

MAXIM INTEGRATED PRODUCTS INC  
Form PRE 14A  
September 20, 2016  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**SCHEDULE 14A**

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

- |                                     |   |                          |  |
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| <input checked="" type="checkbox"/> | Preliminary proxy statement                 | <input type="checkbox"/> | Confidential, For Use of the Commission Only |
| <input type="checkbox"/>            | Definitive proxy statement                  | <input type="checkbox"/> | (as permitted by Rule 14a-6(e)(2))           |
| <input type="checkbox"/>            | Definitive additional materials             |                          |  |
| <input type="checkbox"/>            | Soliciting material pursuant to §240-14a-12 |                          |  |

**Maxim Integrated Products, 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):

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(1) Title of each class of securities to which transaction applies:

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(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**PRELIMINARY COPY, SUBJECT TO COMPLETION**

**MAXIM INTEGRATED**

**160 Rio Robles**

**San Jose, CA 95134**

**(408) 601-1000**

October 3, 2016

Dear Maxim Integrated Stockholders:

We are pleased to invite you to attend Maxim Integrated Products, Inc.'s (Maxim Integrated, the Company, we or our) 2016 Annual Meeting of Stockholders to be held on Wednesday, November 9, 2016 at 10:00 a.m. Pacific Time, at our Event Center at 160 Rio Robles, San Jose, California 95134.

Details regarding admission to the meeting and the business to be conducted are described in this proxy statement, as well as in the Notice of Internet Availability of Proxy Materials (the Notice) to be mailed to you on or about October 3, 2016. We have also made available a copy of our 2016 Annual Report on Form 10-K with this proxy statement. We encourage you to read our 2016 Annual Report as it includes our audited financial statements and provides information about our business and products.

We have elected to provide access to our proxy materials for the 2016 annual meeting over the Internet under the notice and access rules of the U.S. Securities and Exchange Commission. We believe that this process expedites stockholders' receipt of proxy materials, lowers the costs of our annual meeting, and helps to conserve natural resources. The Notice you will receive in the mail contains instructions on how to access this proxy statement and our 2016 Annual Report and how to vote online. The Notice also includes instructions on how to request a paper copy of the annual meeting materials, should you wish to do so.

Of particular importance is our proposal to provide that the courts located within the State of Delaware will serve as the exclusive forum for the adjudication of certain legal disputes. We believe that such provisions are in the best interest of our stockholders.

Our stockholders will also be voting on a proposed amendment to our 1996 Equity Plan to provide a maximum annual limit on non-employee director compensation for cash and equity and an increase in the shares available under our 2008 Employee Stock Purchase Plan.

We are also seeking an advisory vote on the Company's compensation program for the executive officers named in the proxy statement. We welcome your views on our executive compensation program.

Your vote is important. Please review the instructions on each of your voting options described in this proxy statement as well as in the Notice. Also, please let us know if you plan to attend our annual meeting when you vote by telephone or over the Internet by indicating your plans when prompted or, if you requested to receive printed proxy materials, by marking the appropriate box on the enclosed proxy card.

Thank you for your ongoing support of Maxim Integrated. We look forward to seeing you at our 2016 annual meeting.

Sincerely,

Tunç Doluca

President and Chief Executive Officer

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# Notice of Annual Meeting of Stockholders

<b>MAXIM INTEGRATED</b>	<b>Time and Date</b>	<b>Place</b>	<b>Record Date</b>
160 Rio Robles San Jose, CA 95134 (408) 601-1000	<b>on Wednesday, November 9, 2016</b> (the meeting date ), 10:00 a.m., Pacific Time.	<b>Event Center</b> 160 Rio Robles San Jose, California 95134.	You are entitled to vote only if you were a Maxim Integrated stockholder as of the close of business on September 16, 2016 (the record date ).

**Items of Business**

- (1) To elect eight members of the board of directors to hold office until the next annual meeting of stockholders or until their respective successors have been elected and qualified.
- (2) To ratify the appointment of Deloitte & Touche LLP as Maxim Integrated's independent registered public accounting firm for the fiscal year ending June 24, 2017.
- (3) To ratify and approve an amendment to Maxim Integrated's 2008 Employee Stock Purchase Plan (the 2008 ESP Plan) to increase the number of shares available for issuance thereunder by 1,500,000 shares.
- (4) To ratify and approve an amendment to Maxim Integrated's 1996 Stock Incentive Plan (the 1996 Equity Plan) to provide a maximum annual limit on non-employee director compensation for cash and equity.
- (5) To ratify and approve an amendment to Maxim Integrated's Bylaws to designate Delaware as the exclusive forum for the adjudication of certain legal disputes.
- (6) Advisory vote to approve the compensation of our Named Executive Officers.
- (7) To consider such other business as may properly come before the meeting.

**Adjournments and Postponements**

Any action on the items of business described above may be considered at the annual meeting at the time and on the date specified above or at any time and date to which the annual meeting may be properly reconvened after being adjourned or postponed.

**Meeting Admission**

You are entitled to attend the annual meeting only if you were a Maxim Integrated stockholder as of the close of business on the record date or hold a valid proxy to vote at the annual meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. You should be prepared to present photo identification for admittance. If you are not a stockholder of record but hold shares through a brokerage firm, bank, broker-dealer, trustee or nominee (i.e., in street name), you should provide proof of beneficial ownership as of the record date, such as your most recent account statement prior to the record date, a copy of the voting instruction card provided by your brokerage firm, bank, broker-dealer, trustee or nominee, or similar evidence of ownership. If you do not provide photo identification or comply with the other procedures outlined above, you will not be admitted to the annual meeting. Cameras and other video or audio recording devices will not be permitted at the meeting.

Please let us know if you plan to attend the meeting by marking the appropriate box on the enclosed proxy card. If you requested to receive printed proxy materials or if you vote by telephone or over the Internet, please indicate your plans when prompted.

The annual meeting will begin promptly on the meeting date at 10:00 a.m., Pacific Time. Check-in will begin at 9:30 a.m., Pacific Time, and you should allow ample time for the check-in procedures.

**Your vote is very important. Whether or not you plan to attend the annual meeting, we encourage you to read this proxy statement and submit your proxy or voting instructions as soon as possible. For specific instructions on how to vote your shares, please refer to the instructions on the Notice of Internet Availability of Proxy Materials you will receive in the mail, the Questions and Answers section in this proxy statement or, if you requested to**

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**receive printed proxy materials, your enclosed proxy card.**

By order of the board of directors,

Tunç Doluca

President and Chief Executive Officer

*This proxy statement and form of proxy will be filed with the SEC on or about October 3, 2016. The Notice containing instructions on how to access this proxy statement online or receive a paper or email copy will be mailed to our stockholders on or about October 3, 2016.*

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## Questions and Answers

# About the Proxy Materials and the Annual Meeting

**MAXIM INTEGRATED**

**160 Rio Robles**

**San Jose, California 95134**

**Proxy Statement for Annual Meeting of Stockholders**

**NOVEMBER 9, 2016**

**Q: Why am I receiving these materials?**

**A:** Our board of directors is making these materials available to you on the Internet, or, upon your request, by delivering printed proxy materials to you, in connection with the solicitation of proxies for use at Maxim Integrated's 2016 Annual Meeting of Stockholders (the 2016 Annual Meeting or the annual meeting), which will take place on November 9, 2016 at 10 a.m. Pacific Time, at our Event Center located at 160 Rio Robles, San Jose, California 95134. As a stockholder holding shares of our common stock as of the close of business on September 16, 2016 (the record date), you are invited to attend the annual meeting and you are requested to vote on the proposals described in this proxy statement.

As of the record date, 283,643,397 shares of Maxim Integrated's common stock were issued and outstanding.

**Q: What information is contained in this proxy statement?**

**A:** The information in this proxy statement relates to the proposals to be voted on at the annual meeting, the voting process, the compensation of our directors and most highly paid executive officers, and certain other information required to be provided by the rules and regulations of the U.S. Securities and Exchange Commission (the SEC).

**Q: Why did I receive a notice in the mail regarding the Internet availability of proxy materials instead of a full set of printed proxy materials?**

**A:** Under the applicable rules of the SEC, we may furnish proxy materials, including this proxy statement and our 2016 Annual Report, to our stockholders by providing access to such documents on the Internet instead of mailing printed copies. Providing access to proxy materials over the Internet helps us lower the cost of holding our annual meeting and saves natural resources. On or about October 3, 2016, we are mailing the notice of the Internet Availability of Proxy Materials (the Notice) to our stockholders (except those stockholders who previously requested electronic or paper delivery of proxy materials), which includes instructions as to how stockholders may access and review all of the proxy materials on the Internet. The Notice also instructs you as to how you may submit your proxy on the Internet. If you would like to receive a paper or email copy of our proxy materials, you should follow the instructions for requesting such materials provided in the Notice.

**Q: How do I get electronic access to the proxy materials?**

**A:** The Notice will provide you with instructions regarding how to:

view our proxy materials for the annual meeting on the Internet and vote online; and

if desired, instruct us to send our future proxy materials to you electronically by email or by mail.

**Q: I share an address with another stockholder and we only received one copy of the Notice and/or other proxy materials. How may I obtain a separate copy?**

**A:** Under the procedure approved by the SEC called householding, if you have the same address and last name as another stockholder and do not participate in electronic delivery of proxy materials, you may receive only one copy of the Notice, or, if applicable, one copy of any other proxy materials, unless you instruct us otherwise. Please note that you will still be able to access the proxy materials on the Internet and vote your shares separately. If you received a single copy of the Notice or other proxy materials as a result of householding and you would like to have separate copies of such materials mailed to you, please submit your request either by calling the number provided below or mailing a written request to the address provided below:

Corporate Secretary

Maxim Integrated Products, Inc.

160 Rio Robles

San Jose, CA 95134

(408) 601-1000

We will promptly mail a separate copy of this proxy statement upon our receipt of such request. Please note that if you want to receive a paper copy of this proxy statement or other proxy materials, you should follow the instructions included in the Notice.



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**Questions and Answers About the Proxy Materials and the Annual Meeting** (continued)

**Q:** What items of business will be voted on at the annual meeting?

**A:** The items of business scheduled to be voted on at the annual meeting are the following:

the election of eight (8) directors;

the ratification of the appointment of Deloitte & Touche LLP as Maxim Integrated's independent registered public accounting firm for the fiscal year ending June 24, 2017;

the ratification and approval of an amendment to Maxim Integrated's 2008 ESP Plan to increase the number of shares available for issuance thereunder by 1,500,000 shares;

the ratification and approval of an amendment to Maxim Integrated's 1996 Equity Plan to provide a maximum annual limit on non-employee director compensation for cash and equity;

the ratification and approval of an amendment to Maxim Integrated's Bylaws to designate Delaware as the exclusive forum for the adjudication of certain legal disputes; and

an advisory vote to approve the compensation of our Named Executive Officers.

In addition, we will consider any other items of business that properly come before the annual meeting.

**Q:** What are the requirements for admission to the meeting?

**A:** Only stockholders holding shares of Maxim Integrated's common stock as of the record date or their proxy holders and Maxim Integrated's guests may attend the meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. Registration and seating will begin at 9:30 a.m. (Pacific Time). Cameras and other video or audio recording devices will not be permitted at the meeting.

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If you attend, please note that you may be asked to present valid picture identification, such as a driver's license or passport. If you hold your shares as a beneficial owner through a brokerage firm, bank, broker-dealer, trustee or nominee, you will need to ask your brokerage firm, bank, broker-dealer, trustee or nominee for an admission card in the form of a legal proxy. You will need to bring the legal proxy with you to the meeting. If you do not receive the legal proxy in time, bring your most recent brokerage statement (reflecting your share ownership as of the record date) with you to the meeting. We can use that to verify your ownership of shares of our common stock and admit you to the meeting. However, as discussed more fully under the heading "What is the difference between holding shares as a stockholder of record and as a beneficial owner?", beneficial owners will not be able to vote their shares at the annual meeting without a legal proxy.

**Q:** How does the board of directors recommend that I vote?

**A:** Our board of directors recommends that you vote your shares (1) FOR the election of each of the nominees to the board of directors (Item 1), (2) FOR the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending June 24, 2017 (Item 2), (3) FOR the ratification and approval of an amendment to Maxim Integrated's 2008 ESP Plan to increase the number of shares available for issuance thereunder by 1,500,000 shares (Item 3), (4) FOR the ratification and approval of an amendment to Maxim Integrated's 1996 Equity Plan to provide a maximum annual limit on non-employee director compensation (Item 4), (5) FOR the adoption and approval of an amendment to Maxim Integrated's Bylaws to designate Delaware as the exclusive forum for the adjudication of certain legal disputes (Item 5), and (6) FOR the approval of the compensation of our Named Executive Officers pursuant to the advisory vote thereon (Item 6).

**Q:** How many votes do I have?

**A:** For each proposal to be voted on, you have one vote for each share of Maxim Integrated's common stock you own as of the record date.

**Q:** What is the difference between holding shares as a stockholder of record and as a beneficial owner?

**A:** Many Maxim Integrated stockholders hold their shares through a broker or other nominees rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

**Stockholder of Record:** If your shares are registered directly in your name with our transfer agent, Computershare, as of the record date, you are considered, with respect to those shares, the stockholder of record, and the Notice was sent directly to you by Maxim Integrated. As the stockholder of record, you have the right to grant your voting proxy directly to Maxim Integrated or to vote in person at the annual meeting. If you requested to receive printed proxy materials, Maxim Integrated has enclosed or sent a proxy card for you to use. You may also vote on the Internet or by telephone, as described in the Notice and below under the heading "How can I vote my shares without attending the annual meeting?", or by completing and mailing the proxy card if you requested a printed copy of the proxy materials.

**Beneficial Owner:** If your shares are held in an account at a brokerage firm, bank, broker-dealer, trust or other similar organization, like the vast majority of our stockholders, you are considered the beneficial owner of shares held in street name, and the Notice was forwarded to you by that organization. As the

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**Questions and Answers About the Proxy Materials and the Annual Meeting** (continued)

beneficial owner, you have the right to direct your brokerage firm, bank, broker-dealer or trustee how to vote your shares, and you are also invited to attend the annual meeting. Since a beneficial owner is not the stockholder of record, you may not vote your shares in person at the annual meeting unless you obtain a legal proxy from the brokerage firm, bank, broker-dealer, trust or other similar organization that holds your shares giving you the right to vote the shares at the meeting. If you do not wish to vote in person or you will not be attending the annual meeting, you may vote by proxy. You may vote by proxy over the Internet, by telephone or by mail, as described in the Notice and below under the heading **How can I vote my shares without attending the annual meeting?**

**Q: How can I vote my shares in person at the annual meeting?**

**A:** Shares held in your name as the stockholder of record may be voted by you in person at the annual meeting. Shares owned beneficially and held in street name may be voted by you in person at the annual meeting only if you obtain a legal proxy from the brokerage firm, bank, broker-dealer, trustee or nominee that holds your shares giving you the right to vote the shares.

Even if you plan to attend the annual meeting, we recommend that you also submit your proxy or voting instructions as described below so that your vote will be counted if you later decide not to attend the meeting.

**Q: How can I vote my shares without attending the annual meeting?**

**A:** Whether you own shares directly as the stockholder of record or own shares beneficially which are held in street name, you may direct how your shares are voted without attending the annual meeting. If you are a stockholder of record, you may vote by proxy. You may vote by proxy over the Internet or by telephone by following the instructions provided in the Notice, or, if you requested to receive printed proxy materials, you may also vote by mail pursuant to instructions provided on the proxy card. If you own shares beneficially which are held in street name, you may also vote by proxy over the Internet or by telephone by following the instructions provided in the Notice, or, if you requested to receive printed proxy materials, you may also vote by mail by following the voting instruction card provided to you by your brokerage firm, bank, broker-dealer, trustee or nominee.

**Q: Can I change my vote?**

**A:** You may change your vote at any time prior to the taking of the vote at the annual meeting. If you are a stockholder of record, you may change your vote by (1) delivering to Maxim Integrated's Corporate Secretary at 160 Rio Robles, San Jose, California 95134, a written notice of revocation or a duly executed proxy bearing a date subsequent to your original proxy prior to the date of the annual meeting, or (2) attending the annual meeting and voting in person. Attendance at the meeting will not cause your previously granted proxy to be revoked unless you specifically so request. For shares you own beneficially which are held in street name, you may change your vote by submitting new voting instructions to your brokerage firm, bank, broker-dealer, trustee or nominee following the instructions they provided, or, if you have obtained a legal proxy from your brokerage firm, bank, broker-dealer, trustee or nominee giving you the right to

vote your shares, by attending the annual meeting and voting in person.

**Q: What happens if I deliver a signed proxy without specifying how my shares should be voted?**

**A:** If you sign and deliver your proxy without instructions and do not later revoke the proxy, the proxy will be voted FOR the slate of nominees to the board of directors described in this proxy statement, and FOR Proposals No. 2, No. 3, No. 4, No. 5, and No. 6. As to any other matter that may properly come before the annual meeting, the proxy will be voted according to the judgment of the proxy holders.

**Q: How many shares must be present or represented to conduct business at the annual meeting?**

**A:** The quorum requirement for holding the annual meeting and transacting business is that holders of a majority of the voting power of the issued and outstanding common stock of Maxim Integrated as of the record date must be present in person or represented by proxy. Both abstentions and broker non-votes (described below) are counted for the purpose of determining the presence of a quorum.

**Q: What is the voting requirement to approve each of the proposals?**

**A:** In the election of directors, the eight nominees receiving the highest number of affirmative FOR votes at the annual meeting will be elected (Item 1). The affirmative FOR vote of a majority of the votes cast on the proposal is required to approve (1) the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending June 24, 2017 (Item 2), (2) the ratification and approval of an amendment to Maxim Integrated's 2008 ESP Plan to increase the number of shares available for issuance thereunder by 1,500,000 shares (Item 3), (3) the ratification and approval of an amendment to Maxim Integrated's 1996 Equity Plan to provide a maximum limit on non-employee director compensation (Item 4), and (4) the advisory vote to approve the compensation of our Named Executive Officers (Item 6). The ratification and

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**Questions and Answers About the Proxy Materials and the Annual Meeting** (continued)

approval of an amendment to Maxim Integrated's Bylaws to designate Delaware as the exclusive forum for the adjudication of certain legal disputes requires the affirmative vote of a majority of the outstanding common stock of Maxim Integrated (Item 5). The vote of stockholders on Item 6 is advisory only and not binding on Maxim Integrated or the board of directors. However, the board of directors and the Compensation Committee will take the voting results into consideration when making future decisions regarding executive compensation.

**Q: What are my voting choices?**

**A:** In the election of directors, you may vote **FOR** or **WITHHOLD** with regard to all or some of the nominees. Votes cast as **WITHHOLD** with respect to the election of directors will be counted for purposes of determining the presence or absence of a quorum at the annual meeting and will have the effect of a vote against the nominee. The board of directors recently adopted majority voting in uncontested director elections, and thus, if a particular nominee does not receive the affirmative vote of a majority of the votes cast, then the nominee must submit his or her resignation to the board of directors. For Proposals No. 2, No. 3, No. 4, No. 5, and No. 6, you may vote **FOR**, **AGAINST** or **ABSTAIN**. If you elect to **ABSTAIN**, the abstention has the same effect as a vote **AGAINST**.

**Q: What is the effect of broker non-votes and abstentions?**

**A:** If you own shares beneficially which are held in street name and do not provide your broker with voting instructions, your shares may constitute broker non-votes. Generally, broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given. In tabulating the voting result for any particular proposal, shares that constitute broker non-votes are not considered votes cast on that proposal. Therefore, broker non-votes will not affect the outcome of matters being voted on at the meeting, assuming that a quorum is obtained, except that broker non-votes will have the same effect as a vote against Item 5. Abstentions are considered votes cast and thus have the same effect as votes against the matter.

**Q: Is cumulative voting permitted for the election of directors?**

**A:** No. You may not cumulate your votes for the election of directors in this election.

**Q: What happens if additional matters are presented at the annual meeting?**

**A:** Other than the six (6) specific items of business described in this proxy statement, we are not aware of any other business to be acted upon at the annual meeting. If you grant a proxy, the persons named as proxy holders, Mark Casper and Bruce E. Kiddoo, or either of them, will have the discretion to vote your shares on any additional matters properly presented for a vote at the annual meeting. If for any reason any of the nominees described in this proxy statement are not available as a candidate for director, the persons named as proxy holders will vote your proxy for such other candidate or candidates as may be nominated by the board of directors.

**Q: Who will serve as inspector of elections?**

**A:** The inspector of elections will be a representative from Broadridge Financial Solutions. Broadridge Financial Solutions will tabulate the votes in connection with the annual meeting.

**Q: Who will bear the cost of soliciting votes for the annual meeting?**

**A:** Maxim Integrated will pay the entire cost of preparing, assembling, printing, mailing and distributing these proxy materials and soliciting votes. If you choose to access the proxy materials and/or vote over the Internet, you are responsible for Internet access charges you may incur. If you choose to vote by telephone, you are responsible for telephone charges you may incur. In addition to the mailing of these proxy materials, the solicitation of proxies or votes may be made in person, by telephone or electronic communication by our directors, officers and employees, who will not receive any additional compensation for such solicitation activities. We will, upon request, reimburse brokerage firms and others for their reasonable expenses in forwarding solicitation material to the beneficial owners of our common stock.

**Q: Where can I find the voting results of the annual meeting?**

**A:** We intend to announce preliminary voting results at the annual meeting and publish final results in our current report on Form 8-K, to be filed with the SEC within four (4) business days of the annual meeting date.

**Q: What is the deadline for submission of stockholder proposals for consideration at the fiscal year 2017 Annual Meeting of Stockholders (the 2017 Annual Meeting )?**

**A:** For proposals other than nomination of director candidates: Pursuant to SEC Rule 14a-8(e) promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act ), a stockholder proposal will be considered for inclusion in our proxy materials for the 2017 Annual Meeting only if the Corporate Secretary of Maxim Integrated receives the proposal by no later than June 5, 2017.



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**Questions and Answers About the Proxy Materials and the Annual Meeting** (continued)

Our Bylaws also establish an advance notice procedure for stockholders who wish to present a proposal before an annual meeting of stockholders but do not intend for the proposal to be included in our proxy statement.

Our Bylaws provide that the only business that may be conducted at an annual meeting is business that is (1) pursuant to Maxim Integrated's proxy materials with respect to such meeting, (2) brought by, or at the direction of, our board of directors, or (3) brought by a stockholder of Maxim Integrated who is a stockholder of record entitled to vote at the annual meeting who has timely delivered written notice to our Corporate Secretary, which notice must contain the information specified in our Bylaws. To be timely for our fiscal year 2017 Annual Meeting, our Corporate Secretary must receive the written notice, prepared in accordance with our Bylaws, at our principal executive offices:

not later than the close of business on August 19, 2017; and

not earlier than the close of business on July 20, 2017.

In the event that we hold our 2017 Annual Meeting more than thirty (30) days before or sixty (60) days after the one-year anniversary date of the fiscal year 2016 Annual Meeting, then notice of a stockholder proposal that is not intended to be included in our proxy statement must be received not later than the close of business on the earlier of the following two (2) dates:

the ninetieth (90th) day prior to our 2017 Annual Meeting; or

the tenth (10th) day following the day on which public announcement of the meeting date is made (either in a press release reported by the Dow Jones News Service, Associated Press or a comparable national news service or in a document publicly filed by Maxim Integrated with the SEC).

If a stockholder who has notified us of his or her intention to present a proposal at an annual meeting takes any action contrary to the representations made in his or her notice to Maxim Integrated's Corporate Secretary, or if such representations contain an untrue statement of a material fact or omit a material fact, we are not required to present the proposal for a vote at such meeting.

For nomination of director candidates: Stockholders may propose nominees to be eligible for election as directors at the 2017 Annual Meeting in accordance with the provisions of our Bylaws. To properly nominate such a candidate, a stockholder must deliver written notice, prepared in accordance with our Bylaws, to Maxim Integrated's Corporate Secretary prior to the deadlines set forth above for stockholder proposals. Prior to submitting a nomination, stockholders should take care to note all deadlines under the SEC Rules and Maxim Integrated Bylaws described above.

Nominations should be addressed to:

Corporate Secretary

Maxim Integrated Products, Inc.

160 Rio Robles

San Jose, CA 95134

(408) 601-1000

If a stockholder who has notified us of his or her intention to nominate a director candidate at an annual meeting takes any action contrary to the representations made in his or her notice to Maxim Integrated's Corporate Secretary, or if such representations contain an untrue statement of a material fact or omit a material fact, we are not required to present the nomination at such meeting. For further information on requirements for director nominations by stockholders, please see our



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Bylaws and Corporate Governance Guidelines as well as the section entitled "Nominations of Director Candidates by Stockholders" in this proxy statement.

Copy of Bylaw and Corporate Governance Guideline Provisions: A copy of our Bylaws and Corporate Governance Guidelines can be found in the Corporate Governance section of Maxim Integrated's corporate website at <http://investor.maximintegrated.com/corporate-governance>. You may also contact our Corporate Secretary at the address given above for a copy of the relevant bylaw and Corporate Governance Guideline provisions regarding the requirements for making stockholder proposals and nominating director candidates.

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2016 NOTICE OF MEETING AND PROXY STATEMENT

# Corporate Governance and Board of Directors Matters

**Board of Directors**

The names, ages and qualifications of each of our directors as of October 3, 2016 are as set forth in Proposal No. 1 in this proxy statement. Except as described therein, each of the nominees has been engaged in his principal occupation during the past five (5) years. There are no family relationships among any of our directors or executive officers.

**Board of Directors Leadership Structure and Committee Composition**

Currently, there are nine (9) members of the board of directors, consisting of William (Bill) P. Sullivan, Tunç Doluca, Tracy C. Accardi, James R. Bergman, Joseph R. Bronson, Robert E. Grady, William D. Watkins, A. R. Frank Wazzan, and MaryAnn Wright. Mr. Wazzan will not stand for re-election to the board of directors at the 2016 Annual Meeting. Mr. Sullivan, an independent director, is the Chairman of the board of directors. The Company has no fixed policy on whether the roles of Chairman and Chief Executive Officer should be separate or combined. This decision is based on the best interests of the Company and its stockholders under the circumstances existing at the time. The board of directors currently believes that it is most appropriate to separate the roles of Chairman and Chief Executive Officer in recognition of the qualitative differences between the two roles as set forth below. The Chief Executive Officer is primarily responsible for setting the strategic direction for the Company and the day to day leadership of the Company, while the Chairman presides over meetings of the full board of directors and ensures that the board of directors' time and attention are focused on the matters most critical to the Company.

Our board of directors has the following three (3) standing committees: (1) an Audit Committee, (2) a Compensation Committee (including its sub-committee, the Equity Grant Sub-Committee), and (3) a Nominating and Governance Committee. Each of the committees operates under a written charter adopted by the board of directors. All of the committee charters are available in the Corporate Governance section of our website at <http://investor.maximintegrated.com/corporate-governance>. During fiscal year 2016, the board of directors held nine (9) meetings and acted by written consent four (4) times. During fiscal year 2016, each director attended at least seventy-five percent (75%) of all meetings of the board of directors. While not mandatory, we strongly encourage our directors to attend our annual meeting of stockholders. All of our directors at the time of the 2015 Annual Meeting of Stockholders attended the 2015 Annual Meeting of Stockholders except for William D. Watkins, who had a traveling conflict and was unable to attend.

**Independence of the Board of Directors**

Our board of directors has determined that, with the exception of Mr. Doluca, Maxim Integrated's Chief Executive Officer, all of its members during fiscal year 2016 were, and currently are, independent directors as that term is defined in the Marketplace Rules of The NASDAQ Stock Market (NASDAQ), including for the purposes of the Audit Committee composition requirements. Such independence definition includes a series of objective tests, including that the director not be an employee of Maxim Integrated and not be engaged in certain types of business transactions or dealings with Maxim Integrated. In addition, as further required by the NASDAQ rules, the board of directors has made a subjective determination that no relationships exist between Maxim Integrated and each director which, in the opinion of the board of directors, would interfere with the exercise of independent judgment in carrying out his responsibilities as a director. The independent directors meet regularly in executive session, without members of management present.

**The Board's Role in Risk Oversight**

It is management's responsibility to identify, assess and manage the material risks that the Company faces, and the board of directors oversees management in this effort. Specifically, the board of directors' role in the Company's risk oversight process includes receiving periodic reports at regularly scheduled board meetings from members of senior management on areas of material risk to the Company as they arise, including financial, operational, legal, regulatory, strategic and reputational risks. The full board of directors (or the appropriate committee in the case of risks that are under the purview of a particular committee) receives these reports from a member of senior management to enable it to understand our risk identification, risk management and risk mitigation strategies. Upon receiving such reports, the board of directors provides such guidance as it deems necessary.

In general, the entire board of directors has oversight responsibility for the Company's strategic risks, such as mergers and acquisitions and divestitures, as well as reputational risks. The Audit Committee has oversight responsibility for financial and related legal risks (such as accounting, asset management, tax strategy and internal controls). The board of directors has delegated primary oversight responsibility with respect to operational risks, such as supply continuity, manufacturing and business continuity, to its Nominating and Governance Committee. Oversight for regulatory and compliance risks and cyber security are generally shared

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among board committees. For example, the Nominating and Governance Committee oversees compliance with the Company's Corporate Governance Guidelines and governance related laws, the Audit

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## 2016 NOTICE OF MEETING AND PROXY STATEMENT

**Corporate Governance and Board of Directors Matters** (continued)

Committee oversees compliance with the Company's Code of Business Conduct and Ethics and the Compensation Committee oversees compliance with the Company's compensation plans and related laws and policies. In addition, the chairs of the Audit Committee and Nominating and Governance Committee oversee cyber security risks and the Company's initiatives for prevention. The Company's Internal Audit group performs a risk assessment as part of their annual audit process and their findings regarding this assessment are presented to the Audit Committee and the Nominating and Governance Committee.

**Risk Considerations in our Compensation Policies and Practices**

Company management reviewed our compensation programs, policies and practices in effect during fiscal year 2016 for all employees, including officers, to determine if those programs, policies and practices create or encourage unreasonable or inappropriate risk taking. As part of the risk assessment, management, including the Chief Executive Officer, Vice President of Human Resources and Vice President, Deputy General Counsel, discussed: (1) the key components and features of the Company's policies and programs, (2) a methodology to determine if those policies and programs created a material adverse risk to the Company and (3) their conclusions. Based on this assessment, management concluded that the Company's compensation policies and practices for its employees, including all officers, are not reasonably likely to have a material adverse effect on the Company for the following reasons:

The Company structures its compensation programs to consist of both fixed and variable components. The fixed portion (base salary) of the compensation programs is designed to provide steady income regardless of the Company's stock price performance so that executives and employees of the Company will not focus exclusively on stock price performance to the detriment of other important business metrics. The variable (cash bonus and equity) components of the compensation programs are designed to reward both short and long-term individual and company performance, which we believe discourages employees from taking actions that focus only on the short-term success of the Company. For short-term performance, annual cash performance bonuses are generally awarded (1) for employees other than those officers who are subject to the reporting requirements in Section 16(a) of the Exchange Act (executive officers), based on individual performance compared to quarterly goals and Company operating income (excluding the effect of special items), and (2) for executive officers, based on operating income (excluding the effect of special items), product development effectiveness, and individual performance. For long-term performance, the Company grants various types of equity-based awards that are designed to promote the sustained success of the Company. The Company attempts to structure equity awards to ensure that employees have equity awards that adequately vest in future years. Restricted stock units generally vest in quarterly installments over a period of one (1) to four (4) years and provide some value irrespective of our stock price. Performance shares (referred to herein as market share units or MSUs), which the Company began granting to senior members of management in September 2014 on a broad-based basis, are scheduled to vest in one annual installment approximately four (4) years from grant date based upon the relative stock price performance of the Company's stock price as compared to the SPDR S&P Semiconductor Exchange Traded Fund. The Company believes that these variable elements of compensation are a sufficient percentage of overall compensation to motivate our employees and officers to achieve superior short-term and long-term corporate results, while the fixed element is also sufficiently high to discourage the taking of unnecessary or excessive risks in pursuing such results.

Officers and non-officer employees are encouraged to focus on corporate profitability, which is the key driver to the size of the total bonus pool. If the Company's profit is lower, then payouts under the applicable bonus programs will be smaller.

The Company has established substantially similar compensation programs, policies, and targets for executive officers as a group which are also more heavily weighted toward performance, as well as other employees as a group. The Company believes this encourages consistent behavior and focus across the Company.

The Company has imposed both a cap on the amount of its annual cash performance bonus pool payable to executive officers at 200% of the target performance bonus amount for an individual executive office, which the Company believes mitigates excessive risk taking. Even if the Company greatly exceeds its operating income growth targets, the annual cash bonus payable is limited by the pre-determined target performance bonus amount cap. Additionally, in the event actual operating income (excluding the impact of special items) is less than fifty percent (50%) of target operating income (excluding the impact of special items) for the fiscal year, no annual cash bonus will be payable to executive officers.

The Company has strict internal controls over the measurement and calculation of operating income (excluding the effect of special items) designed to keep these items from being susceptible to manipulation by any employee, including our officers. As part of our internal controls, our finance department oversees and reviews the calculations used by management to determine the total size of the annual bonus pool payable to executive officers. In addition, all of our employees are required to be familiar with, and our executives are required to periodically certify that they have read and are bound by, our Code of Business Conduct and Ethics, which covers, among other items, accuracy and integrity of the Company's books and records.

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## 2016 NOTICE OF MEETING AND PROXY STATEMENT

**Corporate Governance and Board of Directors Matters** (continued)

The Company prohibits all of its executive officers and members of the board of directors from engaging in hedging transactions involving the Company's securities to insulate themselves from the effects of poor stock price performance.

The Company prohibits its Chief Executive Officer and members of the board of directors from pledging their Company securities as collateral for a loan or holding those securities in a margin account, except for twenty-five percent (25%) of the number of shares that is in excess of the minimum stock ownership guideline required for members of the board of directors and the Chief Executive Officer, respectively. In addition, the Company prohibits all other executive officers from pledging their Company securities as collateral for a loan or holding those securities in a margin account, except for fifty percent (50%) of the total number of shares of common stock owned by them.

**Audit Committee and Audit Committee Financial Expert**

The Audit Committee, which has been established in accordance with Section 3(a)(58)(A) of the Exchange Act, is currently comprised of James R. Bergman, Joseph R. Bronson, and William D. Watkins, each of whom is independent within the meaning of the NASDAQ director independence standards, as currently in effect. Since October 2008, Mr. Bronson has been the Chairman of the Audit Committee. The board of directors has determined that Mr. Bronson is an audit committee financial expert as defined under the rules of the SEC. The Audit Committee has a written charter that was amended and restated effective August 8, 2013. The Audit Committee held eight (8) meetings during fiscal year 2016 and did not act by written consent during fiscal year 2016. Each member of the Audit Committee attended at least seventy-five percent (75%) of the Audit Committee meetings held during fiscal year 2016.

The Audit Committee performs, among other tasks, the following primary functions:

- oversees the accounting, financial reporting, and audit processes of Maxim Integrated's financial statements,
- appoints Maxim Integrated's independent registered public accounting firm,
- approves the services performed by Maxim Integrated's independent auditors, and
- reviews and evaluates Maxim Integrated's accounting principles and its system of internal controls, including its internal audit function.

**Compensation Committee and Equity Grant Sub-Committee**

The Compensation Committee is currently comprised of Tracy C. Accardi, James R. Bergman, Robert E. Grady, and A. R. Frank Wazzan, each of whom is independent within the meaning of the NASDAQ director independence standards, as currently in effect. Since March 2007, Mr. Wazzan has been the Chairman of the Compensation Committee. The Compensation Committee has a written charter that was amended and restated effective May 9, 2013.

The Compensation Committee performs, among other tasks, the following primary functions:

- annually reviews and approves corporate goals and objectives relevant to the compensation of the Chief Executive Officer and annually reviews and evaluates Maxim Integrated's Chief Executive Officer against such approved goals and objectives,
- in consultation with the Chief Executive Officer, reviews and approves the compensation of our executive officers,
- administers the 1996 Equity Plan and 2008 ESP Plan,
- makes recommendations to the board of directors with respect to compensation of our directors and committee members,
- oversees the preparation of the Compensation Discussion and Analysis and issues the Compensation Committee Report in accordance with the regulations of the SEC to be included in Maxim Integrated's proxy statement or annual report on Form 10-K,
- annually conducts an independence assessment of all compensation consultants and other advisers to it, and
- performs such functions regarding compensation as the board of directors may delegate.

With respect to its review of the compensation of the Chief Executive Officer and of other executive officers, and to its oversight of the 1996 Equity Plan and 2008 ESP Plan, the Compensation Committee retains an independent consultant, Compensia, Inc. (Compensia), to review both the effectiveness of such programs in retaining employees and their comparability to plans offered by other companies in the semiconductor industry and the technology industry broadly.

Pursuant to its charter, on June 30, 2007, the Compensation Committee established a two-person sub-committee that is comprised of two (2) directors on the Compensation Committee, which sub-committee is referred to as the Equity Grant Sub-Committee. The Equity Grant Sub-Committee's purpose is to make equity awards under Maxim Integrated's Equity Award Grant Policy. The Equity Grant Sub-Committee meets the first Tuesday of each month to consider and approve equity awards to employees; while this sub-committee is comprised of two (2) rotating members, it is common for all three (3) members of the Compensation Committee to attend these meetings. The Compensation Committee, including the two-person Equity Grant Sub-Committee, held fourteen (14) meetings, and the Compensation Committee did not act by written consent during fiscal year 2016. Each member of the Compensation Committee (or sub-committee, as the case

may be) attended all of these meetings.

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### 2016 NOTICE OF MEETING AND PROXY STATEMENT

#### **Corporate Governance and Board of Directors Matters** (continued)

##### **Nominating and Governance Committee**

The Nominating and Governance Committee (the Governance Committee) is currently comprised of Robert E. Grady and MaryAnn Wright, each of whom is independent within the meaning of the NASDAQ director independence standards, as currently in effect. Since October 2008, Mr. Grady has been the Chairman of the Governance Committee.

The Governance Committee performs, among other tasks, the following primary functions:

- assists the board of directors by identifying and recommending prospective director candidates,
- develops and recommends to the board of directors the governance principles applicable to Maxim Integrated,
- oversees the evaluation of the board of directors and the board of directors' evaluation of management,
- oversees the process by which the board of directors, together with management, engages and communicates with stockholders in regard to governance matters, and
- reviews the Company's succession planning process.

The Governance Committee is responsible for regularly assessing the appropriate size of the board of directors and whether any vacancies on the board of directors are expected, due to retirement or otherwise. In the event of any anticipated vacancy, the Governance Committee has the policy of considering all bona fide candidates from all relevant sources, including the contacts of current directors, professional search firms, stockholders, and other persons. The Governance Committee held two (2) formal meetings during fiscal year 2016 and each member of the Governance Committee attended both of such meetings. The Governance Committee also held many ad hoc meetings throughout the year to discuss governance matters, and the Governance Committee Chair generally provides an update to the full board of directors on governance related matters during each regular board meeting.

##### **Criteria and Diversity**

In evaluating potential candidates for the board of directors, the Governance Committee will apply the criteria set forth in the Company's Corporate Governance Guidelines. These criteria include the candidate's experience in the technology industry, the general business or other experience of the candidate, diversity of experience, the needs of Maxim Integrated for an additional or replacement director, the personality and character of the candidate, diversity, and the candidate's interest in the business of Maxim Integrated, other commitments, as well as numerous other subjective criteria. The Governance Committee does not assign any particular weighting or priority to these factors. While the board of directors has not established specific minimum qualifications for director candidates, the board of directors believes that such candidates must contribute to the goal of maintaining a board that is (1) independent, (2) of high integrity, (3) composed of directors with qualifications that increase the effectiveness of the board of directors and (4) compliant with the requirements of applicable rules of NASDAQ and the SEC. In addition, we do not have a formal written policy regarding the consideration of diversity in identifying candidates; however, as discussed above, diversity is one of the numerous criteria the Governance Committee reviews before recommending a candidate.

##### **Nominations of Director Candidates by Stockholders**

Maxim Integrated stockholders may nominate a director candidate (1) at any annual meeting of stockholders in accordance with our Bylaws, the procedure for which is more fully set forth in the Questions and Answers section of this proxy statement under the heading "What is the deadline for submission of stockholder proposals for consideration at the 2017 Annual Meeting?", (2) at any special meeting of stockholders in accordance with our Bylaws, and (3) by submitting their recommendations to the Governance Committee in accordance with our Corporate Governance Guidelines. The deadline for nominating director candidates for the 2016 Annual Meeting has already passed.

Maxim Integrated's Corporate Governance Guidelines, together with Maxim Integrated's restated certificate of incorporation and Bylaws and charters of committees of the board of directors, form the framework for the corporate governance of Maxim Integrated. Maxim Integrated's Corporate Governance Guidelines are available in the Corporate Governance section of Maxim Integrated's website at <http://investor.maximintegrated.com/corporate-governance>. Pursuant to our Corporate Governance Guidelines, our board of directors will consider all bona fide director candidates nominated by stockholders of Maxim Integrated.

More specifically, the board of directors has established the following procedures by which stockholders may submit nominations of director candidates for consideration by the Governance Committee and the board of directors:

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To nominate a director candidate for consideration by the Governance Committee, a stockholder must have held at least 100,000 shares of Maxim Integrated stock for at least twelve (12) consecutive months leading up to the date of the recommendation and must notify the Governance Committee by writing to the General Counsel of Maxim Integrated.

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2016 NOTICE OF MEETING AND PROXY STATEMENT

**Corporate Governance and Board of Directors Matters** (continued)

The nominating stockholder's notice shall set forth the following information:

- (1) To the extent reasonably available, information relating to such director nominee as would be required to be disclosed in a proxy statement pursuant to Regulation 14A under the Exchange Act in which such individual is a candidate for election to the board of directors;
- (2) The director nominee's written consent to (a) if selected by the Governance Committee as a director candidate, be named in Maxim Integrated's proxy statement and (b) if elected, serve on the board of directors; and
- (3) Any other information that such stockholder believes is relevant in considering the director nominee. Stockholder recommendations to the Governance Committee or the board of directors should be sent to:

Corporate Secretary  
Deputy General Counsel  
Maxim Integrated Products, Inc.  
160 Rio Robles  
San Jose, CA 95134  
(408) 601-1000

For purposes of nominating a director candidate to be considered at an annual meeting, it is unnecessary to send recommendations to the board of directors or the Governance Committee. Instead, a stockholder wishing to nominate a director candidate at an annual meeting must follow the procedures set forth in our Bylaws, including providing written notice prepared in accordance with our Bylaws to Maxim Integrated's General Counsel and Corporate Secretary. For more detailed information on nomination requirements at a future annual meeting, please see the Questions and Answers section of this proxy statement under the heading "What is the deadline for submission of stockholder proposals for consideration at the 2017 Annual Meeting?"

**Equity Grant Date Policy**

The board of directors has adopted a specific procedure in the granting of equity awards to our officers, directors and employees, as set forth in the Company's Equity Award Grant Policy effective June 4, 2007 (the "Equity Policy"). The Equity Policy can be located on the Company's Website at <http://www.investor.maximintegrated.com/corporate-governance>. Under the Equity Policy, equity awards may only be granted by our board of directors or the Compensation Committee of the board of directors, as well as a two-person subcommittee of the Compensation Committee (the Equity Grant Sub-Committee), at a duly noticed meeting. Equity awards may not be granted by unanimous written consent in lieu of a meeting. In addition, the Company invites its Vice President of Human Resources, a senior member from the stock administration team, and the Company's independent registered public accounting firm (the "Auditors") to each meeting of the Compensation Committee (or Equity Grant Sub-Committee), at which equity awards are granted. In fiscal year 2016, our Corporate Secretary, our Vice President of Human Resources, a senior member from the stock administration team and the Auditors, in the capacity as independent observers, generally attended the meetings of the Compensation Committee (or Equity Grant Sub-Committee) at which equity awards were granted. The grant date for an equity award is the date on which any of the above-listed granting bodies meets and approves the equity award.

We follow the following specific procedures with respect to the grant of equity awards that are contained in the Equity Policy:

New Hire Grants; Special Recognition/Promotional Equity Grants: Equity awards to newly hired non-officer employees or awards for special recognition to existing non-officer employees are made on the first Tuesday of the month (or the succeeding month) after the date on which the individual commences employment with us or following the special recognition event. Equity awards to newly hired officers or awards for special recognition to officers are made on the first Tuesday of the month (or a succeeding month) after the date on which the individual commences employment with us or following the special recognition event that is during an open trading window under our Insider Trading Policy.

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**Annual Equity Grants:** Annual equity grants to employees and officers are made during an open trading window under our Insider Trading Policy, which are typically granted in September of each year.

**Equity Awards to Directors:** Equity awards are made to incumbent non-employee directors upon their re-election to the board of directors at the annual meeting of stockholders. Equity awards to newly appointed non-employee directors are made on the first Tuesday of the month (or a succeeding month) after the date on which the individual is appointed to the board of directors that is during an open trading window under our Insider Trading Policy.

### **Compensation Committee Interlocks and Insider Participation**

No member of Maxim Integrated's Compensation Committee is, or ever has been, an executive officer or employee of Maxim Integrated or any of its subsidiaries. No interlocking relationship exists, or during fiscal year 2016 existed, between Maxim Integrated's board of directors or Compensation Committee and the board of directors or compensation committee of any other company.

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### 2016 NOTICE OF MEETING AND PROXY STATEMENT

#### **Corporate Governance and Board of Directors Matters** (continued)

##### **Outside Advisors**

Our board of directors and each of its committees may retain outside advisors and consultants of their choosing at Maxim Integrated's expense. Committees of the board of directors may retain outside advisors and consultants of their choosing without the consent of the board of directors.

##### **Board Effectiveness**

Our board of directors performs an annual self-assessment to evaluate its effectiveness in fulfilling its obligations. For fiscal year 2016, this assessment was held in August 2016.

##### **Communication between Stockholders and Directors**

Maxim Integrated's Corporate Governance Guidelines provide that any communication from a stockholder to the board of directors generally or to a particular director should be in writing and should be delivered to the Company's General Counsel at the principal executive offices of the Company. Each such communication should set forth (1) the name and address of such stockholder as they appear on the Company's books, and if the stock is held by a nominee, the name and address of the beneficial owner of the stock, and (2) the class and number of shares of the Company's stock that are owned of record by such record holder and beneficially by such beneficial owner, together with the length of time the shares have been so owned. The Company's General Counsel will, in consultation with appropriate directors as necessary, generally screen out communications from stockholders to identify communications that are solicitations for products and services, matters of a personal nature not relevant for stockholders or matters that are of a type that render them improper or irrelevant to the functioning of the board of directors or the Company. Steps are taken to ensure that the views of stockholders are heard by the board of directors or individual directors, as applicable, and that appropriate responses are provided to stockholders on a timely basis. Stockholders may send communications to: General Counsel, Maxim Integrated, 160 Rio Robles, San Jose, California 95134.

The Governance Committee, in accordance with its Charter, oversees the process by which the board of directors, together with management, engages and communicates with stockholders in regard to governance matters.

##### **Common Stock**

Maxim Integrated common stock is currently traded on the NASDAQ Global Select Market under the symbol MXIM.

##### **Headquarters Information**

Our headquarters are located at 160 Rio Robles, San Jose, California 95134 and the telephone number at that location is (408) 601-1000.

##### **Code of Business Conduct and Ethics**

We have a Code of Business Conduct and Ethics (the Code of Ethics), which applies to all directors and employees, including but not limited to our principal executive officer, principal financial officer and principal accounting officer. The Code of Ethics is designed to promote: (1) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest arising from personal and professional relationships, (2) full, fair, accurate, timely, and understandable disclosure in reports and documents that we are required to file with the SEC and in other public communications, (3) compliance with applicable governmental laws, rules and regulations, (4) the prompt internal reporting of violations of the Code of Ethics to an appropriate person or entity, and (5) accountability for adherence to the Code of Ethics. A copy of the Code of Ethics is available on our website at <http://investor.maximintegrated.com/corporate-governance>. A hard copy of the Code of Ethics will be sent free of charge upon request. We intend to satisfy the disclosure requirement regarding any amendment to, or a waiver from, a provision of the Code of Business Conduct and Ethics by posting such information on our website.

##### **Hedging Prohibition and Restrictions on Pledging Company Securities**

The Company has a policy that prohibits all of its executive officers and members of the board of directors from engaging in hedging transactions involving the Company's securities. In addition, the Company has a policy that prohibits its Chief Executive Officer and members of the board of directors from pledging their Company securities as a collateral for a loan or holding those securities in a margin account, except for twenty-five percent (25%) of the number of shares that is

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in excess of the minimum stock ownership guideline required for the Chief Executive Officer and members of the board of directors, respectively. In addition, the Company prohibits all other executive officers from pledging their Company securities as collateral for a loan or holding those securities in a margin account, except for fifty percent (50%) of the total number of shares of common stock owned by them.

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## 2016 NOTICE OF MEETING AND PROXY STATEMENT

**Corporate Governance and Board of Directors Matters** (continued)**Executive Compensation Recoupment Policy**

The Company has a policy that provides that in the event of a material restatement of its financial results due to misconduct, the Compensation Committee shall review the facts and circumstances and take actions it considers appropriate with respect to the compensation of any executive officer whose fraud or willful misconduct contributed to the need for such restatement. Such actions may include, without limitation, seeking reimbursement of any bonus paid to such executive officer exceeding the amount that, in the judgment of the Compensation Committee, would have been paid had the financial results been properly reported.

**Majority Voting in Uncontested Director Elections**

The Company's Bylaws provide that in uncontested elections of directors, if a nominee does not receive the approval from at least a majority of the votes cast, then such nominee is required to submit his or her resignation to the board of directors.

**The Ability of Stockholders to Call a Special Meeting**

The Company's Bylaws provide that stockholders owning no less than thirty-five percent (35%) of the total number of common shares outstanding have the ability to call a special meeting of stockholders.

**Director Compensation**

The following table shows certain information regarding non-employee director compensation for the fiscal year ended June 25, 2016 (except as otherwise noted):

**Director Compensation for Fiscal Year 2016**

Name <sup>(1)</sup>	Fees earned or paid in cash (\$)	Restricted Stock Unit Awards (\$) <sup>(2)</sup>	Total (\$)
James R. Bergman	74,800	216,052	290,852
Joseph R. Bronson	87,300	216,052	303,352
Robert E. Grady	74,800	216,052	290,852
William P. Sullivan	28,650	210,028	238,678
William D. Watkins	67,300	216,052	283,352
A.R. Frank Wazzan	72,300	216,052	288,352

(1) Mses. Accardi and Wright were appointed as members of the board of directors after the end of fiscal year 2016.

(2) Represents the aggregate grant date fair value of grants of restricted stock units made during fiscal year 2016, computed in accordance with Financial Accounting Standards Board (FASB) ASC Topic 718. Each of Messrs. Bergman, Bronson, Grady, Watkins, and Wazzan was awarded 5,600 restricted stock units on November 12, 2015 in connection with their service on the board of directors, and the aggregate grant date fair value of each of these awards was \$216,052. Mr. Sullivan was awarded 5,600 restricted stock units on June 7, 2016 in connection with his service on the board of directors, and the aggregate grant date fair value of this award was \$210,028. In each case, the aggregate grant date fair value disregards an estimate of forfeitures. The assumptions used in the valuation of these awards are set forth in Note 6, Stock-Based Compensation of the Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for the fiscal year ended June 25, 2016.

The type and aggregate number of outstanding equity awards held by each of the directors as of June 25, 2016 were as follows:

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Name	Stock Options (#)	Unvested Restricted Stock Units (#)
Mr. Bergman	43,724	2,800
Mr. Bronson	30,900	2,800
Mr. Grady	56,548	2,800
Mr. Sullivan		5,600
Mr. Watkins	20,600	2,800
Mr. Wazzan	43,724	2,800

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## 2016 NOTICE OF MEETING AND PROXY STATEMENT

**Corporate Governance and Board of Directors Matters** (continued)*Cash Compensation*

The cash compensation structure for non-employee directors in fiscal year 2016 was as follows:

Director	Retainer (\$)	Audit Committee Retainer (\$)	Compensation Committee Retainer (\$)	Nominating and Corporate Governance Committee	Total Retainer (\$) <sup>(3)</sup>
				Retainer (\$)	
James R. Bergman	57,300	10,000	7,500		74,800
Joseph R. Bronson	57,300	30,000 <sup>(2)</sup>			87,300
Robert E. Grady	57,300		7,500	10,000 <sup>(2)</sup>	74,800
William P. Sullivan	117,300 <sup>(1)</sup>				117,300
William D. Watkins	57,300	10,000			67,300
A.R. Frank Wazzan	57,300		15,000 <sup>(2)</sup>		72,300

(1) Receives a higher retainer as a result of serving as Chairman of the Board. Mr. Sullivan was appointed as Chairman of the Board in May 2016 and received this retainer on a pro rata basis for fiscal year 2016.

(2) Receives a higher retainer as a result of serving as Committee Chairman.

(3) All retainer fees are paid quarterly in arrears and Maxim Integrated reimburses each director for reasonable expenses incurred in attending meetings of the board of directors or its committees.

The compensation for services as directors is reviewed on an annual basis by the Compensation Committee and the board of directors.

*Equity Compensation*

Non-employee directors participate in the 1996 Equity Plan. Effective November 12, 2014, the board of directors, based upon the recommendation of the Compensation Committee, determined that each non-employee director should be awarded and vest in 6,400 restricted stock units per calendar year. Restricted stock units are awarded on an annual basis. Restricted stock units vest in quarterly installments over a one-year period. Equity awards to non-employee directors are generally made at the meeting of the board of directors immediately following their re-election to the board of directors.

\* \* \*

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2016 NOTICE OF MEETING AND PROXY STATEMENT

# Proposal No. 1

**Election of Directors**

The Governance Committee recommended, and the board of directors nominated, William (Bill) P. Sullivan, Tunç Doluca, Tracy C. Accardi, James R. Bergman, Joseph R. Bronson, Robert E. Grady, William D. Watkins, and MaryAnn Wright as nominees for election as members of our board of directors at the 2016 Annual Meeting. Except as set forth below, unless otherwise instructed, the persons appointed as proxy holders in the accompanying form of proxy will vote the proxies received by them for such nominees, all of whom are presently directors of Maxim Integrated. William (Bill) P. Sullivan was appointed to the board of directors in December 2015. Tracy C. Accardi and MaryAnn Wright were appointed to the board of directors in August 2016. All of the other nominees were elected directors by a vote of the stockholders at the last annual meeting of stockholders which was held on November 12, 2015.

In the event that any nominee becomes unavailable or unwilling to serve as a member of our board of directors, the proxy holders will vote in their discretion for a substitute nominee. The term of office of each person elected as a director will continue until the next annual meeting or until a successor has been elected and qualified, or until the director's earlier death, resignation, or removal.

The following paragraphs provide information as of October 3, 2016 about each nominee. Such information includes the age, position, principal occupation, and business experience for at least the past five (5) years, and the names of other publicly held companies of which the nominee currently serves as a director or has served as a director during the past five (5) years. In addition, we are providing a description of each nominee's specific experience, qualifications, attributes, and skills that led the board of directors to conclude that such nominee should serve as a director. There are no family relationships among any directors or executive officers of Maxim Integrated.

Name	Age	Director Since
William P. Sullivan	66	2015
Tunç Doluca	58	2007
Tracy C. Accardi	56	2016
James R. Bergman	74	1988
Joseph R. Bronson	68	2007
Robert E. Grady	58	2008
William D. Watkins	63	2008
MaryAnn Wright	54	2016



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2016 NOTICE OF MEETING AND PROXY STATEMENT

**Proposal No. 1** (continued)

***William (Bill) P. Sullivan***

**Independent**

**Director Since: 2015**

**Age: 66**

Mr. Sullivan has been a director of Maxim Integrated since December 2015 and has been Chairman of the Board since May 2016. Mr. Sullivan served as chief executive officer of Agilent Technologies, a global provider of scientific instruments, software, services and consumables in life sciences, diagnostics and applied chemical markets, from 2005 to March 2015. Mr. Sullivan was Agilent's president from 2005 to 2012 and 2013 to 2014. Prior to that, he served as executive vice president and chief operating officer from 2002 to 2005 and senior vice president and general manager of Agilent's Semiconductor Products Group from 1999 to 2002. Mr. Sullivan is currently on the board of directors for Edison International and was previously a director of Agilent, Avnet, Inc., and URS Corporation. He is a graduate of the University of California, Davis.

In nominating Mr. Sullivan to serve on the board of directors, the Governance Committee considered as important factors, among other items, Mr. Sullivan's experience as president and chief executive officer of a large public company, significant operational experience, and his leadership skills.

***Tunç Doluca***

**Director Since: 2007**

**Age: 58**

Mr. Doluca has served as a director of Maxim Integrated, as well as the President and Chief Executive Officer, since January 2007. He joined Maxim Integrated in October 1984 and served as Vice President between 1994 and 2005. He was promoted to Senior Vice President in 2004 and Group President in May 2005. Prior to 1994, he served in a number of integrated circuit development positions.

In nominating Mr. Doluca to serve on the board of directors, the Governance Committee considered as important factors, among other items, Mr. Doluca's experience in the semiconductor industry and thirty (30) years of service at Maxim Integrated, including twenty (20) years as an officer of the Company, including his current position as the Chief Executive Officer, his technical expertise, and his executive leadership and management skills.

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2016 NOTICE OF MEETING AND PROXY STATEMENT

**Proposal No. 1** (continued)

*Tracy C. Accardi*

**Independent**

**Director Since: 2016**

**Age: 56**

Ms. Accardi has served as Vice President of Global Research and Development, Breast and Skeletal Health Solutions at Hologic since 2014, where she leads development of screening, diagnostic and biopsy systems for the detection and treatment of breast cancer. Previously, Ms. Accardi was Chief Technology Officer at Omniguide Surgical from 2012 to 2014, and Executive Consultant at Mednest Consulting from 2011 to 2012, after having held senior research and development positions at Covidien from 2007 to 2011, Johnson & Johnson Company from 2003 to 2007, and Philips Medical Systems from 2001 to 2003. In prior experience, she served in various managerial roles in Corporate Research and Development, Healthcare and Aerospace at General Electric from 1981 to 2001. She received a Master of Science in Mechanical Engineering from Rensselaer Polytechnic Institute and a Bachelor of Science in Mechanical Engineering from Carnegie Mellon University.

In nominating Ms. Accardi to serve on the board of directors, the Governance Committee considered as important factors, among other items, Ms. Accardi's extensive experience and knowledge of the medical device industry and her demonstrated expertise in technology development, strategic technology planning, program management, licensing and acquisition integration, clinical relationship management and all phases of product commercialization.

*James R. Bergman*

**Independent**

**Director Since: 1988**

**Age: 74**

Mr. Bergman has served as a director of Maxim Integrated since 1988. Mr. Bergman was a founder and has been General Partner of DSV Associates since 1974 and a founder and General Partner of its successors, DSV Partners III and DSV Partners IV. These firms provide venture capital and management assistance to emerging companies, primarily in high technology. Since July 1997, he has also served as a Special Limited Partner of Cardinal Health Partners and Cardinal Partners II, which are private venture capital funds. Mr. Bergman attended UCLA where he graduated with honors with a BS in Engineering and later received an MBA with distinction.

In nominating Mr. Bergman to serve on the board of directors, the Governance Committee considered as important factors, among other items, Mr. Bergman's experience as a venture capitalist in technology companies, his experience and familiarity with financial statements, and his deep and fundamental understanding of Maxim Integrated's culture, employees and products as a result of service on the board of directors for over twenty-five (25) years.

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2016 NOTICE OF MEETING AND PROXY STATEMENT

**Proposal No. 1** (continued)

***Joseph R. Bronson***

**Independent**

**Director Since: 2007**

**Age: 68**

Mr. Bronson has served as a director of Maxim Integrated since November 2007. Since June 2014, he has been Managing Director, Strategic Advisor for Cowen & Co., a New York City based investment bank. From May 2011 to March 2014 he served as an Advisory Director at GCA Savvian, LLC, a financial advisory services firm. Mr. Bronson is Principal and Chief Executive Officer of The Bronson Group, LLC, which provides financial and operational consulting services. Mr. Bronson served as the Chief Executive Officer of Silicon Valley Technology Corporation, a private company that provides technical services to the semiconductor and solar industries from 2009 to March 2010. Mr. Bronson served as President and Chief Operating Officer of Sanmina-SCI, a worldwide contract manufacturer, between August 2007 and October 2008, and he also served on Sanmina-SCI's board of directors between August 2007 and January 2009. Before joining Sanmina-SCI, Mr. Bronson served as President and Co-Chief Executive Officer of FormFactor, Inc., a manufacturer of advanced semiconductor wafer probe cards, between 2004 and 2007. Prior to 2004, Mr. Bronson spent twenty-one (21) years at Applied Materials in senior level operations management, concluding with the positions of Executive Vice President and Chief Financial Officer. In addition to Maxim Integrated, Mr. Bronson currently serves on the boards of directors of Jacobs Engineering Group Inc., SDC Materials, Ryan Herco Flow Solutions, and PDF Solutions, Inc.

In nominating Mr. Bronson to serve on the board of directors, the Governance Committee considered as important factors, among other items, Mr. Bronson's expertise and familiarity with financial statements, financial disclosures, auditing and internal controls, his senior management level experience at large publicly traded companies and understanding of board best practices.

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## 2016 NOTICE OF MEETING AND PROXY STATEMENT

**Proposal No. 1** (continued)**Robert E. Grady****Independent****Director Since: 2008****Age: 58**

Mr. Grady has served as a director of Maxim Integrated since August 2008. Since March 2015, Mr. Grady has been a Partner at Gryphon Investors, a middle market-focused private equity investment firm. From 2010 to 2014, Mr. Grady was a Managing Director at Cheyenne Capital Fund, a private equity investment firm, and served as the volunteer Chairman of the New Jersey State Investment Council (which oversees the state's \$79 billion pension fund). From 2000 to 2009, Mr. Grady was a Managing Director at The Carlyle Group, a global private equity firm, where he served as a member of the firm's Management Committee as Chairman and Fund Head of Carlyle's U.S. venture and growth capital group, Carlyle Venture Partners (CVP); on the investment committees of CVP, Carlyle Asia Growth Partners, and Carlyle Europe Technology Partners; and as a director of multiple Carlyle portfolio companies. Between 1993 and 2000, he was a Partner and Member of the Management Committee at Robertson Stephens & Company, an emerging growth-focused investment banking firm. Previously, Mr. Grady served in the White House as Deputy Assistant to the President of the United States of America, as Executive Associate Director of the Office of Management and Budget (OMB), and as Associate Director of OMB for Natural Resources, Energy and Science. Mr. Grady is a former director of the National Venture Capital Association, and he served as Chairman of the National Venture Capital Association in 2006 and 2007. From 1993 to 2004, Mr. Grady served on the faculty of the Stanford Graduate School of Business as a Lecturer in Public Management. In addition to Maxim Integrated, Mr. Grady currently serves on the board of directors of Stifel Financial Corp., a financial services firm focused on investment banking and asset management, and of the Jackson Hole Mountain Resort. From July 2004 to June 2010, Mr. Grady also served on the board of directors of AuthenTec, Inc., a maker of fingerprint identification semiconductors, and from September 2009 to July 2010, Mr. Grady served on the board of directors of Thomas Weisel Partners Group, Inc., which was acquired by Stifel Financial Corp. Mr. Grady has also been a director of multiple privately held companies and non-profit organizations over the past 25 years. Currently, Mr. Grady is a Trustee of the St. John's Hospital Foundation, a member of the Steering Committee of the Wyoming Business Alliance, a member of the Investment Committee of the Community Foundation of Jackson Hole, and a member of the Council on Foreign Relations. Mr. Grady holds an A.B. degree from Harvard College and a M.B.A. degree from the Stanford Graduate School of Business.

In nominating Mr. Grady to serve on the board of directors, the Governance Committee considered as important factors, among other items, Mr. Grady's extensive experience in the financial services industry, including his leadership roles at several large financial services firms, his expertise with strategic business combinations and corporate strategy development, and his corporate governance experience as the chairman of a large public pension fund, and his experience as a director.

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## 2016 NOTICE OF MEETING AND PROXY STATEMENT

**Proposal No. 1** (continued)**William D. Watkins****Independent****Director Since: 2008****Age: 63**

Mr. Watkins has served as a director of Maxim Integrated since August 2008. Since September 2013, Mr. Watkins has been the Chief Executive Officer of Imergy Power Solutions, a leader in stationary energy storage using innovative flow battery technology, and in December 2013, Mr. Watkins became the Chairman of the Board at Imergy. From February 2010 to April 2013, Mr. Watkins was the Chief Executive Officer and a member of the board of directors of Bridgelux, Inc., a leading light emitting diode (LED) developer. Mr. Watkins was Seagate Technology's Chief Executive Officer between July 2004 and January 2009 and was a member of its board of directors between 2000 and January 2009. Previously, Mr. Watkins was Seagate's President and Chief Operating Officer, a position he had held since 2000, and in this capacity was responsible for the company's global hard disc drive operations. Mr. Watkins joined Seagate in 1996 as part of the company's merger with Conner Peripherals. In addition to Maxim Integrated, Mr. Watkins currently serves on the board of directors of Flextronics International Ltd. Mr. Watkins is co-owner of the Vancouver Stealth. Watkins holds a B.S. degree in political science from the University of Texas.

In nominating Mr. Watkins to serve on the board of directors, the Governance Committee considered as important factors, among other items, Mr. Watkins' operational and management experience, his experience as Chief Executive Officer, President and Chief Operating Officer of Seagate, his understanding of the electronics and semiconductor industries, as well as his expertise and familiarity with financial statements.

**MaryAnn Wright****Independent****Director Since: 2016****Age: 54**

Ms. Wright serves as Group Vice President, Technology and Industry Relations at Johnson Controls. During her 9-year tenure with the company, she has served in several leadership roles focused on R&D, engineering and product development. Before joining Johnson Controls, Ms. Wright was Executive Vice President of Engineering, Product Development, Commercial and Program Management at Collins & Aikman Corporation from 2006 to 2007. Prior to that, she served in several executive management positions at Ford Motor Company during her tenure from 1988 to 2005. Ms. Wright has served as a director of Group 1 Automotive, Inc. since 2014. She received a Master of Science in Engineering from the University of Michigan, her Master of Business Administration from Wayne State University and a Bachelor of Arts in International Studies and Economics from the University of Michigan.

In nominating Ms. Wright to serve on the board of directors, the Governance Committee considered as important factors, among other items, Ms. Wright's extensive experience and knowledge of the automotive industry, her work in the area of energy storage solutions and a variety of advanced powertrain technologies, and her deep technical background.

**Required Vote**

The eight (8) nominees receiving the highest number of affirmative **FOR** votes shall be elected as directors. Unless marked to the contrary, proxies received will be voted **FOR** these nominees.

**Recommendation**

**Our board of directors recommends a vote **FOR** the election to the board of directors of each of the foregoing nominees.**

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2016 NOTICE OF MEETING AND PROXY STATEMENT

## Proposal No. 2

### **RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of the board of directors has appointed Deloitte & Touche LLP as the independent registered public accounting firm to audit our consolidated financial statements for the fiscal year ending June 24, 2017. During fiscal year 2016, Deloitte & Touche LLP served as our independent registered public accounting firm and also provided certain tax and audit-related services. See the information provided in this proxy statement under the heading

Independent Public Accountants. Notwithstanding its appointment and even if our stockholders ratify the appointment, the Audit Committee, in its discretion, may appoint another independent registered public accounting firm at any time during fiscal year 2017 if the Audit Committee believes that such a change would be in the best interests of Maxim Integrated and its stockholders. If the appointment is not ratified by our stockholders, the Audit Committee may consider whether it should appoint another independent registered public accounting firm. Representatives of Deloitte & Touche LLP are expected to attend the annual meeting, where they will be available to respond to appropriate questions and, if they desire, to make a statement.

#### **Required Vote**

Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending June 24, 2017 requires the affirmative **FOR** vote of a majority of the votes cast on the proposal. Unless marked to the contrary, proxies received will be voted **FOR** ratification of the appointment of Deloitte & Touche LLP.

#### **Recommendation**

**Our board of directors recommends a vote **FOR** the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending June 24, 2017.**

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2016 NOTICE OF MEETING AND PROXY STATEMENT

## Proposal No. 3

**RATIFICATION AND APPROVAL OF AN AMENDMENT TO MAXIM INTEGRATED'S 2008 EMPLOYEE STOCK PURCHASE PLAN TO INCREASE THE NUMBER OF SHARES AVAILABLE FOR ISSUANCE THEREUNDER BY 1,500,000 SHARES**

At the 2016 Annual Meeting, stockholders will be asked to ratify and approve an amendment to the 2008 ESP Plan to increase the maximum number of shares of Maxim Integrated common stock that may be purchased under the 2008 ESP Plan by an additional 1,500,000 shares. The amendment to the 2008 ESP Plan to increase the maximum number of shares that may be purchased by 1,500,000 shares was approved by Maxim Integrated's board of directors. The 2008 ESP Plan was originally approved by the board of directors in October 2008 and then ratified by stockholders on December 15, 2008, and was amended annually starting in 2009 through 2015 to increase the shares reserved for issuance thereunder by 2,000,000 shares on each occasion. Maxim Integrated anticipates that approximately 1,500,000 shares will be purchased by employees under the 2008 ESP Plan during fiscal year 2017 based upon current assumptions regarding employee participation levels, and is therefore seeking to increase the number of shares reserved for issuance under the 2008 ESP Plan by 1,500,000 shares.

Prior to the effectiveness of the proposed amendment, a total of 18,000,000 shares of Maxim Integrated common stock had been reserved for issuance under the 2008 ESP Plan. As of September 1, 2016, approximately 6,136,866 shares were available for purchase under the 2008 ESP Plan. The board of directors has approved, subject to stockholder ratification and approval, an amendment to increase the maximum number of shares of Maxim Integrated common stock reserved under the 2008 ESP Plan by 1,500,000 shares to a total of 19,500,000 shares subject to adjustment as provided therein.

The closing price of Maxim Integrated's common stock on September 1, 2016 was \$41.20 per share.

Maxim Integrated believes that substantial equity participation by employees is important in creating an environment in which employees will be motivated to remain employed and be productive for long periods of time. Maxim Integrated further believes that the attraction, retention and motivation of highly qualified personnel is essential to Maxim Integrated's continued growth and success and that incentive plans, such as the 2008 ESP Plan, are necessary for Maxim Integrated to remain competitive in its compensation practices. In addition, Maxim Integrated believes that the 2008 ESP Plan (and other equity incentive programs) is an effective way to assure alignment of employees' and stockholders' interests and believes all such equity incentives are in the best interest of the stockholders.

The benefits to be received by Maxim Integrated's employees and officers pursuant to the 2008 ESP Plan are not determinable at this time.

**Required Vote**

Ratification and approval of the amendments to increase the number of shares reserved under the 2008 ESP Plan requires the approval of a majority of the shares represented in person or by proxy and voting at the annual meeting. A general description of the principal terms of the 2008 ESP Plan approved by the board of directors and the purpose of the 2008 ESP Plan is set forth below. Unless otherwise marked, all properly signed and returned proxies will be voted **FOR** Proposal No. 3.

**Recommendation**

**Our board of directors recommends a vote **FOR** the ratification and approval of the amendment to Maxim Integrated's 2008 Employee Stock Purchase Plan as described herein.**

The following summary of certain provisions of the 2008 ESP Plan is qualified in its entirety by reference to the 2008 ESP Plan, a copy of which is attached as Appendix A to this proxy statement. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the 2008 ESP Plan.

**Summary of Material Features of the 2008 ESP Plan***Eligible Employees*

All employees of Maxim Integrated and its subsidiaries designated by the committee appointed by the board of directors to administer the 2008 ESP Plan (the Committee) will be eligible to participate in the 2008 ESP Plan, a total of approximately 7,000 individuals. However, the Committee may exclude from participation (1) a group of certain highly compensated employees, (2) employees who have been employed by Maxim Integrated or any subsidiary for less than

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two (2) years, (3) employees whose customary employment is for not more than five (5) months in any calendar year, and (4) employees who customarily works twenty (20) hours per week or less.

MAXIM INTEGRATED PRODUCTS, INC. <sup>1</sup> 2016 Proxy Statement 21



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### 2016 NOTICE OF MEETING AND PROXY STATEMENT

#### **Proposal No. 3** (continued)

Notwithstanding the foregoing, no employee shall be eligible for participation under the 2008 ESP Plan if, immediately after such grant, that employee would own stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of Maxim Integrated or of any affiliate of Maxim Integrated (including any stock which such employee may purchase under all outstanding rights and options). In addition, no employee will be permitted to purchase stock under all employee stock participation plans, including the 2008 ESP Plan, of Maxim Integrated and its affiliates (1) at a rate which in the aggregate exceeds \$25,000 of the fair market value of such stock (determined under Section 423 of the Internal Revenue Code of 1986, as amended (the Code), at the time the right is granted) for any calendar year in which the right is outstanding at any time or (2) 1,600 shares of stock in an offering period, whichever is less.

#### *Participation*

The Committee has the power from time to time to grant or provide for the grant of rights to purchase stock of Maxim Integrated under the 2008 ESP Plan to eligible employees (an Offer) on a date or dates (the Offer Date(s)) identified in the 2008 ESP Plan. Each Offer will be in such form and will contain such terms and conditions as the Committee deems appropriate, except that each Offer must include the substance of the required provisions of the 2008 ESP Plan, which are described below. Each Offer will be outstanding for approximately twelve (12) months (the Offer Period) and there will be overlapping Offer Periods.

An eligible employee becomes a participant in an Offer by delivering a written enrollment form to Maxim Integrated, within the time specified in each Offer, authorizing payroll deductions of up to a maximum percentage of twenty-five percent (25%) of his or her Eligible Compensation (as defined in the 2008 ESP Plan) from each paycheck during the Offer Period. All payroll deductions made for a participant are credited to his or her account under the 2008 ESP Plan and are deposited with the general funds of Maxim Integrated. The purchase price of the shares is accumulated by payroll deductions (or direct payments, if permitted) over the Offer Period. At any time during the Offer Period, a participant may terminate his or her payroll deductions (as described further below), but a participant may not increase, reduce or begin such payroll deductions after the beginning of any Offer Period.

#### *Purchase of Stock*

The purchase dates generally will occur on the last business day immediately preceding the second to last Saturday in May and November (each a Purchase Date) in each year unless this day immediately follows the Thanksgiving holiday in the United States in which case the Purchase Date will be the last Friday of November of each year. On each Purchase Date, the balance in each participant's account will be applied to the purchase of whole shares of stock of Maxim Integrated. No fractional shares shall be issued upon the exercise of rights granted under the 2008 ESP Plan. The amount remaining in each participant's account after the purchase of shares that is less than the amount required to purchase one (1) share of stock on the last Purchase Date of an Offer Period shall be returned to the participant as soon as practicable after the Purchase Date, without interest.

#### *Purchase Price*

The purchase price per share of stock acquired pursuant to the 2008 ESP Plan will be the lesser of: (1) eighty-five percent (85%) of the fair market value per share of such stock on the Offer Date and (2) eighty-five percent (85%) of the fair market value per share of such stock on the Purchase Date. Fair market value per share is defined in the 2008 ESP Plan and generally means the closing price per share on NASDAQ.

#### *Withdrawal*

A participant may withdraw from an Offer by terminating his or her payroll deductions and by delivering to the Committee a written notice of withdrawal from the Offer. Such withdrawal may be elected within a certain period of time prior to the end of the applicable Offer Period. Upon any withdrawal from an Offer by the employee, Maxim Integrated will distribute to the employee his or her accumulated payroll deductions (reduced for prior purchases), without interest, and such employee's interest in the Offer will be automatically terminated. Upon such withdrawal from an Offer, the employee is not entitled to participate again in such Offer and the employee may not be able to participate in the 2008 ESP Plan for such period of time as determined by the Committee. Any such employee participating in a new Offer after his or her withdrawal from an Offer will be required to timely submit a new enrollment form.

#### *Termination of Employment*

Rights granted pursuant to any Offer under the 2008 ESP Plan shall terminate immediately upon cessation of an employee's employment for any reason, and Maxim Integrated shall promptly distribute to such employee all of his or her accumulated payroll deductions (reduced for prior purchases), without interest.



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### 2016 NOTICE OF MEETING AND PROXY STATEMENT

#### **Proposal No. 3** (continued)

#### *No transferability*

Rights granted under the 2008 ESP Plan are not transferable by a participating employee other than by will or the laws of descent and distribution and are exercisable during such participating employee's lifetime only by him or her.

#### *Adjustments upon Changes in Stock or Other Events*

If (1) Maxim Integrated shall at any time be involved in a merger, consolidation, dissolution, liquidation, reorganization, exchange of shares, sale of all or substantially all of the assets or stock of Maxim Integrated or its subsidiaries or a transaction similar thereto, (2) any stock dividend, stock split, reverse stock split, stock combination, reclassification, recapitalization or other similar change in the capital structure of Maxim Integrated, or any distribution to holders of Maxim Integrated common stock other than cash dividends, shall occur or (3) any other event shall occur which in the judgment of the Committee necessitates action by way of adjusting the number or kind of shares, or both, which thereafter may be sold under the 2008 ESP Plan, then the Committee may take any necessary actions to preserve to the participating employees' rights substantially proportionate to the rights existing prior to such event. Such actions may include, without limitation, adjustments in the number and kind of shares subject to the 2008 ESP Plan (including the number of shares reserved for issuance thereunder) and the purchase price of such shares under the 2008 ESP Plan.

Notwithstanding any other provision of the 2008 ESP Plan, if Maxim Integrated's common stock ceases to be listed or traded, as applicable, on a national stock exchange or over-the-counter market (the Triggering Event), then, in the discretion of the Committee, (1) the balance in the participating employee's payroll account not yet invested may be refunded to the participating employee, and such participating employee will have no further rights or benefits under the 2008 ESP Plan, (2) an amount equal to the product of the fair market value of a share on the date of the Triggering Event multiplied by the number of shares such participating employee would have been able to purchase with the balance of his or her payroll account on the date of such Triggering Event may be paid to the participating employee, and such participating employee shall have no further rights or benefits under the 2008 ESP Plan, or (3) the 2008 ESP Plan may be continued.

#### *Amendment, Suspension and Termination of the 2008 ESP Plan*

The board of directors may at any time and for any reason amend, suspend or terminate the 2008 ESP Plan. However, any amendment of the 2008 ESP Plan shall require stockholder approval if such approval would be required for continued compliance with applicable laws or regulations. In addition, no termination of the 2008 ESP Plan may alter or impair any outstanding rights to purchase shares pursuant to any offering thereunder.

#### *Federal Income Tax Consequences*

The following summarizes only the federal income tax consequences of participation under the 2008 ESP Plan based upon federal income tax laws in effect on the date of this proxy statement. This summary does not purport to be complete, and does not discuss any non-U.S., state or local tax consequences. In addition, the discussion does not address tax consequences which may vary with, or are contingent on, a participant's individual circumstances. Each participant in the 2008 ESP Plan is strongly advised to consult with his or her personal tax advisor regarding participation in the 2008 ESP Plan.

The 2008 ESP Plan, and the right of participants to make purchases thereunder, is intended to qualify under the provisions of Sections 421 and 423 of the Code (except to comply with applicable foreign or local law). Under these provisions, no income will be taxable to a participant on the Offer Date or at the time of purchase of shares. Amounts deducted from a participant's pay under the 2008 ESP Plan are part of the employee's regular compensation and remain subject to federal, state and local income and employment withholding taxes.

Upon disposition of the shares, the participant will generally be subject to tax, the amount of which will depend upon the participant's holding period. If the participant disposes of his or her shares more than two (2) years after the Offer Date and more than one (1) year after the purchase of the shares, the lesser of (1) fifteen percent (15%) of the fair market value of the shares on the Offer Date and (2) the excess (or zero (0) if there is no excess) of the fair market value of the shares on the date of the disposition of the shares over the purchase price will be treated as ordinary income, and any further gain will be treated as long-term capital gain. If the participant disposes off the shares before the expiration of these holding periods, the excess of the fair market value of the shares on the purchase date over the purchase price will be treated as ordinary income, and any further gain or loss on such disposition will be long-term or short-term capital gain or loss, depending on the holding period.

Maxim Integrated is not entitled to a deduction for amounts taxed as ordinary income or capital gain to a participant except to the extent of ordinary income reported by participants upon disposition of shares within two (2) years from the Offer Date or within one (1) tax year of the date of purchase. Maxim Integrated is required to report to the United States Internal Revenue Service any ordinary income recognized by a participant as a result of a disposition if such information is

available to Maxim Integrated.

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2016 NOTICE OF MEETING AND PROXY STATEMENT

## Proposal No. 4

### **RATIFICATION AND APPROVAL OF AN AMENDMENT TO MAXIM INTEGRATED'S 1996 STOCK INCENTIVE PLAN TO PROVIDE A MAXIMUM ANNUAL LIMIT ON NON-EMPLOYEE DIRECTOR COMPENSATION FOR CASH AND EQUITY**

At the 2016 Annual Meeting, stockholders will be asked to ratify and approve an amendment to Maxim Integrated's 1996 Equity Plan to provide a maximum annual limit on non-employee director compensation for cash and equity as well as to reflect certain technical revisions. The amendment to the 1996 Equity Plan has been approved by the board of directors.

#### **Non-Employee Director Compensation Limit**

The proposed amendment would impose a \$550,000 limit on the compensation that can be awarded to a non-employee director in any given fiscal year, including the sum of (1) cash compensation/fees and (2) the grant date fair value of all compensation awarded under the 1996 Equity Plan. This limitation, however, would not apply to the extent a non-employee director has been or becomes an employee of Maxim Integrated during such fiscal year.

We believe that it is important to disclose to our stockholders, and for our stockholders to approve, a maximum annual limit on future awards that we may grant to our non-employee directors. We selected \$550,000 as the maximum value that may be awarded to our non-employee directors under Maxim Integrated's 1996 Equity Plan per fiscal year because we believe it places a meaningful limit on awards to our non-employee directors. While our actual non-employee director compensation in recent years has been considerably lower than this proposed limit, we believe that setting a limitation at this level provides us with a reasonable degree of flexibility for the remainder of the plan term, or extensions thereof, to make adjustments that we may in the future deem appropriate or necessary for our non-employee director compensation program to remain competitive in the market.

#### **No Request for Share Increase at 2016 Annual Meeting**

A total of 141,100,000 shares of Maxim Integrated common stock had been reserved for issuance under the 1996 Equity Plan. As of September 1, 2016, approximately 24,871,461 shares were available for purchase under the 1996 Equity Plan, and there were 4,960,712 outstanding stock options with a weighted average exercise price of \$25.68 per share and a weighted average remaining contractual term of 2.95 years, and 6,645,034 outstanding restricted stock units.

At the 2016 Annual Meeting, Maxim Integrated is not seeking to increase the number of shares under the 1996 Equity Plan. We have historically requested that our stockholders approve an increase in the number of shares under the 1996 Equity Plan. For example, at the 2015 Annual Meeting, our stockholders approved the increase in the number of shares under the 1996 Equity Plan by 4,000,000 shares. We believe that we have a sufficient number of shares (and an appropriate buffer amount) to award to new employees as well as current employees during fiscal year 2017. We may request the approval of an increase in the number of shares under the 1996 Equity Plan at the 2017 Annual Meeting.

The closing price of Maxim Integrated's common stock on September 1, 2016 was \$41.20 per share.

#### **Required Vote**

Ratification and approval of the amendment to Maxim Integrated's 1996 Equity Plan requires the approval of a majority of the shares represented in person or by proxy and voting at the annual meeting. A general description of the principal terms of the 1996 Equity Plan approved by the board of directors and the purpose of the 1996 Equity Plan is set forth below. Unless otherwise marked, all properly signed and returned proxies will be voted **FOR** Proposal No. 4.

#### **Recommendation**

**Our board of directors recommends a vote **FOR** the amendment to Maxim Integrated's 1996 Equity Plan as described herein.** The following summary of certain provisions of the 1996 Equity Plan is qualified in its entirety by reference to the 1996 Equity Plan, a copy of which is attached as Appendix B to this proxy statement. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the 1996 Equity Plan.



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## 2016 NOTICE OF MEETING AND PROXY STATEMENT

**Proposal No. 4** (continued)**Summary of Material Features of the 1996 Equity Plan***Purpose.*

The purpose of the 1996 Equity Plan is to increase stockholder value by attracting and retaining the best available personnel. We believe that our employees, including highly talented analog engineers, which are scarce, are the main driver of stockholder value. The Company needs to have competitive compensation programs to recruit, retain and motivate our employees, and the Company's equity programs are a key component of its compensation structure. We also believe that employee ownership aligns employee interests with those of the stockholders and has contributed to Maxim Integrated's success.

*Types of Awards.*

The 1996 Equity Plan provides for the grant of the following types of incentive awards: (1) stock options, (2) restricted stock units (including MSUs), and (3) restricted stock, which are each hereinafter referred to individually as an Award. Those who will be eligible for Awards under the 1996 Equity Plan include employees, directors and consultants who provide services to the Company and its parent and subsidiary companies.

*Number of Shares of Common Stock Available Under the 1996 Equity Plan.*

A total of 141,100,000 shares of the Company's common stock is reserved for issuance under the 1996 Equity Plan subject to the adjustments described herein. Any shares subject to awards of restricted stock units and restricted stock will be counted against the share reserve as two (2) shares for every one (1) share subject to such award. Further, to the extent that a share that was subject to an award that counted as two (2) shares against the 1996 Equity Plan reserve pursuant to the preceding sentence is recycled back into the 1996 Equity Plan, the 1996 Equity Plan will be credited with two (2) shares that will thereafter be available for issuance under the 1996 Equity Plan.

If we experience a stock split, reverse stock split, stock dividend, spin-off, combination, or reclassification of our shares, or any other change or increase or decrease in the number of issued shares effected without our receipt of consideration (except for certain conversions of convertible securities), appropriate adjustments will be made, subject to any required action by the Company's stockholders, to the number of shares available for issuance under the 1996 Equity Plan, the number of shares covered by each outstanding Award, the price per share covered by each outstanding Award, and the numerical per-person share limits for each type of Award, as appropriate to reflect the stock dividend or other change.

Maxim Integrated common stock covered by the 1996 Equity Plan may be either authorized but unissued shares or treasury shares. If there is a lapse, expiration, termination, or cancellation of any Award granted under the 1996 Equity Plan without the issuance of shares or payment of cash thereunder, or if shares are issued under any Award under the 1996 Equity Plan and thereafter are reacquired by the Company pursuant to rights reserved upon the issuance thereof, the shares subject to or reserved for such Award, or so retained or reacquired, may again be used for new Awards under the 1996 Equity Plan. Notwithstanding the foregoing, any shares of common stock of the Company tendered to or withheld by the Company (a) in connection with the exercise of options under the 1996 Equity Plan (or any other equity plans of the Company) or (b) for the payment of tax withholding on any award shall not be available for future issuance under the 1996 Equity Plan (or any other equity plans of the Company). In addition, the Company will be required to seek prior stockholder approval in order to conduct any award-for-award exchange offer or cash tender offer with respect to outstanding awards under the 1996 Equity Plan (or any other equity plans of the Company).

*Administration.*

The 1996 Equity Plan provides that the grant of Awards and other determinations under the 1996 Equity Plan shall be made by (1) the board of directors or (2) a committee designated by the board of directors (the Administrator) which, in the case of grants of Awards to employees who are officers of the Company, is constituted in a manner to permit the grants and related transactions under the 1996 Equity Plan to be exempt from Section 16(b) of the Exchange Act in accordance with Rule 16b-3 of the Exchange Act and which, in the case of grants to covered employees, is intended to constitute performance-based compensation, is made up solely of two (2) or more outside directors as such terms are defined under Section 162(m) of the Code. The Administrator has the authority to select employees, directors, and consultants to whom Awards may be granted; to determine the number of shares to be covered by each Award; and to determine the terms and conditions of any Award granted under the 1996 Equity Plan.

The Administrator has the authority, in its discretion, to select individuals for participation under the 1996 Equity Plan, determine the number of shares covered by each Award, to approve the forms of award agreements to be used, to determine the terms and conditions of any Award, to modify or amend the terms of any outstanding Award, to construe and interpret the terms of the 1996 Equity Plan and the Awards and to take such other action, not inconsistent with the terms of the 1996 Equity Plan as it deems appropriate, among the other enumerated powers in the 1996 Equity Plan.





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## 2016 NOTICE OF MEETING AND PROXY STATEMENT

**Proposal No. 4 (continued)***Performance Based Compensation.*

Section 162(m) of the Code limits the annual deduction a public corporation may claim for compensation paid to the Company's Chief Executive Officer and to each of its next three (3) most highly compensated executive officers (other than the Chief Financial Officer) to \$1 million, except in limited circumstances. One such exception is for performance-based compensation, which is defined as compensation paid solely on account of the attainment of one or more performance goals, but only if (1) the goals are determined by a compensation committee of the board of directors comprised of two (2) or more outside directors, (2) the material terms of the performance goals are disclosed to stockholders and approved by a majority vote before the remuneration is paid, (3) before the remuneration is paid, the compensation committee certifies that the performance goals and any other material terms were in fact satisfied, and (4) limits are set on the number of Awards that any individual may receive. The 1996 Equity Plan has been designed to permit the Administrator to grant Awards that qualify as performance-based for purposes of satisfying the conditions of Section 162(m), thereby permitting the Company to continue to receive a federal income tax deduction in connection with such Awards.

The 1996 Equity Plan limits the number of shares with respect to which incentive stock options and non-qualified stock options may be granted in any fiscal year of the Company to any participant to 4,000,000 shares and limits the number of shares with respect to which restricted stock units and restricted stock Awards may be granted in any fiscal year of the Company to any participant to 2,000,000 shares under each type of Award.

*Eligibility.*

All key employees and selected directors, other service providers, advisors and independent contractors of the Company and any parent or subsidiaries will be eligible to receive Awards under the 1996 Equity Plan, a total of approximately 2,600 individuals, including our executive officers and non-employee directors. Awards may be granted to eligible persons residing in foreign jurisdictions under additional terms and conditions to accommodate local laws and to provide such eligible persons favorable treatment under local laws, provided that no such terms are inconsistent with the 1996 Equity Plan.

*Duration.*

The 1996 Equity Plan will continue in effect until August 11, 2024, unless terminated earlier by the board of directors.

*Corporate Transactions/Changes in Control/Subsidiary Dispositions.*

The Administrator shall have the authority, exercisable either in advance of any actual or anticipated, or at the time of, an actual corporate transaction, change in control or subsidiary disposition and exercisable at the time of the grant of an Award under the 1996 Equity Plan or any time while an Award remains outstanding, to provide for the full automatic vesting and exercisability of one or more outstanding unvested Awards under the 1996 Equity Plan and the release from restrictions on transfer and repurchase or forfeiture rights of such Awards in connection with a corporate transaction, change in control or subsidiary disposition, on such terms and conditions as the Administrator may specify. The Administrator also shall have the authority to condition any such Award vesting and exercisability or release from such limitations upon the subsequent termination of the continuous status as an employee or service of the participant within a specified period following the effective date of the change in control or subsidiary disposition. The Administrator may provide that any Awards so vested or released from such limitations in connection with a change in control or subsidiary disposition, shall remain fully exercisable until the expiration or earlier termination of the Award. Effective upon the consummation of a corporate transaction, all outstanding Awards under the 1996 Equity Plan shall terminate unless assumed by the successor company or its parent.

*Options.*

The 1996 Equity Plan provides that the purchase price of any stock option shall be at least one hundred percent (100%) of the fair market value of the Company common stock at the time the option is granted (or 110% in the case of any participant who owns 10% of the total combined voting power of all classes of the Company's stock). Fair market value per share is defined in the 1996 Equity Plan and generally means the closing price per share on NASDAQ. The Administrator may provide for the payment of the purchase price in cash, by check, by delivery of other common stock of the Company having a market value equal to the purchase price of such shares, by delivery of an exercise notice accompanied by a copy of irrevocable instructions to a broker to deliver promptly to the Company proceeds to pay the purchase price, or any combination of the foregoing.

The maximum term of any option will be ten (10) years from the date it is granted, except that with respect to any participant who owns ten percent (10%) of the combined voting power of all classes of the Company's stock, the term of an incentive stock option may not exceed five (5) years. Options are generally exercisable for a period of ninety (90) days after termination or retirement, 365 days after termination due to disability or 547 days after termination due to death.



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## 2016 NOTICE OF MEETING AND PROXY STATEMENT

**Proposal No. 4** (continued)*Restricted Stock Units.*

The Administrator is able to grant Awards of restricted stock units. Awards of restricted stock units vest in accordance with the terms and conditions established by the Administrator in its sole discretion. For example, the Administrator may set restrictions based on the achievement of specific performance goals or based upon continued service. There are no minimum vesting requirements for restricted stock units. Upon satisfying the applicable vesting criteria, a participant is entitled to settlement of the underlying units. The Administrator may pay earned restricted stock units in cash, shares or a combination of both. Awards of restricted stock units may be issued either alone, in addition to, or in tandem with other Awards granted under the 1996 Equity Plan and/or cash awards made outside of the 1996 Equity Plan. The Administrator will determine the number of units granted pursuant to an Award of restricted stock units, but no participant will be granted more than 2,000,000 units during any fiscal year.

*Restricted Stock.*

The Administrator is able to grant Awards of restricted stock. Awards of restricted stock represent unvested shares of Company common stock. Restricted stock vests in accordance with the terms and conditions established by the Administrator in its sole discretion. For example, the Administrator may set restrictions based on the achievement of specific performance goals or based upon continued service. There are no minimum vesting requirements for Awards of restricted stock. Awards of restricted stock may be issued either alone, in addition to, or in tandem with other Awards granted under the 1996 Equity Plan and/or cash awards made outside of the 1996 Equity Plan. Holders of shares of restricted stock may exercise full voting rights with respect to such shares and will also be entitled to receive all dividends paid with respect to such shares (however, if an dividends are paid in shares, the shares will be subject to the same restrictions as the shares of restricted stock with respect to which they were paid). The Committee will determine the number of shares granted pursuant to an Award of restricted stock, but no participant will be granted a restricted stock Award to purchase or acquire more than 2,000,000 shares of common stock during any fiscal year.

*Non-Employee Directors.*

There is a limit of \$550,000 on the compensation that can be awarded to a non-employee director in any given fiscal year, including the sum of (1) cash compensation/fees and (2) the value of Awards under the 1996 Equity Plan (based on the grant date fair value of the Awards for financial reporting purposes).

*Performance Goals.*

The performance goals applicable to an Award, as determined by the Administrator, may provide for a targeted level or levels of achievement using one or more of the following measures: cash flow; cash position; earnings before interest and taxes; earnings before interest, taxes, depreciation and amortization; earnings per share; economic profit; economic value added; equity or stockholders' equity; free cash flow, free cash flow per share; market share; net income; net profit; net sales; operating earnings; operating income; profit before tax; ratio of debt to debt plus equity; ratio of operating earnings to capital spending; return on net assets; sales growth; share price; share price performance relative to one or more peer companies; share price performance relative to one or more indexes; total return to stockholders; or total return to stockholders relative to one or more peer companies or indexes. The performance goals for a participant will be determined by the Administrator based on the Company's tactical and strategic objectives, which may differ from participant to participant and from Award to Award. The Administrator will timely determine whether to make any adjustments to the calculation of any performance goal with respect to any participant for any significant events or events that are unusual in nature or infrequent in occurrence and other non-recurring items affecting the Company and both before and after taking into account equity based compensation charges. In all other respects, the performance goals will be calculated in accordance with the Company's financial statements, generally accepted accounting principles, or under a methodology established by the Administrator prior to the issuance of an Award.

*Withholding*

Prior to the delivery of any shares or cash pursuant to an Award (or exercise thereof), the Company will have the power and right to withhold, or require the participant to remit to the Company, an amount sufficient to satisfy federal, state, local, foreign or other taxes required to be withheld. The Administrator may, in its sole discretion, permit the participant to satisfy such withholding obligation by paying cash, electing to have the Company withhold otherwise deliverable cash or shares having a fair market value equal to the amount required to be withheld, delivering to the Company already-owned shares having a fair market value equal to the amount required to be withheld, or selling a sufficient number of shares otherwise deliverable to the participant through such means as the Administrator may determine in its sole discretion equal to the amount required to be withheld.

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## 2016 NOTICE OF MEETING AND PROXY STATEMENT

**Proposal No. 4 (continued)***Amendments and Discontinuance.*

The 1996 Equity Plan is subject to amendment, suspension or termination by the Administrator at any time, and to the extent required to comply with applicable laws, the Company must obtain stockholder approval of any amendment in such manner and to such a degree as required. Any amendment, suspension or termination of the 1996 Equity Plan may not affect outstanding Awards unless mutually agreed otherwise in writing between the participant and the Administrator.

*Repricing Options; Exchange Transactions.*

The Administrator does not have the authority to reprice any outstanding option. For these purposes, to reprice an outstanding option means to amend any outstanding option to reduce the exercise price. In addition, the Administrator will be required to seek prior stockholder approval for conducting any award-for-award exchange offer or cash tender offer with respect to outstanding awards under the 1996 Equity Plan (or any other equity plans of the Company).

**Number of Awards Granted to Employees, Consultants, and Directors**

The number of Awards that an employee, director or consultant may receive under the 1996 Equity Plan is in the discretion of the Administrator and therefore cannot be determined in advance. As of the date of this proxy statement, only stock options, restricted stock units and market share units have been granted under the 1996 Equity Plan. The following table sets forth (1) the aggregate number of shares subject to options granted under the 1996 Equity Plan during the fiscal year ended June 25, 2016, (2) the aggregate number of restricted stock units granted under the 1996 Equity Plan during the fiscal year ended June 25, 2016 and (3) the aggregate number of market share units granted under the 1996 Equity Plan during the fiscal year ended June 25, 2016, where each unit represents a right to acquire one (1) share of common stock.

Name of Individual or Group	Number of	Number of	Number of Market
	Options Granted	Restricted Stock Units Granted	Share Units Granted
Tunç Doluca		39,052	56,924
Bruce E. Kiddoo		21,120	24,840
Vivek Jain		15,620	22,772
Christopher J. Neil		9,940	14,492
Edwin B. Medlin		11,360	16,560
All current executive officers, as a group		104,192	145,940
All current directors who are not executive officers, as a group		33,600	
All employees, including all current officers who are not executive officers, as a group		2,768,181	215,744

**Federal Income Tax Consequences***Non-qualified Stock Options.*

Under existing law and regulations, the grant of non-qualified stock options with an exercise price equal to the fair market value of the underlying stock on the date of grant will not result in income taxable to the participant. However, the exercise of such a non-qualified stock option results in taxable ordinary income to the holder and will be subject to withholding for federal income and employment tax purposes. The Company is entitled to an income tax deduction in the amount of the income recognized by the participant. At the time of the exercise of a non-qualified stock option, the amount so taxable and so deductible will be the difference between the fair market value of the shares purchased and the exercise price. Any gain or loss on the participant's subsequent disposition of the shares of Maxim Integrated common stock will receive long-term or short-term capital gain or loss treatment, depending on whether the shares are held for more than one (1) year following exercise. The Company does not receive a tax deduction for any such gain realized by the holder.

*Incentive Stock Options.*

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A participant recognizes no income when an incentive stock option is granted or exercised. However, the difference between the fair market value of the shares on the date of exercise and the option price is classified as an item of adjustment in the year of exercise for purposes of the participant's alternative minimum tax.

If the participant does not dispose of the shares received on exercise of an incentive stock option prior to two (2) years from the date of grant and one (1) year from the date of exercise of the stock option, any gain realized by the holder on the disposition of the stock will be accorded

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**Proposal No. 4** (continued)

long-term capital gain treatment, and no deduction will be allowed to the Company. If either holding period requirement is not satisfied, the participant will recognize ordinary income at the time of such disqualifying disposition equal to the lesser of (1) the gain realized on the disposition, or (2) the difference between the option price and the fair market value of the shares on the date of exercise, and the Company will be entitled to an income tax deduction equal to the amount of such ordinary income recognized by the participant. Any additional gain or loss on the disqualifying disposition not reflected above would be long-term or short-term capital gain, depending on whether the shares are held for more than one (1) year following exercise.

*Restricted Stock and Restricted Stock Units.*

A participant generally will not have taxable income at the time an Award of restricted stock and restricted stock units is granted. Instead, he or she will recognize ordinary income in the first taxable year in which his or her interest in the shares underlying the Award becomes either (1) freely transferable or (2) no longer subject to substantial risk of forfeiture. However, the recipient of a restricted stock Award may instead elect to recognize income at the time he or she receives the Award of restricted stock in an amount equal to the fair market value of the shares underlying the Award (less any cash paid for the shares) on the date the Award is granted. The Company generally will be entitled to a tax deduction in connection with an Award under the 1996 Equity Plan in an amount equal to the ordinary income realized by a participant and at the time the participant recognizes such income.

**Tax Effects to the Company**

The Company generally will be entitled to a tax deduction in connection with an Award under the 1996 Equity Plan in an amount equal to the ordinary income realized by a participant and at the time the participant recognizes such income (for example, upon the exercise of a nonqualified stock option). Special rules limit the deductibility of compensation paid to the Company's Chief Executive Officer and to each of its three (3) most highly compensated other executive officers other than the Chief Financial Officer. In general under Section 162(m) of the Code, the annual compensation paid to any of these executives is deductible only to the extent that it does not exceed \$1,000,000. The Company can, however, preserve the deductibility of certain compensation in excess of \$1,000,000 under the 1996 Equity Plan if the conditions of Section 162(m) are met. These conditions include stockholder approval of the 1996 Equity Plan, setting limits on the number of Awards that any individual may receive, and, for Awards other than certain types of stock options, establishing performance criteria that must be met before the Award actually vests or is paid. The 1996 Equity Plan has been designed to permit the Administrator to grant Awards that qualify as performance-based for purposes of satisfying the conditions of Section 162(m), thereby permitting the Company to continue to receive a federal income tax deduction in connection with those Awards.

The foregoing discussion of the federal income tax aspects of Awards under the 1996 Equity Plan is based upon federal income tax laws in effect on the date of this proxy statement. The foregoing discussion is not a complete description of the federal income tax aspects of options under the 1996 Equity Plan. In addition, administrative and judicial interpretations of the application of the federal income tax laws are subject to change. Furthermore, no information is given with respect to state or local taxes that may be applicable to any options. Participants in the 1996 Equity Plan who are residents of or are employed in a country other than the United States may be subject to taxation in accordance with the tax laws of that particular country in addition to or in lieu of United States federal income taxes. Each participant in the 1996 Equity Plan is strongly advised to consult with his or her personal tax advisor regarding participation in the 1996 Equity Plan.

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## Proposal No. 5

### **RATIFICATION AND APPROVAL OF AN AMENDMENT TO MAXIM INTEGRATED'S BYLAWS TO DESIGNATE DELAWARE AS THE EXCLUSIVE FORUM FOR THE ADJUDICATION OF CERTAIN LEGAL DISPUTES**

At the 2016 Annual Meeting, stockholders will be asked to ratify and approve an amendment to Maxim Integrated's Bylaws that, if adopted, would designate Delaware as the exclusive forum for the adjudication of certain legal actions involving the Company. Specifically, if this proposal is approved by stockholders, the Bylaws will be amended to insert a new provision as Article XII in the Bylaws and to make appropriate conforming changes (the Amendment). The Amendment has been approved by the board of directors. The text of the new Article XII, as proposed, would be as follows:

#### **EXCLUSIVE FORUM FOR ADJUDICATION OF DISPUTES**

Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, or (iv) any action asserting a claim governed by the internal affairs doctrine shall be the Court of Chancery in the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware), in all cases subject to the court's having personal jurisdiction over the indispensable parties named as defendants. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of these Bylaws.

#### **Reasons for the Amendment**

The board of directors has carefully considered the proposed Amendment and concluded that adopting the Amendment is in the best interests of the Company and its stockholders for the following reasons:

- (i) the Amendment provides that all intra-corporate disputes will be litigated in the State of Delaware, where the Company is incorporated and whose law governs such disputes;
- (ii) the Delaware courts have developed considerable expertise in dealing with corporate law issues, as well as a substantial and influential body of case law construing Delaware's corporate law and long-standing precedent regarding corporate governance;
- (iii) Delaware's well-developed body of case law would provide stockholders with more certainty about the outcome of intra-corporate disputes;
- (iv) the Amendment will help the Company avoid multiple lawsuits in multiple jurisdictions on the same matter, thus saving significant costs and effort in addressing cases brought in multiple jurisdictions;
- (v) the Amendment will reduce the risk that the outcome of cases in multiple jurisdictions could be inconsistent, even though each jurisdiction purports to follow Delaware law;
- (vi) the Amendment could help the Company avoid the risk that Delaware law would be misapplied by a court in another jurisdiction;

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(vii) the Amendment will only regulate the forum where our stockholders may file claims relating to the specified intra-corporate disputes; it does not restrict the ability of our stockholders to bring such claims, nor does it affect the remedies available if such claims are ultimately successful; and

(viii) the Company will retain the ability to consent to an alternative forum in appropriate circumstances where the Company determines that its interests and those of its stockholders are best served by permitting a particular dispute to proceed in a forum other than Delaware.

The board of directors is seeking stockholder approval for the Amendment based on the following:

(i) the board of directors' belief that such a provision is in the best interests of our stockholders;

(ii) specific feedback sought and received from some of our larger stockholders on this topic; and

(iii) the board of directors' own determination that the approval of stockholders should be sought because of the importance of the issue.

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## 2016 NOTICE OF MEETING AND PROXY STATEMENT

**Proposal No. 5 (continued)**

Additionally, the board of directors is increasingly concerned about recent trends in lawyer-driven shareholder litigation relating to mergers and acquisitions or in connection with other matters submitted for stockholder approval. Such cases are typically filed in the state court where the defendant company is headquartered or where one or more of the plaintiff shareholders are domiciled, rather than the state where the company is incorporated, thus requiring a court less familiar with the laws of the state of incorporation to interpret and apply those laws.

The board of directors understands that such a provision may limit a stockholder's ability to bring certain claims in a judicial forum that the stockholder finds favorable and therefore the exclusive forum provision may discourage lawsuits with respect to such claims. However, as noted above, the exclusive forum bylaw only regulates the forum where stockholders may file claims relating to the specified intra-corporate disputes. Our Bylaws does not restrict the ability of stockholders to bring such claims, nor the remedies available if such claims are ultimately successful. Also, our Bylaws permits the Company to consent to an alternative forum if the Company determines that such other forum is in the best interests of the Company's stockholders.

The board of directors is also aware that certain proxy advisors, and even some institutional holders, take the view that they will not support an exclusive forum clause until the company requesting it can show it already has suffered material harm as a result of multiple stockholder suits filed in different jurisdictions regarding the same matter. The board of directors believes that it is more prudent and in the best interests of stockholders to take preventive measures before the Company and the interests of most of its stockholders are materially harmed by the increasing practice of the plaintiff's bar to file claims in multiple jurisdictions. It is important to note that the Amendment is not being proposed in anticipation of or reaction to any specific litigation or transaction; rather, the Amendment is being proposed on a prospective basis to prevent potential future harm to the Company and its stockholders.

The board of directors is committed to strong corporate governance practices, including a board of directors that is substantially comprised of independent directors elected on an annual basis, a majority vote standard in uncontested director elections, an independent Chairman of the Board, stockholders' ability to call special meetings, stockholders' right to act by written consent, and the absence of a poison pill.

Although exclusive forum provisions such as the one we are proposing are becoming increasingly common, and we know of no reason a court in another state would not be willing to enforce its terms, we cannot be sure that all state courts would enforce the provision and transfer any covered proceeding to the Delaware courts.

After considering the foregoing, the board of directors believes the Amendment is in the best interests of the Company and its stockholders and recommends that our stockholders ratify and approve the Amendment. If approved by our stockholders, the Amendment will be immediately effective. If the Amendment is not approved, the board of directors will reconsider whether the Amendment is in the best interests of the Company and its stockholders and conduct further outreach to stockholders on this topic.

**Required Vote**

Ratification and approval of the Amendment to our Bylaws requires the affirmative vote of a majority of the outstanding common stock. Unless otherwise marked, all properly signed and returned proxies will be voted FOR Proposal No. 5.

**Recommendation**

**Our board of directors recommends a vote FOR the ratification and approval of the Amendment to Maxim Integrated's Bylaws to designate Delaware as the exclusive forum for the adjudication of certain legal disputes.**

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2016 NOTICE OF MEETING AND PROXY STATEMENT

## Proposal No. 6

### **ADVISORY VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS**

Section 14A of the Securities Exchange Act of 1934 enables Maxim Integrated stockholders to vote to approve, on an advisory or non-binding basis, the compensation of our Named Executive Officers as disclosed in this proxy statement in accordance with SEC rules.

Maxim Integrated has a pay-for-performance compensation philosophy that forms the foundation of Maxim Integrated's decisions regarding compensation of its Named Executive Officers. A significant portion of each Named Executive Officer's compensation is tied to performance and is structured to ensure that there is an appropriate balance between long-term and short-term performance, and also a balance between operational performance and stockholder return. This compensation philosophy, and the program structure approved by the Compensation Committee (including its sub-committee, the Equity Grant Sub-Committee), is central to Maxim Integrated's ability to attract, retain, motivate, and reward the best and brightest executives who have the talent and experience to achieve our goals. This approach has resulted in Maxim Integrated's ability to attract and retain the executive talent necessary to guide Maxim Integrated. Please see Compensation Discussion and Analysis contained in this proxy statement for an overview of the compensation of Maxim Integrated's Named Executive Officers.

We are asking for stockholder approval of the compensation of our Named Executive Officers as disclosed in this proxy statement in accordance with SEC rules, which disclosures include the disclosures under Compensation Discussion and Analysis, the compensation tables and the narrative discussion accompanying these tables. We have elected to hold this non-binding advisory vote on executive compensation annually. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our Named Executive Officers and the policies and practices described in this proxy statement. We believe that our executive compensation policies and programs serve the interests of our stockholders and that the compensation received by our executive officers is commensurate with the performance and strategic position of Maxim Integrated.

This vote is advisory and therefore not binding on Maxim Integrated, the Compensation Committee (including its sub-committee, the Equity Grant Sub-Committee), or the board of directors. The board of directors and the Compensation Committee value the opinions of Maxim Integrated stockholders and to the extent there is any significant vote against the Named Executive Officers compensation as disclosed in this proxy statement, we will consider those stockholders' concerns, and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

#### **Required Vote**

Advisory approval of this proposal requires the affirmative FOR vote of a majority of the votes cast on the proposal. Unless otherwise marked, all properly signed and returned proxies will be voted FOR advisory approval of Proposal No. 6.

#### **Recommendation**

**Our board of directors recommends a vote FOR the approval of the compensation of Maxim Integrated's Named Executive Officers as disclosed in this proxy statement pursuant to the compensation disclosure rules of the SEC.**

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## 2016 NOTICE OF MEETING AND PROXY STATEMENT

**Proposal No. 6** (continued)**Security Ownership of Certain Beneficial Owners, Directors and Management**

The following table sets forth certain information regarding the ownership of Maxim Integrated's common stock as of June 25, 2016, the last day of fiscal year 2016, by: (1) each current director; (2) each current Named Executive Officers; (3) all executive officers and directors as a group; and (4) all those known by Maxim Integrated to be beneficial owners of more than five percent (5%) of its common stock. The number of shares beneficially owned is determined under the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose.

Beneficial Owner	Beneficial Ownership <sup>(1)</sup>	
	Number of Shares	Percent of Total (%)
<b>5% Shareholders:</b>		
FMR LLC (Fidelity Management & Research Company) <sup>(2)</sup>	24,912,657	8.8
Wellington Management Group LLP <sup>(3)</sup>	22,156,014	7.8
Dodge & Cox <sup>(4)</sup>	21,876,261	7.7
The Vanguard Group <sup>(5)</sup>	20,484,960	7.2
BlackRock Inc. <sup>(6)</sup>	14,310,737	5.0
<b>Directors:</b>		
Tracy C. Accardi, Director		*
James R. Bergman, Director <sup>(7)</sup>	148,849	*
Joseph Bronson, Director <sup>(8)</sup>	39,200	*
Robert E. Grady, Director <sup>(9)</sup>	91,675	*
William P. Sullivan, Director <sup>(10)</sup>	9,800	*
William D. Watkins, Director <sup>(11)</sup>	73,061	*
A.R. Frank Wazzan, Director <sup>(12)</sup>	148,082	*
MaryAnn Wright, Director		*
<b>Named Executive Officers:</b>		
Tunç Doluca, President, Chief Executive Officer and Director <sup>(13)</sup>	2,048,233	*
Bruce E. Kiddoo, Senior Vice President and Chief Financial Officer <sup>(14)</sup>	276,527	*
Edwin B. Medlin, Senior Vice President and General Counsel <sup>(15)</sup>	166,857	*
Vivek Jain, Senior Vice President, Technology and Manufacturing Group <sup>(16)</sup>	137,839	*
Christopher J. Neil, Senior Vice President, Head of Maxim Ventures <sup>(17)</sup>	405,671	*
All executive officers and directors as a group (14 persons) <sup>(18)</sup>	3,645,400	1.3

\* Less than one percent

(1) This table is based upon information supplied by officers, directors, principal stockholders and Maxim Integrated's transfer agent, and contained in Schedules 13G filed with the SEC. Unless otherwise indicated, the address of each person or entity listed is c/o Maxim Integrated Products, Inc., 160 Rio Robles, San Jose, California 95134. Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable, each of the stockholders named in this table has sole voting and investment power with respect to the shares indicated as beneficially owned. Applicable percentages are based on 283,909,043 shares outstanding on June 25, 2016 adjusted as required under rules promulgated by the SEC.

(2) Based solely on information provided by FMR LLC ( FMR ) in a Schedule 13G filed with the SEC on February 12, 2016. Fidelity Management & Research Company is a wholly-owned subsidiary of FMR LLC and carries out the voting of the shares under written guidelines established by the Fidelity Funds' Boards of Trustees. The address of FMR is 245 Summer Street, Boston, MA 02210.

(3) Based solely on information supplied by Wellington Management Group LLP ( WMG ) in a Schedule 13G filed with the SEC on February 11, 2016. The address of WMG is c/o Wellington Management Company LLP, 280 Congress Street, Boston, MA 02210.

(4) Based solely on information supplied by Dodge & Cox in a Schedule 13G filed with the SEC on February 12, 2016. The address of Dodge & Cox is 555 California Street, 40<sup>th</sup> Floor, San Francisco, CA 94104.

(5) Based solely on information supplied by The Vanguard Group in a Schedule 13G filed with the SEC on February 10, 2016. The address of The Vanguard Group is 100 Vanguard Blvd, Malvern, PA 19355.

(6) Based solely on information provided by BlackRock, Inc. ( BlackRock ) in a Schedule 13G filed with the SEC on February 9, 2016. The address of BlackRock is 55 East 52<sup>nd</sup> Street, New York, NY 10055.

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- (7) Includes (i) 30,849 shares subject to options exercisable within 60 days of June 25, 2016, (ii) 1,400 restricted stock units that vest within 60 days of June 25, 2016, and (iii) 20,000 shares held by the Bergman Family Foundation for which Mr. Bergman disclaims beneficial ownership.
- (8) Includes (i) 18,025 shares subject to options exercisable within 60 days of June 25, 2016, (ii) 1,400 restricted stock units that vest within 60 days of June 25, 2016, (iii) 400 shares held in custodian accounts, and (iv) 3,775 shares held by trust.
- (9) Includes (i) 43,673 shares subject to options exercisable within 60 days of June 25, 2016 and (ii) 1,400 restricted stock units that vest within 60 days of June 25, 2016.
- (10) Includes (i) 4,200 restricted stock units that vest within 60 days of June 25, 2016.
- (11) Includes (i) 37,261 shares subject to options exercisable within 60 days of June 25, 2016, (ii) 1,400 restricted stock units that vest within 60 days of June 25, 2016 and (iii) 21,250 shares held by trust.

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**Proposal No. 6** (continued)

- (12) Includes (i) 30,849 shares subject to options exercisable within 60 days of June 25, 2016 and (ii) 1,400 restricted stock units that vest within 60 days of June 25, 2016.
- (13) Includes (i) 535,828 shares subject to options exercisable within 60 days of June 25, 2016, (ii) 9,500 market share units that vest within 60 days of June 25, 2016 and (iii) 1,368,853 shares held by trust.
- (14) Includes (i) 133,426 shares subject to options exercisable within 60 days of June 25, 2016, (ii) 3,750 restricted stock units that vest within 60 days of June 25, 2016 and (iii) 80,731 shares held by trust.
- (15) Includes (i) 100,302 shares subject to options exercisable within 60 days of June 25, 2016 and (ii) 4,000 restricted stock units that vest within 60 days of June 25, 2016.
- (16) Includes (i) 67,364 shares subject to options exercisable within 60 days of June 25, 2016 and (ii) 3,750 restricted stock units that vest within 60 days of June 25, 2016.
- (17) Includes (i) 263,972 shares subject to options exercisable within 60 days of June 25, 2016 and (ii) 3,750 restricted stock units that vest within 60 days of June 25, 2016.
- (18) Includes (i) 1,296,561 shares subject to options exercisable within 60 days of June 25, 2016 and (ii) 37,638 restricted stock units and market share units that vest within 60 days of June 25, 2016.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires our directors and officers, and persons who own more than ten percent (10%) of a registered class of Maxim Integrated's equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and other equity securities of Maxim Integrated. Officers, directors, and greater than ten percent (10%) stockholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file.

To the best of our knowledge, based solely on a review of the copies of such reports furnished to Maxim Integrated and written representations that no other reports were required, during the fiscal year ended June 25, 2016, all Section 16(a) filing requirements applicable to its officers, directors, and greater than ten percent (10%) beneficial owners were complied with. The Company files the Section 16 reports on behalf the Company's directors and executive officers.

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# Certain Relationships and Related Transactions

## **Related Transactions**

During the fiscal year ended June 25, 2016, Robert Bergman, the son of James R. Bergman, a member of our board of directors, was employed by Bedrock Automation Platforms, Inc. ( "Bedrock" ). Bedrock is an independent subsidiary of the Company engaged in a line of business separate and distinct from the Company's primary business. Robert Bergman received approximately \$290,000 in aggregate cash compensation from Bedrock in fiscal year 2016. Maxim Integrated does not believe Bedrock or Robert Bergman to be a related party with respect to this transaction.

Maxim Integrated has entered into indemnification agreements with certain of its current and former directors and executive officers. The indemnification agreements provide, among other things, that Maxim Integrated will indemnify each of its directors and officers, under the circumstances and to the extent provided therein, for expenses, damages, judgments, fines, and settlements each may be required to pay in actions or proceedings to which he or she may be made a party by reason of his or her position or positions as a director, officer or other agent of Maxim Integrated, and otherwise to the fullest extent permitted under Delaware law and Maxim Integrated's Bylaws.

## **Review, Approval or Ratification of Related Party Transactions**

The Audit Committee Charter provides for the Audit Committee to review and approve all related party transactions for potential conflicts of interest on an ongoing basis (if such transactions are not approved by another independent body of the board of directors). Related party transactions include, for purposes of the Audit Committee review, without limitation, transactions involving Maxim Integrated and any director, executive officer, beneficial owner of more than five percent (5%) of Maxim Integrated common stock, any immediate family member of any such person, or any firm, corporation, partnership, or other entity in which any such person is employed or any such person has a five percent (5%) or greater beneficial ownership interest. In determining whether to approve or ratify a transaction with a related party, the Audit Committee will take into account all relevant facts and circumstances it deems relevant, including, without limitation, the nature of the related party's interest in the transaction, the benefits to Maxim Integrated of the transaction, whether the transaction would impair the judgment of a director or executive officer to act in the best interests of Maxim Integrated and its stockholders, the potential impact of such transaction on a director's independence, and whether the transaction is on terms no less favorable than terms that may be available in a transaction with an unaffiliated third party under the same or similar circumstances.

Any member of the Audit Committee who is a related party with respect to a transaction under review may not participate in the deliberations or vote on the approval of the transaction. Maxim Integrated will disclose the terms of related person transactions in its filings with the SEC to the extent required.

The terms of the sale of products and the employment of the individuals described above under the heading "Related Transactions" were not specifically approved by the Audit Committee because such terms (including compensation terms) were, and continue to be, consistent and commensurate with those of other similarly situated customers and employees of Maxim Integrated.

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# Executive Compensation

**Executive Officers**

The following is information regarding our executive officers, including their positions and their ages as of October 3, 2016.

Name	Age	Position
Tunç Doluca	58	President and Chief Executive Officer
Bruce E. Kiddoo	55	Senior Vice President and Chief Financial Officer
Edwin B. Medlin	59	Senior Vice President and General Counsel
Vivek Jain	56	Senior Vice President, Technology and Manufacturing Group
Christopher J. Neil	50	Senior Vice President, Head of Maxim Ventures
Steven Yamasaki	62	Vice President, Human Resources

Tunç Doluca has served as a director of Maxim Integrated as well as the President and Chief Executive Officer since January 2007. He joined Maxim Integrated in October 1984 and served as Vice President from 1994 to 2004. He was promoted to Senior Vice President in 2004 and Group President in May 2005. Prior to 1994, he served in a number of integrated circuit development positions. Mr. Doluca holds a BSEE degree from Iowa State University and an MSEE degree from the University of California, Santa Barbara.

Bruce E. Kiddoo joined Maxim Integrated in September 2007 as Vice President of Finance. On October 1, 2008, Mr. Kiddoo was appointed Chief Financial Officer and Principal Accounting Officer of Maxim Integrated and was appointed Senior Vice President in September 2009. Prior to joining Maxim Integrated, Mr. Kiddoo held various positions at Broadcom Corporation, a global semiconductor company, beginning in December 1999. Mr. Kiddoo served as Broadcom's Corporate Controller and Principal Accounting Officer from July 2002 and served as Vice President from January 2003. He also served as Broadcom's Acting Chief Financial Officer from September 2006 to March 2007. Mr. Kiddoo holds a BS degree in Applied Science from the United States Naval Academy and an MBA degree from the College of William & Mary.

Edwin B. Medlin joined Maxim Integrated in November 1999 as Director and Associate General Counsel. He was promoted to Vice President and Senior Counsel in April 2006, was appointed General Counsel in September 2010, and he was promoted to Senior Vice President and General Counsel in May 2015. Prior to joining Maxim Integrated, he was with the law firm of Ropers, Majeski, Kohn and Bentley between 1987 and 1994 where he held various positions, including director. Between 1994 and 1997, he held the positions of General Counsel, and later, General Manager, at Fox Factory, Inc., a privately held manufacturing company. Between 1997 and 1999 he held the positions of General Counsel and later, Vice President of Global Sales and Marketing, at RockShox, Inc., a publicly traded corporation. Mr. Medlin holds a degree in Economics from the University of California, Santa Barbara, and a Juris Doctorate from Santa Clara University.

Vivek Jain joined Maxim Integrated in April 2007 as Vice President responsible for our wafer fabrication operations. In June 2009, Mr. Jain was promoted to Senior Vice President with expanded responsibility for managing test and assembly operations in addition to wafer fabrication operations. Prior to joining Maxim Integrated, Mr. Jain was with Intel Corporation as Plant Manager for Technology Development and Manufacturing Facility in Santa Clara, California from 2000. Mr. Jain holds a BS degree in Chemical Engineering from the Indian Institute of Technology at New Delhi, an MS degree in Chemical Engineering from Penn State University, and an MS degree in Electrical Engineering from Stanford University.

Christopher J. Neil joined Maxim Integrated in September 1990, was promoted to Vice President in April 2006, was named Division Vice President in September 2009 and was promoted to Senior Vice President in September 2011. In May 2015, Mr. Neil was appointed to create and lead Maxim Ventures, the Company's venture arm. Prior to 2006, he held several engineering and executive management positions. Mr. Neil holds BSEE and MSEE degrees from the Massachusetts Institute of Technology.

Steven Yamasaki joined Maxim Integrated in April 2010 as Vice President of Human Resources. Prior to joining Maxim Integrated, he was Corporate Vice President of Human Resources of Applied Materials from 2008 to 2010, and was Executive Vice President of Human Resources of YRC Worldwide from 2004 to 2008. Before joining YRC Worldwide, Mr. Yamasaki was Vice President of Human Resources at ConAgra Foods Inc. and Honeywell International. Mr. Yamasaki has a Bachelor of Business Administration degree from the University of Michigan.





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# Compensation Discussion and Analysis

The following discussion and analysis of compensation arrangements of our Chief Executive Officer ( CEO ), Chief Financial Officer, and other three (3) most highly compensated executive officers during fiscal year 2016 (the Named Executive Officers ) should be read together with the compensation tables and related disclosures set forth below. This discussion contains forward-looking statements that are based on our current plans, considerations, expectations, and determinations regarding future compensation programs. The actual amount and form of compensation and the compensation programs that we adopt may differ materially from currently planned programs as summarized in this discussion.

## Overview

The Compensation Committee is responsible for establishing, implementing, and monitoring adherence with our compensation philosophy. Currently, we have six executive officers, five of whom are our Named Executive Officers. Details of fiscal 2016 compensation for our Named Executive Officers can be found in the Summary Compensation Table.

This Compensation Discussion and Analysis provides a review of our executive compensation philosophy, policies and practices for our executive officers and how it applies to our Named Executive Officers specifically. The discussion focuses on our executive compensation policies and decisions and the most important factors relevant to an analysis of these policies and decisions. In this Compensation Discussion and Analysis, we address why we believe our executive compensation program is appropriate for us and our stockholders and explain how executive compensation is determined.

## Executive Compensation Philosophy and Components

The objectives of our executive compensation program are as follows:

- to attract, retain, motivate, and reward the best and brightest executives who have the talent and experience required to achieve our goals;
- to align the short-term and long-term interests and objectives of our executive officers with our stockholders;
- to create a high-performance culture by linking total rewards to Company performance, including performance relative to our peers;
- to recognize our executives for their contributions to our success by rewarding individual performance; and
- to ensure that our executive compensation program is easily understood by program participants.

We accomplish these objectives by providing our executive officers with compensation components that are specifically linked to either short-term or long-term corporate and executive performance. The majority of our executive compensation is short-term or long-term variable compensation. The principal components of our executive compensation are:

- base salary;
- cash performance bonuses; and
- equity awards (in the form of restricted stock units and market share units).

Each of these components is intended to achieve one or more of our compensation objectives. The Compensation Committee relies on its judgment in determining the appropriate mix of cash and equity compensation for our executive officers. In general, to encourage a high-performance culture and to align the interests of our executive officers with those of our stockholders, the Compensation Committee makes a significant portion of each executive officer's compensation performance-based with cash performance bonuses and equity awards, while generally keeping base salaries below competitive levels. Our variable cash and equity programs are designed to reward recent performance with cash compensation and to motivate long-term performance and retention through equity awards.

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Both programs are also designed to reward our executive officers both for individual and overall corporate performance. Such a structure allows the Compensation Committee flexibility to reward outstanding individual performance and to recognize the contributions of our executive officers to the overall success of Maxim Integrated.

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**Compensation Discussion and Analysis** (continued)

**Best Practices Followed at Maxim Integrated**

*Tax Considerations*

Section 162(m) of the Code states that public companies cannot deduct compensation paid to certain of its top executive officers in excess of \$1 million per officer per year. We believe it is in our best interest, to the extent practical, to have executive officer compensation be fully deductible under Section 162(m). However, the Compensation Committee also retains the discretion to provide compensation that may not be fully deductible. There is no guarantee that all compensation paid by the Company will be compliant with Section 162(m) of the Code. The Compensation Committee may decide, in its discretion, to pay incentive-based compensation or grant equity awards that do not qualify for the performance-based compensation exception, or that may not be deductible for purposes of Section 162(m) of the Code, if it determines that this is in the best interests of the Company and its stockholders. In a few instances, a portion of our annual bonus payments to certain of our executive officers does not currently qualify as deductible under Section 162(m), and restricted stock units do not qualify as deductible under Section 162(m). The Compensation Committee will continue to evaluate whether it is in Maxim Integrated's best interest to qualify future incentive awards under Section 162(m). Our 1996 Equity Plan has been structured with the intention that stock options and MSUs granted under the plan be qualified as performance-based compensation not subject to Section 162(m).

*Stock Ownership Guidelines*

We have stock ownership guidelines for our CEO and members of our board of directors. These guidelines require our CEO to own shares of common stock with a value of at least four (4) times his annual base

salary and our outside board members to own shares of common stock with a value of at least three (3) times the annual retainer paid to non-employee directors. Our stock ownership guidelines are available on the Investor Relations section of our website at <http://investor.maximintegrated.com/corporate-governance>.

*Executive Compensation Recoupment Policy*

The Company has a policy that provides that in the event of a material restatement of its financial results due to misconduct, the Compensation Committee shall review the facts and circumstances and take actions it considers appropriate with respect to the compensation of any executive officer whose fraud or willful misconduct contributed to the need for such restatement. Such actions may include, without limitation, seeking reimbursement of any bonus paid to such executive officer exceeding the amount that, in the judgment of the Compensation Committee, would have been paid had the financial results been properly reported.

*Hedging Prohibition and Restrictions on Pledging Company Securities*

The Company has a policy that prohibits all of its executive officers and members of the board of directors from engaging in hedging transactions involving the Company's securities as well as limiting the amount of Company securities that the board of directors and executive officers may pledge. This policy is described in the Corporate Governance and Board of Directors Matters section of this Proxy Statement above. No shares of the Company have been pledged by any of the Company's executive officers or members of the board of directors.

**Governance of Executive Officer Compensation Program**

*Role and Members of the Compensation Committee*

The members of our Compensation Committee are appointed by our board of directors. The Compensation Committee is responsible for determining executive officer compensation. As of the record date, the Compensation Committee was comprised of four (4) members of the board of directors, Tracy C. Accardi, James R. Bergman, Robert E. Grady, and A. R. Frank Wazzan, each of whom is an independent, non-employee director. Ms. Accardi was appointed to the Compensation Committee in August 2016. Since March 2007, Dr. Wazzan has served as Chairman of the Compensation Committee.

The primary purpose of the Compensation Committee is to:

- review and approve corporate goals and objectives relevant to the compensation of our CEO and certain other executive officers, evaluate CEO performance, and determine CEO compensation based on this evaluation;
- approve and oversee, in consultation with our CEO, the total compensation package for certain executive officers, including their base salaries, cash performance bonuses, equity awards, severance benefits and change-in-control benefits (if any);
- approve compensation decisions applicable to our executive officers;
- review periodically and make recommendations to the board of directors regarding any equity or long-term compensation plans, and administer these plans;
- and
- make recommendations to the board of directors with respect to compensation for members of the board of directors and its committees.

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#### **Compensation Discussion and Analysis (continued)**

The Compensation Committee operates according to a charter that details its specific duties and responsibilities. The Compensation Committee periodically reviews the charter and recommends proposed changes to the board of directors for approval. The Compensation Committee charter is available on our website in the Corporate Governance section at <http://investor.maximintegrated.com/corporate-governance>. The charter sets forth the membership requirements, authority and duties of the Compensation Committee, which shall consist of no fewer than two (2) members, all of whom (i) meet the independence requirements of the NASDAQ rules, (ii) are non-employee directors under the definition of Rule 16b-3 promulgated under Section 16 of the Exchange Act, and (iii) are outside directors for purposes of the regulations promulgated under Section 162(m) of the Code. During fiscal year 2016, and currently, all members of the Compensation Committee met these criteria.

#### *Process for Evaluating Executive Officer Performance and Compensation*

The Compensation Committee generally holds at least three (3) scheduled meetings during the year and holds additional meetings periodically to review and discuss executive compensation issues. The Compensation Committee Chairman will also provide an update to the board of directors during a regularly scheduled meeting regarding Compensation Committee matters when appropriate. In addition, members of the Compensation Committee communicate on an informal basis concerning Compensation Committee matters throughout the fiscal year. The Compensation Committee may also consider and take certain actions by unanimous written consent. In fiscal year 2016, the Compensation Committee, including its two-person Equity Grant Sub-Committee, held fourteen (14) meetings and did not take any actions by unanimous written consent.

Our Vice President of Human Resources and our Corporate Secretary support the Compensation Committee in its work. The Compensation

Committee also has the authority to engage the services of outside advisors, experts and others for assistance.

#### *Outside Compensation Consultant*

In fiscal year 2016, the Compensation Committee engaged an independent, compensation consulting firm, Compensia, to advise the Compensation Committee and the board of directors on executive cash and equity compensation matters as well as board and board committee compensation. Compensia reports directly to the Compensation Committee, and the Compensation Committee has sole authority to hire, terminate and direct the work of Compensia. The Compensation Committee has assessed the independence of Compensia pursuant to the NASDAQ rules and concluded that Compensia's work for the Compensation Committee does not raise any conflicts of interest. For further discussion of the role of the Compensation Committee in the executive compensation decision-making process, and for a description of the nature and scope of Compensia's assignment, see Executive Compensation Benchmark below.

#### *Role of Management in Executive Compensation Process*

The Compensation Committee seeks input from our CEO and the Vice President of Human Resources to obtain recommendations with respect to our compensation programs, practices and packages for executive officers. Our CEO's role in the compensation-setting process consists of (i) evaluating executive and employee performance; (ii) assisting in the establishment of business performance targets and objectives; and (iii) recommending salary levels and equity awards. While the Compensation Committee may discuss our CEO's compensation package with him, it meets in executive session in his absence to determine his compensation.

## **Executive Compensation Benchmark**

In September 2015, based on the recommendations of Compensia, and in consultation with our CEO and Vice President of Human Resources, the Compensation Committee approved a compensation peer group to be used for benchmarking and for setting executive compensation for fiscal year 2016. In determining the appropriate compensation peer group, the Compensation Committee considered

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companies within the semiconductor industry that have revenue, number of employees, and operations similar to our corresponding components. Many of the companies in this peer group compete with us for executive talent. Periodically, the Compensation Committee will review and update the compensation peer group as appropriate.

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**Compensation Discussion and Analysis** (continued)

The compensation peer group members for fiscal year 2016 are as follows:

Altera Corporation	Microchip Technology
Analog Devices	NVIDIA
Atmel	ON Semiconductor
Fairchild Semiconductor	Qorvo
Freescale Semiconductor	Skyworks Solutions
Intersil	Semtech
KLA-Tencor	Silicon Labs
Lam Research	Texas Instruments
Linear Technology	Xilinx
Marvell Technology Group	

The Compensation Committee included Texas Instruments (a much larger company), Semtech and Silicon Labs in the peer group for reference purposes only as each compete with us for executive talent.

The Compensation Committee does not target pay at a specific target percentile. Rather, the Compensation Committee believes that fixed compensation (primarily base salary) should be relatively modest and that variable compensation (primarily annual bonus and long-term incentive opportunities) should provide meaningful upside opportunities tied to performance. In addition, the Compensation Committee believes compensation opportunities should reflect Company performance, individual roles and performance and retention factors. Consistent with the foregoing, when setting each compensation component and total compensation opportunities, the Compensation Committee considers the following factors in addition to competitive market data:

- the Company's overall performance relative to peers and established objectives;
- each individual's skills, job scope, experience, and qualifications relative to other similarly-situated executives at peer companies;
- the Company's internal value for a position relative to other positions or market practices;
- a subjective assessment of each individual's contributions to the Company's overall performance, ability to lead his or her business unit or function, work as part of a team, and reflect the Company's core values; and
- the Company's ability to retain critical talent.

These factors provide the framework for our Compensation Committee's decision-making. No single factor above is determinative in setting pay levels, nor is the impact of any one factor on the determination of pay levels quantifiable.

**Evaluation of Named Executive Officer Compensation**

*Fiscal 2016 Compensation Plan for Executive Officers Advisory Vote on Executive Compensation*

At our 2014 and 2015 Annual Meetings of Stockholders, approximately 83% and 80%, respectively, of the votes with respect to the advisory proposal on the compensation of our named executive officers were voted in favor of our executive compensation program described in the applicable year's proxy statement. The Compensation Committee considered these results and, in light of the strong support we received from our stockholders with respect to our 2014 and 2015 executive compensation programs, the Compensation Committee did not believe that any significant changes were necessary or advisable with respect to the 2016 executive compensation program. Further, this consideration did not affect our executive compensation decisions and policies for fiscal 2016.

Consequently, the 2016 executive compensation program was similar to the 2015 executive compensation program, except the Compensation Committee decided to remove selected relative stock price growth as a program metric.

*Base Salary*

Base salaries are used to attract, motivate, and retain highly qualified executives. Base salary is the primary fixed component of compensation in the executive compensation program and, in addition to the broader principles summarized above, is determined by:

- level of responsibility and company impact;
- pay levels of similar positions in our peer group;
- expertise and experience of the executive; and
- competitive conditions in the industry.

Annual base salary increases, if any, are, in addition to the broader principles summarized above, a reflection of:

- the individual's performance for the preceding year;
- the Company's performance;
- the individual's pay level relative to similar positions in our peer group;
- anticipated future contributions of the executive; and
- competitive conditions in the industry.

For the Named Executive Officers, base salaries are relatively modest compared to the base salaries paid to similarly situated executives in the compensation peer group companies.



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**Compensation Discussion and Analysis** (continued)*Fiscal 2016 Base Salary Actions*

The Compensation Committee, after a review of individual and overall company performance, as well as market practices for executive compensation, approved base salary increases for our Named Executive Officers as set forth in the table below:

Named Executive Officer	Title	Annualized 2016	% Increase
		Base Salary (\$)	from 2015
Tunç Doluca	President and Chief Executive Officer	600,000	1.7
Bruce E. Kiddoo	Senior Vice President and Chief Financial Officer	410,000	2.5
Edwin B. Medlin	Senior Vice President and General Counsel	370,000	
Vivek Jain	Senior Vice President, Technology and Manufacturing Group	410,000	2.5
Christopher J. Neil	Senior Vice President, Head of Maxim Ventures	410,000	

*Fiscal 2016 Annual Cash Performance Bonuses under 2016 Compensation Plan*

In September 2015, the Compensation Committee approved a cash incentive compensation plan for our CEO and all officers reporting to our CEO, including the Named Executive Officers, applicable to fiscal year 2016 performance. The following is a description of the fiscal year 2016 annual bonus pool:

*Target Bonus Pool Size:* The target aggregate cash bonus pool is an amount equal to 0.8% of the Company's operating income as determined under GAAP, excluding the effect of special items.

*Target Operating Income:* The target operating income at the beginning of fiscal year 2016 was approximately \$674 million.

*Target Total Bonus Pool:* The aggregate target cash bonus available for distribution to our CEO and all officers reporting to our CEO, including the Named Executive Officers, was \$5.4 million.

*No Annual Cash Bonus:* In the event actual fiscal year 2016 operating income (excluding the impact of special items) is less than fifty percent (50%) of target operating income (excluding the impact of special items) of \$674 million, no annual cash bonus will be payable to the executive officers.

*Cap on Annual Cash Bonus:* In no event will the annual cash performance bonus payable to an executive officer exceed 200% of an executive officer's annual target performance bonus amount.

*Adjusted +/-20% Linearly:* The annual cash performance bonus payable to an executive officer may be adjusted +/-20% linearly based on individual performance. Additionally, our CEO's individual performance includes product development metrics.

The chart below depicts the calculation of the aggregate bonus pool to be distributed to our CEO and all officers reporting to our CEO:



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**Compensation Discussion and Analysis** (continued)*Selection of Operating Income and Modulators of Bonus Pool*

We selected operating income as the primary program metric (as a basis to determine the overall size of the cash bonus pool) because we deem it to be an objective and clear measure of our operating performance. It demonstrates efficiency of company performance and aligns financial reporting with compensation calculations and cannot be easily manipulated. We selected product development execution metrics to measure top-line growth and productivity.

*Impact Points, Allocation of Bonus Pool to Executive Officers*

Each executive officer's share of the bonus pool is dependent upon his or her impact points, which are determined at the beginning of the fiscal year and subject to adjustment following the completion of the fiscal year. The number of impact points is based in part on the executive officer's level of responsibility and relative value of the executive officer's impact on Maxim Integrated's performance as compared to the other executive officers for the fiscal year. Impact points are expressed as a percentage of the pool. Each participant's share of the bonus pool equaled the product of (a) the percentage determined by taking his or her total impact points, as approved by the Compensation Committee at the end of the fiscal year, and dividing them by the total number of impact points allocated to all executive officers, (b) their individual performance, which is measured as a percentage of the executive officer's performance goals met over the period, and (c) the bonus pool calculated as described above.

*Formula to Calculate Individual Bonuses:*

$$\text{Individual Impact Points \%} \times \text{Individual Performance \%} \times \text{Performance Bonus Pool} = \text{Performance Bonus}$$

*Actual Results for Fiscal Year 2016 under Cash Bonus Pool and Bonus Payouts to Executive Officers*

In September 2016, the Compensation Committee approved cash bonuses for our CEO and officers reporting to our CEO, including the Named Executive Officers, for their performance during fiscal year 2016 under the cash bonus pool. The following are actual results for fiscal year 2016:

*Fiscal Year 2016 Operating Income:* The Company's fiscal year 2016 operating income as determined under GAAP, excluding the effect of special items, was \$603.3 million compared to \$567.9 million in fiscal year 2015, a 6.2% increase.

*Fiscal Year 2016 Total Bonus Pool:* The total cash bonus available for distribution to our CEO and all officers reporting to our CEO, including the Named Executive Officers, was \$4.8 million, of which approximately \$4.4 million was distributed to our CEO and all officers reporting to our CEO. The full cash bonus pool was not distributed. The total bonus pool for our CEO and all officers reporting to our CEO, including the Named Executive Officers, was calculated as follows:

$$0.8\% \times \$603.3 \text{ million} = \$4.8 \text{ million}$$

*Fiscal Year 2016 Performance Bonuses Paid to the Named Executive Officers*

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The table below describes each Named Executive Officer's performance bonus as approved by the Compensation Committee for fiscal year 2016 performance, under the cash bonus pool for executive officers:

Named Executive Officer	FY16 Target Performance		Amount of FY16		Additional Bonus for Individual Performance (\$)*
	Impact Points (As a %)	Bonus Amount Under Bonus Pool (\$)	Performance Bonus Paid		
			Under Bonus Pool (\$)		
Tunç Doluca	27.5	1,482,800	1,459,986		
Bruce E. Kiddoo	12.0	647,040	689,210		75,000
Edwin B. Medlin	8.0	431,360	428,584		50,000
Vivek Jain	11.0	593,120	599,922		50,000
Christopher J. Neil	7.0	377,440	347,983		

\* The Compensation Committee approved this additional bonus for fiscal year 2016 after considering individual performance and increased responsibilities. Elements of individual performance that were evaluated included achievement of profitability and growth targets, actual performance compared to quarterly goals, leadership, and collaboration.

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## 2016 NOTICE OF MEETING AND PROXY STATEMENT

**Compensation Discussion and Analysis** (continued)*Equity Compensation under 2016 Compensation Program*

We believe equity compensation is an effective way to align the interests of our executive officers with those of our stockholders in order to achieve long-term stock price growth. In designing our equity compensation program, we take into account stockholder concerns about stock usage and dilution. Equity awards are granted by the Compensation Committee or its Equity Grant Sub-Committee at duly noticed meetings. In fiscal 2016, we utilized a mix of restricted stock units and market share units to compensate our executive officers. We believe that market stock units align our executive officers' interests with those of our stockholders, as the executive officers benefit from future stock price appreciation relative to an index, while restricted stock units promote strong current retention incentives for Maxim Integrated's executive officers.

We did not grant any stock options in fiscal year 2016.

*Equity Awards for Fiscal Year 2016***Market Share Units**

An aggregate award of 145,940 market share units at target was made in September 2015 to our executive officers, including the

Named Executive Officers. These MSUs vest on August 15, 2019, in each case subject to continued employment on the applicable vesting date. The number of MSUs that will ultimately vest and be issued is based upon the Company's stock price relative to the performance of the SPDR S&P Semiconductor Index (XSD) measured over a four-year period.

MSUs were granted in lieu of stock options.

**Restricted Stock Units**

All executive officers, including the Named Executive Officers, were granted an aggregate of 104,192 restricted stock units in September 2015. These restricted stock units vest over twelve (12) quarters in 2017, 2018, and 2019.

Although we believe that long-term equity incentives are an important part of our compensation program and that they align the interests of our executives with those of our stockholders, we also recognize the importance of limiting the stockholder dilution associated with our equity compensation programs. The foregoing awards were a result of balancing these two competing objectives.

The table below depicts the number of restricted stock units and MSUs granted to the Named Executive Officers in fiscal year 2016:

Name	# of Restricted Stock	# of MSU at Target
	Units Granted in	granted in Sept.
	Sept. 2015	2015
Tunç Doluca	39,052	