners' ever-increasing desire to support the health and well-being of their pets and their willingness to allocate their time and money toward veterinary care.
- Veterinary care providers' ever-advancing ability to provide a high medical standard of pet care.
- Our innovations in diagnostic insights, which:
 - Expand the veterinarian's medical toolkit further improving the available standard of care.
 - Enable pets — who cannot speak for themselves — to communicate more precisely their health status and problems, so that they can then be provided proper care and treatment.
 - The increasing emphasis on preventive care for pets — including the growing use of diagnostics as a cost-effective part of routine annual preventive care protocols — which enables earlier detection of important medical conditions and may improve the pets' prognoses.

Raising the standard of care and supporting a veterinary practice's staff, medical and business processes drive the practice's overall growth, which in turn supports both our growth and the expansion of the veterinary diagnostic segment of the pet healthcare market. In addition, we believe that our integrated product and service offerings, which span both point-of-care and reference laboratory diagnostic modalities, and our integrated data management enable the delivery of insights that provide great value to our veterinary customers.

Sustained Investment in Innovation

Consistent with one of our six Guiding Principles — to innovate with intelligence — we have made significant investments in new products, which we believe continue to expand our global leadership positions in the business segments we serve. As noted above, we estimate that our R&D investment represents more than 80% of the identifiable companion animal diagnostics industry's R&D investment⁴

Comparison of Identifiable Companion Animal Diagnostics Industry R&D Investment

Focus on Expanding the Global Pet Healthcare Market

We believe that supporting the expansion of the global pet healthcare market represents a unique opportunity for us to continue to create sustainable, long-term value for our shareholders. The growth opportunity in international segments is significant because, while the pet population outside the U.S. is larger than it is in the U.S., diagnostic utilization is typically much lower. This is due to the international segments generally being earlier in the pet healthcare adoption cycle, even though people love their pets in all geographies.

We focus on investing in and expanding the global pet healthcare market through developing and introducing unique, proprietary diagnostic and software technology innovations and supporting their adoption by our customers around the world. We believe these innovations raise the standard of veterinary care and thus enhance the health and well-being of pets as members of the family.

Our industry-leading in-clinic diagnostic instrument platforms, such as the Catalyst One[®] Chemistry Analyzer with its proprietary advanced menu (including the Catalyst[®] SDMA Test), the ProCyte[®] Dx Hematology Analyzer and the SediVue Dx[®] Urine Sediment Analyzer, enable the earlier detection, diagnosis and management of diseases that affect pets.

Our software solutions improve the performance and efficiency of our customers' operations and their profitability by helping veterinarians effectively manage their practices, and support their staff, by enhancing automation and workflow productivity, while providing ready access to diagnostic and medical information and enabling our customers to share test results directly with pet owners.

(1) '13 '14 '15 '16 '17 '18 VCA* Heska(1) 1 2 1 2 2 2 3 Abaxis(2) 13 14 15 18 19 23 26 IDEXX(3) 82 88 98 100 101
109
of
U.S.
dollars
for
calendar
years
shown)

VCA, Inc. does not report any R&D investment in its filings with the U.S. Securities and Exchange Commission
*("SEC"). On September 12, 2017, Mars, Incorporated completed its acquisition of VCA, Inc., and VCA, Inc. ceased
filing periodic reports with the SEC.

(1) Source: Heska Corporation's filings with the SEC.

Source: Abaxis, Inc.'s filings with the SEC. On July 31, 2018, Zoetis Inc. acquired Abaxis, Inc., and Abaxis, Inc.
ceased filing periodic reports with the SEC. 2018 figure is an estimate calculated by multiplying the ratio of

(2) Abaxis, Inc.'s total 2017 R&D expenses to its R&D expenses for the first quarter of 2017 by its R&D expenses for
the first quarter of 2018, in each case as disclosed by Abaxis, Inc. in its public filings with the SEC.

(3) Source: IDEXX's filings with the SEC.

This sustained investment, combined with our deep knowledge of our customers and their needs, has enabled us to introduce a steady stream of CAG diagnostic and software products that we expect will continue to grow our profitable recurring revenues for many years. In addition, our product innovations increasingly integrate and leverage machine learning and other forms of artificial intelligence ("AI"). We use AI in streamlining radiographs, which improves radiologist efficiency, and mapping data to generate clinical insights that benefit the industry and provide evidence-based support of our medical innovations. Because of the information-based nature of diagnostics, we believe that the further application of AI, combined with the possibilities of our already developed global-installed base of analyzers connected real-time with IDEXX, presents vast opportunities for future innovations.

Recent CAG Product Innovations

Catalyst One® Chemistry Analyzer – Delivers

real-time results from a blood sample drawn

during a patient visit. Integrates with most

customer practice management systems, while also SediVue Dx® Urine Sediment Analyzer – Automates urine sediment

being connected real-time with IDEXX for support analysis, a traditionally laborious and variable process, while

and continued software upgrades, as part of our

Technology for Life approach.

Catalyst Dx® and Catalyst One Chemistry

Analyzers Test Menu Expansion – Seven important to identify clinically relevant particles found in urine sediment and

new real-time tests added to the test menu in seven captures high-contrast digital images that become part of the

years, including our Catalyst SDMA Test launched permanent patient record. By using a growing image bank, now

in 2018. Most recently, we added a real-time

progesterone test that allows veterinarians to

provide new value to responsible canine breeders.

IDEXX SDMA® Test – Detecting the renal

biomarker SDMA helps veterinarians identify

when a patient's renal glomerular filtration rate, or

GFR, is impaired, which is a serious medical

condition that may result from a variety of medical

conditions and diseases. With early detection,

veterinarians have more options to diagnose, treat

and manage disease. We believe our proprietary

IDEXX SDMA Test, which is included in our

reference laboratories' routine chemistry panels,

highly differentiates our reference laboratory

offering.

Catalyst® SDMA Test – Launched in 2018, enables

real-time measurement of SDMA as part of a

routine chemistry test panel on our Catalyst Dx

and Catalyst One analyzers. By the end of 2018,

we achieved a rapid rate of adoption with more

than half of our Catalyst Dx and Catalyst One

analyzer customers globally having run Catalyst

SDMA.

Customer Centricity

We believe that developing and deepening strong relationships with our veterinarian customers help to deliver better

care to patients, drive broader adoption of our products and services and maintain high customer loyalty. To advance

our customer presence, in 2015 we transitioned in the U.S. from a model in which we marketed our CAG products to

veterinarians both directly and through independent veterinary distributors to an all-direct sales strategy. We also

executed similar all-direct strategies and expansions in field sales and marketing presence in international segments

over the past five years. Today, almost 99% of our CAG products and services are sold in countries where we have a direct presence.

In 2018, we expanded our U.S. field organization for a fourth time since our 2015 transition to an all-direct sales strategy in the U.S., and today, we believe we have generally achieved the level of field-based presence required to execute our growth strategy. In 2018, we also expanded our international field organization by more than 20% to further deepen our customer presence. Since the end of 2012, our global CAG field-based professional staffing has grown by more than 100%.

Total Worldwide	2013	437
Companion Animal	2014	465
Group Field-Based	2015	603
Professional	201	775
Headcount*	2018	910 2x

* Includes all field-based sales and technical services headcount, excluding management, as of December 31.

2018 Achievements

Investments in innovation and commercial capability supported the following achievements in 2018:

- Overall revenue and organic revenue growth of 12%, supported by CAG Diagnostics recurring revenue growth of 14% and organic revenue growth of 13%, including reference laboratory diagnostic and consulting services revenue growth of 13% and organic revenue growth of 12% and IDEXX VetLab® consumables revenue growth of 19% and organic revenue growth of 18%.
- Global premium instrument placements of:
 - More than 6,700 Catalyst One and Catalyst Dx chemistry analyzers, resulting in a global installed base of approximately 37,000 Catalyst One and Catalyst Dx chemistry instruments, which represents the majority of our approximately 50,000 total chemistry instruments installed base at the end of 2018. Consumables volumes from our chemistry instruments are the major component of IDEXX VetLab consumable revenues.
 - More than 3,600 premium hematology instruments, resulting in a global installed base of approximately 29,000 premium hematology instruments at the end of 2018.
 - More than 2,700 SediVue Dx Urine Sediment Analyzers, resulting in a global installed base of approximately 6,600 SediVue Dx analyzers at the end of 2018.

Consistent, Strong Financial Performance and Discipline

The enduring growth of our recurring revenue streams — supported by our continued focus on investing to grow our attractive, core businesses — enabled us to improve our operating margin in 2018 by 120 basis points, as compared to 2017 (or 130 basis points of constant currency operating margin improvement), and drive year-over-year EPS growth in 2018 of approximately 45% (or 36% comparable constant currency EPS growth).⁵ These strong results were delivered after advancing substantial incremental investments in our business, including the expansion of our 401(k) retirement plan annual matching for our U.S. employees by reinvesting benefits from U.S. tax reform.

Our 2018 performance is at the high end of our long-term financial goals, as reflected in our long-term financial potential model:

Average Annual Constant Currency Gains⁶

Revenue Growth	Operating Margin	Capital Allocation	Long-Term
10%+	+Expansion	Leverage	EPS Growth Potential
	50 – 100 bps	+ 1% – 2%	15% – 20%
		Incremental EPS Growth	

In addition, in 2018 we generated \$400 million in operating cash flow and \$284 million of free cash flow, representing 75% of net income, after supporting the growth needs of the business in R&D and capital investment, and allowing for the allocation of capital to share repurchases.⁷ During the six-year period ended on December 31, 2018, we allocated \$2.3 billion to repurchase 27% of our outstanding shares at an average price of \$78 per share.⁸ Our disciplined approach to capital allocation resulted in a 49% after-tax return on invested capital, excluding cash and investments, in 2018, reinforcing the attractiveness of our business strategy and focus.

A full review of our 2018 financial performance can be found in the financial statements contained in our 2018 Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 15, 2019, which can be accessed on our website (www.idexx.com).

Commitment to Corporate Responsibility and Contributing to Our Communities

At IDEXX, corporate responsibility has been part of the way we operate for a long time. We seek to be a good citizen of the communities in which we do business by contributing to their health and quality of life, conducting ourselves with the highest ethical standards and recognizing our environmental responsibilities. We believe that our corporate responsibility efforts enable sustainable, long-term shareholder value-creation by supporting the human-animal bond through advances in pet healthcare — which we believe supports improvements in the human condition; attracting, developing and retaining talent critical to the execution of our long-term strategy; and helping us mitigate risks, reduce costs and protect our brand. To learn more about corporate responsibility at IDEXX, please visit the Corporate Responsibility section of our website (www.idexx.com).

An important focus of our corporate responsibility initiatives is investing in our employees. In 2018, we invested a portion of our tax savings from the enactment of the 2017 Tax Cuts and Jobs Act in the long-term financial and retirement well-being of our U.S. employees by raising our annual 401(k) retirement plan match from 4% to 5%. Because our eligible employees' participation rate is 96%, which is well above benchmarks for companies of our size, we expect this change to positively impact the retirement savings of over 90% of our U.S. employees.

Given this and our other investments in employee learning, development, health and well-being, and our ongoing commitment to inclusion and diversity, we are pleased to report that IDEXX was recognized by the National Business Group on Health with a Best Employers for Healthy Lifestyles Gold Award, by Forbes as one of the World's Best Employers and by Forbes as one of the Best Employers for Women in 2018.

In addition to what we do as a company, our employees personally contribute to our communities through their individual philanthropic activities. Our Global IDEXX Volunteer Efforts (GiVE) Program enables employees to embrace this Guiding Principle by offering two paid days per year for volunteer service, which resulted in nearly 50,000 employee hours donated from 2015 – 2018. Like my fellow IDEXXers, I am personally and passionately committed to giving back and recently created a charitable foundation dedicated to the preservation of the forty-one species of the feline family that live in the wild. Safeguarding these wild feline species involves conservation of the vast landscapes and ecosystems that they need to survive.

Robust Governance and Executive Compensation Practices

We are committed to strong governance and executive compensation practices, which we believe enable us to fulfill our Purpose and support long-term shareholder value.

Our Board plays a key role in the oversight of our business, strategy and risk management. And, our Board is committed to robust, year-round Board refreshment and succession planning as described on page 24 to ensure that IDEXX remains well positioned for continued growth and success. As a result, since 2011, our Board has added six new independent Directors, with diverse backgrounds and experiences. Today, of our eight Directors, two were born and raised outside the U.S., three are women and six are current or former chief executive officers. We believe our Board members bring the right mix of experiences, skills and capabilities to effectively oversee IDEXX for today and in the future.

Looking Ahead

All of us at IDEXX remain united by our Purpose and are committed to extending our track record of strong, profitable growth. We look forward to joining you at our 2019 Annual Meeting on May 8, 2019.

Sincerely,

¹ Information regarding organic revenue growth and comparable constant currency EPS growth and their calculation is provided in Appendix A.

² Based on total return to shareholders, assuming dividend reinvestment for those companies issuing dividends, for the fifteen-year period and twelve-month period ended December 31, 2018.

³ Information regarding after-tax return, excluding cash and investments, and its calculation is provided in Appendix A.

Identifiable R&D investment for any calendar year in the companion animal diagnostics industry represents all R&D expenses for such calendar year as disclosed in public filings with the SEC by U.S. public companies with material business operations in the manufacture and sale of companion animal diagnostics products or the provision of veterinary reference laboratory services from 2012 through 2018, except that Abaxis, Inc.'s R&D expenses for 2018 is an estimate calculated by multiplying the ratio of Abaxis, Inc.'s total 2017 R&D expenses to its R&D expenses for the first quarter of 2017 by its R&D expenses for the first quarter of 2018, in each case as disclosed by Abaxis, Inc. in its public filings with the SEC.

⁵ Information regarding constant currency operating margin improvement and its calculation is provided in Appendix A.

⁶ The projections in our long-term financial potential model assume that foreign currency exchange rates will remain the same and excludes year-over-year changes in share-based compensation tax benefits.

⁷ Information regarding free cash flow, the ratio of free cash flow to net income and their calculation is provided in Appendix A.

⁸ The average purchase price per share of our stock has been adjusted for the effect of the two-for-one split of our common stock effected in the form of a common stock dividend paid on June 15, 2015.

This page intentionally left blank.

Table of Contents

Page	Page	Page
<u>Proxy Summary</u>	10	<u>Executive Compensation</u> 52
<u>Notice of 2019 Annual Meeting of Shareholders</u>	21	<u>PROPOSAL THREE Advisory Vote to Approve</u>
<u>Corporate Governance</u>	23	<u>Executive Compensation</u> 52
<u>PROPOSAL ONE Election of Directors</u>	23	<u>Executive Officers</u> 53
<u>Board Refreshment and Succession Planning</u>	24	<u>Compensation Discussion and Analysis</u> 55
<u>Director Nomination Process</u>	25	<u>Executive Summary</u> 55
<u>Criteria and Experiences, Qualifications and Skills</u>	25	<u>How We Determine Compensation</u> 59
<u>Shareholder Recommendation and Nomination of Directors</u>	26	<u>Compensation Benchmarking and Peer Group</u> 62
<u>Majority Voting and Director Resignation</u>	26	<u>How We Paid Our NEOs in 2018</u> 64
<u>Director Nominees and Board Biographies</u>	27	<u>How We Manage Risk and Governance</u> 70
<u>Our Corporate Governance Framework</u>	32	<u>Compensation Committee Report</u> 71
<u>Corporate Governance at a Glance</u>	32	<u>Executive Compensation Tables</u> 72
<u>Board of Directors and Its Oversight of IDEXX</u>	33	<u>CEO Pay Ratio</u> 78
<u>Board Meetings and Attendance</u>	33	<u>Equity Compensation Plan Information</u> 79
<u>Director Independence</u>	33	<u>Stock Incentive Plans</u> 79
<u>Related Person Transactions</u>	34	<u>Executive Bonus Recovery Policy</u> 80
<u>Compensation Committee Interlocks and</u>		<u>Potential Payments Upon Termination or Change</u>
<u>Insider Participation</u>	34	<u>in Control</u> 80
<u>Board Leadership Structure</u>	35	<u>General Information about the 2019 Annual</u>
<u>Lead Director</u>	35	<u>Meeting and Voting</u> 84
<u>Annual Board Self-Assessment</u>	36	<u>The Proxy Statement and How Proxies Work</u> 84
<u>Board's Oversight of Our Strategy</u>	36	<u>Who Can Vote</u> 84
<u>Board's Role in Risk Management Oversight</u>	36	<u>Notice of Internet Availability (Notice and</u>
<u>Talent Management and Executive Succession</u>	37	<u>Access)</u> 84
<u>Planning</u>	37	<u>How to Vote</u> 85
<u>Board Committees</u>	38	<u>Revoking a Proxy</u> 85
<u>Corporate Governance Guidelines and Code of</u>	38	<u>Quorum</u> 85
<u>Ethics</u>	40	<u>Votes Needed</u> 85
<u>Anti-Hedging and Short Sale and Anti-Pledging</u>	41	<u>Broker Non-Votes</u> 86
<u>Policies</u>	41	<u>Conduct of the 2019 Annual Meeting</u> 86
<u>Shareholder Communication</u>	41	<u>Pre-Meeting Forum and Submitting Questions</u> 86
<u>Virtual Shareholder Meeting</u>	42	<u>Virtual 2019 Annual Meeting</u> 86
<u>Non-Employee Director Compensation</u>	42	<u>Voting on Other Matters</u> 87
<u>2018 Non-Employee Director Compensation Table</u>	45	<u>Solicitation of Proxies</u> 87
<u>Stock Ownership Information</u>	46	<u>Householding of Annual Meeting Materials</u> 87
<u>Stock Ownership of Directors and Officers</u>	46	<u>Requirements for Submission of Proxy Proposals,</u>
<u>Director and Officer Stock Ownership Guidelines</u>	47	<u>Nomination of Directors and</u>
<u>Stock Ownership of Certain Beneficial Owners</u>	48	<u>Other Business of Shareholders</u> 88
<u>Section 16(a) Beneficial Ownership Reporting</u>	48	<u>Proposals Submitted Under Rule 14a-8</u> 88
<u>Compliance</u>	49	<u>Proposals Submitted Outside of Rule 14a-8</u> 88
<u>Audit Committee Matters</u>	49	<u>Forward-Looking Statements</u> 89
<u>PROPOSAL TWO Ratification of Appointment of</u>	49	<u>Other Matters</u> 90
<u>Independent Registered Public Accounting Firm</u>	49	
<u>Audit Committee Report</u>	50	

<u>Independent Auditors' Fees</u>	<u>50</u>	<u>Appendix A – Reconciliation of Non-GAAP</u>	
<u>Independent Auditor Fee Approval Policy</u>	<u>51</u>	<u>Financial Measures</u>	<u>91</u>

BASIS OF PRESENTATION

IDEXX Laboratories, Inc. is a Delaware corporation incorporated in 1983 with principal executive offices located at One IDEXX Drive, Westbrook, Maine 04092. Unless the context indicates otherwise, references in this Proxy Statement to “we”, “us”, “our”, the “Company” or “IDEXX” refer to IDEXX Laboratories, Inc. and its consolidated subsidiaries. Our website is located at www.idexx.com. References to our website in this Proxy Statement are inactive textual references only, and the contents of our website are not incorporated by reference into this Proxy Statement for any purpose.

Proxy Summary

This summary highlights selected information that is contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider prior to voting your shares. You should carefully read both this entire Proxy Statement and our 2018 Annual Report on Form 10-K filed with the SEC on February 15, 2019 before voting.

2019 Annual Meeting Information

DATE AND TIME:

Wednesday, May 8, 2019,

10:00 a.m., Eastern Time

PRE-MEETING FORUM: Our online pre-meeting forum can be accessed at www.proxyvote.com for beneficial owners and www.proxyvote.com/idxx for registered shareholders. At this online pre-meeting forum, you can submit questions in writing in advance of our 2019 Annual Meeting, vote, view the Rules of Conduct and Procedures relating to the 2019 Annual Meeting and access copies of proxy materials and our annual report.

LOCATION: Online virtual meeting at www.virtualshareholdermeeting.com/IDXX2019.

Virtual Shareholder Meeting

After holding a virtual-only annual meeting of shareholders in both 2017 and 2018, the Board determined, after discussion and consideration, to continue with this format for our 2019 annual meeting of shareholders. In making this determination, the Board considered a number of factors, including our global shareholder base and the technology available to support our virtual meeting format, which is designed to assure our shareholders the same rights and opportunities to ask questions and participate in our virtual 2019 Annual Meeting as they would at an in-person meeting.

A more detailed description regarding the format of the virtual 2019 Annual Meeting and how to ask questions and participate in the meeting is provided in the Notice of 2019 Annual Meeting of Shareholders on page 21, under “Virtual Shareholder Meeting” on page 41, and under “General Information about the 2019 Annual Meeting and Voting” on page 84.

Shareholder Voting Matters Summary

Proposal	Board Vote Recommendation	Page Number for More Information
Proposal One – Election of Directors	FOR each nominee	<u>23</u>
Proposal Two – Ratification of Appointment of Independent Registered Public Accounting Firm	FOR	<u>49</u>
Proposal Three – Advisory Vote to Approve Executive Compensation	FOR	<u>52</u>

PROXY SUMMARY

How to Vote

It is important that your shares be represented and voted at the 2019 Annual Meeting. You can submit a proxy by telephone or via the Internet. Alternatively, you may request a paper proxy card by calling the appropriate number set forth below, which you may complete, sign and return by mail. Registered holders and beneficial owners of our stock will be able to vote their shares electronically at the annual meeting, which will be a completely online virtual meeting of shareholders.

For registered holders:

(Your shares are registered in your name with our transfer agent American Stock Transfer & Trust Company)

BY TELEPHONE

In the U.S., you can vote your shares toll-free by calling 1-800-690-6903.*

BY INTERNET

You can vote your shares online before the meeting at www.proxyvote.com. During the meeting, you can vote your shares at [www.virtualshareholdermeeting.com/IDXX2019](http://www.virtualshareholdermeeting.com>IDXX2019).*

BY MAIL

You can vote by mail using a paper proxy card, which you may request by calling 1-800-579-1639, or by email at sendmaterial@proxyvote.com.

For beneficial owners:

(You hold your shares in a brokerage account or by a bank or other holder of record (that is, in “street name”))

BY TELEPHONE

You can vote your shares toll-free by calling 1-800-454-8683.*

BY INTERNET

You can vote your shares online before the meeting at www.proxyvote.com. During the meeting, you can vote your shares at www.virtualshareholdermeeting.com/IDXX2019.*

BY MAIL

You can vote by mail by using the paper proxy card or voting instruction form. Mark, sign and date your proxy card and return it in the postage-paid envelope provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

* You will need your 16-digit control number available from the Notice sent to you from Broadridge.

Whether you are a registered holder or a beneficial owner, you may vote online at the 2019 Annual Meeting. You will need to enter your control number (included in your Notice of Internet Availability, your proxy card or the voting instructions that accompanied your proxy materials) to vote your shares at the 2019 Annual Meeting. Even if you plan to attend the virtual 2019 Annual Meeting, we encourage you to vote in advance by telephone, over the Internet or by mail as described above. This will ensure that your vote will be counted if you are unable to, or later decide not to, participate in the virtual meeting.

PROPOSAL
ONE

Election of Directors

The Board has nominated Jonathan W. Ayers, Stuart W. Essig, PhD, and M. Anne Szostak to serve as Class III Directors with a term expiring at the 2022 Annual Meeting.

Director Since	Independent	Committees	Other Current Public Company Board Service
Jonathan W. Ayers	2002	(none)	(none)
Stuart W. Essig, PhD	2017	Finance Nominating and Governance	Integra LifeSciences Holdings Corporation SeaSpine Holdings Corporation Owens & Minor, Inc.
M. Anne Szostak	2012	Audit Compensation (Chair)	Tupperware Brands Corporation

The Board of Directors recommends a vote “FOR” the three Director nominees up for election
See page 27 for further information about our Director nominees

Notable Corporate Governance Highlights

We believe that our commitment to high ethical standards and good governance practices contributes to our creation of long-term shareholder value by:

- Strengthening Board and management accountability and effectiveness;
- Promoting alignment with the long-term interests of our shareholders; and
- Helping to maintain our shareholders’ trust in our company.

Our engaged and diverse Board has implemented and maintained strong corporate governance policies. In addition, the Board actively oversees the development and execution by management of long-term strategies for durable growth and shareholder value-creation, and the Board plays a key oversight role in risk management. We believe that the Board’s stewardship in these areas and our strong governance policies and practices summarized below have enabled IDEXX to achieve strong financial performance relative to its peers and the S&P 500 Index.

Board Independence	Board Effectiveness	Strategy, Risk Management and Succession Planning	Further Best Practices
<ul style="list-style-type: none"> • Strong independent Lead Director • Independent Board except for our Chair • Fully independent Board Committees • Executive sessions of independent Directors held at each regularly scheduled Board 	<ul style="list-style-type: none"> • Commitment to Board refreshment with 6 new independent Directors in the last 7 years • Robust Director nominee selection process aligned with our long-term, strategic needs • Active seeking of highly qualified, diverse Director candidates, with: 	<ul style="list-style-type: none"> • Annual corporate strategy review by the Board • Risk management oversight by the Board and its Committees • Active Board participation in and oversight over CEO and senior executive succession planning 	<ul style="list-style-type: none"> • Majority vote standard in uncontested Director elections • Proxy access rights • No shareholder rights plan (“poison pill”) • Industry-leading stock ownership and retention guidelines for Directors and senior executives

meeting

- 2 out of 8 born and raised outside the U.S.;
 - 3 out of 8 women; and
 - 6 out of 8 former or current chief executive officers
- ü Rigorous annual self-assessments of the Board, its Committees and each Director
 - ü Director retirement at the next Annual Meeting after the 73rd birthday, except as may be approved by the Board

- ü Pledging, hedging and short sales of stock prohibited
- ü Clawback policy for performance-based incentive compensation

PROXY SUMMARY

The Board regularly assesses the corporate governance landscape to identify best practices that it believes will enable us to fulfill our Purpose and support the creation of exceptional long-term shareholder value. Most recently, the Board adopted the following leading practices:

Proxy access rights adopted in December 2017 that permit a shareholder, or a group of up to twenty shareholders, owning at least 3% in aggregate of our outstanding common stock continuously for at least three years, to nominate and include in our annual meeting proxy materials two individuals or 20% of the number of Directors serving on the Board, whichever is greater, as Director nominees, provided that the nominating shareholder(s) and Director nominees satisfy the requirements of the proxy access bylaw provisions.

See the discussions under “Shareholder Recommendation and Nomination of Directors” on page 26 and “Requirements for Submission of Proxy Proposals, Nomination of Directors and Other Business of Shareholders” on page 88.

A majority-voting standard in uncontested elections adopted in December 2016.

See “Majority Voting and Director Resignation” on page 26.

An anti-pledging policy, adopted in December 2015, that prohibits our executive officers and Directors from pledging or otherwise encumbering IDEXX equity securities.

See “Anti-Hedging and Short Sale and Anti-Pledging Policies” on page 41.

For more information about our corporate governance policies and practices, see the Corporate Governance section of this Proxy Statement beginning on page 23.

Board Composition and Skills

The following summarizes key information regarding the composition and qualifications of our Board as described below on page 27 under “Director Nominees and Board Biographies.”

Director	Former	Born
Independent	or	and
Director	Current	Raised
	CEOs	Outside
		U.S.
7		
out	3 out of 8	6 out of 8
of	are	8
8	women	

Average	
Age 61	Director Skills
Directors 56	and
Age 57 57 58	Qualifications
62 66 67	
68	

Average
Tenure
Director 7.5 years
Tenure 2 3 4 5 6
7 16 17

Executive
Leadership Public
Company Board
Service Corporate
Governance

Operations
International
Business Biotech
Accounting
Capital Markets
Technology/Data
Corporate
Strategy 0 1 2 3 4
5 6 7 8

PROPOSAL
TWO

Ratification of Appointment of Independent Registered Public Accounting Firm PricewaterhouseCoopers LLP (“PwC”) has been appointed to serve as our independent registered public accounting firm for 2019 and, while not required by law, the Board believes that it is advisable to give shareholders an opportunity to ratify this selection. The following table summarizes the fees for services provided by PwC during 2018 and 2017.

Fiscal Years Ended December 31,	2018	2017
Audit fees	\$2,123,435	\$2,045,100
Audit-related fees	50,000	80,000
Tax fees	275,184	206,000
All other fees	0	3,000
Total fees	\$2,449,519	\$2,334,100

The Board of Directors recommends a vote “FOR” this item
See page 49 for further information about our independent auditors

PROPOSAL
THREE

Advisory Vote
to Approve
Executive
Compensation
("say-on-pay")
We are asking
our
shareholders to
approve, on an
advisory
(non-binding)
basis, the
compensation
of our named
executive
officers
("NEOs") as
disclosed in
this Proxy
Statement. At
our 2018
Annual
Meeting, our
shareholders
voted 96% in
favor of
approving the
compensation
of our NEOs.
The Board of
Directors
recommends a
vote "FOR" this
item
See below and
page 52 for
further
information
about our
executive
compensation
program

PROXY SUMMARY

2018 Financial Performance Highlights

The following is an overview of our 2018 financial performance highlights and our Total Shareholder Return since 2013. For more complete information, review our 2018 Annual Report on Form 10-K filed with the SEC on February 15, 2019. The Total Shareholder Return graph compares our total shareholder returns, the Total Return for the S&P 500 Index, the Total Return for the S&P 500 Health Care Index and the Total Return for the NASDAQ Stock Market Index (U.S. Companies) prepared by the Center for Research in Security Prices (the “NASDAQ Index”). This graph assumes the investment of \$100 on December 31, 2013 in IDEXX’s common stock, the S&P 500 Index, the S&P 500 Health Care Index and the NASDAQ Index and assumes dividends, if any, are reinvested. Measurement points are the last trading days of the years ended December 2013 to 2018.

+14% growth in CAG Diagnostics	22% of revenue	
recurring revenue, or	+120 bps over 2017 on reported basis	+36% over 2017 on comparable
+13% organic revenue growth, over 2017	+130 bps over 2017 on constant currency basis	constant currency basis
Revenue A record \$2.2 billion over 2017	+12% Operating Profit \$491 million over 2017	+19% Diluted Earnings Per Share \$4.26 over 2017

Total Shareholder Return*	IDEXX Laboratories, Inc.	NASDAQ Index	S&P 500 Health Care Index	S&P 500 Index
	12/31/2013	12/30/2014	12/31/2015	12/31/2016
	12/31/2017	12/31/2018	\$100	\$150
	\$300	\$350	\$200	\$250

* Total Shareholder Return is defined as: (adjusted close share price end of period – adjusted close share price start of period) / share price start of period.

Executive Compensation Highlights

These executive compensation highlights should be read in conjunction with the Executive Compensation section of this Proxy Statement, including the Compensation Discussion and Analysis section, for additional information about our executive compensation philosophy and program and the compensation awarded to each of our NEOs, including our Chief Executive Officer (“CEO”), beginning on page 55.

Our Executive Compensation Philosophy and Program

Our executive compensation philosophy is simple — we want to attract, motivate and retain talented executives who are aligned with and passionate about our Purpose: to be a great company that creates exceptional long-term value for our customers, employees and shareholders by enhancing the health and well-being of pets, people and livestock.

We believe that executing this philosophy through our executive compensation program and practices, including a strong focus on pay-for-performance based compensation elements, will support long-term shareholder value-creation through driving our strategy of innovation, continued revenue growth, margin improvement and efficient capital allocation.

Our Executive Compensation Program

Our executive compensation program consists of three key elements, base salary, annual performance-based cash bonus and equity-based long-term incentives, which in total are targeted at the median of our competitive market. Because it relates most directly to the creation of shareholder value over time, variable, at risk compensation is a higher percentage of total compensation for our NEOs than for our other employees. The total 2018 direct compensation mix for our CEO and our other NEOs is detailed below:

Elements of 2018 Direct Compensation for CEO and Other NEOs (Average)

Base Salary Represents 12% (CEO) and 22% (other NEOs) of total target direct compensation opportunity.

Equity-Based Long-Term Incentives Represents 70% (CEO) and 59% (other NEOs) of total target direct compensation opportunity. Annual Performance-Based Cash Bonus Represents 18% (CEO) and 19% (other NEOs) of total target direct compensation opportunity. Cash bonus targets were 125% of base salary (CEO) and in the range of 60% to 75% of base salary (other NEOs), and actual for 2018 was paid at 120% of target for the CEO and for the other NEOs. At Risk

PROXY SUMMARY

Annual Performance-Based Cash Bonus

The target amount of the annual performance-based cash bonus award for each NEO is a percentage of his or her annual base salary, and the award amount is capped at 200% of this target.

Actual amounts of the annual performance-based cash bonuses are calculated based on the achievement of both financial and non-financial performance goals, which results in the determination of an overall performance factor:

Annual Performance-Based Cash Bonus – Overall Performance Factor Determination

Factor	Weighting	Metrics/Goals	Objective
Financial performance	50% weighting	<ul style="list-style-type: none"> Organic revenue growth (40%) Operating profit (20%) 	Measure performance against shareholder value drivers
		<ul style="list-style-type: none"> Earnings per share (diluted) (20%) After-tax return on invested capital, excluding cash and investments ("ROIC") (20%) International growth R&D Operational improvements Execution of key risk management initiatives 	
Non-financial performance	50% weighting	<ul style="list-style-type: none"> Hiring and development of key leadership talent, including gender and ethnically diverse talent Preparation and publication of corporate responsibility report 	Support near-term performance of our long-term business objectives to strengthen the business in support of long-term performance

In 2018, the overall performance factor was calculated as 120% for each of the NEOs based on achievement of the financial and non-financial performance goals described above. The Compensation Committee also considered the relative contributions made by each NEO to the achievement of the Company's financial and non-financial goals, as well as other factors, such as the scope of and tenure in their roles at the Company, in determining the final amount of each award.

Equity-Based Long-Term Incentives

Our equity-based long-term incentives consist of stock options and restricted stock units. These equity incentives have a five-year vesting schedule, which is longer than typical market practice, and they are more heavily weighted in the form of stock options for our senior executives. Since 2015 our CEO has received 100% of his annual equity award in the form of stock options, and the rest of our senior executives generally receive 75% of their annual equity awards in the form of stock options and 25% in the form of restricted stock units. We believe that these types of equity incentives drive closer alignment with our shareholders' long-term interests.

CEO's 2018 Compensation

Our CEO's 2018 compensation was competitively structured and ranked below the median as compared to our peer group.

In addition, a significant portion of his 2018 compensation was at risk and tied to our operating or stock price performance.

Our 1-, 3- and 5-year total shareholder return for the period ended December 31, 2018 was between the 74th and 95th percentiles of our peer group.

For more information regarding our total shareholder return relative to our peer group, see the chart on page 67.

Base Salary \$800k (no increase since 2013) Equity-Based Long-Term Incentives \$4.8m (100% options) Annual Performance-Based Cash Bonus \$1.20m (120% of target) At Risk 88% Total Direct Compensation \$6.8m

For more information regarding Mr. Ayers's compensation, see "CEO Compensation Decisions" on page 56, "CEO Pay-for-Performance Alignment" on page 56 and "How We Paid Our NEOs in 2018" beginning on page 64.

CEO's Substantial Equity Ownership Aligns His Interests with Those of All of Our Shareholders

Since being named CEO in January 2002, Mr. Ayers has consistently increased his IDEXX stock ownership through open-market purchases, stock option exercises and the voluntary deferral of a portion of his cash compensation into fully-vested deferred stock units, resulting in his ownership of over 1.19 million shares of IDEXX stock (including fully-vested deferred stock units) as of March 1, 2019. Through Mr. Ayers's substantial ownership of IDEXX stock, his overall economic interests are closely aligned with those of all of our shareholders in the creation of long-term shareholder value.

For more information regarding Mr. Ayers's ownership of our common stock, see "Stock Ownership of Directors and Officers" beginning on page 46.

PROXY SUMMARY

Executive Compensation Program at a Glance

We seek to promote the long-term interests of our shareholders through our prudent compensation practices and policies:

Executive Compensation Program Design

What We Do

- ü Align pay with our performance by having a weighted average of 82% of 2018 target total direct compensation for our NEOs consist of performance-based compensation
- ü Target total direct compensation for our NEOs at the median of our peer group
- ü Focus, in part, on effectiveness of management to invest in the future of the business through its innovation, employees, systems and processes

Equity-Award-Related Practices

What We Do

- ü Grant all equity awards with a five-year vesting schedule, longer than typical market practice
- ü Apply a one-year minimum vesting requirement to equity awards granted to employees
- ü Minimum fair market value exercise price for options
- ü Include non-competition, non-solicitation and related forfeiture provisions in our equity award agreements for our executives

Compensation Governance and Risk Mitigation

What We Do

- ü Review our peer group annually and engage in rigorous, annual benchmarking to align our executive compensation program with the market
- ü Review and verify annually the independence of the Compensation Committee's independent compensation consultant
- ü Conduct an annual compensation program risk assessment
- ü Provide limited benefits and perquisites to our senior executives that are not otherwise made available to our other salaried employees
- ü Require our senior executives to satisfy strict and meaningful stock ownership guidelines to strengthen the alignment with our shareholders' interests
- ü Maintain a clawback policy that allows us to recover annual and long-term performance-based compensation if we are required to restate our financial results, other than a restatement due to changes in accounting principles or applicable law
- ü Hold an advisory vote on executive compensation on an annual basis to provide our shareholders with an opportunity to give feedback on our executive compensation program
- ü Cap annual performance-based cash bonuses at 200% of target

What We Don't Do

- X No uncapped payouts under our Executive Incentive Plan
- X No purely formulaic calculations of annual performance-based cash bonus amounts — Compensation Committee able to exercise discretion regarding payouts

What We Don't Do

- X No dividends or dividend equivalents on unearned equity awards
- X No backdating of options and no repricing or buyout of underwater stock options without shareholder approval

What We Don't Do

- X No employment contracts other than with our CEO
- X No tax gross-ups of perquisites or 280G excise taxes, with the exception of standard tax equalization measures for expatriates
- X No supplemental executive retirement plan
- X No single-trigger change-in-control bonus payments or vesting of equity awards (subject to 25% vesting of equity awards upon a change-in-control)
- X No stock options granted below fair market value
- X No allowance for pledging of our common stock by executive officers and Directors
- X No allowance for employees to hedge or sell short our common stock

Recent Noteworthy Compensation Actions

In 2018, we implemented the following noteworthy changes to our executive compensation program, policies and practices:

Amended our stock ownership guidelines to increase the target levels of ownership of our common stock to ten times annual base salary for our CEO (from six times) and to four times annual base salary for our Executive Vice Presidents (from three times).

Added ROIC as a fourth metric in the calculation of the financial performance factor used to determine the annual performance-based cash bonus for 2018, and readjusted the weighting among the four financial metrics as follows:

Organic Revenue	Operating	Earnings Per	Financial
Growth Rating	+Profit	+Share (Diluted)	+ROIC Rating
	Rating	Rating	=Performance
40% Weighting	20% Weighting	20% Weighting	20% Weighting
			Factor

ROIC is a non-GAAP financial measure of the efficiency with which a company uses its invested capital to generate returns.¹ The addition of ROIC to the determination of our annual performance-based cash bonus in 2018 is intended to hold management more directly accountable for capital productivity and achieve a more effective balance between financial measures of growth and return, both of which we believe are important in creating shareholder value. The introduction of ROIC was informed, in part, by feedback obtained from our shareholders.

Simplified the design of the equity-based long-term incentive program in 2018 by eliminating the use of performance-based restricted stock units. We had previously granted performance-based restricted stock units with the intention of them being eligible to qualify as performance-based compensation under Section 162(m) of the Code.

However, with the repeal of the performance-based compensation exception to the deduction limitations of Section 162(m) of the Code, the primary benefit of granting performance-based restricted stock units was removed. The elimination of the performance-based restricted stock units did not diminish the strong alignment between our equity-based long-term incentives and shareholder value-creation as the primary component of the program continues to be stock options, which provide value to the recipient only in the case of stock price appreciation.

Amended the provisions of the employee equity awards granted in 2018 and later to permit continued vesting of those equity awards for an additional two vesting periods after retirement for eligible employees. Eligibility criteria include having been employed by the Company or any of its subsidiaries for at least ten years, retiring from the Company at the age of 60 years or older and providing written notice to the Company at least six months prior to retirement.

1 Additional information regarding ROIC, including its definition and calculation, is provided in Appendix A.

20 | 2019 Proxy Statement

NOTICE OF ANNUAL MEETING

One IDEXX Drive
Westbrook, Maine, 04092
Notice of 2019 Annual Meeting
of Shareholders

NOTICE IS HEREBY GIVEN of the 2019 annual meeting of shareholders (“2019 Annual Meeting”) of IDEXX Laboratories, Inc. As described below, the 2019 Annual Meeting will be a completely virtual meeting of shareholders held over the Internet, and shareholders will be able to attend the 2019 Annual Meeting, vote their shares electronically and submit their questions during the live audio webcast of the 2019 Annual Meeting by visiting www.virtualshareholdermeeting.com/IDXX2019 and entering their control number. We will first make available to our shareholders this Proxy Statement and the form of proxy relating to the 2019 Annual Meeting, as well as our 2018 Annual Report on Form 10-K filed with the SEC on February 15, 2019, on or about March 25, 2019. The 2019 Annual Meeting will be held:

DATE AND TIME

Wednesday, May 8, 2019, 10:00 a.m.,
Eastern Time

LOCATION

Virtual meeting online via audio webcast at
www.virtualshareholdermeeting.com/IDXX2019

RECORD DATE

The Company’s Board of Directors has fixed the close of business on March 15, 2019 as the record date for the determination of shareholders entitled to notice of and to vote at the 2019 Annual Meeting.

PURPOSE OF 2019 ANNUAL MEETING

1. Election of Directors. To elect the three Class III Directors named in the attached proxy statement for three-year terms (Proposal One);
2. Ratification of Appointment of Independent Registered Public Accounting Firm. To ratify the selection of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the current fiscal year (Proposal Two);
3. Advisory Vote to Approve Executive Compensation. To approve a non-binding advisory resolution on the Company’s executive compensation (Proposal Three); and
4. Other Business. To conduct such other business as may properly come before the 2019 Annual Meeting or any adjournments thereof, including approving any such adjournment, if necessary.

VIRTUAL MEETING ADMISSION

Shareholders of record as of March 15, 2019, will be able to participate in the 2019 Annual Meeting by visiting www.virtualshareholdermeeting.com/IDXX2019. To participate in the 2019 Annual Meeting, shareholders of record will need the control number included on their Notice of Internet Availability of the proxy materials, on their proxy card or on the instructions that accompanied their proxy materials. The annual meeting will begin promptly at 10:00 a.m., Eastern Time. Online check-in will begin at 9:30 a.m., Eastern Time, and you should allow ample time for the online check-in procedures.

PRE-MEETING FORUM

The online format for our 2019 Annual Meeting also allows us to communicate more effectively with you through our online pre-meeting forum, which can be accessed at www.proxyvote.com for beneficial owners and www.proxyvote.com/idxx for registered shareholders. At this online pre-meeting forum, you can submit questions in advance of our 2019 Annual Meeting, vote, view the Rules of Conduct and Procedures relating to the 2019 Annual Meeting and access copies of proxy materials and our annual report.

By order of the Board of Directors,
Sharon E. Underberg

Corporate Vice President,
General Counsel and Corporate Secretary
Westbrook, Maine
March 25, 2019

2019 Proxy Statement | 21

This page intentionally left blank.

CORPORATE GOVERNANCE

Corporate Governance

Proposal One – Election of Directors

Our Board of Directors is divided into three classes, and members of each class hold office for three-year terms as set forth below:

• Class I Directors – currently two Directors whose terms expire at the 2021 Annual Meeting;

• Class II Directors – currently three Directors whose terms expire at the 2020 Annual Meeting; and

• Class III Directors – currently three Directors whose terms expire at the 2019 Annual Meeting.

Upon recommendation of the Nominating and Governance Committee, the Board has nominated Mr. Jonathan W. Ayers, Dr. Stuart M. Essig and Ms. M. Anne Szostak, our three current Class III Directors, for re-election as Class III Directors, and shareholders are being asked to elect them for three-year terms expiring at the 2022 Annual Meeting. This section includes additional information about Board refreshment and succession planning and the Director nomination process, including requisite criteria, experiences, qualification and skills, as well as the Class III Director nominees and the Board.

RECOMMENDATION

OF THE BOARD OF DIRECTORS

The Board of
Directors

recommends

that you vote

“FOR” the

election of Mr.

Ayers, Dr.

Essig and Ms.

Szostak.

Board Refreshment and Succession Planning

The Nominating and Governance Committee identifies, reviews and recommends candidates for nomination to our Board in accordance with its charter and our Corporate Governance Guidelines. To ensure that it is selecting candidates who will contribute to Board effectiveness and the continued fulfillment of our Purpose, the Nominating and Governance Committee actively plans for Board succession and refreshment throughout the entire year:

Strategic and Risk

Review

This annual strategic planning process and enterprise risk assessment informs the Nominating and Governance Committee's understanding of the specific skill sets that would contribute to Board effectiveness

Board

Self-Assessment

Nominating and Governance

Committee uses

this annual assessment to identify any future needs — particularly in light of our long-term strategy, risks and potential Director retirements

Board

Composition

Review

Nominating and Governance

Committee

annually reviews the Board composition and each Director's skill set

Recruitment and
Nomination
Process
Nominating and
Governance
Committee
identifies and
evaluates
potential
candidates, and
the Board
recommends
nominees

Election
Shareholders vote
on nominees
Six new Directors
joined the Board
in the past seven
years

Each year, the Nominating and Governance Committee leverages insights from the Board’s annual review of our long-term strategic plan and related risk assessment to identify the capabilities, skills and experiences that it believes would best enable our Board to support our Purpose, including the creation of exceptional long-term shareholder value, in both the present time and the future.

The Nominating and Governance Committee then considers the results of our annual Board self-assessment and evaluates the Board’s composition and each Director’s skill set to determine whether our Directors’ current capabilities, skills and experiences align with the long-term needs of our Board.

Based on its review, coupled with our Director age limit in our Corporate Governance Guidelines — which requires each Director to retire at the next Annual Meeting after his or her 73rd birthday, except as may be approved by the Board — the Nominating and Governance Committee determines whether and when Board refreshment is needed, as well as the capabilities, skills and experiences that candidates should possess.

The Nominating and Governance Committee then engages in the process described below under “Director Nomination Process.” Once candidates are recommended to the Board, the Board selects nominees to be voted upon by our shareholders.

CORPORATE GOVERNANCE

Director Nomination Process

1 2

The Nominating and Governance Committee identifies, evaluates, recruits and makes recommendations to the Board regarding candidates to fill executive vacancies on the Board using the criteria described below. The process followed by the Nominating and Governance Committee includes:

- Identifying a diverse slate of potential candidates who fit the Board’s search criteria;
- Obtaining candidate resumes and other biographical information;
- Conducting initial interviews to assess candidates’ qualifications, fit and interest in serving on the Board;

potential • Scheduling
 candidates interviews
 who fit with the
 the Nominating
 Board's and
 search Governance
 criteria; Committee,
 • Holding other members
 meetings of the Board
 to and
 evaluate management;
 biographical Performing
 information reference
 and checks; and
 background Assisting in
 material finalizing
 relating arrangements
 to with
 potential candidates
 candidates, who receive
 and an offer to join
 • Interview the Board.
 selected
 candidates.

Criteria and Experiences, Qualifications and Skills

To be considered for nomination to the Board, a candidate must meet the following minimum criteria:

- Reputation for integrity, honesty and adherence to high ethical standards;
- Demonstrated business acumen, experience and ability to exercise sound judgment in matters that relate to our current and long-term objectives;
- Willingness and ability to contribute positively to our decision-making process;
- Record of substantial achievement in one or more areas that are relevant to us and a general understanding of the issues facing public companies of a size and operational scope similar to us;
- Commitment to understanding us and our industry and to devoting adequate time and effort to Board responsibilities, including regularly attending and participating in Board and Committee meetings;
- Interest in and understanding of the sometimes conflicting interests of our various constituencies, which include shareholders, employees, customers, government entities, creditors and the general public, and willingness to act in the interests of all shareholders; and
- Absence of any conflict of interest, or appearance of a conflict of interest, that would impair the Director's ability to represent the interests of all of our shareholders and to fulfill the responsibilities of a Director.

The Nominating and Governance Committee and the Board are also focused on ensuring that a wide range of backgrounds and experiences are represented on our Board and consider the value of diversity of all types in the Director nomination process. For more information, see the discussion under "Diversity" on page 38.

In addition, in evaluating potential candidates, the Nominating and Governance Committee considers whether the candidates possess the desired capabilities, skills and experiences that would best enable our Board to support our Purpose, including the creation of exceptional long-term shareholder value, in both the present time and the future, as described above under "Board Refreshment and Succession Planning," and whether the candidates meet the other applicable requirements under the Corporate Governance Guidelines, including the Director independence requirements described under "Director Independence" beginning on page 33 and the maximum number of directorships generally permitted for our Directors. The Corporate Governance Guidelines provide that, unless an exception has been granted by the Board:

- Directors cannot serve on more than four other public company boards;

- Audit Committee members cannot serve on more than two other public company audit committees or, if an Audit Committee member is a retired certified public accountant, chief financial officer or controller, or is a retired executive with similar experience, then he or she cannot serve on more than three other public company audit committees; and
- Directors who are chief executive officers of other public companies cannot serve on more than two other public company boards (including the board of their employer).

Shareholder Recommendation and Nomination of Directors

Shareholders who want to recommend a nominee for Director should submit the name of the nominee to our Corporate Vice President, General Counsel and Corporate Secretary at our principal executive offices, together with biographical information and background material sufficient for the Nominating and Governance Committee to evaluate the recommended candidate based on its selection criteria, as well as a statement as to whether the shareholder or group of shareholders making the recommendation has beneficially owned more than 5% of our common stock for at least a year as of the date the recommendation is made. Assuming that appropriate biographical and background material has been provided on a timely basis, the Nominating and Governance Committee will apply the same criteria, and follow substantially the same process, in considering each qualifying shareholder recommendation as it does in considering other candidates. If the Board determines to nominate a shareholder-recommended candidate and recommends his or her election, then his or her name will be included on the proxy card for our next Annual Meeting.

Shareholders also have the right under our Amended and Restated By-Laws to nominate Director candidates directly, without any action or recommendation on the part of the Nominating and Governance Committee or the Board, by following the procedures described under “Requirements for Submission of Proxy Proposals, Nomination of Directors and Other Business of Shareholders” beginning on page 88. Candidates nominated by shareholders directly in accordance with the procedures set forth in our Amended and Restated By-Laws will not be included on our proxy card for the next Annual Meeting, but may be included on proxies the nominating shareholders seek independently, unless both the nominating shareholder(s) and the candidates nominated by them satisfy the requirements of our proxy access bylaw, as described above under “Notable Corporate Governance Highlights” on page 12.

Majority Voting and Director Resignation

Our Amended and Restated By-Laws provide that, in an election of Directors where the number of nominees does not exceed the number of Directors to be elected, a nominee who does not receive a majority of votes cast with respect to his or her election will not be elected.

Pursuant to our Director Resignation Policy included in our Corporate Governance Guidelines, a Director who is not re-elected is required to promptly tender his or her resignation, and the Nominating and Governance Committee would make a recommendation to the Board as to whether to accept the resignation. Following the Nominating and Governance Committee’s recommendation, the Board would determine whether or not to accept that Director’s resignation, considering any factors it deems relevant. Under this policy, the Board is required to act on the recommendation of the Nominating and Governance Committee within 90 days of the certification of the shareholder vote.

CORPORATE GOVERNANCE

Director Nominees and Board Biographies

Upon recommendation of the Nominating and Governance Committee, the Board has nominated Mr. Jonathan W. Ayers, Dr. Stuart M. Essig and Ms. M. Anne Szostak, our current Class III Directors, for re-election as Class III Directors, and shareholders are being asked to re-elect them for three-year terms expiring at the 2022 Annual Meeting. Dr. Essig and Ms. Szostak each meet NASDAQ Stock Market (“NASDAQ”) independence requirements, and all of our nominees have consented to serve, if elected. If any of the nominees becomes unable to serve, proxies can be voted for a substitute nominee, or the Board may choose to reduce the size of the Board.

In February 2019, the Nominating and Governance Committee reviewed the experience, qualifications, attributes and skills of each of the current Directors and the Class III Director nominees and concluded that each Class III Director nominee has the requisite background, qualifications and personal characteristics to serve as a Director in light of the Company’s business and structure.

In support of this conclusion, the Nominating and Governance Committee believes that:

All of the Class III Director nominees have served as chief executive officers and held other senior leadership positions in significant organizations, including U.S. public companies. These experiences have honed their analytical skills and leadership capabilities, developed their expertise in core disciplines and provided them with insight into the challenges and issues that we may face, which will enable effective execution of their oversight responsibilities;

Both independent Class III Director nominees have served and continue to serve on other public company boards.

These experiences develop expertise and provide perspective into board operations and dynamics, the role of public company boards and corporate governance and other relevant matters;

Each Class III Director nominee has capably served as a Director since joining the Board and demonstrated a willingness and ability to contribute to the Board’s overall effectiveness, including in Board leadership roles; and Each Class III Director nominee contributes unique and highly-valued skills to a diverse and well-functioning Board, which has an appropriate mix of short-, medium- and longer-tenured Directors who balance fresh perspectives with institutional knowledge.

Biographical information for all of our Directors, including the Class III Director nominees, is provided below, along with information regarding some key experiences, qualifications, attributes and skills that our Directors bring to the Board. There are no family relationships among the executive officers or Directors of IDEXX.

For a summary of key information regarding the composition and qualifications of our Board, see the information above on page 13 under “Board Composition and Skills.”

Class III Director Nominees Whose Terms Would Expire in 2022

Jonathan W. Ayers

Chairman of the Board, President and Chief Executive Officer
 Age: 62
 Director since: January 2002
 Committees: None

Mr. Ayers has been the Chairman of the Board, President and Chief Executive Officer of IDEXX since January 2002. Before joining IDEXX, Mr. Ayers held various executive leadership positions at United Technologies Corporation and its business unit Carrier Corporation from 1995 to 2001. Prior to that, Mr. Ayers held various investment banking positions at Morgan Stanley & Co. for nine years. Mr. Ayers holds an undergraduate degree in molecular biophysics and biochemistry from Yale University and graduated from Harvard Business School in 1983 with high distinction.

Qualifications

As our President and Chief Executive Officer for more than seventeen years, Mr. Ayers brings outstanding leadership skills, a long-term strategic vision for IDEXX rooted in our Purpose and a deep understanding of IDEXX, our technologies, customers, employees and markets — including our primary market: global pet healthcare. Since his arrival at IDEXX in 2002, we have consistently generated exceptional, above-market returns through continuous innovation. Mr. Ayers also brings significant and diverse experience in many relevant areas, including global business strategy, management, finance, business development, marketing, product development and software technology. In addition, in his role as Chairman of the Board and Chief Executive Officer, he strongly connects the Board with management and enables effective Board oversight that is informed by his broad and deep knowledge of IDEXX and its business.

Stuart M. Essig, PhD

Independent Director
 Age: 57
 Director since: July 2017
 Committees: Finance, Nominating and Governance
 Other current public company director service:
 • Integra LifeSciences Holdings Corporation (since 1997) (Chairman since 2012)
 • SeaSpine Holdings Corporation (since 2015) (Lead Director since 2015)
 • Owens & Minor, Inc. (since 2013)
 Former public company

Dr. Essig has served as the Chairman of the Board of Directors of Integra LifeSciences Holdings Corporation since January 2012, and he first joined Integra's Board of Directors in December 1997. In addition, Dr. Essig was Integra's Chief Executive Officer from December 1997 until June 2012. Since 2012, he has also served as Managing Director of Prettybrook Partners LLC, a family office firm focused on investing in the healthcare industry. He is an Executive in Residence at Cardinal Partners and a Venture Partner at Wellington Partners Advisory AG, both venture capital firms, and a Senior Advisor to TowerBrook Capital Partners and Water Street Healthcare Partners. He serves as Chairman of the Board of Directors of privately-held Breg, Inc., and on the board of directors of Availity, LLC. Before joining Integra, Dr. Essig was a managing director in mergers and acquisitions for Goldman, Sachs and Co., specializing in the medical device, pharmaceutical and biotechnology sectors. Dr. Essig has also served on the executive committee, nominating and governance committee and as treasurer of ADVAMED, the Advanced Medical Technology Association. Dr. Essig holds an undergraduate degree from the Woodrow Wilson School of Public and International Affairs at Princeton University and a PhD in financial economics and an M.B.A. from the University of Chicago.

Qualifications

As the former Chief Executive Officer of Integra LifeSciences Holdings Corporation and its current Chairman of the Board, Dr. Essig has extensive executive leadership experience in developing, executing and overseeing the corporate strategy of a rapidly growing medical device company. Dr. Essig also brings broad knowledge of the healthcare industry and deep capital markets, investment and financial services expertise. Dr. Essig's service on public company boards, including in leadership roles, provides valuable additional perspective on governance and other board-related matters.

director service:

- St. Jude
Medical, Inc.
(1999 to 2017)
- Vital Signs,
Inc. (1998 to
2002)
- Zimmer
Biomet Holdings,
Inc. (2005 to
2008)

28 | 2019 Proxy Statement

CORPORATE GOVERNANCE

M. Anne Szostak

Independent
 Director
 Age: 68
 Director
 since: July 2012
 Committees:
 Audit
 Compensation
 (Chair)
 Other current
 public company
 director service:
 • Tupperware
 Brands
 Corporation
 (since 2000)
 Former public
 company
 director service:
 • Belo
 Corporation
 (2004 to 2013)
 • ChoicePoint
 Corporation
 (2005 to 2008)
 • Dr. Pepper
 Snapple Group,
 Inc. (2008 to
 2018)
 • SFN Group,
 Inc. (2005 to
 2011)

Ms. Szostak had a 31-year career with Fleet/Boston Financial Group (now Bank of America), a diversified financial services company, until her retirement in 2004. She served as Chairman and Chief Executive Officer of Fleet Bank-Rhode Island from 2001 to 2003, Chairman, President and Chief Executive Officer of Fleet-Maine from 1991 to 1994, and Corporate Executive Vice President and Chief Human Resources Officer of FleetBoston Financial Group from 1998 to 2004. After her retirement, Ms. Szostak founded Szostak Partners, an executive coaching and human resources consulting firm, and as President of Szostak Partners, she provides strategic advice and counsel to clients. Ms. Szostak holds an undergraduate degree from Colby College, and she has completed several executive education programs at Harvard Business School.

Qualifications

Through her executive leadership roles at Fleet/Boston Financial Group, including serving as a chief executive officer of two major bank subsidiaries, Ms. Szostak brings extensive leadership, management, financial services and human resources experience to the Board. In particular, Ms. Szostak has deep expertise in human capital management, which is a key driver for our strategy of innovation. Ms. Szostak also leverages her substantial public company board experience, including in committee chair roles, in her service on our Board, including as Chair of the Compensation Committee.

Class I Directors Whose Terms Expire in 2021

Bruce L. Claflin

Independent
 Director
 Age: 67
 Director
 since: July 2015
 Committees:
 Audit
 Nominating and
 Governance
 (Chair)
 Other current
 public company

Mr. Claflin served as President, Chief Executive Officer and a member of the board of directors of 3Com Corporation from January 2001 until his retirement in 2006, and he served as President and Chief Operating Officer of 3Com from August 1998 to January 2001. Before joining 3Com, Mr. Claflin worked at Digital Equipment Corporation as Senior Vice President, Sales and Marketing, from 1997 to 1998, and as Vice President and General Manager of the PC Business Unit from 1995 to 1997. Before joining Digital Equipment Corporation, Mr. Claflin worked at International Business Machines Corporation (IBM) for 22 years, where he held senior management positions in sales, marketing, research and development and manufacturing. Mr. Claflin holds an undergraduate degree in Political Science from Pennsylvania State University.

Qualifications

As the past Chairman and Chief Executive Officer of 3Com Corporation, a large international public technology company, Mr. Claflin brings extensive leadership, management and corporate

director service: strategy experience. Through Mr. Claflin's various executive and senior management roles at IBM and Digital Equipment Corporation, he acquired significant experience in manufacturing, operations and international business transactions, as well as a deep understanding of advanced technology. Mr. Claflin's service on other public company boards, including as the non-employee Executive Chairman of the Board of Advanced Micro Devices, a global semiconductor company, offers valuable perspectives.

- Ciena Corporation (since 2006)

Former public company director service:

- Advanced Micro Devices, Inc. (2003 to 2017) (Chairman 2009 to 2016)
- 3Com Corporation (2001 to 2006)
- Time Warner Telecom (2000 to 2003)

Daniel M. Junius

Independent Director
 Age: 66
 Director since: March 2014
 Committees:
 Audit (Chair)
 Finance
 Other current public company director service:
 • GlycoMimetics, Inc. (since 2016)
 Former public company director service:
 • ImmunoGen, Inc. (2008 to 2018)
 • Vitae Pharmaceuticals, Inc. (July 2016 to October 2016)

Mr. Junius was President and Chief Executive Officer of ImmunoGen, Inc. from 2009 until his retirement in May 2016. Before that, he served as President and Chief Operating Officer and Acting Chief Financial Officer of ImmunoGen from July 2008 to December 2008, Executive Vice President and Chief Financial Officer from 2006 to July 2008, and Senior Vice President and Chief Financial Officer from 2005 to 2006. Before joining ImmunoGen, Mr. Junius was Executive Vice President and Chief Financial Officer of New England Business Service, Inc. from 2002 until its acquisition by Deluxe Corporation in 2004, and he was Senior Vice President and Chief Financial Officer of New England Business Services from 1998 to 2002. Before joining New England Business Services, Mr. Junius was Vice President and Chief Financial Officer of Nashua Corporation from 1996 to 1998. Mr. Junius joined Nashua Corporation in 1984 and held various financial management positions of increasing responsibility before becoming Chief Financial Officer of Nashua Corporation in 1996. Mr. Junius holds an undergraduate degree in Political Science from Boston College and a Masters in Management from Northwestern University's Kellogg School of Management.

Qualifications

As the former Chief Executive Officer and Chief Financial Officer of ImmunoGen, a public biotechnology company, Mr. Junius has extensive leadership, management, strategic planning and financial experience in the biotechnology field. Over the course of almost 20 years as the chief financial officer of various companies, Mr. Junius gained substantial expertise in the review and preparation of financial statements, which provides valuable perspective as the Chair of the Audit Committee. Mr. Junius's service on other public company boards, including as audit committee chair, brings additional insight to his Board service and leadership.

Class II Directors Whose Terms Expire in 2020

Rebecca M. Henderson, PhD

Independent Director
 Age: 58
 Director since: July 2003
 Committees:
 Compensation
 Finance (Chair)
 Other current public company director service:
 • Amgen, Inc. (since 2009)

Dr. Henderson has been the John and Natty McArthur University Professor at Harvard University since 2011. Before joining Harvard's faculty, from 1998 to 2009 Dr. Henderson served as the Eastman Kodak Professor of Management, Sloan School of the Massachusetts Institute of Technology. Dr. Henderson is also a research fellow at the National Bureau of Economic Research and a fellow of both the British Academy and of the American Academy of Arts and Sciences. Dr. Henderson holds an undergraduate degree from the Massachusetts Institute of Technology and a PhD in business economics from Harvard University.

Qualifications

As a Harvard Business School professor of general management and strategy and an author of both books and articles regarding sustainability, strategy and innovation, Dr. Henderson brings substantial expertise in corporate strategy, sustainability, compensation practices, corporate responsibility and governance issues, with a particular focus on high-technology businesses. This expertise, combined with her deep knowledge of and insight into our businesses, operations and organization from her more than fifteen years of service on the Board, uniquely positions Dr. Henderson to offer valuable insights into the organizational and strategic issues faced by IDEXX.

CORPORATE GOVERNANCE

Lawrence D. Kingsley

Independent Lead

Director

Age: 56

Director

since: October

2016, Lead

Director since

May 2018

Committees:

Compensation

Nominating and

Governance

Other current

public company

director service:

- Polaris

Industries Inc.

(since 2016)

- Rockwell

Automation, Inc.

(since 2013)

Former public

company

director service:

- Cooper

Industries plc

(formerly Cooper

Industries Ltd.)

(2007 to 2012)

- Pall

Corporation

(2011 to 2015)

- IDEX

Corporation

(2005 to 2011)

Mr. Kingsley served as Chairman of Pall Corporation from 2013 to 2015 and as Chief Executive Officer of Pall Corporation from 2011 to 2015, and he has served as an Advisory Director to Berkshire Partners LLC, a Boston-based investment firm, since spring of 2016. Before his experience at Pall, Mr. Kingsley was the Chief Executive Officer of IDEX Corporation, a company specializing in fluid and metering technologies, health and science technologies as well as fire, safety and other diversified products, from 2005 to 2011, and the Chief Operating Officer of IDEX from August 2004 to March 2005. From 1995 to 2004, he held various positions at Danaher Corporation of increasing responsibility, including Corporate Vice President and Group Executive from March 2004 to August 2004, President of Industrial Controls Group from April 2002 to July 2004, and President of Motion Group, Special Purpose Systems, from January 2001 to March 2002. Mr. Kingsley holds an undergraduate degree in Industrial Engineering and Management from Clarkson University and an M.B.A. from the College of William and Mary.

Qualifications

As the former chief executive officers of Pall Corporation and IDEX Corporation, Mr. Kingsley successfully led high-technology, high-growth, multinational public companies and demonstrated his leadership and outstanding executive management and operational skills. Mr. Kingsley also brings strategic planning and financial expertise. Mr. Kingsley's experience serving on other public company boards brings additional valuable perspectives to his Board service, including as our independent Lead Director.

Sophie V. Vandebroek, PhD

Independent

Director

Age: 57

Director

since: July

2013

Committees:

Finance

Nominating

and

Dr. Vandebroek has been Vice President, Emerging Technology Partnerships for International Business Machines, Inc. (IBM) since August 2018. She was previously Chief Operating Officer – IBM Research since January 2017. Prior to joining IBM, she was an executive with Xerox Corporation where she served as Chief Technology Officer and Corporate Vice President of Xerox Corporation and President of the Xerox Innovation Group from 2006 to 2016 and was Chief Engineer of Xerox Corporation from 2002 to 2005. Dr. Vandebroek was also responsible for overseeing Xerox's global research centers, including the Palo Alto Research Center, or PARC Inc. Dr. Vandebroek has been a member of the Advisory Council of the Dean of the School of Engineering at Massachusetts Institute of Technology since 2010. She is a Fellow of the Institute of Electrical & Electronics Engineers, a Fulbright Fellow and a Fellow of the Belgian-American Educational Foundation. Dr. Vandebroek

Governance holds an undergraduate degree in engineering and a master's degree in electro-mechanical engineering
Former public from KU Leuven, Leuven, Belgium, and a PhD in electrical engineering from Cornell University.
company Qualifications
director Through her executive global roles at IBM and Xerox, Dr. Vandebroek brings substantial knowledge
service: and expertise in technology, business processes and cybersecurity, as well as a long track record of
• Analogic innovation and managing balanced research and development portfolios and leading large diverse and
Corporation inclusive organizations for global enterprises. Dr. Vandebroek's experience in research and
(2008 to 2016) development and innovation is particularly relevant for IDEXX in light of our commitment to
innovation as a strategy and extensive investment in research and development.

Our Corporate Governance Framework

We are proud of our commitment to sound corporate governance and high ethical standards, and we believe that this commitment has contributed to our success in building long-term value for our shareholders.

Our corporate governance framework includes our corporate governance policies and practices and provides the structure that enables our Board to provide effective oversight and counsel for the Company.

Visit the Corporate Governance section of our website, www.idexx.com, to learn more about, and access copies of, our corporate documents and corporate governance policies, including:

- Corporate Governance Guidelines
- Code of Ethics
- Certificate of Incorporation
- Amended and Restated By-Laws
- Charter for each of our Board Committees

Hard copies of these documents may be obtained upon request by contacting our Corporate Vice President, General Counsel and Corporate Secretary at IDEXX Laboratories, Inc., One IDEXX Drive, Westbrook, Maine 04092.

Information on our website does not constitute part of this Proxy Statement.

Corporate Governance at a Glance

Independence

All of our Directors are independent, other than our CEO.
Our Board Committees are composed exclusively of independent Directors.
Annual corporate strategy review by the Board.

Strategy, Risk Management and Succession Planning

Risk management oversight by the Board and its Committees.
Active Board participation in succession planning for our CEO and other members of senior management, including each of our other NEOs.

Executive Sessions

Our independent Directors held executive sessions at every regularly scheduled Board meeting in 2018.

Majority voting for Directors in uncontested elections.

Proxy access rights.

Board Accountability

Rigorous annual self-assessment of the Board, its Committees and the Directors.

Robust Director nominee selection process.

Director retirement at the next Annual Meeting following his or her 73rd birthday, except as may be approved by the Board.

Actively seek highly-qualified diverse candidates (including gender and ethnically diverse candidates) to include in the pool of potential Board nominees.

Diversity

Two of our eight Directors were born and raised outside the U.S., three of eight are women, and six of eight are former or current chief executive officers.

Independent Lead Director

A strong independent Lead Director selected annually by the other independent Directors.

The target stock ownership levels are set forth below:

Stock Ownership Guidelines

- Independent Directors – six times the annual cash retainer (currently \$450,000 in stock value)

- CEO – ten times annual base salary (currently \$8 million in stock value)

- Executive Vice Presidents – four times annual base salary

- Corporate Vice Presidents – one times annual base salary

Additional Policies that Promote Alignment with Interests of Shareholders

Anti-Hedging and Short Sale policy for Directors and employees.

Anti-Pledging policy for Directors and executive officers.

Clawback policy applicable to performance-based incentive compensation.

CORPORATE GOVERNANCE

Board of Directors and Its Oversight of IDEXX

Our Board currently has eight members. The Board meets throughout the year on a set schedule, and it also holds special meetings and acts by written consent from time to time as appropriate. The Board has delegated various responsibilities and authority to its four standing Committees: the Audit Committee; the Compensation Committee; the Nominating and Governance Committee; and the Finance Committee. For more information regarding the Board Committees, see the discussion under “Board Committees” beginning on page 38.

The Board is responsible for monitoring the overall performance of IDEXX. Among other things, the Board, directly and through its Committees:

- Oversees our long-term strategy for creating enduring growth and shareholder value-creation;
- Reviews and approves our key financial and other objectives, the annual budget and other significant actions and transactions;
- Oversees our processes for maintaining the integrity of our financial statements and other public disclosures and our compliance with law and high ethical standards;
- Oversees the prudent management of risk;
 - Reviews plans for CEO succession and management’s succession planning for other key executive officers; and
- Reviews the performance of the CEO and determines the compensation of our executive officers.

In accordance with general corporate legal principles applicable to corporations organized under the laws of Delaware, the Board does not manage the day-to-day operations of IDEXX.

Board Meetings and Attendance

Directors are responsible for attending Board and Committee meetings and for devoting the time needed to discharge their responsibilities properly. The Board held six meetings in 2018, and the Committees held a total of twenty-one meetings in 2018.

Each of our Directors attended at least 75% of the meetings of the Board and Committees on which he or she served in 2018. It is our policy to schedule Board and Committee meetings to coincide with the Annual Meeting, and Directors are expected to attend the 2019 Annual Meeting. Last year, all of the individuals then serving as Directors attended our 2018 Annual Meeting.

Director Independence

Under our Corporate Governance Guidelines, a majority of our Directors must be “independent” as defined by the rules of NASDAQ. Each Committee’s charter requires its members to be independent as defined by NASDAQ rules. Additional independence criteria are also required to be satisfied by Directors serving on the Audit Committee and the Compensation Committee, as follows:

- Under the Audit Committee charter, each Audit Committee member is also required to satisfy the independence criteria set forth in Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”); and
- Under the Compensation Committee charter, each Compensation Committee member is also required to satisfy the heightened independence standard described in NASDAQ Rule 5605(d)(2)(A) and to qualify as a “non-employee director” pursuant to Rule 16b-3 under the Exchange Act.

The Board, in consultation with the Nominating and Governance Committee, determines the independence of each Director. In February 2019, the Board determined that:

- Each of the Directors other than Mr. Ayers, who is our President and CEO, is independent under NASDAQ rules;
- Each Audit Committee member satisfies the independence criteria of Rule 10A-3(b)(1) under the Exchange Act; and
- After taking into consideration the applicable factors, each Compensation Committee member satisfies the independence criteria of NASDAQ rules and qualifies as a “non-employee director” pursuant to Rule 16b-3 under the Exchange Act and an “outside director” within the meaning of 162(m) of the Code.

In determining Dr. Vandebroek's independence, the Nominating and Governance Committee considered one relationship involving Dr. Vandebroek. Specifically, the Nominating and Governance Committee considered the fact that Dr. Vandebroek has, since August 2018, served as Vice President, Emerging Technologies of International Business Machines Corporation ("IBM"), a provider of software licenses and software consulting and other related services for the Company, and previously served as Chief Operating Officer of IBM Research, the corporate research lab of IBM, from January 2017 to August 2018. In reviewing this relationship, the Nominating and Governance Committee considered several factors, including among other things:

• The fact that the Company's relationship with IBM predated Dr. Vandebroek joining IBM;

• That Dr. Vandebroek did not participate in the negotiation of any transactions by the Company with IBM for its services to the Company;

• That such services were provided by IBM on arm's length terms and conditions and in the ordinary course of business; and

• That the services provided by IBM are routine and limited in scope (the Company paid IBM approximately \$8,000 in 2016, \$19,600 in 2017 and \$8,500 in 2018 for software licenses and related services).

Based on the factors considered by the Nominating and Governance Committee, it concluded that these transactions would not affect Dr. Vandebroek's independence.

Related Person Transactions

Our Board has adopted a written Related Person Transaction Policy under which the Audit Committee is required to review and approve any transaction involving more than \$120,000 in which the Company is a participant and in which any related person has or will have a direct or indirect material interest. The Audit Committee may approve any such transaction only if it determines that, under all of the applicable circumstances, the transaction is not inconsistent with the best interests of the Company.

A related person under this policy is:

• Any executive officer;

• A Director, or nominee for Director;

• A holder of 5% or more of our common stock; or

• An immediate family member of any of those persons.

The policy provides that a "direct or indirect material interest" does not arise solely from the related person's position as an executive officer of another entity involved in a transaction with the Company, where:

• The related person owns less than a 10% equity interest in such entity;

• The related person and his or her immediate family members are not involved in the negotiation of the terms of the transaction and do not receive any special benefits as a result of the transaction;

• The amount involved in the transaction equals less than the greater of \$200,000 or 5% of the annual gross revenue of the other entity involved in the transaction; and

• The amount involved in the transaction equals less than 2% of the consolidated gross revenues of the Company for its most recent fiscal year.

Since January 1, 2018, there have been no related person transactions requiring review and approval by the Audit Committee under the Related Person Transaction Policy.

Compensation Committee Interlocks and Insider Participation

Ms. Szostak (Chair), Mr. William T. End (a former Director who retired from the Board in May 2018), Dr. Essig, Dr. Henderson and Mr. Kingsley served on the Compensation Committee during 2018. There were no Compensation Committee interlocks or insider (employee) participation during 2018.

CORPORATE GOVERNANCE

Board Leadership Structure

The Board is led by Mr. Ayers, who serves as the Chairman of the Board, and by Mr. Kingsley, who serves as our independent Lead Director. Mr. Ayers has been the Chairman of the Board since joining the Company as CEO in 2002. Under our Corporate Governance Guidelines, when the Chairman of the Board is not an independent Director, the independent Directors annually elect a Lead Director from among the independent Directors.

The Chairman of the Board has no greater nor lesser vote on matters considered by the Board than any other Director. All Directors, including the Chairman, are bound by fiduciary obligations imposed by law. As discussed above under “Director Independence,” each Director other than Mr. Ayers is an independent director under NASDAQ rules, and every member of each standing Committee is also independent under those rules.

The Board is free to select the Chairman of the Board and the CEO in any way it deems best for our shareholders at any point in time, and the Board does not have a predetermined policy as to whether or not the roles of Chairman of the Board and CEO should be combined or separate. Pursuant to our Corporate Governance Guidelines, the Nominating and Governance Committee annually assesses the Board’s leadership structure, including whether the roles of Chairman of the Board and CEO should be combined or separate and why the Board’s leadership structure is appropriate given the specific characteristics or circumstances of the Company.

In February 2019, the Nominating and Governance Committee conducted that annual assessment and determined that a combined full-time Chairman of the Board and CEO, subject to oversight by the Company’s independent Directors, including an independent Lead Director, is appropriate for the following reasons:

- First, the CEO is responsible for the day-to-day management of the Company and the development and implementation of the Company’s strategy, and has access to the people, information and resources necessary to facilitate Board functions. As such, the Board believes that the CEO is best positioned to develop the agenda for the Board supported by regular consultation and input from the Lead Director, and to lead discussions at Board meetings regarding the Company’s strategy, operations and results;
- Second, it is the Board’s opinion that Mr. Ayers’s interests, including through a meaningful and growing ownership of our common stock, are aligned with the interests of our shareholders;
- Third, during Mr. Ayers’s seventeen-year tenure as Chairman and CEO, the Company has generated a compound annual return to shareholders of 21%;
- Fourth, this structure reinforces Mr. Ayers’s accountability and responsibility for our business and strategy and clearly establishes Mr. Ayers as the one voice speaking on behalf of the Company to all stakeholders; and
- Fifth, as described above, oversight of the Company is the responsibility of the Board as a whole, which is composed entirely of independent Directors, other than Mr. Ayers, including an independent Lead Director with clearly defined leadership duties and responsibilities as described below.

Lead Director

The position of Lead Director has significant authority and responsibilities under the Corporate Governance Guidelines, including:

Board Meetings and Executive Sessions	Chairing the executive sessions of the independent Directors, which occur at each regularly scheduled Board meeting, to discuss, among other things, the performance of the CEO. Scheduling, as and when needed, executive sessions of the independent Directors in addition to those occurring at each regularly scheduled Board meeting.
Communications with Chairman and CEO	Facilitating communications between Board members and the Chairman of the Board and/or CEO (although any Director is free to communicate directly with the Chairman of the Board and CEO).
Agendas	Working with the Chairman of the Board and the CEO in preparing the agenda for each Board meeting.
Corporate Governance	Consulting with and advising the Chairman of the Board and/or the CEO on matters relating to corporate governance and Board functions.

Annual Board Self-Assessment

The Board believes that a rigorous annual review of its performance is essential to ensuring overall Board effectiveness.

The Nominating and Governance Committee is responsible for annually evaluating the performance of the Board and its Committees and annually reviewing the performance and contribution of each of the Directors. The purpose of this evaluation is to identify ways to enhance the effectiveness of the Board, its Committees and the Directors.

Each year, the Nominating and Governance Committee discusses and approves the format and approach for the annual Board self-assessment. The process includes completion of questionnaires and interviews with each Director and selected executive officers to solicit candid feedback and gather additional suggestions for improvement. The questionnaires also include opportunities for each Director to reflect on his or her own performance, as well as the performance of the other Directors. The responses and comments of the Directors and selected executive officers are then compiled and presented by the Lead Director to the Nominating and Governance Committee and the Board for discussion and action.

The information obtained through this annual process has informed Board and Committee meeting agenda topics, enhancements to our continuing education program for the Directors and the Nominating and Governance Committee's active planning for Board succession and refreshment throughout the year.

Board's Oversight of Our Strategy

Management annually presents the Company's long-term business and financial strategic plan to the Board for review and discussion. These presentations include overviews of the business and market trends, historical financial performance, assessments of opportunities for long-term growth and margin expansion and projected long-term financial performance. This annual corporate strategy review is accompanied by a presentation on the results of management's annual enterprise risk assessment (including an analysis of strategic risks), as described below under "Board's Role in Risk Management Oversight." The Board acts as a strategic partner in this process, offering insight and additional perspectives and challenging management to identify and assess weaknesses, opportunities and threats to the continuing creation of enduring growth and shareholder value under the presented plan.

In addition to this annual corporate strategy review, the Board is involved in strategic planning and review throughout the year:

Management regularly presents information to the Board regarding the Company's various business segments, their markets and strategic priorities, as well as trends expected to pose significant risks or strategic opportunities for IDEXX.

The Board annually reviews and approves our key financial and other objectives and budget.

Management regularly presents its capital allocation and deployment plans to the Finance Committee and the Board for review and discussion, and the Board (or the appropriate Committee) approves specific significant actions and transactions, to ensure that we deploy our capital to create long-term value for our shareholders, including through capital and operating expenditures or strategic acquisitions that support future innovation or growth, as well as share repurchases that return cash to our shareholders.

CORPORATE GOVERNANCE

Board's Role in Risk Management Oversight

Management is responsible for our enterprise risk assessment and risk management on a day-to-day basis. The Board oversees our risk management activities directly and through its Committees, including by discussing with management the policies and practices utilized in assessing and managing risks and providing input on those policies and practices.

In general, the Board oversees risk management activities relating to business strategy, acquisitions, capital allocation and structure, legal, compliance and regulatory risk, operational risks, and environmental and social risks that are most relevant to our business.

<p>The Audit Committee oversees risk management activities relating to accounting, auditing, internal controls, information system controls, Code of Ethics compliance monitoring and insurance matters.</p>	<p>The Compensation Committee oversees risk management activities relating to the Company's compensation policies and practices and organizational risk (including effective management of executive succession).</p>	<p>The Nominating and Governance Committee oversees risk management activities relating to Board composition, function and succession and other corporate governance matters.</p>	<p>The Finance Committee oversees risk management activities relating to investment policy, foreign currency hedging activities and financial instruments.</p>
--	---	---	--

Each Committee reports to the full Board on a regular basis, including with respect to its risk management oversight activities as appropriate.

We conduct an annual enterprise risk assessment as part of our annual strategic planning process. The risk assessment process involves an identification and assessment by senior line of business and functional leaders of the particular risks relevant to their lines of business and functional areas (including legal, compliance and regulatory risks, as well as environmental and social risks), the materiality of those risks, our risk tolerances and plans to mitigate them to the extent prudent and feasible. The identified risks are ranked based on probability of occurrence and severity of impact and maturity of related controls. Management shares the result of this annual risk assessment with the full Board in conjunction with the Board's annual review and discussion of the Company's long-term business and financial strategic plan described above under "Board's Oversight of Our Strategy." Management also reviews specific risk areas, such as cybersecurity risk, on a regular basis with the Board. Our Chief Information Officer and other members of senior management who lead our cybersecurity risk management program provide regular updates to the Board regarding cybersecurity risks and our cybersecurity risk management program and activities. In addition, certain other risks and related mitigation plans are reviewed throughout the year either by the Board or its Committees as part of normal business discussions.

The Audit Committee reviews linkages between the critical risk findings, management preparedness or plans to address those risks, and the internal audit department's tests of those plans. The Audit Committee seeks to ensure that the internal audit department can perform its function by reviewing the charter, plans, activities, staffing and organizational structure of the internal audit department, and approving the appointment, replacement, reassignment or dismissal of the Director of Internal Audit. The Audit Committee also provides an open channel of communication between internal audit and the Board and meets independently with the Company's internal auditors, independent auditors and management.

Talent Management and Executive Succession Planning

Executive succession planning and talent development are an integral part of our long-term strategy for sustained shareholder value-creation. The Compensation Committee is responsible for annually reviewing succession plans for the CEO and our other executive officers, and the Board is responsible for ensuring the existence of appropriate succession plans for these executive officers.

The CEO is responsible for preparing an annual report to the Board regarding succession planning for himself, and as part of this annual report, our CEO provides his evaluations and recommendation of potential future candidates for the position of CEO, including possible timing. In addition, the Board, both directly and through the Compensation Committee, also reviews plans for identifying and developing potential future candidates for other senior leadership roles, and the Board members interact with many of these candidates in formal and informal settings during the year.

Diversity

We believe that diversity among our employees and senior management, including but not limited to gender and ethnic diversity, helps drive both innovation and a better understanding of our increasingly global customer base. Throughout our Company, we seek to employ a broad representation of gender, ethnic and racial backgrounds in all levels of management and on the Board. We believe that senior management and Directors with a variety of backgrounds, experiences, education, skills and business knowledge will contribute to the Company's effectiveness, and thus, we are focused on ensuring that a wide range of backgrounds and experiences are represented in the Company and on our Board. We actively seek out highly qualified, diverse candidates (including gender and ethnically diverse candidates) to include in each pool of potential senior management and Board nominees, and we consider the value of diversity of all types when evaluating nominees and assessing our Board members and senior-level management.

Board Committees

The Board has established four standing committees — an Audit Committee, a Compensation Committee, a Nominating and Governance Committee and a Finance Committee — each of which is described briefly below. Each Committee is comprised entirely of independent Directors as determined under NASDAQ rules. Each Committee acts pursuant to a written charter that is approved by the Board and reviewed annually by the applicable Committee, the Nominating and Governance Committee and the Board. Current copies of each Committee's charter can be accessed on the Corporate Governance section of our website, www.idexx.com, or by contacting our Corporate Vice President, General Counsel and Corporate Secretary at the Company's principal executive offices.

Members of the Committees, as of March 1, 2019, are named below:

Board Member	Audit	Compensation	Nominating & Governance	Finance
--------------	-------	--------------	----------------------------	---------

Jonathan W. Ayers

Bruce L. Claffin(1)

Stuart M. Essig, PhD

Rebecca M. Henderson, PhD

Daniel M. Junius(1)

Lawrence D. Kingsley(2)

M. Anne Szostak(1)

Sophie V. Vandebroek, PhD

Number of meetings in 2018	9	4	5	3
----------------------------	---	---	---	---

(1) Audit Committee Financial Expert as defined under SEC rules.

(2) Lead Director

Member

Chair

CORPORATE GOVERNANCE

AUDIT COMMITTEE

Members Meetings held in 2018: 9
Mr. Junius (chair) Mr.
Claflin Ms. Szostak

Key Committee Responsibilities

The Audit Committee oversees: accounting; internal control over financial reporting; information system controls as they relate to our financial reporting process; and compliance and audit processes of the Company, including the selection, retention and oversight of the Company's independent auditors. The Audit Committee also reviews and approves all related person transactions, and receives and reviews reports from management relating to the treatment of potential or actual violations of our Code of Ethics in accordance with our applicable policies and procedures. The Audit Committee meets from time to time with the Company's financial personnel, other members of management, internal audit staff and independent auditors regarding these matters. The Audit Committee has established policies and procedures for the pre-approval of all services provided by the independent auditors, which are described on page 51. The Audit Committee has also adopted procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of any concerns regarding questionable accounting or auditing matters.

The Audit Committee Report is included on page 50.

COMPENSATION COMMITTEE

Members Meetings held in 2018: 4
Ms. Szostak (chair) Dr. Henderson
Mr. Kingsley

Key Committee Responsibilities

The Compensation Committee: oversees the executive compensation philosophy and practices of IDEXX; evaluates the performance of the CEO; determines the compensation of the CEO and approves the compensation of other executive

officers; and annually reviews succession plans for the CEO and certain other executive officers of the Company.

The Compensation Committee also: has primary responsibility to oversee the administration of our incentive compensation plans for executive officers and equity compensation plans; reviews and approves stock ownership and retention guidelines applicable to the Company's executive officers and Directors and reviews compliance with those guidelines; reviews and makes recommendations to the Board regarding compensation-related policies applicable to executive officers; and reviews and makes recommendations to the Board regarding the compensation of non-employee Directors.

In addition, the Compensation Committee: oversees the Company's policies on structuring compensation programs to preserve tax deductibility; analyzes the risks associated with the Company's compensation policies and practices; reviews the Compensation Discussion and Analysis and prepares the Compensation Committee Report required to be included in the Company's annual proxy statement; and may make or recommend changes to the Company's executive compensation program and practices that it deems appropriate in light of its review of the results of the shareholder vote on the "say-on-pay" proposal set forth in the Company's annual proxy statement.

The Compensation Committee charter does not provide for any delegation of these duties except to a sub-committee or individual members of the Committee as the Compensation Committee may determine.

The Compensation Committee Report is included on page 71.

NOMINATING AND GOVERNANCE COMMITTEE

Members

Meetings held in
2018: 5

Mr. Claflin (chair) Dr. Essig Mr. Kingsley Dr. Vandebroek

Key Committee Responsibilities

The Nominating and Governance Committee advises and makes recommendations to the Board with respect to corporate governance matters, including: Board composition, organization, function, membership and performance; Board committee structure and membership; the Company's Corporate Governance Guidelines; and succession planning for the Chairman of the Board.

The Nominating and Governance Committee also identifies, evaluates, recruits and makes recommendations to the Board regarding candidates to fill vacancies on the Board as described beginning on page 24.

The Nominating and Governance Committee annually reviews the performance of the Board, its Committees and each of the Directors, as described under "Annual Board Self-Assessment" on page 36. The Nominating and Governance Committee is also responsible for annually reviewing with the Board the requisite skills and criteria for new Board members, as well as the composition of the Board as a whole, and annually assessing, for each Director or person nominated to become a Director, the specific experience, qualifications, attributes and skills, including those described on page 25, that lead the Nominating and Governance Committee to conclude that such Director or nominee should serve as a Director in light of our business and structure.

FINANCE COMMITTEE

Members

Meetings held in 2018: 3

Dr. Henderson (chair) Dr.

Essig Mr. Junius Dr.

Vandebroek

Key Committee Responsibilities

The Finance Committee advises the Board with respect to financial matters and capital allocation, including capital structure and strategies, financing strategies, investment policies and practices, major financial commitments, financial risk management, acquisitions and divestitures, stock repurchase strategies and activities and dividend policy.

The Finance Committee also, among other things: monitors our liquidity and financial condition; oversees our financial risk management activities (including foreign currency hedging and transactions involving derivatives); reviews and approves any proposed acquisition or divestiture having an aggregate value greater than \$25 million but less than or equal to \$50 million; makes recommendations to the Board regarding any other proposed acquisition or divestiture having an aggregate value greater than \$50 million; and reviews and approves a variance in

capital expenditures that in the aggregate exceeds 10% of the total budgeted amount in the applicable annual budget approved by the Board or the Finance Committee.

Corporate Governance Guidelines and Code of Ethics

The Board has adopted Corporate Governance Guidelines and a Code of Ethics, both of which can be accessed on the Corporate Governance section of our website, www.idexx.com. Hard copies may be obtained by contacting our Corporate Vice President, General Counsel and Corporate Secretary at the Company's principal executive offices. The Code of Ethics applies to all of our employees, officers and Directors. In addition, we intend to post on our website all disclosures that are required by law or NASDAQ listing standards concerning any amendments to, or waivers from, any provision of the Code of Ethics.

CORPORATE GOVERNANCE

Anti-Hedging and Short Sale and Anti-Pledging Policies

The Board has adopted a Policy on Short Sales, Derivative Transactions and Hedging that generally prohibits any Director, officer or employee, or any family member or affiliate of any of the foregoing, from engaging in (i) any short sales of the Company's securities, (ii) purchases or sales of puts, calls or other derivative securities based upon the Company's securities, or (iii) purchases of financial instruments that are designed to hedge or offset any decrease in the market value of the Company's securities.

The Board has also adopted a Policy on Pledging of Company Stock that prohibits our Directors and executive officers from pledging or otherwise encumbering the equity securities they own in the Company as collateral for indebtedness, including holding shares in a margin or similar account that would subject our equity securities to margin calls.

Shareholder Communication

We believe that transparent communication with our shareholders is critical for our continued success. It enables us to describe our strategy for long-term value-creation and sustainable financial performance as well as to understand the perspectives and concerns of our shareholders.

In 2018, our senior management met with representatives of many of our top institutional shareholders at industry and investment community conferences, analyst meetings and our 2018 Investor Day held at our corporate headquarters in Westbrook, Maine, in August 2018. Topics discussed included our business strategy, long-term financial potential model, financial performance, investment in R&D and innovation, capital allocation and deployment, market trends, and various other matters. Management shares with the Board any feedback provided by our shareholders.

In addition, we provide several ways for our shareholders to communicate with us. Written communications to any individual Director, the Lead Director or the full Board may be submitted by electronic mail to contactdirectors@idexx.com, by completing the online "Contact the Board" submission form available at the Company's website at www.idexx.com/corporate/corporate-governance.html or by writing to the Office of the Corporate Secretary at One IDEXX Drive, Westbrook, Maine 04092.

Written communications sent to any individual Director will be forwarded to that Director. In addition, our Corporate Vice President, General Counsel and Corporate Secretary or her delegate reviews all written communications sent to any individual Director, the Lead Director or the Board. The Corporate Secretary will forward all such written communications to the Chairman of the Board (if the Chairman is an independent Director) or the Chair of the Nominating and Governance Committee, as applicable, for review, except for items that could not reasonably be interpreted to implicate or otherwise relate to the duties and responsibilities of the Board.

Virtual Shareholder Meeting

Our 2019 Annual Meeting will be conducted virtually through a live audio webcast, and online shareholder tools will be available. We are implementing the virtual meeting format for our 2019 Annual Meeting to enable full and equal participation by all our shareholders from any location in the world at little to no cost. We believe this is the right choice for IDEXX because:

- We are a global company with shareholders all around the world;
- The virtual meeting format is cost-effective and convenient for our shareholders, as well as the Company, and enables IDEXX to reduce the environmental impact of our 2019 Annual Meeting; and
- Given the latest technology for holding virtual meetings and related online tools, we believe that the virtual meeting format will enhance shareholder access and participation in our 2019 Annual Meeting.

We designed the format of our 2019 Annual Meeting to ensure that our shareholders who attend our 2019 Annual Meeting will be afforded the same rights and opportunities to participate as they would at an in-person meeting and to enhance shareholder access, participation and communication through online tools. For example, the format of our 2019 Annual Meeting will include the following:

An online pre-meeting forum will be available to our shareholders. Beneficial owners can enter at www.proxyvote.com and registered shareholders can enter at www.proxyvote.com/idxx. By accessing this online pre-meeting forum, our shareholders will be able to submit questions in writing in advance of our 2019 Annual Meeting, vote, view the 2019 Annual Meeting’s Rules of Conduct and Procedures and obtain copies of proxy materials and our annual report.

By following instructions on the online pre-meeting forum or at www.virtualshareholdermeeting.com/IDXX2019, shareholders will have the ability to use their telephones to dial into a live audio webcast of the meeting and verbally ask questions during the meeting. In addition, shareholders accessing the audio webcast online will be able to submit questions in writing during the meeting. As part of the 2019 Annual Meeting, we will hold a live Q&A session, during which we will answer questions as they come in and address those asked in advance, as time permits. Please note, however, that the purpose of the meeting will be observed, and questions that are determined to be irrelevant or inappropriate will not be addressed.

We will publish the answer to each question received following the 2019 Annual Meeting, including those for which there is not sufficient time to address during the meeting, except for those questions determined to be irrelevant or inappropriate.

Although the live audio webcast will be available only to shareholders at the time of the meeting, a replay of the meeting will be made publicly available at www.virtualshareholdermeeting.com/IDXX2019 after the meeting.

Non-Employee Director Compensation

Our non-employee Directors are annually compensated for their Board service as described in the chart below:

Compensation Element	Non-Employee Director Compensation Program
Cash compensation(1)	
Annual retainer	\$75,000
Committee Chair retainer	\$20,000 for the Audit Committee \$20,000 for the Compensation Committee(2) \$10,000 for the Finance Committee \$10,000 for the Nominating and Governance Committee
Audit Committee member retainer	\$5,000
Lead Director retainer	\$25,000
Meeting fees	Not applicable; no fees are paid for meeting attendance
Equity compensation(3)	
Deferred stock units	\$46,250 in target value(4)
Non-qualified stock options	\$138,750 in value(5)
Total	\$185,000
Director stock ownership guidelines(6)	Target ownership of our common stock (including vested deferred stock units credited to a Director’s investment account) equal to six times the Annual Retainer

All retainers are paid in quarterly installments, and each non-employee Director may, at his or her option, defer all or any portion of any retainer in the form of fully vested deferred stock units under our Director Deferred Compensation Plan (the “Director Plan”). A non-employee Director who joins the Board after the date of an Annual Meeting receives a pro rata amount of his or her quarterly installment of the retainer based on the number of days until the end of the quarter during which he or she was appointed. If a non-employee Director retires, resigns or otherwise ceases to be a Director before the expiration of his or her term, he or she will receive a pro rata amount of his or her quarterly installment of the retainer based on the number of days served, divided by the number of days in the applicable quarter.

(1) Meeting receives a pro rata amount of his or her quarterly installment of the retainer based on the number of days until the end of the quarter during which he or she was appointed. If a non-employee Director retires, resigns or otherwise ceases to be a Director before the expiration of his or her term, he or she will receive a pro rata amount of his or her quarterly installment of the retainer based on the number of days served, divided by the number of days in the applicable quarter.

(2) On February 14, 2018, the Board increased the amount of the annual Compensation Committee Chair retainer from \$15,000 to \$20,000, effective as of May 9, 2018.

We annually grant deferred stock units and non-qualified stock options to each non-employee Director on the date of the Annual Meeting. A non-employee Director who joins the Board after the date of an Annual Meeting receives a pro rata grant based on the number of months remaining until the next year's grant. The maximum number of shares subject to equity awards granted under our 2018 Stock Incentive Plan (the "2018 Plan") during a single (3) fiscal year to any non-employee Director, taken together with any cash fees paid during the fiscal year to the non-employee Director in respect of the Director's service as a member of the Board during such year (including service as a member or chair of any committees of the Board), will be limited to \$650,000 in total value (calculating the value of any such awards based on the grant date fair value of such awards for financial reporting purposes), provided that the non-employee Directors who are

CORPORATE GOVERNANCE

considered independent (under NASDAQ rules) may make exceptions to this limit for a non-executive chair of the Board, if any, in which case the non-employee Director receiving such additional compensation may not participate in the decision to award such compensation.

The number of deferred stock units granted equals the target value, divided by the price of our common stock on the grant date, rounded to the nearest whole share. Any non-employee Director who meets the target ownership (4) under the stock ownership guidelines at the time of the annual grant may elect to receive restricted stock units (“RSUs”), in lieu of deferred stock units. The number of RSUs granted is calculated in the same manner as deferred stock units granted.

(5) The value of the granted non-qualified stock options is calculated using the Black-Scholes-Merton option pricing model. This model is consistent with the valuation approach used to value executive awards.

(6) All non-employee Directors complied with the stock ownership guidelines as of December 31, 2018.

Equity Compensation

Deferred stock units and non-qualified stock options are granted to non-employee Directors annually on the date of the Annual Meeting. The most recent grant date was May 9, 2018, and the next grant date is scheduled to be on May 8, 2019, the date of the 2019 Annual Meeting.

Deferred Stock Units. Deferred stock units granted on the date of the Annual Meeting are issued under the Director Plan and fully vest on the earlier of one year from the date of grant or the date of the next Annual Meeting. These vested deferred stock units are credited to a hypothetical investment account established in the non-employee Director’s name and will be distributed as an equal number of shares of our common stock one year following the termination of the non-employee Director’s Board service. For more information regarding the deferred stock units and the Director Plan, see the discussion below under “Director Plan.”

If a non-employee Director is eligible to elect to receive RSUs in lieu of deferred stock units and makes this election, then he or she will receive RSUs that fully vest on the earlier of one year from the date of grant or the date of the next Annual Meeting.

Non-Qualified Stock Options. Non-qualified stock options are granted under the 2018 Plan and have the following terms:

- Exercise price equal to the last reported sales price for a share of our common stock on the grant date;
- Fully vests and is exercisable on the earlier of one year from the date of grant or the date of the next Annual Meeting;
- Expires on the day immediately prior to the tenth anniversary of the grant date, except for options granted between 2006 and the day before the date of the 2013 Annual Meeting, which expire on the day immediately prior to the seventh anniversary of the grant date; and
- Accelerated vesting upon a change in control of the Company as described in the discussion under “Stock Incentive Plans” beginning on page 79.

Director Plan

Each non-employee Director may defer all or any portion of any cash compensation in the form of fully vested deferred stock units, which are issued under the Director Plan and are currently subject to the terms of the 2018 Plan. The payment of cash compensation in the form of deferred stock units is considered deferred compensation for federal income tax purposes.

A hypothetical investment account is established in the name of each non-employee Director, and vested deferred stock units are credited as follows:

Any cash compensation deferred by him or her is credited to the account as the number of vested deferred stock units equal to the aggregate value of the deferred compensation divided by the price of a share of common stock on the date of the applicable deferral; and

When the grant of deferred stock units made on the date of an Annual Meeting (or any prorated grant of deferred stock units made when he or she joins the Board) vests, those vested deferred stock units also are credited to this account.

Director Plan account balances are not subject to any interest or other investment returns, other than returns produced by fluctuations in the price of a share of common stock affecting the value of the deferred stock units in the account.

Deferred stock units are distributed in the form of an equal number of shares of our common stock as follows:

Deferred Stock Units from Deferred Cash Compensation. A non-employee Director may elect to receive his or her distribution in either:

- A single lump sum one year after his or her last day of Board service; or
- For deferrals made on or after January 1, 2011, in:
 - A single sum on a nondiscretionary and objectively determinable fixed date; or
 - Equal annual installments over four years on or after such fixed date.

Annual Grant of Deferred Stock Units. Shares are distributed one year following the termination of his or her Board service.

Emergency Distribution. If the administrator of the Director Plan determines that a non-employee Director has suffered an unforeseeable emergency, the administrator may authorize the distribution of all or a portion of his or her deferred stock units.

Unvested deferred stock units will vest immediately under the following circumstances:

Death or Disability. Unvested deferred stock units will vest immediately upon the non-employee Director's death or disability.

Change in Control. Unvested deferred stock units will vest immediately upon a change in control of the Company.

The shares of common stock in a Director's account will be distributed in a single lump sum as soon as practicable after a change in control.

A change in control under the Director Plan occurs when:

- Any person or group acquires direct or indirect beneficial ownership of stock possessing 35% or more of the total voting power of the Company's stock; or
- A majority of the Board members is replaced during any twelve-month period by new Directors whose appointment or election is not approved by a majority of the Board members serving immediately before the appointment or election of any of these new directors; or
- A change in the ownership of a substantial portion of our assets occurs such that any person or group acquires assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of our assets immediately prior to such acquisition.

Other Compensation

All Directors are reimbursed for reasonable travel expenses incurred in connection with Board and committee meetings. Directors are also reimbursed for reasonable expenses (including travel expenses) incurred in connection with continuing education regarding their duties and responsibilities as Directors. We also extend coverage to them under our directors' and officers' indemnity insurance policies. We do not provide any other benefits, including retirement benefits or perquisites, to our non-employee Directors.

Director Stock Ownership Guidelines

Our stock ownership guidelines set a target level of ownership of our common stock for each non-employee Director equal to six times the annual retainer, which is \$450,000 in stock value, at the end of each calendar year.

Shares that are owned by, or held in trust for the benefit of, a non-employee Director or immediate family members residing in the same household and vested deferred stock units credited to his or her investment account are included in calculating stock ownership.

Until the value of a non-employee Director's common stock exceeds this target level at the end of a calendar year, he or she must retain:

At least 75% of our common stock received upon the exercise of options or the vesting and release of RSUs or deferred stock units during the following year, after payment or withholding of any applicable exercise price and taxes; and

All other shares of our common stock held by him or her.

A non-employee Director complies with these stock ownership guidelines if his or her stock ownership equals or exceeds the target level at the end of the year or if he or she has complied with the applicable retention requirements under the stock ownership guidelines.

CORPORATE GOVERNANCE

2018 Non-Employee Director Compensation Table

The table below shows 2018 compensation for each of our non-employee Directors. Mr. Ayers, who is an employee, receives no additional compensation for his Board service. For information regarding Mr. Ayers's compensation, see the discussion under "How We Paid Our NEOs in 2018" beginning on page 64.

Name	Fees Earned or Paid in Cash	Stock Awards \$(1)	Option Awards \$(2)	Total Compensation
Bruce L. Claflin	\$ 90,000	\$46,283	\$138,745	\$ 275,028
Stuart M. Essig, PhD	75,000(3)	46,283	138,745	260,028
Rebecca M. Henderson, PhD	85,000	46,283	138,745	270,028
Daniel M. Junius	95,000(4)	46,283	138,745	280,028
Lawrence D. Kingsley	87,500(5)	46,283	138,745	272,528
M. Anne Szostak	97,500	46,283	138,745	282,528
Sophie V. Vandebroek, PhD	75,000(6)	46,283	138,745	260,028

Stock awards to non-employee Directors are issued as deferred stock units ("DSUs") pursuant to the Company's Director Plan. The amount shown excludes DSUs received in lieu of deferred compensation as described in footnotes 3, 4, 5 and 6 and reflects the aggregate grant date fair value computed in accordance with Financial Accounting Standards Board® ("FASB") Accounting Standards Codification® ("ASC") Topic 718 (calculated by rounding \$46,250 to the nearest share on the date of deferral). See Note 5 to our consolidated financial statements included in our 2018 Annual Report on Form 10-K for the relevant assumptions used to determine the valuation of our stock awards. As discussed under "Equity Compensation" above on page 43, non-employee Directors receive only one DSU and option grant during the fiscal year. As of December 31, 2018 the following are the aggregate number of DSUs accumulated in each non-employee Director's deferral account for all years of service as a Director, including DSUs issued for deferred fees elected by the Directors as well as DSUs issued as annual grants to non-employee Directors: Mr. Claflin, 1,531; Dr. Essig, 942; Dr. Henderson, 32,014; Mr. Junius, 3,078; Mr. Kingsley, 1,598; Ms. Szostak, 3,718; and Dr. Vandebroek, 3,208.

Reflects the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. See Note 5 to our consolidated financial statements included in our 2018 Annual Report on Form 10-K for the relevant assumptions used to determine the valuation of our option awards. As of December 31, 2018, each non-employee Director had the following number of stock options outstanding: Mr. Claflin, 16,764; Dr. Essig, 4,719; Dr. Henderson, 33,621; Mr. Junius, 19,755; Mr. Kingsley, 7,436; Ms. Szostak 39,527; and Dr. Vandebroek, 21,845.

(3) Includes compensation in the amount of \$75,000 elected to be deferred and issued as 364 DSUs pursuant to the Director Plan.

(4) Includes compensation in the amount of \$23,750 elected to be deferred and issued as 116 DSUs pursuant to the Director Plan.

(5) Includes compensation in the amount of \$87,500 elected to be deferred and issued as 420 DSUs pursuant to the Director Plan.

(6) Includes compensation in the amount of \$56,250 elected to be deferred and issued as 264 DSUs pursuant to the Director Plan.

Stock Ownership Information

Stock Ownership of Directors and Officers

The table below shows the number of shares of our common stock beneficially owned as of March 1, 2019 by each of our Directors, each of our NEOs named in the Summary Compensation Table and all of our Directors and executive officers as a group. The table below also includes information about stock options and vesting restricted stock units granted to our Directors and executive officers. Unless otherwise indicated, each person listed below has sole voting and investment power with respect to the shares and other securities listed.

Beneficial Owner	Shares Owned	Options Exercisable and RSUs Vesting(1)	Total Number of Shares Beneficially Owned(2)	Percentage of Common Stock Outstanding(3)
Jonathan W. Ayers	1,136,820(4)	503,104	1,639,924	1.91%
Bruce L. Clafflin	1,415	14,577	15,992	*
Stuart M. Essig, PhD	—	2,532	2,532	*
Rebecca M. Henderson, PhD	4,000	31,434	35,434	*
Daniel M. Junius	2,000	17,568	19,568	*
Lawrence D. Kingsley	6,405	5,249	11,654	*
M. Anne Szostak	16,000(5)	31,434	47,434	*
Sophie V. Vandebroek, PhD	8,673	19,658	28,331	*
Brian P. McKeon	27,814	166,046	193,860	*
Jay Mazelsky	23,212	169,861	193,073	*
Michael J. Lane	6,324	15,414	21,738	*
Kathy V. Turner	3,932	29,712	33,644	*
All Directors and executive officers as of March 1, 2019 as a group (14 persons)	1,253,773	1,072,508	2,326,281	2.70%

*Less than 1%

(1) Consists of options to purchase shares of common stock exercisable, and RSUs vesting, on or within 60 days after March 1, 2019.

(2) The number of shares beneficially owned by each person or group as of March 1, 2019 includes shares of common stock that such person or group had the right to acquire on or within 60 days after March 1, 2019, including, but not limited to, upon the exercise of stock options or vesting of RSUs, but excluding DSUs.

(3) For each individual and group included in the table, percentage of ownership is calculated by dividing the number of shares beneficially owned by such person or group as described above by the sum of 86,083,808 shares of common stock outstanding on March 1, 2019 and the number of shares of common stock that such person or group had the right to acquire on or within 60 days after March 1, 2019, including, but not limited to, upon the exercise of stock options or vesting of RSUs, but excluding DSUs.

(4) Includes 138,000 shares held by the Ayers Family Trust and 32,100 shares held by the Ayers Wild Cat Conservation Trust (the "Foundation"). Mr. Ayers and his wife are the trustees of the Foundation, and as trustees, they have shared voting and dispositive power for the 32,100 shares held by the Foundation. Beneficial ownership of, and any pecuniary interest in, the 32,100 shares held by the Foundation is expressly disclaimed.

(5) Includes 3,416 shares held by the M. Anne Szostak Trust and 12,000 shares held by the Szostak 2018 IDEXX GRAT.

STOCK OWNERSHIP INFORMATION

We also grant deferred stock units to our non-employee Directors as annual equity grants or voluntary deferrals of annual fees. Deferred stock units are not included in the table above because they do not represent a right to acquire shares of our common stock within 60 days after March 1, 2019. Although deferred stock units carry no voting rights, and individuals holding fully vested deferred stock units are at risk as to the price of our common stock in their investment accounts, vested deferred stock units are included for purposes of determining satisfaction of target stock ownership levels under our stock ownership guidelines. Accordingly, the table below shows the total numbers of shares and fully vested deferred stock units owned as of March 1, 2019 by each of our Directors, each of our NEOs and all our Directors and executive officers as a group.

Beneficial Owner	Shares Owned	DSUs(1)	Total Number of Shares and DSUs Owned
Jonathan W. Ayers	1,136,820(2)	59,164	1,195,984
Bruce L. Claflin	1,415	1,307	2,722
Stuart M. Essig, PhD	–	808	808
Rebecca M. Henderson, PhD	4,000	31,790	35,790
Daniel M. Junius	2,000	2,883	4,883
Lawrence D. Kingsley	6,405	1,494	7,899
M. Anne Szostak	16,000(3)	3,494	19,494
Sophie V. Vandebroek, PhD	8,673	3,074	11,747
Brian P. McKeon	27,814	34,708	62,522
Jay Mazelsky	23,212	–	23,212
Michael J. Lane	6,324	–	6,324
Kathy V. Turner	3,932	–	3,932
All Directors and executive officers as of March 1, 2019 as a group (14 persons)	1,253,773	138,722	1,392,495

(1) Consists of DSUs that are vested as of March 1, 2019.

(2) Includes 138,000 shares held by the Ayers Family Trust and 32,100 shares held by the Foundation. Mr. Ayers and his wife are the trustees of the Foundation, and as trustees, they have shared voting and dispositive power for the 32,100 shares held by the Foundation. Beneficial ownership of, and any pecuniary interest in, the 32,100 shares held by the Foundation is expressly disclaimed.

(3) Includes 3,416 shares held by the M. Anne Szostak Trust and 12,000 shares held by the Szostak 2018 IDEXX GRAT.

Director and Officer Stock Ownership Guidelines

We maintain stock ownership guidelines for our Directors and executives, including our executive officers. For more information regarding our Director stock ownership guidelines, see the discussion under “Director Stock Ownership Guidelines” on page 44, and for more information regarding our executive stock ownership guidelines, see the discussion under “Executive Stock Ownership and Retention” on page 70.

Stock Ownership of Certain Beneficial Owners

Based solely on our review of filings made under Sections 13(d) and 13(g) of the Exchange Act, the only persons or entities known to us to beneficially own more than 5% of our common stock as of December 31, 2018 were:

Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Common Stock Outstanding(1)
The Vanguard Group(2) 100 Vanguard Boulevard Malvern, Pennsylvania 19355	9,057,151	10.52%
BlackRock, Inc.(3) 55 East 52nd Street New York, New York 10055	6,549,022	7.61%
Fundsmith LLP(4) 33 Cavendish Square London, U.K., W1G 0PQ	4,432,292	5.15%

For each group included in the table, percentage ownership is calculated by dividing the number of shares beneficially owned by such group on December 31, 2018, as reflected in the most recent filing by such group of (1) statements of beneficial ownership with the SEC, by the 86,083,808 shares of common stock outstanding on March 1, 2019. Therefore, the percentage ownership may differ from the percentage ownership reported in such statements of beneficial ownership, which reflect ownership as of an earlier date.

Based solely upon information derived from a Schedule 13G/A filed by The Vanguard Group with the SEC on (2) February 12, 2019, it has the sole power to vote 105,562 shares, sole power to dispose of 8,936,155 shares, shared power to vote 17,242 shares, and shared power to dispose of 120,996 shares.

(3)