InvenSense Inc
Form DEF 14A
July 30, 2012
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

INVENSENSE, 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):

x No fee required.

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INVENSENSE, INC.

1197 Borregas Avenue

Sunnyvale, California 94089

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held On Friday, September 14, 2012

Dear Stockholder:

You are cordially invited to attend the annual meeting of stockholders of InvenSense, Inc., a Delaware corporation. The meeting will be held on Friday, September 14, 2012 at 8:30 a.m. pacific daylight time at the offices of Morrison & Foerster LLP, 755 Page Mill Road, Palo Alto, California 94306.

Proposals to be considered at the annual meeting:

1. Election of our board s three nominees for Class I directors to serve for the ensuing three years and until their successors are elected.

2. A non-binding advisory resolution to approve our named executive officer compensation.

3. A non-binding advisory resolution on the frequency of named executive officer compensation advisory votes.

4. Ratification of the selection by the audit committee of our board of directors of Deloitte & Touche LLP as our independent registered public accounting firm for our fiscal year ending March 31, 2013.

These items of business are more fully described in the proxy statement accompanying this notice. The record date for the annual meeting is July 23, 2012. Only stockholders of record at the close of business on that date may vote at the meeting or any postponement or adjournment thereof.

We are providing our stockholders with access to the proxy materials over the Internet using the Notice and Access delivery model established by the Securities and Exchange Commission. This permits us to conserve natural resources and reduces our printing costs, while giving our stockholders a convenient and efficient way to access our proxy materials and vote their shares. On or about July 30, 2012, we intend to mail a Notice of Internet Availability of Proxy Materials to our stockholders, informing them that our notice of annual meeting and proxy statement, annual report to stockholders and voting instructions are available on the Internet. As described in more detail in that notice, stockholders may choose to access our materials through the Internet or may request to receive paper copies of the proxy materials.

By Order of the Board of Directors

Alan Krock

Vice President and Chief Financial Officer

Sunnyvale, California

July 30, 2012

You are cordially invited to attend the meeting in person. Whether or not you expect to attend the meeting, please vote on the matters to be considered as promptly as possible in order to ensure your representation at the meeting. You may vote via the Internet or by requesting a printed copy of the proxy materials and returning the proxy card that will be mailed to you. Even if you have voted by proxy, you may still vote in person if you attend the meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must obtain a proxy issued in your name from that record holder.

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1197 Borregas Avenue Sunnyvale, California 94089

PROXY STATEMENT FOR THE 2012 ANNUAL MEETING OF STOCKHOLDERS

QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS AND VOTING

Why did I receive a notice regarding the availability of proxy materials on the Internet?

Under rules adopted by the Securities and Exchange Commission, or SEC, we have elected to provide access to our proxy materials over the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials, or the Notice, to our stockholders of record. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or to request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice. You will not receive a printed copy of the proxy materials unless you request one in the manner set forth in the Notice. This permits us to conserve natural resources and reduces our printing costs, while giving stockholders a convenient and efficient way to access our proxy materials and vote their shares.

We intend to mail the Notice and, as required, any other printed proxy materials, on or about July 30, 2012 to all stockholders of record entitled to vote at the 2012 annual meeting of stockholders, or annual meeting.

Why are these proxy materials being made available?

We are providing you with these proxy materials because the board of directors of InvenSense, Inc. (which we refer to in this proxy statement as InvenSense, the Company, we or us) is soliciting your proxy to vote at the annual meeting. You are invited to attend the annual meeting and we request that you vote on the proposals described in this proxy statement. However, you do not need to attend the meeting to vote your shares. Instead, you may simply vote your shares by proxy via the Internet or, if you receive a paper copy of the proxy statement, by completing, signing and returning a paper proxy card.

How do I attend the annual meeting?

The meeting will be held on Friday, September 14, 2012 at 8:30 a.m. pacific daylight time at the offices of Morrison & Foerster LLP, 755 Page Mill Road, Palo Alto, California 94306.

Who can vote at the annual meeting?

Only stockholders of record at the close of business on July 23, 2012 will be entitled to vote at the annual meeting. On the record date, there were 81,749,556 shares of common stock outstanding and entitled to vote.

Stockholder of Record: Shares Registered in Your Name

If, on July 23, 2012, your shares of InvenSense s common stock were registered directly with Computershare Trust Company, N.A., our transfer agent for our common stock, then you are a stockholder of

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record. As a stockholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to vote your proxy on the matters to be considered as promptly as possible in order to ensure your representation at the meeting. You may vote your proxy via the Internet or by requesting a printed copy of the proxy materials and returning the enclosed proxy card.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If, on July 23, 2012, your shares were held in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in street name and the Notice is being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the annual meeting. As a beneficial owner, you have the right to direct your broker or other agent on how to vote the shares in your account. You are also invited to attend the annual meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other agent.

What am I voting on?

There are four matters scheduled for a vote and for which we are soliciting your proxy:

1. Election of our board s three nominees for Class I directors.

2. A non-binding advisory resolution to approve our named executive officer compensation.

3. A non-binding advisory resolution on the frequency of named executive officer compensation advisory votes.

4. Ratification of the selection by the audit committee of our board of directors of Deloitte & Touche LLP as our independent registered public accounting firm for our fiscal year ending March 31, 2013.

You may either vote For all the nominees to the board of directors or you may Withhold your vote for any nominee(s) you specify. For the proposals regarding a non-binding advisory resolution to approve our named executive compensation, and to ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm, you may vote For or Against the proposal or abstain from voting. For the proposal regarding a non-binding advisory resolution on the frequency of named executive officer compensation advisory votes, you may vote for One, Two or Three years or abstain from voting.

How do I vote?

The procedures for voting are as follows:

Voting via the Internet

You can vote your shares via the Internet by following the instructions in the Notice. The Internet voting procedures are designed to authenticate your identity and to allow you to vote your shares and confirm your voting instructions have been properly recorded. If you vote via the Internet, you do not need to mail a proxy card.

Voting by Mail

You can vote your shares by mail by requesting that a printed copy of the proxy materials be sent to your address. When you receive the proxy materials, you may fill out the proxy card enclosed therein and return it per the instructions on the card.

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What if I return a proxy card or otherwise complete a ballot or give voting instructions but do not make specific choices?

If you return a signed and dated proxy card or otherwise complete a ballot or voting instructions without marking your selections, your shares will be voted, as applicable, For the election of all three nominees for director, For the non-binding advisory resolution to approve our named executive officer compensation, for the non-binding resolution advising Three year frequency for future advisory votes on named executive officer compensation, and For the ratification of Deloitte & Touche LLP as our independent registered public accounting firm for our fiscal year ending March 31, 2013. The board of directors knows of no other matters that will be presented for consideration at the annual meeting. If any other matter is properly presented at the meeting, your proxy (one of the individuals named on your proxy card) will vote your shares using his best judgment.

Who is paying for this proxy solicitation?

We are paying for the entire cost of soliciting proxies. In addition to these proxy materials, our directors and employees may also solicit proxies in person, by telephone or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies. We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

What does it mea n if I receive more than one Notice?

If you receive more than one Notice, your shares are registered in more than one name or are registered in different accounts. Please follow the voting instructions on the Notice and vote your shares for each name or account to ensure that all of your shares are voted.

Can I change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the meeting. If you are the record holder of your shares, you may revoke your proxy in any one of four ways:

- You may submit another properly completed proxy card with a later date;
- You may grant a subsequent proxy through our Internet voting site;
- You may send a written notice that you are revoking your proxy to our Corporate Secretary at 1197 Borregas Avenue, Sunnyvale, California 94089; or
- You may attend the annual meeting and vote in person. Simply attending the meeting will not, by itself, revoke your proxy. Please remember, as mentioned above, if you are a beneficial owner of shares you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker, bank or other agent that holds your shares in street name.

If your shares are held by your broker, bank or another agent as a nominee or agent, you should follow the instructions provided by your broker, bank or other agent.

When are stockholder proposals due for next year s annual meeting?

To be considered for inclusion in next year s proxy materials, your proposal must be submitted in writing between May 16, 2013 and June 15, 2013 to our Corporate Secretary at 1197 Borregas Avenue, Sunnyvale, California 94089. If you wish to submit a proposal that is not to be included in next year s proxy materials or nominate a director, you must do so by July 27, 2013. You are also advised to review our bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations.

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What are broker non-votes? How do I vote if I hold my shares in street name?

A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that proposal and has not received instructions with respect to that proposal from the beneficial owner (despite voting on at least one other proposal for which it does have discretionary authority or for which it has received instructions).

If your shares are held by your broker as your nominee (that is, in street name), you will need to obtain a proxy form from the institution that holds your shares and follow the instructions included on that form regarding how to instruct your broker to vote your shares. If you do not give instructions to your broker, your broker can vote your shares with respect to routine discretionary items, but not with respect to non-discretionary items under the rules of the New York Stock Exchange, or NYSE, on which your broker may vote shares held in street name in the absence of your voting instructions. On non-discretionary items for which you do not give your broker instructions, the shares will be treated as broker non-votes. Under NYSE rules, elections of directors are considered to be non-routine and, therefore, brokers and other nominees will not be able to vote in the election of directors unless they receive instructions from the beneficial owners of the shares.

How are votes counted?

Votes will be counted by the inspector of election appointed for the meeting, who will separately count For and Withhold votes and any broker non-votes for the election of directors. Broker non-votes will not count for or against any nominees or for any frequency of named executive officer compensation advisory votes.

With respect to the non-binding advisory resolution to approve our named executive officer compensation and the ratification of Deloitte & Touche, the inspector of election will separately count For and Against votes. Abstentions will be counted towards the vote total for the proposal, and will have the same effect as Against votes. Broker non-votes will have no effect and will not be counted towards the vote total for the proposal.

How many votes are needed to approve each of the proposals?

Proposal 1 Election of our three nominees for Class I director. The three nominees receiving the most For votes (among votes properly cast in person or by proxy) will be elected.

Proposal 2 Non-binding advisory vote to approve named executive officer compensation. This proposal must receive a For vote from the holders of a majority of the voting power present and entitled to vote either in person or by proxy on the proposal. If you Abstain from voting, it will have the same effect as an Against vote.

Proposal 3 Non-binding advisory vote on the frequency of named executive officer compensation approval. The alternative receiving the greatest number of votes (among votes properly cast in person or by proxy) will be approved.

Proposal 4 Ratification of the selection by the audit committee of our board of directors of Deloitte & Touche LLP as the independent registered public accounting firm of InvenSense for our fiscal year ending March 31, 2013. This proposal must receive a For vote from the holders of a majority of the voting power present and entitled to vote either in person or by proxy on the proposal. If you Abstain from voting, it will have the same effect as an Against vote.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if at the meeting there is present in person or represented by proxy the holders of outstanding shares of common stock entitled to cast a majority of the votes that could be cast by all outstanding shares of common stock. On the record date,

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there were 81,749,556 shares of common stock outstanding, all of which are entitled to vote. Thus, holders of shares representing at least 40,874,779 votes must be present in person or represented by proxy at the meeting to have a quorum.

Shares that are voted in person or by proxy are treated as being present at the meeting for purposes of establishing a quorum. Abstentions and broker non-votes will also be counted for purposes of calculating whether a quorum is present at the annual meeting. If there is no quorum, the holders of shares representing a majority of the votes present at the meeting may adjourn the meeting to another date.

How many votes do I have?

On each matter to be voted upon, for holders of our common stock, you have one vote for each share of common stock you owned as of July 23, 2012.

How can I find out the results of the voting at the annual meeting?

Preliminary voting results will be announced at the annual meeting. Final voting results will be published in a current report on Form 8-K that we expect to file within four business days after the annual meeting. If final voting results are not available to us in time to file a Form 8-K within four business days after the meeting, we intend to file a Form 8-K to publish preliminary results and, within four business days after the final results are known to us, file an additional Form 8-K to publish the final results.

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PROPOSAL ONE

ELECTION OF CLASS I DIRECTORS

Pursuant to our certificate of incorporation, our board of directors is divided into three classes with staggered three-year terms. The total number of authorized directors on our board of directors immediately following the 2012 annual meeting has been fixed at seven by a resolution of our board of directors, and three directors will serve as Class I directors whose terms will expire at the annual meeting of stockholders to be held in 2015.

There are three nominees for Class I director at this annual meeting, Jon Olson, Amit Shah and Yunbei Ben Yu, Ph.D. Stockholders cannot submit proxies voting for a greater number of persons than the three nominees named in this Proposal One. Each director to be elected will hold office until the annual meeting of stockholders held in 2015 and until his successor is elected or until the director s death, resignation or removal. Each nominee is currently a director of InvenSense and has agreed to serve if elected, and we have no reason to believe that any nominee will be unable to serve.

There are no family relationships between any of our directors, nominees or executive officers. There are also no arrangements or understandings between any director, nominee or executive officer and any other person pursuant to which he or she has been or will be selected as a director and/or executive officer.

Required Vote

The three nominees receiving the highest number of FOR votes shall be elected as Class I directors. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the three nominees named above. If any nominee becomes unavailable for election as a result of an unexpected occurrence, shares that would have been voted for such nominee will instead be voted for the election of a substitute nominee proposed by our board of directors and the nominating and corporate governance committee. Under the rules of the NYSE, brokers are prohibited from giving proxies to vote on elections of directors unless the beneficial owner of such shares has given voting instructions on the matter. This means that if your broker is the record holder of your shares, you must give voting instructions to your broker with respect to the three nominees in this Proposal One if you want your broker to vote your shares on the matter. Otherwise, your shares will be treated as broker non-votes. Broker non-votes will have no effect on the outcome of the vote.

Recommendation

The board of directors recommends a vote FOR each nominee named in Proposal One.

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INFORMATION REGARDING OUR NOMINEES AND DIRECTORS

The following table sets forth information as of July 23, 2012 with respect to the nominees for election as Class I directors of our board.

Class I Director Nominees

Name	Age	Position
Jon Olson	59	Director and Member of the Audit Committee
Amit Shah	47	Director and Chairman of the Compensation Committee
Yunbei Ben Yu, Ph.D.	42	Director and Member of Compensation Committee

Continuing Directors

Name	Age	Class(1)	Position
Steven Nasiri	57	III	President, Chief Executive Officer and Chairman of the Board of Directors
Behrooz Abdi	50	III	Director and Member of the Nominating and Corporate Governance Committee
R. Douglas Norby	77	II	Director and Chairman of the Audit Committee
Tim Wilson	53	II	Director and Member of the Audit Committee and Chairman of the Nominating and Corporate Governance Committee

(1) The terms of Class II directors will expire at the 2013 annual meeting. The terms of Class III directors will expire at the 2014 annual meeting.

Nominees for Class I Directors

Jon Olson has served on our board of directors since October 2011. Mr. Olson has been the Senior Vice President, Finance and Chief Financial Officer at Xilinx, Inc., a provider of programmable semiconductor platforms, since August 2006 and joined Xilinx as Vice President, Finance and Chief Financial Officer in June 2005. Prior to joining Xilinx, he served from 1979 to 2005 at Intel Corporation, a semiconductor chip maker, in various senior financial positions, including Vice President, Finance and Enterprise Services, Director of Finance. Mr. Olson holds an M.B.A. in Finance from Santa Clara University and a B.S. in Accounting from Indiana University. We believe Mr. Olson s qualifications to sit on our board of directors include his over 30 years of experience in senior roles of financial responsibility in the semiconductor industry, his track record of growing profitable businesses and his experience at various semiconductor and technology companies. Mr. Olson qualifies as independent according to the rules and regulations of the NYSE as determined by our board of directors.

Amit Shah has served on our board of directors since April 2004. As a Managing Member of Artiman Management since 2000, he serves on the boards of Auryn Inc., Zyme Solutions, AbsolutelyNew, Inc., Guavus, Inc., Aditazz, Inc., Adama Materials, Inc. and Motif, Inc. In addition, he previously served on the boards of MYNDnet, Inc., Mastek, Inc., Sierra Design Automation, Inc., Net Devices, Inc., ConvergeLabs and Lightwire, Inc. Prior to founding Artiman Management, Mr. Shah founded Anthelion I & II, seed stage venture funds, which he has managed since 1996. From 1998 to 2000, he worked as Vice President of New Markets and Technologies

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for the Business Development and Alliances Group of Cisco Systems, Inc., a consumer electronics company, and he founded and was Chief Executive Officer of PipeLinks, Inc., an optical network company, until its acquisition by Cisco Systems in 1998. Mr. Shah also founded ZeitNet, a networking systems company, which was acquired by Cabletron Systems in 1996. Mr. Shah holds a B.S. in Electrical Engineering from The Maharaja Sayajirao University of Baroda, India and has done graduate work at the University of California, Irvine. We believe Mr. Shah s qualifications to sit on our board of directors include his understanding of our company acquired during his years of service on our board of directors, his experience serving as a director of various technology companies and his perspective gained as a venture capital investor. Mr. Shah qualifies as independent according to the rules and regulations of the NYSE as determined by our board of directors.

Yunbei Ben Yu, Ph.D. has served on our board of directors since March 2008. Dr. Yu also currently serves on the boards of 800App, Applied MicroStructures, Inc., Miox and VeriSilicon Holdings Co., Ltd., and serves as an observer on the board of Novariant, Inc. Dr. Yu has previously served on the boards of AuthenTec, Inc., mSilica, Inc., Multigig, Inc. and SyChip Inc. (acquired by Murata Manufacturing Co., Ltd.), and previously served as an observer on the board of Verari Systems. Dr. Yu has served as a Venture Partner or Managing Director at Sierra Ventures since 2000. Prior to joining Sierra Ventures, he worked from 1997 to 2000 at 3Com Corporation, an electronics manufacturer, where he held a number of engineering and project management positions. He received his B.S. in Engineering from the University of Western Australia and a Ph.D. in Electrical Engineering from Princeton University. We believe Dr. Yu s qualifications to sit on our board of directors include his extensive experience in investment management of and service as a board member of various companies in the semiconductor, communications component and systems industries. Dr. Yu qualifies as independent according to the rules and regulations of the NYSE as determined by our board of directors.

Continuing Directors

Steven Nasiri, our founder, has served as our President, Chief Executive Officer and Chairman since our inception in 2003. Mr. Nasiri, a veteran of the MEMS industry, began his career in National Semiconductor s MEMS division in 1977, and prior to founding InvenSense, he held various positions as a co-founder and executive of several MEMS companies, including SenSym (acquired by Honeywell), NovaSensor (acquired by General Electric), Integrated Sensor Solutions (acquired by Texas Instruments) and ISS-Nagano GmbH. He also held key management and operations positions at several semiconductor companies, including Fairchild Semiconductor and Maxim Integrated Products. Mr. Nasiri is a named inventor in 75 issued patents and patent applications and has authored many published papers and articles on MEMS technology. Mr. Nasiri earned an M.B.A. from Santa Clara University, an M.S. in Mechanical Engineering from San Jose State University and a B.S. in Mechanical Engineering from the University of California, Berkeley. We believe Mr. Nasiri s qualifications to sit on our board of directors include the fact that, as our founder, Mr. Nasiri is uniquely familiar with the business, structure, culture and history of our company and that he also brings to the board of directors considerable expertise based on his management and technical experience in the MEMS industry.

Behrooz Abdi has served on our board of directors since June 2011. Mr. Abdi served as Executive Vice President and General Manager at NetLogic Microsystems, Inc., a provider of semiconductor solutions, from November 2009 to December 2011. Mr. Abdi served as the President and Chief Executive Officer of RMI Corporation (formerly Raza Microelectronics Inc.), a fabless semiconductor company, from November 2007 to October 2009. He served as Senior Vice President and General Manager of CDMA Technologies (QCT) at Qualcomm, Inc., a provider of wireless technology and services, from March 2004 to November 2007. Prior to joining Qualcomm, he held leadership and engineering positions of increasing responsibility at Motorola, Inc. in its Semiconductor Products Sector (SPS). From September 1999 to March 2003, he served as Vice President and General Manager for Motorola s radio products division, in charge of RF and mixed signal ICs for the wireless mobile market. He currently serves as a director at Tabula, Inc. Mr. Abdi served as the Chairman and director of SMSC Storage, Inc. (Formerly Symwave, Inc.), from September 2009 to November 2010 and as a director of RMI Corporation from November 2007 to November 2009. Mr. Abdi holds a B.S. from Montana State University and an M.S. from the Georgia Institute of Technology, both in Electrical Engineering. We believe

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Mr. Abdi s qualifications to sit on our board of directors include his over 26 years of experience in the semiconductor industry, his track record of growing profitable businesses and his experience as a board member of various private semiconductor and technology companies. Mr. Abdi qualifies as independent according to the rules and regulations of the NYSE as determined by our board of directors.

R. Douglas Norby has served on our board of directors since September 2009. From July 2003 to January 2006, Mr. Norby served as Senior Vice President and Chief Financial Officer of Tessera, Inc., a provider of intellectual property for advanced semiconductor packaging. From March 2002 to February 2003, Mr. Norby served as Senior Vice President and Chief Financial Officer of Zambeel, Inc., a data storage systems company. From December 2000 to March 2002, Mr. Norby served as Senior Vice President and Chief Financial Officer of Novalux, Inc., a manufacturer of lasers for optical networks. From 1996 until December 2000, Mr. Norby served as Executive Vice President and Chief Financial Officer of LSI Logic Corporation, a semiconductor company, and he also served as a director of LSI Logic Corporation from 1993 until 2007. From July 1993 until November 1996, he served as Senior Vice President and Chief Financial Officer of Mentor Graphics Corporation, a software company. Mr. Norby served as President of Pharmetrix Corporation, a drug delivery company, from July 1992 to September 1993, and from 1985 to 1992, he was President of Lucasfilm, Ltd., an entertainment company. From 1979 to 1985, Mr. Norby was Senior Vice President and Chief Financial Officer of Syntex Corporation, a pharmaceutical company. Mr. Norby is a director of STATS ChipPAC, Ltd., Alexion Pharmaceuticals, Inc., MagnaChip Semiconductor Corporation, Ikanos Communications, Inc. and Singulex, Inc. Mr. Norby received a B.A. in Economics from Harvard University and an M.B.A. from Harvard Business School. We believe Mr. Norby s qualifications to sit on our board of directors include his experience as an executive and a board member of various public and private semiconductor and technology companies. Mr. Norby qualifies as independent according to the rules and regulations of the NYSE as determined by our board of directors.

Tim Wilson has served on our board of directors since April 2004. Mr. Wilson joined Artiman Management in January 2012 as a Managing Director. From 2001 until December 2011, he was a Partner of Partech International, LLC. Mr. Wilson currently serves on the boards of ACCO Semiconductor, Array Power, Five9, Prysm and LEDEngin. Between 1998 and 2001, he served as Vice President of Marketing and as Chief Marketing Officer for Digital Island, a Partech portfolio company. From 1996 to 1998, he was a General Manager at Lucent Technology. From 1983 to 1996, he held a variety of senior management positions within AT&T (North America and Australia) and AT&T Bell Labs. Mr. Wilson graduated summa cum laude, Phi Beta Kappa from Bowdoin College receiving his undergraduate degree in Physics. He received his M.B.A. from Duke University s Fuqua School of Business, where he was named a Fuqua Scholar. We believe Mr. Wilson s qualifications to sit on our board of directors include his years of service on our board, his experience with capital markets and his perspective gained in management of and service as a board member of various private companies. Mr. Wilson qualifies as independent according to the rules and regulations of the NYSE as determined by our board of directors.

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BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Board Composition and Leadership Structure

Our board of directors consists of seven members, including our President, Chief Executive Officer and Chairman of the board, Steven Nasiri, as well as six non-management directors, Messrs. Behrooz Abdi, R. Douglas Norby, Jon Olson, Amit Shah and Tim Wilson and Dr. Yunbei Ben Yu, each of whom qualifies as independent according to the rules and regulations of the NYSE as determined by our board of directors.

Our board of directors is divided into three classes with staggered three-year terms. At each annual general meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following their election. Our directors are divided among the three classes as follows:

- The Class I directors are Mr. Olson, Mr. Shah and Dr. Yu, and their terms will expire at the next annual meeting of stockholders, to be held September 14, 2012 as described in this proxy statement;
- The Class II directors are Messrs. Norby and Wilson, and their terms will expire at the annual meeting of stockholders to be held in 2013; and
- The Class III directors are Messrs. Nasiri and Abdi, and their terms will expire at the annual meeting of stockholders to be held in 2014.

Our board highly values independent directors. Currently, all of the members of our board of directors other than our Chief Executive Officer, Mr. Nasiri, are independent, as well as all members of the audit committee, the compensation committee and the nomination and corporate governance committee. Our board of directors retains the flexibility to determine on a case-by-case basis whether the Chief Executive Officer, or an independent director, should serve as Chairman. This flexibility permits our board of directors to organize its functions and conduct its business in a manner it deems most effective in then-prevailing circumstances.

The board currently combines the role of Chairman and Chief Executive Officer. The board believes that Mr. Nasiri, as founder and Chief Executive Officer since our inception, is best situated to serve as Chairman because he is the director most familiar with our industry and operations, and opportunities and challenges facing our business on a regular and company-wide basis and is therefore best able to identify the strategic priorities to be discussed by the board of directors. The board believes that combining the role of Chairman and Chief Executive Officer facilitates information flow between management and the board and fosters strategic development and execution. While the board has not appointed a lead independent director, the board maintains effective independent oversight through a number of governance practices, including our strong committee system, open and direct communication with management, input on meeting agendas, annual performance evaluations and regular executive sessions.

In addition, the board has established the following procedures for selecting the presiding director during the executive sessions of the board. The presiding director will be (i) the Chairman of the board, if that person is a non-employee director, or (ii) the lead independent director, if any. The position of presiding director rotates among our independent, non-employee directors depending on the primary focus of matters to be discussed during the executive session.

Role of the Board in Ri sk Oversight

The board of directors is actively involved the oversight of our risk management process. The board does not have a standing risk management committee, but administers this oversight function directly through the board as a whole, as well as through its standing committees that address risks inherent in their respective areas of oversight. In particular, our audit committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures, our compensation

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committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking, our nominating and corporate governance committee monitors our major legal compliance risk exposures and our program for promoting and monitoring compliance with applicable legal and regulatory requirements and our board is responsible for monitoring and assessing strategic risk exposure and other risks not covered by our committees.

The full board, or the appropriate committee, receives reports on risks facing InvenSense from our Chief Executive Officer or other members of management to enable it to understand our risk identification, risk management and risk mitigation strategies. We believe that our board s leadership structure supports effective risk management because it allows the independent directors on our committees to exercise oversight over management.

Board Meetings

During the fiscal year ended April 1, 2012, the board of directors held seven meetings. Each of our incumbent directors attended at least 75% of the aggregate number of meetings of the board and of the committees on which the director served that were held during the portion of the last fiscal year in which he was a director or committee member. Board members are expected to regularly attend all meetings of the Board and committees on which they serve. Since the completion of our initial public offering in November 2011, our independent directors generally hold an executive session in conjunction with each in-person board meeting. Our board of directors also acted by unanimous written consent on two occasions during the fiscal year ended April 1, 2012.

Committees of the Board

In fiscal year 2012, our board of directors had three standing committees: an audit committee, a compensation committee and a nominating and corporate governance committee. The following table provides membership and meeting information for each of the board committees in fiscal year 2012:

Member of our board of directors in fiscal year 2012	Audit	Compensation	Nominating and Corporate Governance
Steven Nasiri			
Behrooz Abdi			X
R. Douglas Norby	X*		
Jon Olson	X		
Amit Shah	X(1)	X*	
Tim Wilson	X		X*
Yunbei Ben Yu, Ph.D.		X	
Total meetings in fiscal year 2012	6	2	1

* Committee chair in fiscal year 2012

(1) Mr. Shah served as a member of the audit committee from the beginning of fiscal year 2012 until the election of Mr. Olson as a member of the board and audit committee in October 2011.

Below is a description of each committee of the board of directors. Each of the committees has authority to engage legal counsel or other experts or consultants, as it deems appropriate to carry out its responsibilities. The board of directors concluded that each of the board members serving on a committee was independent as defined in the rules and regulations of the NYSE.

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Audit Committee

Our audit committee is comprised of Messrs. Norby, Olson and Wilson, each of whom is a non-employee member of our board of directors. Mr. Norby is our audit committee chairman and our audit committee financial expert, as currently defined under the SEC rules. Our board of directors has determined that each of Messrs. Norby, Olson and Wilson is independent within the meaning of the applicable SEC rules and regulations of the NYSE.

Our audit committee oversees our corporate accounting and financial reporting process. Among other matters, the audit committee evaluates the independent registered public accounting firm s qualifications, independence and performance; determines the engagement of the independent registered public accounting firm; reviews and approves the scope of the annual audit and the audit fee; discusses with management and the independent registered public accounting firm the results of the annual audit and the review of our quarterly consolidated financial statements; approves the retention of the independent registered public accounting firm to perform any proposed permissible non-audit services; monitors the rotation of partners of the independent registered public accounting firm on our engagement team as required by law; reviews our critical accounting policies and estimates; and will annually review the audit committee charter and the committee s performance. The audit committee met six times during fiscal year 2012, including meetings with our independent registered public accounting firm to review our quarterly and annual financial statements and their review or audit of such statements. Our audit committee operates under a written charter adopted by the board that satisfies the applicable standards of the NYSE that is posted on our website at *ir.invensense.com* under the heading *Corporate Governance*.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee is comprised of Messrs. Abdi and Wilson, each of whom is a non-employee member of our board of directors. Mr. Wilson is our nominating and corporate governance committee chairman. Our nominating and corporate governance committee is responsible for making recommendations regarding candidates for directorships and the size and the composition of our board of directors. In addition, the nominating and corporate governance committee is responsible for overseeing our corporate governance principles and making recommendations concerning governance matters. Our nominating and corporate governance committee operates under a written charter adopted by the board that satisfies the applicable standards of the NYSE that is posted on our website at *ir.invensense.com* under the heading *Corporate Governance*. The nominating and corporate governance committee met once during fiscal year 2012.

The nominating and corporate governance committee will consider director candidates recommended by stockholders. The nominating and corporate governance committee does not intend to alter the manner in which it evaluates candidates, including the minimum criteria set forth above, based on whether or not the candidate was recommended by a stockholder. Stockholders who wish to recommend individuals for consideration by the nominating and corporate governance committee to become nominees for election to the board for next year s annual meeting of stockholders may do so by delivering a written recommendation to the nominating and corporate governance committee at the following address: Chair of the nominating and corporate governance committee c/o Corporate Secretary of InvenSense at 1197 Borregas Avenue, Sunnyvale, California 94089, by April 2, 2013. Submissions must include the full name of the proposed nominee, a description of the proposed nominee s business experience for at least the previous five years, complete biographical information, a description of the proposed nominee s qualifications as a director and a representation that the nominating stockholder is a beneficial or record owner of our common stock. Any such submission must be accompanied by the written consent of the proposed nominee to be named as a nominee and to serve as a director if elected.

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Compensation Committee

Our compensation committee is comprised of Mr. Shah and Dr. Yu, each of whom is a non-employee member of our board of directors. Mr. Shah is our compensation committee chairman.

Our compensation committee reviews and recommends policies relating to the compensation and benefits of our officers and employees. The compensation committee reviews and approves corporate goals and objectives relevant to the compensation of our chief executive officer and other executive officers, evaluates the performance of these officers in light of those goals and objectives, and sets the compensation of these officers based on such evaluations. The compensation committee administers the issuance of stock options and other awards under our stock plans. The compensation committee will review and evaluate, at least annually, the performance of the compensation committee and its members. It also reviews and recommends that the Compensation Discussion and Analysis section be included in this proxy statement. Our compensation committee operates under a written charter adopted by the board that satisfies the applicable standards of the NYSE that is posted on our website at *ir.invensense.com* under the heading *Corporate Governance*. The compensation committee met two times during fiscal year 2012. The compensation committee has authority to retain compensation consultants, outside counsel and other advisors that the committee deems appropriate, in its sole discretion, to assist it in discharging its duties, and to approve the terms of retention and fees to be paid to such consultants. In June 2011, our compensation committee retained Compensia, a compensation consulting company, to help evaluate our compensation philosophy and provide guidance in administering our compensation program in connection with our impending initial public offering.

Compensation Committee Interlocks and Insider Participation

None of our executive officers currently serves or in the past year has served as a member of the compensation committee (or, in the absence of such committee, the board of directors) of any other entity that has one or more executive officers serving on our compensation committee.

Corporate Governance

Corporate Governance Guidelines

Our board has adopted written Corporate Governance Guidelines to assure that the board will have the necessary authority and practices in place to review and evaluate our business operations as needed and to make decisions that are independent of our management. The guidelines are also intended to align the interests of directors and management with those of our stockholders. The Corporate Governance Guidelines set forth the practices the board intends to follow with respect to board composition and selection, board meetings and involvement of senior management, Chief Executive Officer performance evaluations and succession planning, and board committees and compensation. The nominating and corporate governance committee assists the board in implementing and adhering to the Corporate Governance Guidelines. Our Corporate Governance Guidelines are available on the investor relations section of our website at *ir.invensense.com* under the heading *Corporate Governance*. The corporate governance guidelines are reviewed at least annually by our nominating and corporate governance committee, and changes are recommended to our board of directors with respect to changes as warranted.

Code of Business Conduct and Ethics

We have adopted the InvenSense Code of Business Conduct and Ethics that applies to all officers, directors and employees. Our Code of Business Conduct and Ethics are available on the investor relations section of our website at *ir.invensense.com* under the heading *Corporate Governance*. If we make any substantive amendments to our Code of Business Conduct and Ethics or grant any waiver from a provision of the Code of Business Conduct and Ethics to any executive officer or director, we will promptly disclose the nature of the

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amendment or waiver on the investor relations section of our website at *ir.invensense.com* under the heading *Corporate Governance*.

Corporate Governance Materials

Our Corporate Governance Guidelines, Code of Business Conduct and Ethics, charters for each committee of the board and other corporate governance documents, are posted on the investor relations section of our website at *ir.invensense.com* under the heading *Corporate Governance*. In addition, stockholders may obtain a print copy of our Corporate Governance Guidelines, Code of Business Conduct and Ethics as well as the charters of our audit committee, compensation committee and nominating and corporate governance committee by writing to our Corporate Secretary at 1197 Borregas Avenue, Sunnyvale, California 94089.

Director Compensation

Director Compensation for Fiscal Year 2012

Our non-employee directors who served during the fiscal year ended April 1, 2012 received the following compensation for their service on our board of directors.

Name	Fees Earned or Paid in Cash ($)(1)	Option Awards ($)(2)(3)	Total ($)
Behrooz Abdi	10,500	322,476(4)	332,976
R. Douglas Norby	15,000	71,661(5)	86,661
Jon Olson	11,813	238,868(4)	250,681
Amit Shah		66,910(6)	66,910
Tim Wilson		66,910(6)	66,910
Yunbei Ben Yu, Ph.D.		236,975(6)(7)	236,975

(1) Reflects board retainer fees, as well as committee and committee chair retainer fees.

(2) At April 1, 2012, the following non-employee directors each held stock awards and stock options covering the following aggregate numbers of shares:

Name	Stock Options (number of shares)
Behrooz Abdi	90,000
R. Douglas Norby	145,000
Jon Olson	90,000
Amit Shah	20,000
Tim Wilson	20,000
Yunbei Ben Yu, Ph.D.	40,000

(3) The amounts reported for the stock option awards are based on the grant date fair value computed in accordance with FASB ASC Topic 718. The assumptions made in the valuation of the stock option awards are discussed in Note 6, Stockholders Equity, of the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended April 1, 2012 which was filed with the SEC on June 19, 2012.

(4) On July 9, 2011 and October 21, 2011, we granted each of Mr. Abdi and Mr. Olson an option to purchase 90,000 shares of our common stock with a per share exercise price of $7.32 which our board of directors determined equaled the fair market value of our common stock on the date of grant. 1/4th of the shares subject to Mr. Abdi s option vests one year following the commencement of his service on our board of directors, with 1/48th of the shares subject to the option vesting monthly thereafter, and 1/48th of the shares

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subject to Mr. Olson s option vest monthly following the commencement of his service on our board of directors, such that all the shares subject to each option will be fully vested upon the fourth anniversary of each director s service on our board of directors. All directors are entitled to certain initial equity grants upon joining the board of directors, as described more fully below under the heading Discussion of Director Compensation.

(5) On July 9, 2011, we granted Mr. Norby an option to purchase 20,000 shares of our common stock with a per share exercise price of $7.32, which our board of directors determined equaled the fair market value of our common stock on the date of grant. 1/12th of the shares subject to the option will vest each month commencing one month after the fourth anniversary of his service on our board of directors, such that all the shares subject to the option will be fully vested upon the fifth anniversary of his service on our board of directors. Subsequent to this grant, our board of directors adopted a compensation policy whereby all directors are entitled to certain annual equity awards upon the anniversary of their joining the board of directors, as described more fully below under the heading Discussion of Director Compensation.

(6) On November 15, 2011, in connection with our initial public offering, we granted each of Messrs. Shah, Wilson and Yu an option to purchase 20,000 shares of our common stock with a per share exercise price of $7.50, the price per share at which our common stock was first offered to the public in our initial public offering on that date. 1/12th of the shares subject to the options will vest each month commencing one month after the date of grant, such that all the shares subject to the options will be fully vested upon the first anniversary of the date of grant.

(7) Reflects the annual award granted to Mr. Yu on March 28, 2012, the anniversary of his service on our board of directors, of an option to purchase 20,000 shares of stock with a per share exercise price of $18.91, the closing price of our common stock on the date of grant. 1/12th of the shares subject to the option will vest each month commencing November 15, 2012, the date on which his previously existing grants will have completed vesting. All directors are entitled to certain annual equity awards upon the anniversary of their joining the board of directors, as described more fully below under the heading Discussion of Director Compensation.

Discussion of Director Compensation

Directors who are employees of ours do not receive any compensation for their service on our board of directors. Our board of directors has adopted the following compensation policy that is applicable to all of our current non-employee directors:

Initial Equity Grants. Each non-employee director who joins the board will receive an option to purchase 90,000 shares of our common stock, with 1/48th of the shares subject to the option vesting on a monthly basis over four years, subject to the director s continuous service as a member of the board of directors. If still vesting, the grant will accelerate in full upon a change in control of our company.

Annual Equity Grants. Each non-employee director will receive annually an option to purchase 20,000 shares of our common stock, with 1/12th of the shares subject to the option vesting on a monthly basis commencing the month after the completion of vesting of any existing grants held by such director. The annual option grant will be made on the anniversary of the date on which a non-employee director joins the board of directors. Any such grant which has commenced vesting will accelerate in full upon a change of control of our company.

Retainers. Each non-employee director who is not an affiliate of an investor holding more than 5% of our outstanding shares of common stock as of November 15, 2011 will receive annual cash retainers, payable quarterly in arrears (the amount of the annual retainer for the third quarter of fiscal year 2012 was calculated and paid on a pro rata basis for the period between November 15, 2011 and January 1, 2012). The unpaid amounts of these retainers will be payable in full for the current fiscal year in the event of a change of control of our company during that fiscal year. The annual retainer for service on

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the board of directors will be $25,000, and the annual retainers for service on committees of our board of directors will be as follows:

Position	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Chair	$ 15,000	$ 10,000	$ 7,000
Member	$ 6,500	$ 5,000	$ 3,000

In the fiscal year ended April 1, 2012, the total cash compensation paid to non-employee directors was $37,313.

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PROPOSAL TWO

NON-BINDING ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION

In accordance with recent legislation and related SEC regulations, we are providing stockholders with a non-binding advisory vote to approve compensation programs for our named executive officers, also known as say on pay.

Stockholders are urged to read the Compensation Discussion and Analysis section of this proxy statement, which discusses how our executive compensation policies and procedures implement our compensation philosophy, and the remainder of the Executive Compensation section of this proxy statement, which contains tabular information and narrative discussion about the compensation of our named executive officers. The compensation committee and the board believe that these policies and procedures are effective in implementing our compensation philosophy and in achieving its goals.

As described in the section of this proxy statement entitled Compensation Discussion and Analysis, our executive compensation program is designed to recruit, retain and motivate talented individuals with the experience and leadership skills necessary for us to increase stockholder value by driving long-term growth in revenue and profitability. We seek to provide executive compensation that is competitive with companies that are similar to us. We also seek to provide near-term and long-term financial incentives that reward well-performing executives when strategic corporate objectives designed to increase long-term stockholder value are achieved. We believe that executive compensation should include base salary, cash incentives and equity awards. In particular, our executive compensation philosophy is to promote long-term value creation for our stockholders by rewarding achievement of selected financial metrics, and by using equity incentives. Please see our Compensation Discussion and Analysis (beginning on page 18) and related compensation tables for detailed information about our executive compensation programs, including information about the fiscal year 2012 compensation of our executive officers.

As an advisory vote, this proposal is not binding. However, the compensation committee, which is responsible for designing and administering our executive compensation program, values the opinions expressed by stockholders in their vote on this proposal and will consider the outcome of the vote when considering future compensation decisions for our named executive officers.

Required Vote

Approval of the non-binding advisory resolution regarding named executive officer compensation requires a FOR vote from a majority of the voting power present and entitled to vote either in person or by proxy on the proposal in order to pass. If you Abstain from voting, it will have the same effect as an Against vote. If you return a signed and dated proxy card or otherwise complete a ballot or voting instructions without marking your selections, your shares will be voted FOR approval of the non-binding advisory resolution regarding named executive officer compensation.

Recommendation

The board of directors recommends a vote FOR the following resolution:

RESOLVED, that InvenSenes, Inc. s stockholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in InvenSense, Inc. s proxy statement for the 2012 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the compensation tables and narrative discussion.

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EXECUTIVE COMPENSATION

Executive Officers

Our executive officers as of July 23, 2012, and their positions, and their respective ages on that date, are:

Name	Age	Position
Steven Nasiri	57	President, Chief Executive Officer and Chairman of the Board of Directors
Alan Krock	51	Chief Financial Officer
Dan Goehl	41	Vice President Worldwide Sales
Ram Krishnan	59	Vice President Operations
Stephen Lloyd	47	Vice President Engineering and New Product Development

Our executive officers serve at the discretion of the board of directors, subject to rights, if any, under contracts of employment. See Employment Agreements; Change in Control Arrangements; and Potential Payments Upon Termination or Change in Control. Biographical information for Mr. Nasiri is provided above. See Information Regarding Our Nominees and Directors.

Alan Krock joined us in May 2011 as our Chief Financial Officer. Prior to joining us, Mr. Krock gained extensive experience in financial and audit control related matters as the Chief Financial Officer of Beceem Communications, Inc., a provider of integrated circuit products, from January 2010 until January 2011, Vice President and Chief Financial Officer of PMC-Sierra, Inc., a provider of integrated circuit products, from November 2002 until March 2007, Vice President of Corporate Affairs for PMC-Sierra, Inc., from March 2007 until March 2008, and Vice President and Chief Financial Officer of Integrated Device Technology, Inc., a provider of semiconductor solutions, from January 1998 until November 2002. Mr. Krock also served as a member of the board of directors of NetLogic Microsystems, Inc. from August 2005 to February 2012. Mr. Krock holds a B.S. in Business Administration from the University of California, Berkeley.

Daniel Goehl joined us in 2004 as our Director of Business Development and became our Vice President of Worldwide Sales in March 2007. Prior to joining InvenSense, Mr. Goehl held senior management positions and led sales and business development initiatives at start-up companies in semiconductor and wireless technology markets such as Nazomi Communications, CSI Wireless, Meridian Wireless and Omni Telecommunications. Mr. Goehl has a B.A. in Economics from the University of Illinois and attended Kansai Gaidai University in Osaka, Japan for International Business and Japanese language studies.

Ram Krishnan, Ph.D. has been our Vice President of Operations since April 2007. Prior to joining InvenSense, he served as Vice President and General Manager of the Fiber Optics Division at Agilent Technologies, a diagnostic instrument and sensor manufacturer, from March 2005 to December 2005, and as Vice President of Operations at Avago Technologies, a semiconductor company, from December 2005 to February 2007. In addition, Dr. Krishnan has held numerous executive and management positions related to high-volume production and manufacturing of high-volume electronic products, including serving as Vice President of Operations at LuxN (acquired by Zhone Technologies), an optical network company, and as Vice President, Process and Quality Engineering at Bloom Energy (formerly Ion America), a fuel cell company. Dr. Krishnan received his B.S. from the Indian Institute of Technology, Madras, India, his M.S. from Duke University and his Ph.D. from the University of California, Berkeley, all in Mechanical Engineering.

Stephen Lloyd has been our Vice President of Engineering and New Product Development since December 2008. Prior to joining InvenSense, he worked at several semiconductor companies, including service from 2004 to 2008 at Beceem Communications first as Vice President of Engineering for RF Microelectronics and later as Executive Vice President of Engineering. From 2002 to 2004, he served as Executive Director of RF IC Design for Skyworks Solutions, and from 1997 to 2002, he served as an Executive Director of Conexant Systems. Mr. Lloyd received his B.S. in Electronic Engineering from the University of California, Berkeley.

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Compensation Discussion and Analysis

The following discussion and analysis of the compensation arrangements of our named executive officers identified below for fiscal year 2012 should be read together with the compensation tables and related disclosures set forth below.

We refer to our chief executive officer, our current and former interim chief financial officer and our three other most highly compensated executive officers during fiscal year 2012 as our named executive officers. Jim Callas served as our interim chief financial officer from January 2011 until Alan Krock joined us as chief financial officer in May 2011. Our named executive officers for fiscal year 2012 were as follows:

- Steven Nasiri, President and Chief Executive Officer
- Alan Krock, Vice President and Chief Financial Officer
- Jim Callas, Corporate Controller and Former Interim Chief Financial Officer
- Daniel Goehl, Vice President Worldwide Sales
- Ram Krishnan, Vice President Operations
- Stephen Lloyd, Vice President Engineering and New Product Development

Compensation Objectives

We structure our compensation programs to reward high performance and innovation, promote accountability and ensure that employee interests are aligned with the interests of our stockholders. Our executive compensation program is structured to attract, motivate and retain highly qualified executive officers by paying them competitively and tying their compensation to our success as a whole and to their individual contributions to such success.

Specifically, the compensation committee believes that the primary objectives of our compensation policies are:

- creating long-term incentives for management to increase stockholder value;
- motivating our executives to achieve our short-term and long-term goals;
- providing clear company and individual objectives that promote innovation to achieve our objectives;
- rewarding the achievement of targeted results; and
- retaining executive officers whose abilities are critical to our long-term success and competitiveness.

Framework for Determining Executive Compensation

Our executive compensation program has four primary components: (i) base salary, (ii) cash bonus compensation, (iii) non-equity incentive plan compensation and (iv) equity awards. In addition, we provide our executive officers with other compensation, including a variety of benefits that are available generally to all salaried employees in the geographic locations where such executives are based.

We utilize a discretionary approach for determining our named executive officers compensation, which is based upon the business judgment and experience of our compensation committee and our chief executive officer. We rely in part on the experience and familiarity of our compensation committee members with current information relating to total aggregate compensation levels paid by technology companies of similar scale to ours. Our compensation committee members have obtained this experience and familiarity as venture capitalists and/or executives at technology companies. In June 2011, in anticipation of our initial public offering, our compensation committee engaged Compensia, Inc., a national compensation consulting firm, to review the

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compensation arrangements of our executive officers and to evaluate our equity award grant practices, in comparison to the practices of a group of publicly traded semiconductor companies identified by Compensia. We reviewed information provided by Compensia in establishing cash compensation targets for our executive officers for 2012. However, we did and do not benchmark our compensation levels against a peer group of companies. We have not adopted any formal or informal policies or guidelines for allocating compensation between long-term and short-term compensation, between cash and non-cash compensation, or among different forms of non-cash compensation.

We historically made decisions concerning executive compensation, including establishing base salaries and bonus programs and setting individual and company-wide performance targets, at the beginning of each calendar year for that calendar year period (i) because of the relative simplicity of performing and communicating calendar year results and (ii) in order to align those decisions with the end of the executive s tax years and the practices of companies with which we compete for employees. We aligned our executive compensation process with our own fiscal year beginning with fiscal year 2012. Accordingly, performance compensation paid for fiscal year 2012 covered a period of approximately 15 months from January 1, 2011 through April 1, 2012.

Our chief executive officer provides annual recommendations to the compensation committee and discusses the compensation and performance of all executive officers, excluding himself, with the compensation committee. Our chief executive officer bases his recommendations in part upon annual performance reviews of our executive officers. The annual performance reviews include an evaluation of individual performance goals, effort and creativity. The individual performance goals of each named executive officer are reviewed with the compensation committee at the time they are established. As part of each performance review, our chief executive officer awards points at his discretion based on an evaluation of individual goals, effort, and creativity. The individual performance goals contain baseline, target and more difficult to achieve objectives, and combined with our chief executive officer s subjective evaluation of effort and creativity, it is expected that the average number of points received by the performing executive officer will be approximately 75% of the maximum number of points available. The score is primarily used to determine the amount of the discretionary cash bonus plan awards and non-equity incentive awards, as discussed below.

The compensation of our president and chief executive officer, Mr. Nasiri, is established by the board of directors, excluding Mr. Nasiri, upon the recommendation of the compensation committee, based on the compensation committee s discussions with, and evaluation of, Mr. Nasiri. The specific criteria used to evaluate Mr. Nasiri s performance during fiscal year 2012 are described below.

The following is a discussion of the individual performance evaluations applicable to our named executive officers for fiscal year 2012:

Steven Nasiri, President and Chief Executive Officer

Mr. Nasiri was evaluated on the basis of the overall performance of our company, including the extent to which we were successful in achieving net revenue goals, market leadership, profitability, customer diversification, product development, technology milestones, organizational development and the development of systems to support our initial public offering.

Alan Krock, Vice President and Chief Financial Officer

Mr. Krock was evaluated on his management of our financial operations, development of reporting systems to support our functioning as a public company, timely and accurate reporting of financial and critical operating information to our management team and board, establishment and management of a treasury function, and improvements in systems supporting, and management of, our human resources, information technology and facilities functions.

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Jim Callas, Corporate Controller and Former Interim Chief Financial Officer

Mr. Callas was evaluated on his management of our financial operations and human resource matters, development of our information technology infrastructure, timely preparation of our financial statements and implementation of enhanced controls and procedures and administration of our international tax structure.

Daniel Goehl, Vice President Worldwide Sales

Mr. Goehl was evaluated on his achievement of sales objectives, development of marketing strategies, generation of business development opportunities, management of our sales organization, support of our business development activities, management of key customer relationships, and participation in hiring and training activities.

Ram Krishnan, Vice President Operations

Mr. Krishnan was evaluated on the achievement of certain manufacturing process improvements, manufacturing yields and capacity improvement goals.

Stephen Lloyd, Vice President Engineering and New Product Development

Mr. Lloyd was evaluated on his achievement of certain product development and production goals, development of intellectual property, support of business development activities, and participation in hiring and training activities.

Elements of Compensation

Base Salary

We pay base salaries to provide a fixed level of cash compensation for our named executive officers to compensate them for services rendered during the fiscal year. Each year we determine salary increases, if any, based upon a subjective evaluation of each executive s individual performance, position, tenure, experience, expertise, leadership, management capability, and the extent to which the executive has been successful in managing and growing the operations or organization for which such executive is responsible. We do not apply formulaic base salary increases to our named executive officers. For fiscal year 2012, the board of directors increased Mr. Nasiri s base salary from $275,000 to $375,000 in recognition of our substantial growth and impending initial public offering. The compensation committee also increased Mr. Goehl s base salary from $175,000 to $200,000 in recognition of the substantially increased scope of his responsibilities in managing a larger and more complex sales organization. The compensation committee determined that no other salary increases were necessary for fiscal year 2012.

Discretionary Cash Bonus Plan

We establish a cash bonus target amount annually for each of our named executive officers in conjunction with setting such officer s base salary. The amount of each cash bonus target is set so that the combination of base salary and a payout of approximately 75% of an executive s cash bonus target will result in a compensation package that, in the judgment of our compensation committee and our chief executive officer, is aligned with the compensation packages of similar executives in other technology-focused companies of similar scale. The actual cash bonus payment is calculated by multiplying the average score attained by a named executive officer from his annual performance reviews (in percentage terms) by the cash bonus target amount. Such payments are made during the first month following the end of the fiscal year provided that the named executive officer is employed by us on the date of payment.

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The following cash bonus target awards were allocated to our named executive officers on the basis of relative salary levels and contributions to our net revenue goals

Named Executive Officer	2012 Fiscal Year Cash Bonus Target
Alan Krock	$ 80,000
Daniel Goehl	$ 50,000
Jim Callas	$ 30,000
Ram Krishnan	$ 40,000
Stephen Lloyd	$ 50,000

The board of directors did not establish a cash bonus target for our chief executive officer for the 2012 fiscal year. Mr. Krock s cash bonus target as well as his non-equity incentive award target, described below, was established on the basis of an entire year s performance. We agreed with Mr. Krock that payment of any cash bonus or non-equity incentive award earned by him would be prorated on the basis of the ten months he was employed by us in fiscal 2012.

Non-Equity Incentive Awards

We structure our annual non-equity incentive awards to reward named executive officers for the successful performance of our company as a whole and of each participating named executive officer as an individual. For the 2012 fiscal year, our compensation committee established a bonus pool available to all of our named executive officers except Mr. Callas, who participated in the bonus pool our compensation committee established available to non-executive employees. The bonus pools were based on our annual plan for the 2012 fiscal year, which took into account net revenue objectives established by the board of directors in consultation with management. The compensation committee chose to distribute the bonus pools to our named executive officers based on the extent to which we attained specified net revenue goals, believing that adequate incentives and controls were in place to encourage the attainment of other objectives established in our annual plan.

The compensation committee delegated the ability to designate our named executive officers fiscal year 2012 target awards to our chief executive officer. The committee designated a fiscal year 2012 target award for our chief executive officer after reviewing this target with our board. The following target awards were allocated to the participating named executive officers by our chief executive officer on the basis of relative salary levels and contributions to our net revenue goals.

Named Executive Officer	Fiscal 2012 Target Award
Steven Nasiri	$ 200,000
Alan Krock	$ 70,000
Jim Callas	$ 8,750
Daniel Goehl	$ 80,000
Ram Krishnan	$ 50,000
Stephen Lloyd	$ 50,000

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For the 2012 fiscal year, the target awards for each of our named executive officers were subject to a percentage adjustment based on a target revenue goal of $145.0 million based on the following schedule, except Mr. Callas, whose maximum target award adjustment was 200%:

	Revenue Attainment				
	Under Goal	100% to 105% of Goal	105% to 110% of Goal	110% to 115% of Goal	Above 115% of Goal
Target Award Adjustment:	0%	100%	150%	200%	300%

After determining that we had achieved a target award adjustment of 150% for each of our named executive officers based on total revenue of $153.5 million during the 2012 fiscal year, we calculated the actual cash payments for our named executive officers in accordance with the following formula:

$$\text{Actual Cash Payment} = \text{2012 Target Award Amount} * \frac{\text{(Average Score from Annual Review)}}{100}$$

Equity Awards

We believe that equity ownership in our company is an important component of each named executive officer s total compensation because it promotes long-term performance by aligning the interests of our named executive officers with the interests of our stockholders. We believe that equity awards will incentivize our named executive officers to achieve long-term performance because they provide greater opportunities for our named executive officers to benefit from any future successes in our business. We have not adopted stock ownership guidelines, and, other than stock acquired by our founder, our equity compensation plans have provided the principal method for our named executive officers to acquire equity or equity-linked interests in our company.

The number of shares subject to options granted to each named executive officer is determined by our compensation committee based upon several factors, including individual performance reviews and the levels of equity ownership we believe to be representative of and competitive with ownership levels of officers having similar responsibilities in technology companies of similar scale and stage of development to ours. In addition to the annual awards, grants of options may be made to executive officers as an inducement to accept employment, following a significant change in job responsibility or in recognition of a significant achievement. The exercise price of options granted under our equity incentive plans is equal to or exceeds the fair market value of the underlying shares on the date of grant. Our equity incentive plans are more fully described below in the section titled Employee Benefit and Equity Plans.

Policies with Respect to Equity Compensation Awards

During fiscal year 2012, we granted options to purchase shares of our common stock under our 2004 Stock Incentive Plan and, following completion of our initial public offering, our 2012 Stock Incentive Plan. Both plans allow us to grant options, restricted stock, and other equity awards. We grant options with exercise prices equal to or in excess of the fair market value of our common stock as of the date of grant. Our shares of common stock were publicly traded only during part of fiscal year 2012. The fair market value of our shares of common stock and the corresponding exercise prices of our option grants granted prior to the completion of our initial public offering were determined by our board of directors considering the input of an independent third-party valuation firm. The fair market value of shares of common stock and the corresponding exercise prices of our option grants following our initial public offering is established as the closing sale price of our common stock on the NYSE on the date a grant is made.

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Executive Compensation Tables

Summary Compensation Table

The following table presents information regarding compensation earned by or awards to our named executive officers for fiscal year 2012 during each of our last three fiscal years.

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Option Awards ($)(1)	Non-Equity Incentive Plan Compen- sation ($)	All Other Compen- sation ($)(2)	Total ($)
Steven Nasiri	2012	337,500		1,640,828	300,000	8,101	2,286,429
	2011	275,000			225,000	11,288(4)	511,288
President and Chief Executive Officer (Principal Executive Officer)	2010	275,000			150,000	4,963	429,963
Alan Krock(3)	2012	163,114	50,000	1,854,409	65,625	4,157	2,137,305
Vice President and Chief Financial Officer (Principal Financial Officer)							
Jim Callas(3)	2012	177,853	22,530	46,936	13,334	68,739(5)	329,392
	2011	92,885		236,368	4,514	1,612	335,379
Corporate Controller and Former Interim Chief Financial Officer (Former Principal Financial Officer)							
Daniel Goehl	2012	190,880	38,500	271,279	92,400	9,720	602,780
	2011	175,000	42,500	86,805	63,750	7,608	375,663
Vice President Worldwide Sales	2010	175,000	34,483		47,250	6,259	262,992
Ram Krishnan	2012	193,846(6)	31,200	174,937	58,500	1,066	459,549
	2011	200,000	34,000	76,608	51,000	670	362,278
Vice President Operations	2010	200,000	22,350	67,100	37,250	492	327,192
Stephen Lloyd	2012	205,270	42,500	141,364	63,750	11,365	464,249
	2011	205,000	29,750	153,216	44,625	10,632	443,223
Vice President Engineering and New Product Development	2010	202,635(7)	15,100		22,650	8,879	249,264

(1) This column reflects the aggregate grant date fair value of option awards granted to our named executive officers estimated pursuant to Financial Accounting Standards Board Accounting Standards Codification Topic 718 (FASB ASC Topic 718). The amounts reported for the stock option awards are based on the grant date fair value computed in accordance with FASB ASC Topic 718. The assumptions made in the valuation of the stock option awards are discussed in Note 6, *Stockholders Equity*, of the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended April 1, 2012 which was filed with the SEC on June 19, 2012.

(2) This column includes our company s contribution to the executive s medical and life insurance payments, health savings account contributions and gym memberships.

(3) Mr. Krock has served as our chief financial officer from May 2011, and Mr. Callas served as our interim chief financial officer from January 2011 to May 2011.

(4) Includes a pay-out of Mr. Nasiri s accrued vacation of $5,288.

(5) Includes a bonus of $60,000 for Mr. Callas s service as our interim chief financial officer.

(6) Inludes Mr. Krishnan s salary of $200,000, less unpaid leave of $6,154.

(7) Includes Mr. Lloyd s salary of $205,000 less unpaid leave of $2,365.

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Grants of Plan-Based Awards

The following table sets forth certain information with respect to grants of plan-based awards to our named executive officers during fiscal year 2012.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Based Plans Target ($)	Maximum ($)	Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards ($)(1)
Steven Nasiri		200,000	600,000			
	10/21/2011			500,000	7.32	1,640,828
Alan Krock		70,000	210,000			
	7/9/2011			500,000	7.32	1,791,534
	10/21/2011			20,000	7.32	62,876
Jim Callas		8,750	17,500			
	11/25/2011			10,000	10.10	46,936
Daniel Goehl		80,000	240,000			
	10/21/2011			85,000	7.32	271,279
Ram Krishnan		50,000	150,000			
	10/21/2011			55,000	7.32	174,937
Stephen Lloyd		50,000	150,000			
	10/21/2011			45,000	7.32	141,364

(1) This column reflects the aggregate grant date fair value of option awards granted to our named executive officers estimated pursuant to Financial Accounting Standards Board Accounting Standards Codification Topic 718. The assumptions made in the valuation of the stock option awards are discussed in Note 6, Stockholders Equity, of the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended April 1, 2012 which was filed with the SEC on June 19, 2012.

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Outstanding Equity Awards at the End of Fiscal Year 2012

The following table presents, for the fiscal year ended April 1, 2012, certain information regarding outstanding equity awards held by our named executive officers at April 1, 2012.

		Option Awards			
Name	**Grant Date**	**Number of Securities Underlying Unexercised Options Exercisable (#)**	**Number of Securities Underlying Unexercised Options Unexercisable (#)**	**Option Exercise Price ($)**	**Option Expiration Date**
Steven Nasiri	3/28/2008	1,534,714(1)		0.70	3/27/2018
	10/21/2011	(2)	500,000	7.32	10/20/2021
Alan Krock	7/9/2011	(3)	500,000	7.32	7/8/2021
	10/21/2011	(4)	20,000	7.32	10/20/2021
Jim Callas	10/21/2011	30,000(5)	50,000	5.13	10/20/2021
	1/19/2011	5,833(6)	14,167	6.11	1/18/2021
	11/25/2011	(7)	10,000	10.10	11/24/2021
Dan Goehl	3/1/2007	57,292(8)		0.17	2/28/2017
	3/28/2008	43,750(9)	10,000	0.70	3/27/2018
	3/31/2010	(10)	10,000	5.07	3/30/2020
	1/19/2011	(11)	20,000	6.11	1/18/2021
	10/21/2011	10,000(12)	50,000	7.32	10/20/2021
	10/21/2011	(4)	25,000	7.32	10/20/2021
Ram Krishnan	4/12/2007	412,500(13)		0.32	4/11/2017
	1/27/2010	(14)	50,000	2.97	1/26/2020
	1/19/2011	(15)	25,000	6.11	1/18/2021
	10/21/2011	(16)	30,000	7.32	10/20/2021
	10/21/2011	(4)	25,000	7.32	10/20/2021
Stephen Lloyd	12/10/2008	243,750(17)	56,250	1.02	12/9/2018
	1/19/2011	(18)	50,000	6.11	1/18/2021
	10/21/2011	(19)	20,000	7.32	10/20/2021
	10/21/2011	(4)	25,000	7.32	10/20/2021

(1) The option vested with respect to 1/48th of the total shares subject to the option monthly for 48 months, such that all the shares were fully vested upon the fourth anniversary of the option s vesting commencement date of March 28, 2008.

(2) The option vests with respect to 1/40th of the total shares subject to the option monthly from the vesting commencement date of April 1, 2012 for 36 months, with 1/120th monthly for the subsequent 12 months.

(3) The option vests with respect to 1/4th of the total shares subject to the option on the first anniversary of the vesting commencement date of May 31, 2011, and with respect to 1/48th of the total shares subject to the option monthly thereafter for 36 months, such that all the shares will be fully vested upon the fourth anniversary of the option s vesting commencement date.

(4) The option vests with respect to 1/12th of the total shares subject to the option monthly from the vesting commencement date of April 1, 2015.

(5) The option vests with respect to 1/4th of the total shares subject to the option on the first anniversary of the vesting commencement date of September 2, 2010, and with respect to 1/48th of the total shares subject to the option monthly thereafter for 36 months, such that all the shares will be fully vested upon the fourth anniversary of the option s vesting commencement date.

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(6) The option vests with respect to 1/4th of the total shares subject to the option on the first anniversary of the vesting commencement date of January 18, 2011, and with respect to 1/48th of the total shares subject to the option monthly thereafter for 36 months, such that all the shares will be fully vested upon the fourth anniversary of the option s vesting commencement date.

(7) The option vests with respect to 1/4th of the total shares subject to the option on the first anniversary of the vesting commencement date of February 1, 2012, and with respect to 1/48th of the total shares subject to the option monthly thereafter for 36 months, such that all the shares will be fully vested upon the fourth anniversary of the option s vesting commencement date.

(8) The option vested with respect to 1/4th of the total shares subject to the option on the first anniversary of the vesting commencement date of March 1, 2007, and with respect to 1/48th of the total shares subject to the option monthly thereafter for 36 months, such that all the shares were fully vested as of March 1, 2011.

(9) The option vests with respect to 1/48th of the total shares subject to the option monthly for 48 months, such that all the shares will be fully vested upon the fourth anniversary of the option s vesting commencement date of November 15, 2008.

(10) The option vests with respect to all of the shares subject to the option 45 months after the vesting commencement date of February 15, 2010.

(11) The option vests with respect to all of the shares subject to the option 45 months after the vesting commencement date of February 15, 2011.

(12) The option vests with respect to 1/36th of the total shares subject to the option monthly from the vesting commencement date of October 1, 2011.

(13) The option vested with respect to 109,375 of the total shares subject to the option on the first anniversary of the vesting commencement date of April 9, 2007, with respect to 9,115 of the total shares subject to the option monthly thereafter for 36 months and with respect to an additional 62,500 of the total shares subject to the option on each of the third and fourth anniversaries of the vesting commencement date, such that all shares were fully vested as of April 12, 2011.

(14) The option vests with respect to half of the total shares subject to the option 30 months after the option s vesting commencement date of October 9, 2009, and with respect to the remaining half of the total shares subject to the option 42 months after the vesting commencement date.

(15) The option vests with respect to all of the shares subject to the option 39 months after the option s vesting commencement date of January 9, 2011.

(16) The option vests with respect to 1/36th of the total shares subject to the option monthly from the vesting commencement date of April 1, 2012.

(17) The option vests with respect to 1/4th of the total shares subject to the option on the first anniversary of the vesting commencement date of December 8, 2008, and with respect to 1/48th of the total shares subject to the option monthly thereafter for 36 months, such that all the shares will be fully vested upon the fourth anniversary of the option s vesting commencement date.

(18) The option vests with respect to half of the shares subject to the option 34 months after the vesting commencement date of February 8, 2011, and with respect to the remaining half of the total shares subject to the option 46 months after the vesting commencement date.

(19) The option vests with respect to 1/24th of the total shares subject to the option monthly from the vesting commencement date of April 1, 2013.

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Option Exercises and Stock Vested

No stock options or stock awards held by our named executive officers were exercised or vested, respectively, during our 2012 fiscal year.

Employment Agreements; Change in Control Arrangements; and Potential Payments Upon Termination or Change in Control

Severance and Change in Control Policies

We adopted changes to our policies relating to the severance and change in control arrangements of our named executive officers that became effective on August 1, 2011 with respect to named executive officers employed by us on that date who remain named executive officers. These changes provide benefits that are in addition to those provided for in any existing employment agreements with the named executive officers.

Under these arrangements, if Mr. Nasiri is terminated without cause or for good reason (as those terms are defined in our change-in-control policy), he will be eligible to receive the following severance:

- an amount equal to 12 months of his then-current base salary, payable at our option in the form of salary or in a lump sum;
- an amount equal to the lower of his current year target bonus or the amount of his most recent bonus paid to him; and
- payment of 18 months of continued medical insurance premiums under COBRA, if elected by him.

If any of our other named executive officers are terminated without cause (as that term is defined in our change-in-control policy), he will be eligible to receive the following severance:

- an amount equal to 9 months of his then-current base salary, payable at our option in the form of salary or in a lump sum; and
- payment of 18 months of continued medical insurance premiums under COBRA, if elected by him.

In the event we undergo a change of control (as that term is defined in our change-in-control policy) and we or our successor in interest terminates Mr. Nasiri s employment, or Mr. Nasiri terminates his employment for good reason (as defined in the policy), he will be eligible to receive the following severance:

- an amount equal to 18 months of his then-current base salary, payable at our option in the form of salary or in a lump sum;
- an amount equal to 150 percent of the lower of his current year target bonus or the amount of his most recent bonus paid to him;
- payment of 18 months of continued medical insurance premiums under COBRA, if elected by him; and
- the full acceleration of vesting (or release from our repurchase rights, as applicable) with respect to his stock (including options) then subject to vesting (or repurchase, as applicable).

In the event we undergo a change of control (as that term is defined in our change-in-control policy) and we or our successor in interest terminates the employment of any of our other named executive officers, or any such named executive officer terminates his employment for good reason (as defined in our change-in-control policy), he will be eligible to receive the following severance:

an amount equal to 12 months of his then-current base salary, payable at our option in the form of salary or in a lump sum;

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- an amount equal to the lower of his current year target bonus or the amount of his most recent bonus paid to him;
- payment of 18 months of continued medical insurance premiums under COBRA, if elected by him; and
- the acceleration of vesting (or release from our repurchase rights, as applicable) with respect to 50 percent of his stock (including options) then subject to vesting (or repurchase, as applicable).

Steven Nasiri

Effective as of April 14, 2004, we entered into an executive employment agreement with Steven Nasiri, our President and Chief Executive Officer. Under the agreement, Mr. Nasiri is entitled to a base annual salary, which is currently $375,000, and may receive a yearly bonus and additional stock option grants. The agreement further provides that Mr. Nasiri is eligible to receive (i) the benefits we make generally available to similarly-situated executives in accordance with our benefit plans, (ii) vacation benefits and (iii) reimbursement for reasonable expenses incurred in the performance of his duties. The agreement provides that either party may terminate the employment arrangement for any reason or no reason, but four weeks notice is required if the agreement is terminated by Mr. Nasiri.

In addition to the benefits provided in the severance and change of control policy, Mr. Nasiri s executive employment agreement also provides that if (i) we terminate Mr. Nasiri s employment other than for cause (as defined in the agreement) and other than following a change of control (as defined in the agreement), or (ii) Mr. Nasiri terminates his employment for good reason (as defined in the agreement), Mr. Nasiri will be eligible to receive nine months acceleration of vesting (or release from our repurchase rights, as applicable) with respect to his stock (including options) then subject to vesting (or repurchase, as applicable).

Further, his agreement provides that in the event of Mr. Nasiri s death or disability, he will be eligible to receive the following severance:

- an amount equal to two months of his then-current base salary payable in the form of salary continuation; and
- three months acceleration of vesting (or release from our repurchase rights, as applicable) with respect to his stock (including options) then subject to vesting (or repurchase, as applicable).

Mr. Nasiri shall not be entitled to any severance payments or acceleration of vesting (or release from our repurchase rights, as applicable) on his stock (including options) then subject to vesting (or repurchase, as applicable) if his employment is terminated for cause (as defined in the agreement), in which case he shall only be paid all compensation to which he is entitled through the date of his termination.

In addition, subject to the terms of the employment agreement, during his term of employment and for one year thereafter, Mr. Nasiri has agreed not to solicit or otherwise induce any of our employees to terminate their employment with us and not to disclose to us or induce us to use proprietary information or trade secrets of others at any time.

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The following table describes the estimated compensation that would have been paid to Mr. Nasiri in the event of his termination or resignation, assuming such termination or resignation was effective on April 1, 2012, the last day of our 2012 fiscal year. The actual amounts to be paid in the event of a termination of employment can only be determined at the time of Mr. Nasiri s separation from us.

Benefit and Payments Upon Separation	Termination Without Cause	Resignation For Good Reason	Termination Due to Death or Disability	Termination for Cause	Resignation Without Good Reason	Termination or Resignation For Good Reason Following a Change of Control	Resignation Without Good Reason Following a Change of Control
Cash severance payment	$ 575,000	$ 575,000	$ 62,500	$	$	$ 862,500	$
Accelerated vesting of options(1)	1,212,750	1,212,750	404,250			5,390,000	
COBRA Payments	27,000	27,000				27,000	
Total	$ 1,814,750	$ 1,814,750	$ 466,750	$	$	$ 6,279,500	$

(1) The value of accelerated vesting of options was calculated by multiplying (x) the number of shares subject to acceleration by (y) the difference between the estimated fair market value of $18.10 per share of our common stock on the last day of our 2012 fiscal year and the per share exercise price of the accelerated options. On the last day of our 2012 fiscal year, Mr. Nasiri held 37,500 shares of our common stock issuable pursuant to options subject to three months acceleration, 112,500 shares of our common stock issuable pursuant to options subject to nine months acceleration and 500,000 shares of our common stock issuable pursuant to options subject to full acceleration.

Alan Krock

Effective May 31, 2011, we entered into an employment agreement with Alan Krock for employment as Chief Financial Officer. Under the agreement and subsequent adjustments to his compensation approved by our board of directors, Mr. Krock is entitled to a base salary of $220,000, a performance payment of up to $80,000 payable within the first four weeks of the commencement of fiscal year 2013 and an option to purchase 500,000 shares of our common stock, which was granted by the board subsequent to July 3, 2011. The option vests with respect to 1/4 of the