

EMCORE CORP  
Form PRE 14A  
December 24, 2014  
[Table of Contents](#)

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

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

Filed by the Registrant  X

Filed by a Party other than the Registrant  O

Check the appropriate box:

- x Preliminary Proxy Statement
- o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- o Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material under §240.14a-12

**EMCORE CORPORATION**

(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.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  - (2) Aggregate number of securities to which transaction applies:
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  - (4) Proposed maximum aggregate value of transaction:
  - (5) Total fee paid:
- o Fee paid previously with preliminary materials.
- o

## Edgar Filing: EMCORE CORP - Form PRE 14A

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:
-

Table of Contents

**EMCORE CORPORATION**

**2015 W. Chestnut Street**

**Alhambra, California, 91803**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON TUESDAY, MARCH 10, 2015**

**Important Notice Regarding the Availability of Proxy Materials For the Annual Meeting of Shareholders to Be Held on March 10, 2015:**  
Our 2014 Annual Report and the accompanying proxy materials are available at  
<https://materials.proxyvote.com/290846>.

*To our Shareholders:*

The 2015 Annual Meeting of Shareholders (the Annual Meeting ) of EMCORE Corporation (the Company ) will be held at 8:00 A.M. local time on Tuesday, March 10, 2015, at the Pasadena Hilton Hotel located at 168 So. Los Robles Avenue, Pasadena, California, 91101, for the following purposes:

- (1) To elect two (2) members to the Company s Board of Directors;
- (2) To ratify the selection of KPMG LLP as the Company s independent registered public accounting firm for the fiscal year ending September 30, 2015;
- (3) To provide an advisory vote on executive compensation of the Company s Named Executive Officers;
- (4) To provide for shareholder approval of the Tax Benefits Preservation Plan; and
- (5) To transact such other business as may properly come before the Annual Meeting and any adjournments or postponements thereof.

The Board of Directors has fixed the close of business on January 13, 2015 as the record date for determining those shareholders entitled to notice of, and to vote at, the Annual Meeting and any adjournments or postponements thereof. Whether or not you expect to be present at the Annual Meeting, please vote and submit your proxy as promptly as possible in order to assure the presence of a quorum. You may vote by telephone, Internet or mail. If you vote by telephone or Internet, you do not have to send a proxy card via the mail. This notice and the accompanying Proxy Statement are being mailed on or about January 23, 2015.

Edgar Filing: EMCORE CORP - Form PRE 14A

By Order of the Board of Directors,

/s/ Alfredo Gomez, Esq.  
Alfredo Gomez  
Secretary

January 23, 2015

Alhambra, California

THIS IS AN IMPORTANT MEETING AND ALL SHAREHOLDERS ARE INVITED TO ATTEND THE MEETING IN PERSON. ALL SHAREHOLDERS OF RECORD AS OF THE CLOSE OF BUSINESS ON JANUARY 13, 2015 ARE RESPECTFULLY URGED TO VOTE AND SUBMIT A PROXY AS PROMPTLY AS POSSIBLE. SHAREHOLDERS OF RECORD WHO EXECUTE A PROXY MAY NEVERTHELESS ATTEND THE ANNUAL MEETING, REVOKE THEIR PROXY, AND VOTE THEIR SHARES IN PERSON.

---

Table of Contents

**EMCORE CORPORATION**

**PROXY STATEMENT**

**TABLE OF CONTENTS**

	<b>Page</b>
<b><u>Annual Meeting of Shareholders</u></b>	1
<u>Purposes of the Meeting</u>	1
<u>Outstanding Voting Securities and Voting Rights</u>	1
<u>Internet Availability of Proxy Materials</u>	2
<u>Information Concerning the Proxy</u>	3
<b><u>Proposal I:</u></b>	4
<b><u>Election of Directors</u></b>	4
<u>Directors and Executive Officers</u>	4
<u>Recommendation of the Board of Directors</u>	8
<u>Governance of the Company</u>	9
<u>Director Compensation for Fiscal Year 2014</u>	14
<b><u>Compensation Discussion and Analysis</u></b>	17
<u>Executive Compensation</u>	23
<u>Compensation Committee Report</u>	29
<u>Compensation Committee Interlocks and Insider Participation</u>	29
<u>Compensation Risk</u>	29
<b><u>Ownership of Securities</u></b>	30
<u>Security Ownership of Certain Beneficial Owners and Management</u>	30
<u>Equity Compensation Plan Information</u>	33
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	33
<b><u>Proposal II:</u></b>	34
<b><u>Ratification of the Appointment of Independent Registered Public Accounting Firm</u></b>	34
<u>Recommendation of the Board of Directors</u>	34
<u>Fiscal Years 2014 &amp; 2013 Auditor Fees and Services</u>	34
<u>Report of the Audit Committee</u>	35
<b><u>Proposal III:</u></b>	36
<b><u>Advisory Vote on Executive Compensation</u></b>	36
<u>Recommendation of the Board of Directors</u>	36
<b><u>Proposal IV:</u></b>	37
<b><u>Shareholder Vote on Tax Benefits Preservation Plan</u></b>	37
<u>Description of Tax Benefits Preservation Plan</u>	37
<u>Recommendation of the Board of Directors</u>	40
<b><u>General Matters</u></b>	41

Table of Contents

**EMCORE CORPORATION**

**2015 W. Chestnut Street**

**Alhambra, California, 91803**

**PROXY STATEMENT**

**ANNUAL MEETING OF SHAREHOLDERS**

**March 10, 2015**

This Proxy Statement is being furnished to shareholders of record of EMCORE Corporation (the "Company") as of the close of business on January 13, 2015, in connection with the solicitation on behalf of the Board of Directors of the Company of proxies for use at the 2015 Annual Meeting of Shareholders (the "Annual Meeting") to be held at 8:00 A.M. local time, on March 10, 2015, at the Pasadena Hilton Hotel located at 168 So. Los Robles Avenue, Pasadena, California, 91101, or at any adjournments or postponements thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders. This Proxy Statement and the related proxy materials are first being mailed to shareholders, or made available on the Internet, as applicable, beginning on or about January 23, 2015. Shareholders should review the information provided herein in conjunction with the Company's 2014 Annual Report to Shareholders. The Company's principal executive office is located at 2015 W. Chestnut Street, Alhambra, California, 91803.(1) The Company's main telephone number is (626) 293-3400. The Company's principal executive officers may be reached at the foregoing business address and telephone number.

**PURPOSES OF THE MEETING**

At the Annual Meeting, the Company's shareholders will consider and vote upon the following matters:

- (1) To elect two (2) members to the Company's Board of Directors;
- (2) To ratify the selection of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending September 30, 2015;
- (3) To provide an advisory vote on executive compensation of the Company's Named Executive Officers;
- (4) To provide for shareholder approval of the Tax Benefits Preservation Plan; and

(5) To transact such other business as may properly come before the Annual Meeting and any adjournments or postponements thereof.

Unless contrary instructions are indicated on the accompanying proxy, all shares represented by valid proxies received pursuant to this solicitation (and that have not been revoked in accordance with the procedures set forth below) will be voted: (1) FOR the election of the nominees for director named below; (2) FOR ratification of KPMG LLP as the Company's independent registered public accounting firm; (3) FOR the approval, on an advisory basis, of the Company's executive compensation; (4) FOR the approval of the Tax Benefits Preservation Plan, and (5) by the proxies in their discretion upon any other proposals as may properly come before the Annual Meeting. In the event a shareholder specifies a different choice by means of the accompanying proxy, such shareholder's shares will be voted in accordance with the specification so made.

**OUTSTANDING VOTING SECURITIES AND VOTING RIGHTS**

As of the close of business on January 13, 2015 (the Record Date), the Company had [ ] shares of no par value common stock ( Common Stock ) issued and outstanding. Each shareholder of record on the Record Date is entitled to one vote on all matters presented at the Annual Meeting for each share of Common Stock held by such shareholder. The presence, either in person or by properly executed proxy, of the holders of the majority of the shares of Common Stock entitled to vote at the Annual Meeting is necessary to constitute a quorum at the Annual Meeting. Attendance at the Annual Meeting will be limited to shareholders as of the Record Date, their authorized representatives, and guests of the Company.

---

(1) The Company relocated its headquarters from Albuquerque, New Mexico to Alhambra, California, in December 2014.

Table of Contents

If your shares of Common Stock are registered directly in your name with the Company's transfer agent, American Stock Transfer & Trust Company, as of the Record Date, you may vote:

- (1) *By Internet:* Go to ***www.proxyvote.com*** and follow the instructions;
- (2) *By Telephone:* Call toll-free to ***1-800-690-6903*** and follow the instructions;
- (3) *By Mail:* If you request a copy of the proxy materials by mail, complete, sign, date and return your proxy card in the envelope supplied to you with written proxy materials; or
- (4) *In Person:* Attend the Annual Meeting and vote by ballot.

If your shares are held by a bank, broker or other holder of record, you are a beneficial owner of those shares rather than a shareholder of record. If you are a beneficial owner, your bank, broker or other holder of record will forward the proxy materials to you. As a beneficial owner, you have the right to direct your bank, broker or other holder of record how to vote your shares by following the voting instructions provided by your bank, broker or other holder of record. Please refer to the proxy materials forwarded by your bank, broker or other holder of record to see if the voting options described above are available to you. Please note that if your shares of Common Stock are held by a bank, broker or other holder of record and you wish to vote at the Annual Meeting, you must present proof of ownership of the Company's Common Stock ( Common Stock ) as of the Record Date before you will be permitted to vote in person.

Except as noted below, you may use the Internet or any touch-tone telephone to transmit your voting instructions up until 11:59 p.m., Eastern Time, on Monday, March 9, 2015. Your proxy, whether submitted by telephone, via the Internet or by mail, may nevertheless be revoked at any time prior to the voting thereof at your discretion either by a written notice of revocation received by the person or persons named therein or by voting the shares covered thereby in person or by another proxy dated subsequent to the date thereof.

Prudential Financial ( Prudential ) is the holder of record of the shares of Common Stock held in the Company's 401(k) plan. If you are a participant in this plan, you are the beneficial owner of the shares of Common Stock credited to your plan account. As beneficial owner, you have the right to instruct Prudential, as plan administrator, how to vote your shares. In the absence of voting instructions, Prudential has the right to vote shares at its discretion. The vote you submit via proxy card, the telephone or Internet voting systems will serve as your voting instructions to Prudential. **To allow sufficient time for Prudential to vote your 401(k) plan shares, your vote must be received by 11:59 p.m., Eastern Time, on Saturday, March 7, 2015.**

The vote required for approval of each of the proposals before the shareholders at the Annual Meeting is as follows:

For Proposal I Election of Director, the nominees for director will be elected by a plurality of the votes cast in person or by proxy at the Annual Meeting. Each shareholder may vote for or withhold such vote from the nominees. The two nominees who receive the most votes that are properly cast at the Annual Meeting will be elected. For each of Proposal II Ratification of the Appointment of Independent Registered Public Accounting Firm, Proposal III Advisory Vote on Executive Compensation, and Proposal IV Approval of the Tax Benefits Preservation Plan, an affirmative vote of a majority of shares present in person or represented by proxy and that are entitled to vote on such proposal at the Annual Meeting is required to approve each such proposal. Each shareholder may vote for, vote against or abstain from voting on each of these



## Edgar Filing: EMCORE CORP - Form PRE 14A

proposals. Abstentions (with respect to Proposals II through IV) and broker non-votes (with respect to Proposals I, III and IV), are not counted as votes cast and will have no effect on the outcome of the vote for each proposal.

A broker non-vote occurs when a bank or broker does not vote on a particular proposal because such bank or broker does not have discretionary voting power with respect to that proposal and has not received voting instructions from the beneficial owner of the shares. If you hold your shares through a bank or broker and do not provide voting instructions to the bank or broker, then under the applicable New York Stock Exchange rules, the bank or broker may vote your shares in its discretion with respect to Proposal II above, but may not vote your shares with respect to any of the other proposals. If no such instructions are received by the bank or broker in respect of Proposal I, III, or IV the result will be a broker non-vote in respect of those proposals.

Please note that the proposals regarding executive compensation and the ratification of the appointment of our independent registered public accounting firm are advisory only and will not be binding on the Company or the Board. The results of the votes on those advisory proposals will be taken into consideration by the Company, the Board or the appropriate committee of the Board, as applicable, when making future decisions regarding these matters.

### **INTERNET AVAILABILITY OF PROXY MATERIALS**

The Company has elected to furnish its proxy materials over the Internet rather than mailing paper copies of those materials. On or about January 23, 2015, the Company mailed to shareholders a Notice of Internet Availability of Proxy Materials (the Notice of Internet Availability ) directing shareholders to a website where they can access this Proxy Statement and the Company's 2014 Annual Report and view instructions on how to submit a proxy via the Internet or by touch-tone telephone. If shareholders wish to receive a paper copy of the Company's proxy materials, please follow the instructions included in the Notice of Internet Availability.

Table of Contents

**INFORMATION CONCERNING THE PROXY**

The accompanying proxy is solicited on behalf of the Company's Board of Directors. The giving of a proxy does not preclude the right to vote in person should any shareholder of record giving the proxy so desire. Shareholders of record have an unconditional right to revoke their proxy at any time prior to the exercise thereof, either in person at the Annual Meeting or by filing with the Company's Secretary at the Company's headquarters a written revocation or duly executed proxy bearing a later date; however, no such revocation will be effective until written notice of the revocation is received by the Company at or prior to the Annual Meeting. Beneficial shareholders, those whose shares are held by a bank, broker or other holder of record, must refer to the proxy materials forwarded by their bank, broker or other holder of record to see if and how to revoke their proxy.

The cost of preparing and making available this Proxy Statement, the Notice of Annual Meeting of Shareholders, and the proxy is borne by the Company. In addition to the use of the Internet, employees of the Company may solicit proxies personally and by telephone. The Company's employees will receive no compensation for soliciting proxies other than their regular salaries. The Company has retained Morrow & Co., LLC, of 470 West Ave, Stamford, CT 06902, to assist in the solicitation of proxies at an estimated cost of \$15,000 plus expenses. In addition, solicitation of proxies may be made by additional mailings, electronic mail, telephone or in person by directors, officers or regular employees of the Company. The Company may request banks, brokers and other custodians, nominees, and fiduciaries to forward copies of the proxy material to their principals and to request authority for the execution of proxies. The Company may reimburse such persons for their expenses in so doing.

We intend to mail, or make available on the Internet (as applicable), this Proxy Statement and accompanying proxy card and 2014 Annual Report on or about January 23, 2015 to all shareholders entitled to vote at the Annual Meeting. This Proxy Statement and our 2014 Annual Report will be available under the Investor tab on our website ([www.emcore.com](http://www.emcore.com)) beginning on or about January 23, 2015.

Table of Contents**PROPOSAL I:****ELECTION OF DIRECTORS**

Pursuant to the Company's Restated Certificate of Incorporation, the Board of Directors of the Company is divided into three classes, as set forth in the following table. The directors in each class hold office for staggered terms of three years. The Class C director, Mr. Domenik is being proposed for a three-year term (expiring in 2018) at this Annual Meeting. An appointed Class B director, Mr. Rittichier is being proposed for the remainder of Class B's two-year term (expiring in 2017) at this Annual Meeting.

The shares represented by proxies will be voted, unless otherwise specified, in favor of the nominees for the Board of Directors named below. If, as a result of circumstances not known or unforeseen, the nominees shall be unavailable to serve as director, proxies will be voted for the election of such other person as the Board of Directors may select.

The following table sets forth certain information regarding the members of and nominees for the Board of Directors:

<b>Name and Other Information</b>	<b>Age</b>	<b>Class and Year in Which Term Will Expire</b>	<b>Principal Occupation</b>	<b>Served as Director Since</b>
<b><u>NOMINEES FOR ELECTION AT THE ANNUAL MEETING</u></b>				
Stephen L. Domenik (1)(3)(4)(5)	63	Class C 2015	General Partner, Sevin Rosen Funds	2013
Jeffrey Rittichier	55	Class B 2016	Chief Executive Officer, EMCORE Corporation	2015
<b><u>DIRECTORS WHOSE TERMS CONTINUE</u></b>				
Charles T. Scott (1)(3)(5)	65	Class B 2016	Director, EMCORE Corporation	1998
Robert L. Bogomolny (1)(2)(5)	76	Class A 2017	President Emeritus and Professor of Law, University of Baltimore	2002
Steven R. Becker (2)(4)(5)	48	Class A 2017	Co-Founder and Managing Director Becker Drapkin Management, L.P.	2013
Gerald J. Fine, Ph.D. (2)(3)(5)	56	Class A 2017	Professor of Practice and Director of the Engineering Product Innovation Center (EPIC) at Boston University	2013

- 
- (1) Member of Audit Committee.
  - (2) Member of Nominating Committee.
  - (3) Member of Compensation Committee.

- (4) Member of Strategy and Alternatives Committee.
- (5) Determined by the Board of Directors to be an independent director according to the rules of The Nasdaq Stock Market ( Nasdaq ).

**DIRECTORS AND EXECUTIVE OFFICERS**

Set forth below is certain information with respect to the nominees for the office of director and other directors and executive officers of the Company. Ages are listed as of the record date.

Table of Contents

**Directors**

ROBERT L. BOGOMOLNY, 76, has served as a director of the Company since April 2002. Since July 2014, Mr. Bogomolny has served as President Emeritus and Professor of Law of the University of Baltimore. Mr. Bogomolny served as President of the University of Baltimore from August 2002 until July 2014. Prior to that, he served as Corporate Senior Vice President and General Counsel of G.D. Searle & Company, a pharmaceuticals manufacturer, from 1987 to 2001. At G.D. Searle, Mr. Bogomolny was responsible at various times for its legal, regulatory, quality control, and public affairs activities. He also led its government affairs department in Washington, D.C., and served on the Searle Executive Management Committee. Mr. Bogomolny's business, management, legal, regulatory, public policy and government affairs experience, as well as his familiarity with the Company's business garnered through his tenure as a director, were the primary qualifications that have led the Board to conclude that he should serve as a director of our Company.

STEVEN BECKER, 48, has been a director of the Company since December 2013. Mr. Becker co-founded Becker Drapkin Management, L.P. (Becker Drapkin) (previously known as Greenway Capital), a Dallas-based investment fund focused on constructive activism in the small cap market, and has served as its managing partner since September 2004. Prior to founding Becker Drapkin, Mr. Becker was a partner at Special Situations Funds, a New York City-based asset manager, where he ran the Special Situations Private Equity Fund from its inception until leaving. Before joining Special Situations, Mr. Becker was a part of the distressed debt and leveraged equities research team at Bankers Trust Securities. Mr. Becker started his career at Manley Fuller Asset Management in New York as a small cap analyst. Mr. Becker currently serves on the board of directors of three publicly traded companies. He has been a director of Tuesday Morning Corp., a closeout retailer, since July 2012; Fuel Systems Solutions, Inc., an alternative fuel systems manufacturer, since October 2014; and Special Diversified Opportunities (SDO) (formerly known as Strategic Diagnostics, Inc), a provider of biotechnology-based products and services, since March 2008. In addition, Mr. Becker previously served on the board of directors of Plato Learning, Inc., a provider of education services and training, Ruby Tuesday, Inc., the operator of a national restaurant chain, Pixelworks, Inc., a semiconductor company, and Hot Topic, Inc., an apparel retailer. Mr. Becker received a B.A. from Middlebury College and a J.D. from the University of Florida. Mr. Becker's expertise in corporate finance, strategic planning, and corporate governance, together with his extensive experience serving as director of numerous other boards were the primary qualifications that the Board considered in nominating Mr. Becker as a director of our Company. In addition, as discussed below, pursuant to an agreement (the Settlement Agreement) with Steven R. Becker, Matthew A. Drapkin, Becker Drapkin and certain affiliates of Becker Drapkin (the Shareholder Group), the Board is obligated to nominate Mr. Becker as director at the Annual Meeting.

STEPHEN L. DOMENIK, 63, has served as a director of the Company since December 2013. Since 1995, he has been a General Partner with Sevin Rosen Funds, a venture capital firm, where he led numerous investments in private companies. Mr. Domenik was appointed to the Board of Directors of MoSys, Inc. in June 2012, a publicly-traded IP-rich fabless semiconductor company. He was appointed to the Board of Directors of Pixelworks, Inc., a semiconductor company, in August 2010. He was appointed to the Board of Directors of Meru Networks, Inc., a publicly-traded technology company, in January 2014. In addition, Mr. Domenik is currently Chairman of the Board of a private company. Mr. Domenik previously served on the Boards of Directors of NetLogic Microsystems, Inc., a publicly-traded fabless semiconductor company from January 2001 until it was acquired by Broadcom Corporation in February 2012, and PLX Technology, Inc., a publicly-traded semiconductor company, from December 2013 until it was acquired by Avago Technologies in August, 2014. He holds a B.S. in Physics and an M.S.E.E. from the University of California at Berkeley. Mr. Domenik's expertise in corporate investments and strategic planning in the semiconductor industry, together with his experience serving as director of several other public and private companies were the primary qualifications that the Board considered in nominating him as a director of our Company.

GERALD J. FINE, Ph.D. 56, has served as a director of the Company since December 2013. Dr. Fine has been a Professor of Practice and Director at the Engineering Innovation Center of Boston University since 2012. From 2008 to 2011, Dr. Fine was President and CEO of Schott North America and led operations of all Schott AG businesses in North America, including solar, pharmaceutical packaging, electronic packaging, and lighting and imaging and advanced materials. Dr. Fine also served as Executive Vice President, Photonic Technologies for Corning Incorporated. He previously served on the Board of Directors of several private companies, including CyOptics, Inc., a semiconductor laser manufacturer for telecom applications, Crystal IS, Inc., a UV LED substrate manufacturer, Kotura, Inc., a provider of silicon components for datacom and telecom, and Pixtronix, Inc., a provider of low-cost displays for portable devices. Dr. Fine holds a B.A. from Amherst College

## Edgar Filing: EMCORE CORP - Form PRE 14A

and a Ph.D. from California Institute of Technology. Dr. Fine's technical expertise in the semiconductor field, combined with his business experience serving as an executive officer and board member of several companies were the primary qualifications that the Board considered in nominating Mr. Becker as a director of our Company.

Table of Contents

JEFFREY RITTICHER, 55, joined the Company as its Chief Executive Officer with an effective start date of January 3, 2015. He has worked in the optical communications industry for 16 years, having previously held the positions of President and Chief Executive Officer of Nanostatics Corporation, a producer of nanofiber technology, from April 2009 to December 2014. Prior to that, from November 2007 to April 2009, he served as President and Chief Operating Officer of the electrical testing company Epik Energy Solutions, L.L.C., a joint venture of Royal Dutch Shell, and of NanoDynamics, Inc., focused on commercializing nanotechnology for the energy and petroleum industries. He has also served as Chief Executive Officer of Xponent Photonics, Inc., a manufacturer of surface-mount photonic components for optical assemblies, from October 2001 to November 2007. From April 1999 to October 2001, Mr. Rittichier was VP and General Manager of Lucent's Access Business and Vice President of Marketing at Ortel Corporation, a supplier of optoelectronic components in the cable television, satellite communications, wireless, data communications and telecommunications markets. Mr. Rittichier holds a B.S. in Mechanical Engineering from The Ohio State University. He was awarded the title of Distinguished Alumnus by Ohio State University's College of Engineering in 2011 and has completed the Financial Management Program at Stanford University. Mr. Rittichier's experience as a 16-year optical communications veteran with a demonstrated track record of identifying and realizing optical networking growth opportunities were the primary qualifications that led the Board to conclude that he should serve as a director of our Company.

CHARLES T. SCOTT, 65, has served as a director of the Company since February 1998. He is currently a non-executive director of two other public companies in the United Kingdom, including Flybe Group plc, where he serves on the audit committee, and In Technology plc. From January 1, 2004, until August 31, 2010, he was the Chairman of the Board of Directors of William Hill plc, a leading provider of bookmaking services in the United Kingdom, where he also served on the audit committee. Prior to that, Mr. Scott served as Chairman of a number of companies, including Cordiant Communications Group plc, (formerly Saatchi & Saatchi Company plc), and Robert Walters plc. Mr. Scott is a chartered accountant. Mr. Scott's extensive accounting, finance and business experience, experiences as a Chairman and director at other international companies and familiarity with the Company's business garnered through his tenure as a director of the Company were the primary qualifications that have led the Board to conclude that he should serve as a director of our Company.

**Non-Director Executive Officers**

MARK WEINSWIG, 42, joined the Company in October 2010 as its Chief Financial Officer. Mr. Weinswig previously served as International Finance Director at Coherent, Inc. from September 2009 until October 2010. Prior to that, he served as Interim Chief Financial Officer and Vice President of Finance at Avanex Corporation (now Oclaro) from July 2008 through August 2009. During the period from January 2006 through July 2008, Mr. Weinswig was Director of Finance and Business Unit Controller at Coherent, Inc. From April 2000 through January 2006, Mr. Weinswig served as Vice President, Financial Planning and Business Development at Avanex. Mr. Weinswig's responsibilities in his prior positions included oversight of the financial and accounting functions at his previous companies. Mr. Weinswig began his career working at Morgan Stanley and PricewaterhouseCoopers. He received an M.B.A. from the University of Santa Clara and a B.S. in business administration from Indiana University. He has earned the CFA and CPA designations.

ALFREDO GOMEZ, 42, joined the Company in September 2007 as Corporate Counsel. From July 2009 to June 2010, Mr. Gomez served as Vice President and Deputy General Counsel. In June 2010, Mr. Gomez was promoted to General Counsel and Corporate Secretary. Mr. Gomez started his legal career as a corporate associate with the Newport Beach, California law firm of Stradling Yocca Carlson & Rauth. Prior to joining the Company, Mr. Gomez served as in-house corporate counsel for Western Digital Corporation, from October 2003 to April 2005, and as Director of Legal Affairs for j2 Global Communications, Inc. from April 2005 to September 2007, where he was responsible for handling a wide variety of legal matters affecting the company. Mr. Gomez holds a J.D. from the Georgetown University Law Center, and a Bachelor degree in Economics from Stanford University.

Table of Contents

**Arrangements With Respect to Service on the Board**

Effective December 9, 2013, the Company entered into an agreement (the Settlement Agreement as disclosed in Exhibit 10.30 of the Company's Annual Report on Form 10-K, filed December 9, 2013, which is incorporated herein by reference) with Steven R. Becker, Matthew A. Drapkin, Becker Drapkin Management, L.P., and certain affiliates of Becker Drapkin (the Shareholder Group). Pursuant to the Settlement Agreement, effective as of December 9, 2013, the Board was expanded from eight to eleven directors, and Mr. Becker and Dr. Fine were each appointed as Class A directors with terms expiring at the Company's 2014 Annual Meeting (the 2014 Annual Meeting), and Mr. Domenik was appointed as a Class C Director with a term expiring at the Company's 2015 Annual Meeting of Shareholders (the 2015 Annual Meeting) to fill the new vacancies. In addition, Mr. Richards was re-appointed to the Board as a Class C director. Mr. Richards was formerly a Class A director. Mr. Richards also informed the Company on December 3, 2013 that he would step down as Chairman of the Board at the 2014 Annual Meeting but will remain Chairman Emeritus until the 2015 Annual Meeting, at which time he will step down from the Board.

Messrs. Becker, Fine, and Domenik will be entitled to receive the same compensation and other rights and protections as our other non-employee directors.

The Settlement Agreement also provided for the following terms:

- the Board and the Nominating Committee would nominate Mr. Becker and Dr. Fine for election to the Board as Class A directors, and Mr. Domenik and Mr. Richards as Class C directors, at the 2014 Annual Meeting;
- the Board and the Nominating Committee would nominate Mr. Domenik for election to the Board as a Class C director at the 2015 Annual Meeting;
- if, prior to the 2015 Annual Meeting, any of Messrs. Becker, Fine or Domenik became unable or unwilling to serve as a director, the Shareholder Group would have the right to nominate a replacement director;
- prior to the conclusion of the 2015 Annual Meeting, the Company will not increase the size of the Board except as necessary to comply with the terms of the Settlement Agreement and not to fill the vacancies created by two former directors, Dr. Thomas Russell and John Gillen, resigning or not standing for re-election; and
- the Board designated a Strategy and Alternatives Committee, to evaluate strategic opportunities for the Company in order to enhance shareholder value.

In addition, the Company agreed that from and after the 2014 Annual Meeting until the 2015 Annual Meeting:

- the Strategy and Alternatives Committee shall be comprised of no more than four members, three of whom shall be independent directors within the meaning of the Nasdaq rules;



Edgar Filing: EMCORE CORP - Form PRE 14A

- Mr. Becker shall be a member and the Chairman of the Strategy and Alternatives Committee and Reuben Richards (for so long as he serves as a member of the Board, unless otherwise determined by the Board) and one of the other new directors shall also be members of the Strategy and Alternatives Committee;
- each of the Audit Committee, Compensation Committee and Strategy and Alternatives Committee of the Board shall have no more than four members each and at least one of the new directors shall be a member, and
- the Nominating Committee of the Board shall have no more than four members, one of whom shall be Mr. Becker, and another of whom shall be either Dr. Fine or Mr. Domenik.

Subject to the terms of the Settlement Agreement, from the date of the Settlement Agreement through the conclusion of the 2015 Annual Meeting, (or such earlier date upon the occurrence of certain events, as described in the Settlement Agreement) (the Standstill Period), each member of the Shareholder Group shall cause all shares of Common Stock owned of record or beneficially owned by it or its respective affiliates or associates to be present for quorum purposes and to be voted in favor of all directors nominated by the Board for election at any shareholder meeting where such matters will be voted on. In addition, during the Standstill Period, each member of the Shareholder Group will not (and will cause each of such person's respective affiliates, associates, and agents and other persons acting on his or its behalf not to), directly or indirectly, engage in certain actions, as set forth in the Settlement Agreement.

Table of Contents

The foregoing description of the Settlement Agreement is a summary and is qualified in its entirety by the terms of the Settlement Agreement, a copy of which is attached as Exhibit 10.29 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) on December 9, 2013.

**RECOMMENDATION OF THE BOARD OF DIRECTORS**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE ELECTION OF THE NOMINEES LISTED ABOVE UNDER PROPOSAL I.**

Table of Contents

**GOVERNANCE OF THE COMPANY**

Board of Directors

The Board of Directors oversees the Company's business and affairs pursuant to the New Jersey Business Corporation Act and the Company's Restated Certificate of Incorporation and By-Laws. The Board of Directors is the ultimate decision-making body of the Company, except on matters reserved for the shareholders.

Board Leadership Structure

The Board believes it is important to retain its flexibility to allocate the responsibilities of the offices of the Chairman of the Board and Chief Executive Officer ( CEO ) of the Company in any way that is in the best interests of the Company and the shareholders at a given point in time. The Board believes that the decision as to who should serve as Chairman of the Board and CEO, and whether these offices should be combined or separate, should be assessed periodically by the Board, and that the Board should not be constrained by a rigid policy mandating that such positions be separate.

Dr. Hong Q. Hou served as the Company's CEO commencing March 2008, and served as a director commencing December 2006. Mr. Bogomolny and Dr. Fine currently serve as Co-Chairmen of the Board. On September 17, 2014, the Company announced that its then Chief Executive Officer, Dr. Hou, was to terminate employment with the Company effective January 2, 2015. On September 17, 2014 the Company also entered into a Separation Agreement and General Release with Dr. Hou pursuant to which, as of January 2, 2015, Dr. Hou ceased to serve as a director of the Company and as an officer or employee of the Company and its affiliates. Upon his termination Dr. Hou will, among other benefits, receive continued base pay of \$450,445 per annum for 86 weeks and accelerated vesting of his equity incentive compensation awards. Also on September 17, 2014, the Company announced a retention award letter agreement with Dr. Hou, in the amount of \$921,500, to be paid in connection with the Company's sale of its photovoltaics business to SolAero Technologies Corporation (f/k/a Photon Acquisition Corporation), a Delaware corporation and an affiliate of private equity firm Veritas Capital, (the Photovoltaics Sale ), completed on December 10, 2014.

On December 10, 2014, Dr. James Tegnalia notified the Company that he will not stand for re-election as a director of the Company at the Company's 2015 annual meeting of shareholders, at which time his term of office will be completed. In addition, on December 10, 2014, Mr. Sherman McCorkle notified the Company that he will resign as a director at the Company's 2015 annual meeting of shareholders. The Company will continue to review its Board structure in light of its smaller and more focused business operations, to ensure that it is in the best position to deliver value to its shareholders, key stakeholders and the communities in which the Company operates.

On December 11, 2014, the Company announced that it had hired Mr. Jeffrey Rittichier as its Chief Executive Officer, effective January 3, 2015, pursuant to which the Company has entered into an employment agreement with Mr. Rittichier (as disclosed in Exhibit 10.1 of the Current Report on Form 8-K filed by the Company on December 11, 2014, which is incorporated herein by reference), and appointed him as a Class B director of the Company, effective January 5, 2015.

Corporate Governance Guidelines

The Company's Corporate Governance Guidelines together with its restated certificate of incorporation, By-Laws and the charters of the Board's committees provide the framework for the governance of the Company. The Corporate Governance Guidelines address Board composition and operations and expectations for directors. The full text of the Corporate Governance Guidelines is available by clicking on the Corporate Governance link included in the Investor tab of the Company's website (www.emcore.com).

Code of Ethics

The Company has adopted a code of ethics entitled EMCORE Corporation Code of Business Conduct and Ethics, which is applicable to all employees, officers, and directors of the Company. In addition, the Company has adopted a Code of Ethics for Financial Professionals, which applies to the Chief Executive Officer, Chief Financial Officer, Vice Presidents of Finance, Controllers and Assistant Controllers of the Company. The full text of both the Code of Business Conduct and Ethics and the Code of Ethics for Financial Professionals is available by clicking on the Corporate Governance link in the Investor tab of the Company's website (www.emcore.com). The Company intends to disclose any changes in or waivers from either of its codes of ethics by posting such information on its website or by filing a Current Report on Form 8-K.

Related Person Transaction Approval Policy

The Board of Directors has adopted a written policy on the review and approval of related person transactions as defined under applicable SEC regulations. Related persons covered by the policy are executive officers, directors and director nominees, any person who is known to be a beneficial owner of more than five percent (5%) of the voting securities of the Company, any immediate family member of any of the foregoing persons or any entity in which any of the foregoing persons has or will have a direct or indirect material interest.

## Table of Contents

A related person transaction is defined by the Company's policy as any financial or other transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar transactions, arrangements or relationships in which the Company (or a subsidiary) would be a participant and the amount involved would exceed \$120,000, and in which any related person would have a direct or indirect material interest. A related person will not be deemed to have a direct or indirect material interest in a transaction if the interest arises only from the position of the person as a director of another corporation or organization that is a party to the transaction or the direct or indirect ownership by such person and all the related persons, in the aggregate, of less than a 10 percent equity interest in another person (other than a partnership) which is a party to the transaction. In addition, certain interests and transactions, such as director compensation that has been approved by the Board, transactions where the rates or charges are determined by competitive bid and compensatory arrangements solely related to employment with the Company (or a subsidiary) that have been approved by the Compensation Committee, are not subject to the policy.

The Board of Directors has delegated to the Compensation Committee the responsibility for reviewing, approving and, where applicable, ratifying related person transactions. If a member of the Committee has an interest in a related person transaction, then he or she will not be part of the review process.

In considering the appropriate action to be taken regarding a related person transaction, the Committee or the Board (as the case may be) will consider the best interests of the Company, whether the transaction is comparable to what would be obtainable in an arms-length transaction, is fair to the Company and serves a compelling business reason, and any other factors as it deems relevant. As a condition to approving or ratifying any related person transaction, the Committee may impose whatever conditions and standards it deems appropriate, including periodic monitoring of ongoing transactions.

The Company's Code of Business Conduct and Ethics includes the Company's Conflicts of Interest Policy, among other policies. Directors are expected to read the Code of Business Conduct and Ethics and adhere to its provisions to the extent applicable in carrying out their duties and responsibilities as directors. The Conflicts of Interest Policy provides, among other things, that conflicts of interest exist where the interests or benefits of one person or entity conflict with the interests or benefits of the Company. The Code also provides restrictions on outside directorships, business interests and employment, receipt of gifts and entertainment and that all material violations of the Company's Code of Business Conduct and Ethics or matters involving financial or legal misconduct will be reported to the Company's Audit Committee on at least a quarterly basis, or more frequently depending upon the level of severity of the violation.

The Board of Directors reviews the independence, and any possible conflicts of interest, of directors and director nominees at least annually. Directors are also required to disclose potential and existing related person transactions in Directors and Officers Questionnaires completed annually. On September 17, 2014, the Company entered into retention award letter agreements with Dr. Hou, its then Chief Executive Officer; Mr. Weinswig, its Chief Financial Officer; Mrs. Van Berkel, its Chief Administrative Officer; and Mr. Gomez, its General Counsel. Pursuant to these agreements, these executives are entitled to the following payments if the Company completed the Photovoltaics Sale within twelve months: Dr. Hou (\$921,000), Mr. Weinswig (\$526,500), Mrs. Van Berkel (\$330,000), and Mr. Gomez (\$330,000). On December 10, 2014, the Company completed the Photovoltaics Sale, entitling the aforementioned executives to their respective retention payments.

## Director Independence

The Board of Directors has determined that a majority of the Company's directors are independent in compliance with the listing standards applicable to the Company pursuant to the rules of Nasdaq. The Board has affirmatively determined that Messrs. Bogomolny, Becker, Domenik, Fine, McCorkle, Scott, and Tegnalia are independent under the Nasdaq rules. Among the relationships considered by the Board in making its determination were: service on the boards or committees of other companies (both public and private); service as a director, trustee

## Edgar Filing: EMCORE CORP - Form PRE 14A

or executive officer in any charitable organizations; service of a family member as an officer in any charitable organizations; relationships by blood, marriage or adoption among Directors or Executive Officers of the Company; related person transactions with the Company; legal proceedings involving the Company; indebtedness to the Company; or prior arrangements and understandings with respect to the selection of Directors or Officers of the Company. In addition to the requirements of the SEC and Nasdaq rules, the Company's By-Laws require that a majority of the Board be independent pursuant to the requirements of certain tests that are not included within the requirements of the Nasdaq rules. The additional tests contained in the Company's By-Laws include a requirement that a director is not considered independent for purposes of the By-Laws if, in the past three years, he has received any remuneration as an advisor or consultant to any other director of the Company. The Board of Directors has determined that Messrs. Becker, Bogomolny, Domenik, Fine, McCorkle, Scott and Tegnelia comprising a majority of the members of the Board of Directors, are independent directors within the meaning of the Company's By-Laws.

Table of Contents

During fiscal 2014, Messrs. Tegnalia (chairman), Becker, Bogomolny and Fine served as members of our Nominating Committee. The members of our Compensation Committee were Messrs. Scott (chairman), Domenik, Fine and McCorkle. Messrs. Scott (chairman), Bogomolny, Domenik and McCorkle served as members of our Audit Committee. Messrs. Becker (chairman), Domenik and Tegnalia were the members of our Strategy and Alternatives Committee. All members of each of our Nominating, Compensation and Audit Committees were independent as currently defined by the Nasdaq rules and in accordance with the independence standards for Compensation Committee members adopted by the Nasdaq and approved by the SEC.

The Board of Directors Role in Risk Oversight

Risk is inherent in business. The Board of Directors recognizes the importance of effective risk oversight in running a successful business and in fulfilling its fiduciary responsibilities to the Company and its shareholders. While the CEO and other members of our senior leadership team are responsible for the day-to-day management of risk, the Board of Directors takes an active role in risk management and is responsible for (i) overseeing the Company's aggregate risk profile, and (ii) assisting management in addressing specific risks, such as strategic and competitive risks, financial risks, brand and reputation risks, legal risks, regulatory risks, and operational risks.

The Board believes that its current leadership structure has facilitated its oversight of risk by combining independent leadership, through the separation of the roles of CEO and Chairman or Co-Chairmen of the Board, the Lead Independent Director, independent Board committees, and majority independent Board composition. The Co-Chairmen of the Board, independent committee chairs and members, and other directors also are experienced professionals or executives who can and do raise issues for Board consideration and review and who are not hesitant to challenge management. The Board believes there has been a well-functioning and effective balance between the Co-Chairmen of the Board, non-management Board members, and the CEO, which enhances risk oversight.

The Board of Directors exercises its oversight responsibility for risk both directly and through its standing committees. Throughout the year, the Board and each committee spend a portion of their time reviewing and discussing specific risk topics. The full Board is kept informed of each committee's risk oversight and related activities, and committee meeting minutes are available for review by all directors. Strategic, operational and competitive risks also are presented and discussed at the Board's quarterly meetings, and more often as necessary. On at least an annual basis, the Board conducts a review of our long-term strategic plans. In addition, at least quarterly, or more often as necessary, the General Counsel updates the Board on material legal and regulatory matters.

The Audit Committee is responsible for reviewing our major financial risk exposures, financial reporting, internal controls, credit and liquidity risk, compliance risk and key operational risks. The Audit Committee meets regularly in separate executive session with the Chief Financial Officer and the independent auditor, as well as with committee members only, to facilitate a full and candid discussion of risk and other issues.

The Compensation Committee is responsible for overseeing human capital and compensation risks, including evaluating and assessing risks arising from our compensation policies and practices for all employees and ensuring executive compensation is aligned with performance. The Compensation Committee also is charged with monitoring our incentive and equity-based compensation plans, including employee retirement and benefit plans.

## Edgar Filing: EMCORE CORP - Form PRE 14A

The Nominating Committee oversees risks related to our overall corporate governance, including Board and committee composition, Board size and structure, director independence, and potential conflicts of interest. The Committee is also responsible for overseeing risks associated with succession planning for the Board.

The Strategy and Alternatives Committee oversees risks related to the Company's long-term business plans, including considering its strategic plan, strategic initiatives and any technological innovations which may be relevant to the Company's business.



Table of Contents

In addition to the responsibilities undertaken by the committees discussed above, the Board committees may have oversight of specific risk areas consistent with the committees' charters and responsibilities.

Board Meetings and Attendance

The Board of Directors held twenty-six (26) regularly scheduled and special meetings during fiscal 2014. During fiscal 2014, all directors of the Company attended at least seventy-five percent (75%) of the aggregate meetings of the Board and committees on which they served during their tenure on the Board.

Board Committees

*Audit Committee*

The Company has a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the Exchange Act). During fiscal 2014, the Audit Committee consisted of Messrs. Scott (chairman), Bogomolny, Domenik and McCorkle. Each member of the Audit Committee is currently an independent director within the meaning of Nasdaq Listing Rule 5605(a)(2). The Board of Directors has determined that Mr. Scott is an Audit Committee financial expert. The Audit Committee is responsible for, among other things, reviewing the Company's financial reports and systems of internal controls and overseeing and approving the services to be performed by the Company's independent accountants. A copy of the Charter of the Audit Committee is posted in the Corporate Governance section on the Investor tab of the Company's website ([www.emcore.com](http://www.emcore.com)). The Audit Committee met seven (7) times during fiscal 2014.

*Compensation Committee*

The Compensation Committee evaluates the performance of the Chief Executive Officer and other officers and reviews and approves their compensation. During fiscal 2014, the Compensation Committee consisted of Messrs. Scott (chairman), Domenik, Fine and McCorkle. A copy of the Charter of the Compensation Committee is posted in the Corporate Governance section on the Investor tab of the Company's website ([www.emcore.com](http://www.emcore.com)). The processes and procedures for the review and approval of executive compensation are described in the Compensation Discussion and Analysis section of this Proxy Statement. In addition, the Compensation Committee has responsibility for recommending to the Board the level and form of compensation and benefits for directors. It also administers the Company's incentive compensation plans and is responsible for setting the compensation and benefits for the company's executives. The Compensation Committee met nine (9) times during fiscal 2014.

To the extent consistent with its obligations and responsibilities, the Compensation Committee may form subcommittees of one or more members of the Compensation Committee and delegate its authority to the subcommittees as it deems appropriate. In addition, the Compensation Committee has the authority to retain and terminate external advisors in connection with the discharge of its duties.

In January 2014, the Compensation Committee engaged Compensia, Inc. ( Compensia ), an independent compensation consultant, to conduct a limited analysis of executive compensation. For more information regarding Compensia s analysis, see the Compensation Discussion and Analysis The Company s Annual Compensation Decision-Making Process section of this Proxy Statement.

*Nominating Committee*

The Nominating Committee identifies and recommends new members to the Company s Board of Directors. During fiscal 2014, the Nominating Committee consisted of Messrs. Tegnalia (chairman), Becker, Bogomolny and Fine. A copy of the Charter of the Nominating Committee is posted in the Corporate Governance section on the Investor tab of the Company s website ([www.emcore.com](http://www.emcore.com)). The Nominating Committee met three (3) times in fiscal 2014.

Table of Contents

The Nominating Committee has not established specific minimum age, education, experience or skill requirements for potential director nominees. When considering a potential director candidate, the Nominating Committee considers the candidate's individual skills and knowledge, including experience in business, finance, or administration, familiarity with national and international business matters, and appreciation of the relationship of the Company's business to changing needs in our society. The Nominating Committee also carefully considers any potential conflicts of interest. All nominees must possess demonstrated character, good judgment, integrity, relevant business, functional and industry experience, and a high degree of acumen. Although the Nominating Committee does not have a formal policy with respect to diversity, in accordance with the Company's philosophy, the Nominating Committee endeavors to identify nominees that represent diverse backgrounds and experience in policy-making positions in business and technology, and in areas that are relevant to the Company's global activities. The Nominating Committee assesses the effectiveness of its efforts to achieve a Board with a diversity of backgrounds and experiences by periodically reviewing the skills and experiences of the Board as a whole, and each of the directors individually.

The Nominating Committee identifies potential candidates from a number of sources, including current members of the Board and, if the Nominating Committee so chooses, third party search firms. The Nominating Committee may also consider candidates proposed by management or by shareholders. The Nominating Committee evaluates director candidates recommended by shareholders in the same way that it evaluates candidates recommended by other sources. After the Nominating Committee's initial evaluation of a candidate, if that candidate is still of interest to the Nominating Committee, one or more designated members of the Board will interview the candidate. Additional interviews by other Board members and/or senior management may take place and other screening processes may be undertaken. The Nominating Committee will meet to finalize its recommended candidates, which will be submitted to the entire Board for consideration. All candidates who are recommended by the Nominating Committee and approved by the Board are then included as nominees in our proxy statement for the year in which the Class for which they are nominated comes up for election.

The Nominating Committee will consider suggestions from shareholders regarding possible director candidates for election in 2015. Such suggestions must contain (1) all information for each nominee required to be disclosed in a proxy statement under the Exchange Act, (2) the name and address of the shareholder making the recommendation, the number of shares owned and the length of ownership, (3) a statement as to whether the nominees meet the criteria for independence under the rules of the Nasdaq and the Company's By-Laws and (4) the written consent of the nominees to serve as a director if elected. Such suggestions must be submitted to the Company's Secretary in accordance with the procedures and timing set forth in the section of this Proxy Statement entitled "Shareholder Proposals" below, under "General Matters," as well as the Company's By-Laws. The directors nominated in this Proxy Statement were recommended for re-election by the Board of Directors and in accordance with the Settlement Agreement.

When appropriate, the Nominating Committee may form subcommittees of one or more of its members and delegate its authority to these subcommittees as it deems appropriate.

*Strategy and Alternatives Committee*

The Strategy and Alternatives Committee was designated in December 2013 to assist the Board in discharging its responsibilities relating to the Company's strategic planning and the development of technologies that could contribute to the achievement of the Company's strategic plan. Pursuant to the Settlement Agreement, the Strategy and Alternatives Committee shall be comprised of no more than four members, three of whom shall be independent directors within the meaning of the Nasdaq rules. During fiscal 2014, the Board appointed Messrs. Becker (chairman), Domenik and Tegnalia to serve on the Strategy and Alternatives Committee. Responsibilities of the Strategy and Alternatives Committee include:

Edgar Filing: EMCORE CORP - Form PRE 14A

- discussing the Company's strategic plan, including any proposed merger or acquisition;
- considering technological innovations relevant to the business of the Company;
- considering and discussing strategic initiatives and new technologies that the Committee believes could contribute to the achievement of the Company's strategic plan; and
- upon request of the Board from time to time, providing advice and assistance with regard to evaluating potential strategic initiatives that fall within the scope of the Committee's purposes.

To the extent consistent with its obligations and responsibilities, the Strategy and Alternatives Committee may form subcommittees of one or more of its members delegate its authority to these subcommittees as it deems appropriate.

A copy of the Charter of the Strategy and Alternatives Committee is posted in the Corporate Governance section of the Investor tab of the Company's website ([www.emcore.com](http://www.emcore.com)). The Strategy and Alternatives Committee met twenty-three (23) times in fiscal 2014.

Table of Contents

Board Attendance at Annual Meetings

The Company strongly encourages members of the Board of Directors to attend the Company's Annual Meetings of Shareholders, absent extraordinary circumstances. Last year, the entire Board of Directors attended the 2014 Annual Meeting.

Shareholder Communications with the Board

Shareholders may communicate with the Company's Board of Directors through its Secretary by writing to the following address: Board of Directors, c/o The Secretary, EMCORE Corporation, 2015 W. Chestnut Street, Alhambra, CA, 91803. The Company's Secretary will forward all correspondence to the Board of Directors, except for junk mail, mass mailings, product complaints or inquiries, job inquiries, surveys, business solicitations or advertisements, or patently offensive or otherwise inappropriate or redundant material. The Company's Secretary may forward certain correspondence, such as product-related inquiries, elsewhere within the Company for review and possible response. A Board member may request to see all shareholder communications at any time.

**DIRECTOR COMPENSATION FOR FISCAL YEAR 2014**

The Company compensates each non-employee Director for service on the Board of Directors. Director compensation for fiscal 2014 included the following:

Name	Fees Earned or Paid in Cash (\$)(1)	Stock Awards (\$)(2)	Total (\$)
Robert L. Bogomolny(3)	38,800	50,000	88,800
John Gillen	22,750	16,667	39,417
Thomas Russell	20,900	16,667	37,567
Steven Becker(3)	40,850	30,000	70,850
Gerald J. Fine(3)	30,550	40,000	70,550
Reuben F. Richards	12,200	13,334	25,534
Stephen L. Domenik(3)	45,250	30,000	75,250
Charles T. Scott(3)	48,000	40,000	88,000
Sherman McCorkle	37,800	40,945	78,745
James A. Tegnalia, Ph.D.(3)	43,900	40,000	83,900

(1) The amounts in this column reflect the dollar amounts earned or paid in cash for services rendered in fiscal 2014.

(2) Pursuant to the Company's 2007 Directors' Stock Award Plan, each non-employee director was entitled to receive Company Common Stock equal to the listed dollar amounts for services rendered in calendar year 2014. In December 2011, Messrs. Gillen, Scott and Tegnalia elected to defer their equity awards in respect of

Edgar Filing: EMCORE CORP - Form PRE 14A

services rendered in calendar year 2012 (granted in calendar year 2013) until the earlier of their termination of service as a director of the Company or a change in control, as such term is defined in the Company's Directors' Stock Award Plan. On November 7, 2013, the Company made these equity grants in the form of Company Common Stock for Messrs. Russell and McCorkle and phantom share credits for Messrs. Gillen, Scott, Bogomolny and Tegnalia.

(3) Deferral of award.

Table of Contents

Each non-employee director received an annual stock award amount equal to \$40,000 beginning in 2014; provided, that in the event a person serves as a non-employee director for less than a full plan year, such amount was prorated based on the number of whole calendar months the director served as a non-employee director during the plan year under the 2007 Directors' Stock Award Plan (as amended and restated, the Amended 2007 Plan ).

For fiscal 2014, each director earned Company Common Stock in an amount equal to \$40,000 and each Co-Chairman received an additional \$10,000 worth of restricted stock units. On December 5, 2014, the Board of Directors recommended an additional \$50,000 worth of restricted stock units be awarded to each Co-Chairman due to the additional workload they took on in 2014 from the strategy review process. Then on December 15, 2014, the Compensation Committee approved that such award be made on January 2, 2015.

In accordance with the terms of the Amended 2007 Plan, Mr. Gillen was paid out \$78,000 worth of shares of common stock he deferred under the Amended 2007 Plan, in respect of services rendered as a director of the Company, on March 14, 2014 within 30 days of his retirement as a director at the 2014 Annual Meeting.

The Company's Outside Directors' Cash Compensation Plan provides for the payment of cash compensation to non-employee directors for their participation at Board meetings, in amounts established, and periodically reviewed, by the Board. Each non-employee director receives a meeting fee for each meeting of the Board that he attends (including telephonic meetings, but excluding execution of unanimous written consents). In addition, each non-employee director receives a committee meeting fee for each meeting of a Board committee that he attends (including telephonic meetings, but excluding execution of unanimous written consents). Until changed by resolution of the Board, the Board meeting fee is \$4,000 and the committee meeting fee is \$1,500; provided that the meeting fee for special telephonic Board meetings (i.e., Board meetings that are not regularly scheduled and in which non-employee directors typically participate telephonically) is \$750 and the committee meeting fee for such special telephonic meetings is \$600. Any non-employee director who is the chairman of a committee receives an additional \$750 for each meeting of the committee that he chairs, and an additional \$200 for each special telephonic meeting of such committee.

No director who is an employee of the Company receives compensation for services rendered as a director under the Amended 2007 Plan or the Outside Directors' Cash Compensation Plan. Although Mr. Richards stepped down as Executive Chairman effective September 30, 2012, he did not receive compensation under the Amended 2007 Plan or the Outside Directors' Cash Compensation Plan during fiscal 2014 because he instead received certain payments and benefits pursuant to the Richards Separation Agreement.

The Richards Separation Agreement (as disclosed in Exhibit 10.1 to the Current Report on Form 8-K filed by the Company on August 9, 2012 and incorporated by reference herein) provides Mr. Richards with payments and benefits that are consistent with the payments and benefits to which he was entitled pursuant to the terms of his employment agreement. The ongoing payments and benefits are as follows:

Table of Contents

Mr. Richards, his spouse and his eligible dependents shall continue to participate in the Company's health plans on the same terms as they currently participate in such plans, for so long as Mr. Richards is serving as the Chairman Emeritus of the Board. Mr. Richards will be eligible to exercise his rights to COBRA, and in the event Mr. Richards exercises such rights, the Company will pay the portion of Mr. Richards COBRA premiums for eighteen (18) months following the date he no longer serves as Chairman of the Board that the Company would have otherwise paid if Mr. Richards were still an active employee during such period. The estimated value of the full eighteen (18) months of such COBRA premium payments is \$32,687.



Table of Contents

**COMPENSATION DISCUSSION AND ANALYSIS**

This Compensation Discussion and Analysis describes the Company's executive compensation program and analyzes the compensation decisions made for the executive officers included in the Summary Compensation Table (the "Named Executive Officers") for fiscal 2014.

**Objectives and Components of the Company's Compensation Program**

The Company's executive compensation program is designed to motivate executives to achieve strong financial, operational, and strategic performance and recognizes individual contributions to that performance. Through the compensation program, the Company seeks to attract and retain talented executive officers by providing total compensation that is competitive with that of other executives employed by companies of similar size, complexity and lines of business. The Company's executive compensation program is also designed to link executives' interests with shareholders' interests by providing a portion of total compensation in the form of stock-based incentives.

***The Company's Annual Compensation Decision-Making Process***

The Compensation Committee of the Board of Directors is responsible for setting and administering policies that govern the Company's executive compensation programs. Following the end of each fiscal year, the Compensation Committee reviews the Company's performance and the performance of each Named Executive Officer for the prior fiscal year, together with the results of the shareholders' advisory vote on executive compensation at the previous annual meeting of shareholders.

At least every three years, the Compensation Committee also retains the services of a compensation consultant to assist in gathering a comprehensive set of comparative data (all comparative market data is collectively referred to as the "Comparative Compensation Data"). In January 2014, the Compensation Committee engaged Compensia to conduct an analysis of possible retention programs for executives involved in strategic initiatives/divestitures. For more information regarding retention agreements entered into with Company executives see Governance Related Party Transaction Approval Policy. The Compensation Committee regularly reviews the services provided by Compensia and performs an annual assessment on the independence of Compensia to determine whether the Compensia is independent. The Compensation Committee determined that Compensia is independent in providing the Company with executive compensation consulting services and that Compensia's work for the Committee did not raise any conflicts of interest, consistent with SEC rules and NYSE listing standards. In making this determination, the Committee reviewed information provided by Compensia on the following factors:

- Any other services provided to Company by Compensia;
- Fees received by Compensia from Company as a percentage of Company's total revenue;
- Policies or procedures maintained by Compensia to prevent a conflict of interest;
- Any business or personal relationship between the individual Compensia consultants assigned to the Company relationship and any Committee member;

- Any Company stock owned by Compensia or the individual Compensia consultants assigned to the Company relationship; and
- Any business or personal relationship between the individual Compensia consultants assigned to the Company relationship, or Compensia itself, and the Company's executive officers.

Having reviewed such factors, the Compensation Committee determined that it would be in the best interests of the Compensation Committee and of the Company to ratify and approve the engagement of Compensia as its independent compensation consultant. The Compensation Committee's intent was that Compensia would provide comparative information regarding the compensation practices of companies similar to EMCORE. Compensia studied market data summarizing a range of telecommunications transactions entered into between 2008 and 2013. Compensia recommended a target bonus figure (expressed as severance and transactional payments as a percentage of deal value) that, at 5% of deal value, was between the 50th and 75th percentile (3.7% and 7.1%, respectively) of retention bonus amounts of the compiled market data. These recommendations with respect to retention bonuses were presented to the Compensation Committee, which considered the recommendations and approved such bonuses.

Table of Contents

At the Company's annual meeting of shareholders held on March 5, 2014, the Company provided its shareholders with the opportunity to cast an advisory vote on executive compensation (a say-on-pay proposal). Over 95% of the votes cast on the say-on-pay proposal at that meeting were voted in favor of the proposal. The Compensation Committee believes this affirms shareholders' support of the Company's approach to executive compensation. Accordingly, the Compensation Committee continues to use the same policies and principles when making decisions regarding executive compensation.

Based on its review of the Company's performance and the performance of each Named Executive Officer for the prior fiscal year, the Comparative Compensation Data, when available, and the outcome of the Company's say-on-pay vote, the Compensation Committee discusses and approves any potential base salary increases related to the current fiscal year and awards annual cash incentives and equity grants in respect of the prior fiscal year.

***Employment Agreements***

In an effort to further promote the retention of the Company's Named Executive Officers, the Compensation Committee approved executive employment agreements with each Named Executive Officer. Each employment agreement provides that the Named Executive Officer's employment is at-will and may be terminated by the Named Executive Officer or the Company at any time with or without cause, subject only to the severance obligations that are discussed in greater detail under the Executive Compensation - Potential Payments upon Termination or Change-in-Control section of this Proxy Statement. Under the terms of each employment agreement, the initial base salary of each Named Executive Officer was established, as described in more detail below. The base salary of each Named Executive Officer will continue to be determined annually by the Compensation Committee, which may, in its sole and absolute discretion, increase the Named Executive Officer's base salary, but may not decrease it below the initial base salary without the Named Executive Officer's consent. In addition, each Named Executive Officer is entitled to participate in any of the Company's annual bonus or pay-for-performance plans and will be eligible for equity awards under the Company's equity award plans covering senior executives, in each case, as may be in effect from time to time and as approved by the Compensation Committee. In the event a payment or benefit provided under the employment agreement would constitute a parachute payment within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended, then such payment or benefit will be limited as provided in the employment agreement.

***Base Salary***

Base salaries for executives are determined based upon job responsibilities, level of experience, individual performance, and the Comparative Compensation Data, when available. The goal for the base salary component is to compensate executives at a level that approximates the median salaries of individuals in comparable positions and markets, which we believe helps us attract, motivate and retain talented executives. The Chief Executive Officer is responsible for reviewing base salary increases for the other executive officers, and recommending salary increases for these individuals to the Compensation Committee. The Chief Executive Officer also recommends salary increases for himself, based on his assessment of the Comparative Compensation Data (when available) and his personal performance. These recommendations are advisory and are based solely on the Chief Executive Officer's judgment and opinion, taking into account the above-listed factors and recommendations from the compensation consultant, if retained. The Compensation Committee independently reviews, adjusts, where appropriate, and approves the salary increases, if any, for the Chief Executive Officer and other executive officers based upon its subjective discretion. The Compensation Committee does not target any particular percentile when making salary determinations for its Named Executive Officers, but rather utilizes the Comparative Compensation Data, when available, and recommendations from the compensation consultant, if any, together with other factors, including an executive officer's individual experience, scope of responsibility and performance, when determining any salary increases. The Compensation Committee exercises its judgment in determining how to weigh each of these factors. The Compensation Committee reviews any salary increase for the Chief Executive Officer in executive session.

The Compensation Committee determined not to award base salary increases to its Named Executive Officers in fiscal 2014.

Table of Contents

***Annual Cash Incentives***

Typically, the Company establishes a cash incentive plan each fiscal year which provides the Company's executive officers an opportunity to receive an annual cash payment in addition to their base salaries. The purpose of the cash incentive plan is to drive overall effectiveness and productivity by establishing a consistent market driven, performance-based approach to compensation that supports the Company's strategic business objectives and goals of achieving profitability. By linking a significant portion of an executive's annual cash compensation to the achievement of the Company's strategic objectives, as well as the individual's performance, the individual's compensation is closely tied to the success of the Company. We believe that providing annual cash incentive opportunities is a key component of maintaining a competitive executive compensation program. On April 10, 2014, the Compensation Committee approved a non-executive Cash Bonus Plan for the 2014 fiscal year. The Company's executives were excluded from this because the Compensation Committee was considering the implementation of an Executive retention bonus which would align to the on-going strategic initiatives being undertaken.

***Long-Term Stock-Based Incentives***

The Company believes that stock-based incentives are an effective tool for aligning the interests of our executives with the interests of our shareholders. Long-term stock-based incentives may consist of stock options, restricted stock, performance stock, restricted stock units, performance stock units, stock purchase rights, deferred stock units and stock appreciation rights, all of which provide an incentive for the executives to join and remain with the Company, continue to promote its best interests and enhance its long-term performance.

As of September 30, 2014, the Company had only awarded long-term compensation in the form of stock options, restricted stock awards and restricted stock units. Stock options, restricted stock awards and restricted stock units provide executives with an incentive to maximize shareholder value by directly aligning the economic interests of the executives with those of the shareholders. Stock options give an executive the right to buy a share of Common Stock ( Common Stock ) in the future at a predetermined exercise price. The exercise price is the closing price of the Common Stock on the grant date. New hire stock option awards vest over a five-year period while annual stock option awards generally vest over a four-year period. Other supplemental stock option awards vest over a four-year period. All options expire ten years after the grant date. In addition, under the Company's 2010 Equity Incentive Plan (the 2010 Plan ) no one recipient may be granted an award of options to purchase more than 125,000 shares of Common Stock in any twelve month period. Under the Company's 2012 Equity Incentive Plan (the 2012 Plan ), no one recipient may be granted an award of options to purchase more than 150,000 shares of Common Stock in any fiscal year, except that options granted at the time of hire will not be counted against the foregoing limitation. Executives who are terminated for cause immediately forfeit all options that have not vested, unless otherwise determined by the Compensation Committee.

Restricted stock awards are grants of Common Stock that are subject to restrictions on sale and forfeiture until vested. Restricted stock units are contractual rights to receive a stated number of shares of Common Stock, or if provided by the Compensation Committee on or after the grant date, cash equal to the fair market value of such shares of Common Stock or any combination of shares of Common Stock and cash having an aggregate fair market value equal to such stated number of shares of Common Stock, that are subject to forfeiture until vested. Under the 2010 Plan, these awards vest over a three year period, and no one recipient may receive an award of restricted stock or restricted stock units covering more than 50,000 shares of Common Stock in any twelve month period. Under the 2012 Plan, no one recipient may receive an award of more than 150,000 restricted stock units in any fiscal year or an award of restricted stock covering more than 150,000 shares of Common Stock in any fiscal year, except an employee may be granted an aggregate of up to 300,000 restricted stock units and an award of restricted stock covering up to 300,000 shares of Common Stock at the time of hire, which will not be counted against the foregoing limitations. For executives who voluntarily resign or are terminated for cause, any unvested restricted stock or restricted stock units are immediately forfeited and canceled unless otherwise determined by the Compensation Committee.

## Edgar Filing: EMCORE CORP - Form PRE 14A

In granting stock-based awards, the Compensation Committee uses its judgment and discretion and does not issue a targeted number of stock options, restricted stock awards or restricted stock units, but rather reviews the executive's individual performance and the performance of the Company in the prior fiscal year, as well as the Comparative Compensation Data, when available, and any recommendations from compensation consultants, to determine the appropriate value of the award at the time it is granted. Grants of stock options and awards of restricted stock and restricted

Table of Contents

stock units to executive officers are also based upon each executive officer's relative position, responsibilities, historical and expected contributions to the Company, and the officer's vested option, restricted stock award and restricted stock unit balance from previous grants and awards, with primary weight given to the executive officer's relative rank and responsibilities. Initial stock option grants, restricted stock awards and restricted stock units designed to recruit an executive officer to join the Company may be based on negotiations with the officer, with reference to historical option grants and restricted stock and restricted stock unit awards to existing officers, and the Comparative Compensation Data.

On November 15, 2013, Mr. Larocca informed the Company that he would resign from his position as the Company's Chief Operating Officer effective November 30, 2013 to pursue other business endeavors. In connection with his resignation, the Company entered into a separation agreement and general release with Mr. Larocca (the "Larocca Separation Agreement"). Pursuant to the terms of the Larocca Separation Agreement, all of the unvested outstanding equity awards held by Mr. Larocca vested as of January 14, 2014. Additionally, the Company entered into separation agreements with Dr. Hou, Mrs. Van Berkel and Mr. Gomez in calendar year 2014. For more information regarding these separation agreements, see Compensation Discussion and Analysis - Severance Policy and Severance Agreements.

On November 22, 2013, the Compensation Committee reviewed the base salaries of Chief Financial Officers in the Company's peer group (consisting of Mindspeed Technologies, Inc., Neophotonics Corporation, Oclaro Inc., Oplink Communications, Inc., Vitesse Semiconductor Corporation, Anadigics, Inc. and AXT Inc.), and awarded 20,000 restricted stock units to Mr. Weinswig to recognize Mr. Weinswig's extraordinary contributions to the Company and his lower base salary compared to his peers. 5,000 shares vested immediately and were settled in Common Stock on the grant date. The remaining 15,000 restricted stock units vested and will vest in three equal annual installments commencing on November 22, 2014.

On January 23, 2014, the Compensation Committee approved the following annual equity retention grants in consideration of the achievements of the Named Executive Officers in fiscal 2014 and the Comparative Compensation Data.

Name	Number of Restricted Stock Units
Hong Q. Hou, Ph.D.	75,000
Mark Weinswig	50,000
Monica Van Berkel	40,000
Alfredo Gomez	40,000

These grants will vest in three equal annual installments on January 23, 2015, 2016 and 2017.

On December 15, 2014, the Compensation Committee approved a performance grant of 50,000 restricted stock units to be awarded to Mr. Weinswig on January 5, 2015. The grant was related to the Company's review of strategic alternatives and to Mr. Weinswig's hard work and success related to such strategic alternatives. With the completion of the Photovoltaics Sale, all of Mr. Weinswig's equity had vested under the terms of his retention award letter agreement, so by granting additional restricted stock units vesting over some time, the grant served (and serves) a retention purpose. 12,500 of these restricted stock units vested immediately at the time of grant. The remaining 37,500 restricted stock units will vest in three equal annual installments commencing on January 5, 2016.

**Company Benefits**

The Company's benefits are an important tool in our ability to attract and retain outstanding employees throughout the Company. As a business matter, we weigh the benefits we need to offer to remain competitive and attract and retain talented employees against the cost of the benefits. Benefit levels are reviewed periodically to ensure they are cost-effective and competitive and support the overall needs of Company employees.

This section describes the benefits that the Company provides to key executives and notes those instances when benefits for the Named Executive Officers differ from the general plan. In some instances, we also describe the programs we offer across the Company as context to specific discussions about executive benefits.



Table of Contents

***Medical, Dental, and Vision Benefits***

The Company offers a standard benefits package to all of its employees, which includes medical, dental, and vision coverage. The Named Executive Officers receive coverage at 100% whereas all other employees of the Company receive coverage ranging from 50% to 100% depending on the service performed.

***Company-sponsored Retirement Plans***

The EMCORE Corporation 401(k) Plan (the "401(k) Plan") is a defined contribution plan that is designed to comply with Employee Retirement Income Security Act of 1974, the Internal Revenue Code, as well as federal and state legal requirements. The 401(k) Plan is designed to provide retirement benefits to eligible employees of the Company and is administered by Prudential Financial. Participants in the 401(k) Plan may elect to reduce compensation by a specific percentage, which is contributed to the participant's 401(k) account on a pre-tax basis as a salary deferral.

Employees, including the Company's Named Executive Officers, may elect to contribute to the 401(k) Plan through salary reduction up to the yearly maximum tax-deductible deferral allowed pursuant to IRS regulations. A participant may elect to defer between 1-30% of his or her compensation per pay period. The deferral amount will not be subject to income tax until distribution. Each participant is able to direct his or her investment into any of the available investment options. Participants' contributions are vested at 100%.

The Company may provide a discretionary match of 50% of the first 6% of a participant's contribution to the 401(k) Plan, and this matching contribution vests over a five year period, based on the participant's continuing service during such period. This matching contribution is in the form of Common Stock. Participants are able to exchange Common Stock for other investment options within the 401(k) Plan upon receipt of the Company match and in compliance with the Company's insider trading policies. Exchanges from other investment options to Common Stock are not permitted under the 401(k) Plan.

An employee, including a part-time or temporary employee, becomes eligible to participate in the 401(k) Plan on the 60th day following his or her date of hire and attaining the age of 20 years. A re-hire is eligible to participate in the 401(k) Plan immediately.

***Employee Stock Purchase Plan***

The Company offers all eligible employees, including the Company's Named Executive Officers, the opportunity to acquire an ownership interest in the Company by purchasing shares of Common Stock through a tax-qualified employee stock purchase plan ("ESPP"). Under the ESPP, an employee can withhold, through payroll deductions, up to 10% of his/her earnings, up to certain maximums, to be used to purchase shares of Common Stock at certain plan-defined dates. The option price is set at 85% of the average of the high and low price for Common Stock on either the first or last day of the offering period, whichever is lower.

*Officer and Director Share Purchase Plan*

In January 2011, the Compensation Committee of the Board of Directors approved an Officer and Director Share Purchase Plan (the "ODPP"), which allows executive officers and directors of the Company to purchase shares of Common Stock at fair market value in lieu of salary or, in the case of directors, director fees. Eligible individuals may voluntarily participate in the ODPP by authorizing payroll deductions or, in the case of directors, deductions from director fees for the purpose of purchasing shares of Common Stock. Elections to participate in the ODPP may only be made during open trading windows under the Company's insider trading policy when the participant does not otherwise possess material non-public information concerning the Company. The Board of Directors has authorized 125,000 shares to be made available for purchase by officers and directors under the ODPP. As of September 30, 2014, 36,259 shares of Common Stock had been purchased under the ODPP.

Table of Contents

*Perquisites*

From time to time, the Company provides perquisites to key executive officers, including the Named Executive Officers, as a recruiting and retention tool. We believe that our perquisites are appropriate and we periodically review them against the Comparative Compensation Data, when available, and generally accepted corporate practices.

**Severance Policy and Severance Agreements**

In an effort to further promote the retention of the Company's Named Executive Officers, on August 2, 2011, the Company entered into employment agreements with each of its Named Executive Officers to formalize its severance policy. In accordance with the terms of these agreements, the Named Executive Officers are eligible to receive certain severance benefits under specified circumstances, including payment of base salary, for a period of one year plus two weeks, plus an additional two weeks for each whole year that the Named Executive Officer was employed by the Company, payment of certain COBRA benefits, provision of certain outplacement services and acceleration and immediate vesting of all outstanding equity awards. The Named Executive Officers are not eligible to receive severance benefits if they are terminated for cause, or if they voluntarily terminate their employment other than for good reason as such terms are defined in the agreements. In addition, in order to receive any severance benefits for which a participant is eligible under their employment agreement, the participant must execute within sixty (60) days of the date of termination, a general release agreement prepared by the Company that includes, among other things, a release by the participant of the Company from any liability or obligation to the participant.

On September 17, 2014, the Company announced that its Chief Executive Officer, Dr. Hou, would terminate employment with the Company effective January 2, 2015 or, if later, fifteen days following the date on which the Company hires a successor Chief Executive Officer (the Separation Date). On September 17, 2014 the Company also entered into a Separation Agreement and General Release with Dr. Hou (as disclosed in Exhibit 10.1 of the Current Report on Form 8-K filed by the Company on September 18, 2014, which is incorporated herein by reference) pursuant to which, as of the Separation Date, Dr. Hou will cease to serve as a director of the Company and as an officer or employee with the Company and its affiliates. On December 11, 2014, the Company announced that Mrs. Van Berkel, its Chief Administration Officer, and Mr. Gomez, its General Counsel will terminate employment with the Company, effective January 2, 2015 in the case of Mrs. Van Berkel and, in the case of Mr. Gomez, effective the later of February 13, 2015 or the date which is 10 business days following notice to Mr. Gomez that the Company has hired a new in-house counsel. On December 10, 2014, the Company also entered into a Separation Agreement and General Release with each of Mr. Gomez and Mrs. Van Berkel (as disclosed in Exhibits 10.2 and 10.3 of the Form 8-K filed by the Company on December 11, 2014, which are incorporated herein by reference).

For more information regarding potential payments to the Named Executive Officers upon a termination or change of control under the employment agreements, see [Executive Compensation](#) Potential Payments upon Termination or Change-in-Control.

**Compensation of the Chief Executive Officer**

In fiscal 2014, Dr. Hou participated in the same compensation programs and received compensation based upon the same criteria as the Company's other executive officers. However, Dr. Hou's compensation reflected the higher level of responsibility that he had with respect to the strategic direction of the Company, the Company's financial and operating results, and interactions with the investment community.

**Tax and Accounting Considerations**

Under Section 162(m) of the Internal Revenue Code, the Company may not deduct annual compensation in excess of \$1 million paid to certain employees – generally its Chief Executive Officer and its three other most highly compensated executive officers (other than the Chief Financial Officer), unless their compensation qualifies as performance-based compensation. While the Compensation Committee intends to structure performance-related awards in a way that will preserve the maximum deductibility of compensation awards, the Compensation Committee may from time to time approve awards that would vest upon the passage of time or other compensation, which would not result in qualification of those awards as performance-based compensation. The company’s Executive Officers had no role in determining or recommending the amount or form of executive and director compensation.

Table of Contents**EXECUTIVE COMPENSATION**

The table below sets forth certain information concerning the annual and long-term compensation earned for services in all capacities to the Company of those persons who during fiscal 2014 (i) served as the Company's Chief Executive Officer, (ii) served as the Company's Chief Financial Officer, and (iii) were the three most highly-compensated officers (other than the Chief Executive Officer, and Chief Financial Officer). Compensation information is provided for the fiscal years ended September 30, 2012, 2013 and 2014, except in cases where an individual was not a Named Executive Officer for the applicable year.

**Summary Compensation Table for Fiscal 2014**

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(2)	Option Awards (\$)(2)	All Other Compensation (\$)	Total (\$)
<b>Hong Q. Hou, Ph.D.(4)</b>	2014	450,445	0	366,750	0	9,943	827,139
Chief Executive Officer	2013	450,445	0	188,400	0	85,687(3)	724,532
	2012	419,260	0	145,350	0	9,213	573,823
<b>Mark Weinswig</b>	2014	260,000	0	343,300	0	9,793	613,094
Chief Financial Officer	2013	260,000	0	94,200	0	8,056	362,256
	2012	248,000	0	92,580	0	7,567	348,147
<b>Christopher Larocca(1)</b>	2014	260,000	0	0	0	1,500	261,500
Chief Operating Officer	2013	260,000	0	94,200	0	7,876	362,076
	2012	248,000	0	46,080	0	7,417	301,497
<b>Monica Van Berkel (4)</b>	2014	235,000	0	195,600	0	9,193	439,794
Chief Administration Officer	2013	235,000	0	70,650	0	7,426	313,076
	2012	220,404	0	62,556	0	7,052	290,012
<b>Alfredo Gomez (5)</b>	2014	220,000	0	195,600	0	8,743	424,344
General Counsel	2013	220,000	0	70,650	0	6,722	297,372

- 
- (1) Mr. Larocca resigned as Chief Operating Officer effective November 30, 2013, and entered into the Larocca Separation Agreement, which provided for the vesting of all outstanding equity awards Mr. Larocca had previously been granted under the Company's various equity awards plans as of January 14, 2014 which is consistent with the payments and benefits to which he was entitled pursuant to the terms of his employment agreement.
- (2) The amounts in this column represent the grant date fair value, in accordance with FASB Accounting Standards Codification No. 718 - Compensation - Stock Compensation (without regard to estimated forfeitures related to a service based condition). Assumptions used in the calculation of these amounts are set forth in footnote 16 to the Company's audited financial statements for the fiscal year ended September 30, 2012, included in the Company's Annual Report on Form 10-K filed with the SEC on December 13, 2012, footnote 15 to the Company's audited financial statements for the fiscal year ended September 30, 2013, included in the Company's Annual Report on

## Edgar Filing: EMCORE CORP - Form PRE 14A

Form 10-K filed with the SEC on December 9, 2013, and footnote 16 to the Company's audited financial statements for the fiscal year ended September 30, 2014, included in the Company's Annual Report on Form 10-K filed with the SEC on December 12, 2014. These amounts reflect the Company's accounting expense for these awards and do not necessarily correspond to the actual value that will be recognized by the Named Executive Officer.

Table of Contents

- (3) Consists of life insurance premiums of \$376, the Company's matching contributions under its 401(k) plan of \$7,650, which are made in Common Stock, and \$77,661 in relocation expenses.
- (4) Terminated employment effective January 2, 2015.
- (5) Will terminate employment effective the later of February 13, 2015 or the date which is 10 business days following notice to Mr. Gomez that the Company has hired a new in-house counsel.

The following table sets forth as to each of the Named Executive Officer information on the grants of plan-based awards during fiscal 2014.

**Grants of Plan-Based Awards in Fiscal 2014**

Name	Grant Date	All Other Stock Awards: Number of Shares of Stocks or Units (#)	Grant Date Fair Value of Stock and Option Awards(1) (\$)
<b>Hong Q. Hou, Ph.D.(3)</b>	January 23, 2014	75,000	\$ 366,750
<b>Mark Weinswig</b>	January 23, 2014	50,000	\$ 244,500
	November 22, 2013	20,000	\$ 98,800
<b>Christopher Larocca(2)</b>	N/A	0	0
<b>Monica Van Berkel (3)</b>	January 23, 2014	40,000	\$ 195,600
<b>Alfredo Gomez (4)</b>	January 23, 2014	40,000	\$ 195,600

- (1) The amounts in this column represent the grant date fair value, in accordance with FASB Accounting Standards Codification No. 718 - Compensation - Stock Compensation (without regard to estimated forfeitures related to a service based condition). Assumptions used in the calculation of these amounts are set forth in footnote 16 to the Company's audited financial statements for the fiscal year ended September 30, 2012, included in the Company's Annual Report on Form 10-K filed with the SEC on December 13, 2012, footnote 15 to the Company's audited financial statements for the fiscal year ended September 30, 2013, included in the Company's Annual Report on Form 10-K filed with the SEC on December 9, 2013, and footnote 16 to the Company's audited financial statements for the fiscal year ended September 30, 2014, included in the Company's Annual Report on Form 10-K filed with the SEC on December 12, 2014. These amounts reflect the Company's accounting expense for these awards and do not necessarily correspond to the actual value that will be recognized by the Named Executive Officer.
- (2) Mr. Larocca resigned as Chief Operating Officer effective November 30, 2013, and entered into the Larocca Separation Agreement, which provided for the vesting of all outstanding equity awards Mr. Larocca had previously been granted under the Company's various equity awards plans as of January 14, 2014 which is consistent with the payments and benefits to which he was entitled pursuant to the terms of his employment agreement.
- (3) Terminated employment effective January 2, 2015.
- (4) Will terminate employment effective the later of February 13, 2015 or the date which is 10 business days following notice to Mr. Gomez that the Company has hired a new in-house counsel.

Table of Contents

The following table sets forth as to each of the Named Executive Officer information on outstanding equity awards as of September 30, 2014.

**Outstanding Equity Awards as of September 30, 2014**

Name	Option Awards			Stock Awards		
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(1)
<b>Dr. Hong Q. Hou, Ph.D.(3)</b>	1,718		12.00	2/28/15		
	13,750		29.16	8/28/16		
	61,250		23.04	12/14/16		
	2,848		35.12	9/25/17		
	60,903		35.12	9/25/17		
	2,984		33.52	5/19/18		
	45,767		33.52	5/19/18		
	37,500		26.68	4/3/18		
	12,501		5.00	7/27/19		
	37,499		5.00	7/27/19		
	276,720					
<b>Mark Weinswig</b>	45,000	30,000	3.80	10/11/20		
	45,000	30,000				
<b>Christopher Larocca(2)</b>	3,250		12.00	2/28/15		
	332		29.28	12/29/15		
	3,000		31.80	3/10/16		
	500		39.00	4/5/16		
	1,750		29.16	8/26/16		
	7,500		19.90	3/29/17		
	2,715		35.12	9/25/17		
	4,786		35.12	9/25/17		
	4,407		33.52	5/19/18		



Table of Contents

Name	Option Awards		Option Exercise Price (\$)	Option Expiration Date	Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable			Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested \$(1)
	14,344		33.52	5/19/18		
	42,584					
<b>Monica Van Berkel</b>						
(3)	3,750		12.00	2/28/15		
	179		29.28	12/29/15		
	11,250		29.16	8/28/16		
	5,000		19.90	3/29/17		
	625		35.12	9/25/17		
	1,875		35.12	9/25/17		
	4,570		33.52	5/19/18		
	12,931		33.52	5/19/18		
	4,689		5.24	5/29/19		
	14,062		5.24	5/29/19		
	5,001		5.00	7/27/19		
	15,000		5.00	7/27/19		
	78,932					
<b>Alfredo Gomez (4)</b>	2,250		31.04	9/10/17		
	3,500		33.52	5/19/18		
	2,500		4.56	7/17/19		
	5,000		5.00	7/27/19		
	13,250					

- 
- (1) The market value is determined by multiplying the number of shares by \$5.69 and the closing trading price of Common Stock on the Nasdaq Global Market on September 30, 2014, the last trading day of the fiscal year.
  - (2) Mr. Larocca resigned as Chief Operating Officer effective November 30, 2013, and entered into the Larocca Separation Agreement, which provided for the vesting of all outstanding equity awards Mr. Larocca had previously been granted under the Company's various equity awards plans as of January 14, 2014.
  - (3) Dr. Hou and Mrs. Van Berkel terminated employment effective January 2, 2015.
  - (4) Mr. Gomez will terminate employment effective the later of February 13, 2015 or the date which is 10 business days following notice to Mr. Gomez that the Company has hired a new in-house counsel.

Table of Contents

The following table sets forth as to each Named Executive Officer information on exercise of stock options and vesting of stock options and restricted stock units during fiscal 2014.

**Options Exercised and Stock Vested**

Name	Option Awards		Stock Awards	
	Number of shares acquired on exercise (#)	Value realized on exercise (\$)	Number of shares acquired on vesting (#)	Value realized on vesting(3) (\$)
<b>Hong Q. Hou, Ph.D.(1)</b>			39,270	192,392
<b>Mark Weinswig</b>			18,833	90,132
<b>Christopher Larocca</b>	77,500	66,800	36,000	179,280
<b>Monica Van Berkel (1)</b>			16,006	76,479
<b>Alfredo Gomez (2)</b>			19,083	91,361

- 
- (1) Terminated employment effective January 2, 2015.  
(2) Will terminate employment effective the later of February 13, 2015 or the date which is 10 business days following notice to Mr. Gomez that the Company has hired a new in-house counsel.  
(3) Based on the closing price of Company stock on the date of vesting.

**Potential Payments upon Termination or Change-in-Control**

On August 2, 2011, the Company entered into employment agreements with each of its Named Executive Officers, setting forth, among other things, the Named Executive Officer's severance benefits upon termination or change of control. In accordance with the terms of these agreements, if (a) a Named Executive Officer's employment is terminated without cause, (b) the Named Executive Officer terminates his employment for good reason, or (c) within thirty-six months of a change in control of the Company, the Named Executive Officer's employment is terminated without cause or the Named Executive Officer terminates his employment for good reason, then the Named Executive Officer will receive the following benefits, provided that he enters into a general release agreement with the Company: (i) continued payment of his base salary for a period of one year plus two weeks, plus an additional two weeks for each whole year that the Named Executive Officer was employed by the Company; (ii) payment of certain COBRA premiums; (iii) payment of standard outplacement services up to \$15,000; and (iv) acceleration and immediate vesting of all of the Named Executive Officer's outstanding equity awards that remain subject to vesting (except performance-based awards).

The following are estimated payments and benefits that would be provided to each of Dr. Hou, Mr. Weinswig, Mrs. Van Berkel and Mr. Gomez in the event the Named Executive Officer's employment is terminated as described above. The calculations assume a termination date of September 30, 2014, the last business day of fiscal 2014. The actual amounts of the payments and costs of the benefits, however, can only be determined at the time of an executive's separation from the Company.



Table of Contents

Name	Severance	COBRA		Outplacement Services
		(Company Part Only)		
Dr. Hong Q. Hou Ph.D.(1)	\$ 744,966	\$ 32,687	\$ 15,000	
Mark Weinswig	\$ 300,000	\$ 27,239	\$ 15,000	
Christopher Larocca(2)	\$ 390,000	\$ 32,687	\$ 15,000	
Monica Van Berkel(1)	\$ 334,424	\$ 32,687	\$ 15,000	
Alfredo Gomez(1)	\$ 287,692	\$ 6,452	\$ 15,000	

(1) Estimates Officers terminated employment on a date after September 30, 2014.

(2) Actual amount Officer terminated employment on a date prior to September 30, 2014.

In addition, as of September 30, 2014, each Named Executive Officer would realize the following gains from the acceleration of unvested stock options, restricted stock awards and restricted stock units, measured based on a stock price of \$5.69, which was the closing price of Common Stock on the Nasdaq Global Market on September 30, 2014:

Name	Value of stock options, restricted stock awards and restricted stock units on Acceleration (\$)
Dr. Hong Q. Hou Ph.D.	631,226
Mark Weinswig	462,785
Christopher Larocca	0
Monica Van Berkel	297,337
Alfredo Gomez	295,880

If a Named Executive Officer's employment is terminated for cause or he terminates his employment without good reason, the Company will pay the Named Executive Officer's base salary through the effective date of his termination and will not have any additional obligations to the Named Executive Officer. If a Named Executive Officer's employment terminates as a result of his death, the Company will pay the Named Executive Officer's base salary through the effective date of his termination and provide his spouse and children health insurance coverage as in effect on the date of termination for a period of twelve months thereafter.

On November 15, 2013, Mr. Larocca informed the Company that he would resign from his position as the Company's Chief Operating Officer effective November 30, 2013 to pursue other business endeavors. In connection with his resignation, the Company entered into the Larocca Separation Agreement, which provides Mr. Larocca with payments and benefits that are consistent with the payments and benefits to which he was entitled pursuant to the terms of his employment agreement. These payments and benefits are as follows:

- (i) the Company will continue to pay Mr. Larocca his current base salary of \$260,000 per annum for a period of 78 weeks, commencing on December 1, 2013;
- (ii) all of the unvested restricted stock and restricted stock units held by Mr. Larocca vested as of January 14, 2014, which had a value of \$179,280 based on a stock price of \$4.98, which was the closing price of Common Stock on the Nasdaq Global Market on January 14, 2014;
- (iii) all of Mr. Larocca's outstanding unvested stock options vested as of January 14, 2014, and must be exercised within three (3) years of January 14, 2014 (but no later than the expiration of the term of the applicable stock option). Such unvested stock options had a value of \$16,650 which reflects the difference between the exercise price of these stock options and a

## Edgar Filing: EMCORE CORP - Form PRE 14A

stock price of \$4.98 which was the closing price of Common Stock on the Nasdaq Global Market on January 14, 2014;

- (iv) Mr. Larocca is eligible to exercise his rights to COBRA, and in the event Mr. Larocca exercises such rights, then the Company will pay the portion of Mr. Larocca's COBRA premiums for eighteen (18) months from the effective date of his termination. The estimated value of such COBRA premium payments is \$21,769; and
- (v) the Company will provide Mr. Larocca with standard outplacement services for up to 12 months after December 1, 2013, at the Company's expense up to a maximum amount of \$15,000.

In addition, the Larocca Separation Agreement includes releases by Mr. Larocca of all claims related to Mr. Larocca's employment and service relationship with, and termination of employment and service from, the Company.

Table of Contents

**COMPENSATION COMMITTEE REPORT**

*The information contained under this Compensation Committee Report shall not be deemed to be soliciting material or to be filed with the SEC, nor shall such information be incorporated by reference into any filings under the Securities Act of 1933, as amended, or under the Exchange Act, or be subject to the liabilities of Section 18 of the Exchange Act, except to the extent that the Company specifically incorporates this information by reference into any such filing.*

The Compensation Committee is responsible for evaluating the performance of the Chairmen, the Chief Executive Officer and other officers of the Company, as well as reviewing and approving their compensation. The Committee also establishes and monitors overall compensation programs and policies for the Company, including administering its incentive compensation plans. The Committee's processes and procedures for the consideration and determination of executive compensation are explained in greater detail in the Compensation Discussion and Analysis section.

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis. Based on this review and discussion, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's Proxy Statement in accordance with Item 407(e)(5) of Regulation S-K.

This report is submitted by the Compensation Committee.

January 22, 2015

COMPENSATION COMMITTEE

Charles T. Scott, Chairman

Stephen L. Domenik

Gerald J. Fine

Sherman McCorkle

**COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

During fiscal 2014, the Company's Compensation Committee was comprised of Messrs. Scott (chairman), Domenik, Fine and McCorkle. No member of the Compensation Committee served as one of the Company's officers or employees during fiscal 2014 or was formerly an officer or employee of the Company at any time. None of the Company's executive officers served as a member of the compensation committee of any other company that has an executive officer serving as a member of the Company's Board of Directors or Compensation Committee during fiscal

2014. None of the Company's executive officers served as a member of the board of directors of any other company that has an executive officer serving as a member of the Company's Compensation Committee during fiscal 2014.

### **COMPENSATION RISK**

The Compensation Committee has reviewed the Company's compensation policies and practices for all employees, including executive and non-executive officers, and determined that the Company's compensation programs do not give rise to risks reasonably likely to have a material adverse effect on the Company. The Committee noted several design features of the Company's cash and equity incentive programs for all executive officers in particular that reduce the likelihood of excessive risk-taking and instead encourage behaviors that support sustainable value creation by rewarding employees for achieving long-term financial and strategic objectives through prudent business judgment and appropriate risk taking. Some of these elements include:

- *A Balanced Mix of Compensation Components.* The program design provides a balanced mix of cash and equity, annual and longer-term incentives, and performance metrics.
- *Multiple Performance Factors.* Our incentive compensation plans use both company-wide metrics and individual performance, which encourage focus on the achievement of several objectives for the overall benefit of the Company. The annual cash incentive is dependent upon multiple performance metrics including revenue and EBIT, as well as individual goals related to specific strategic or operational objectives. The long-term incentives are equity-based and granted annually with a three, four or five year vesting schedule, to create incentives for the executives to focus on the long-term performance of the Company.

Table of Contents

- Focus on Long-term Incentives. Long-term incentive compensation is an integral part of compensation that discourages short-term risk taking.
- Managed Expectations. Bonus targets are appropriately set to avoid targets that, if not achieved, result in a large percentage loss of compensation.
- Capped Incentive Awards. Maximum funding level of the executive bonus program is capped at 120 percent of target.

**OWNERSHIP OF SECURITIES****SECURITY OWNERSHIP OF****CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth as of January 13, 2015 certain information regarding the beneficial ownership of Common Stock of the Company by: (i) each Named Executive Officer of the Company, (ii) each director and nominee, (iii) all directors and executive officers as a group (12 persons), and (iv) each person or group (as that term is defined in Section 13(d)(3) of the Exchange Act) known by the Company to be the beneficial owner of more than 5% of the Common Stock of the Company. Except as otherwise indicated, the Company believes, based on information furnished by such persons, that each person listed below has the sole voting and investment power over the shares of Common Stock shown as beneficially owned, subject to common property laws, where applicable. Shares beneficially owned include shares of Common Stock and warrants and options to acquire shares of Common Stock that are exercisable within sixty (60) days of January 13, 2015 and phantom share credits representing shares of Common Stock earned by directors for services on the Board that such directors have elected to defer and which will be settled in Common Stock upon a change of control or after such directors' termination of service as a director of the Company. Unless otherwise indicated, the address of each of the beneficial owners is c/o EMCORE Corporation, 2015 W. Chestnut Street, Alhambra, CA, 91803.

Name	Shares Beneficially Owned(1)	Percent of Common Stock
Robert L. Bogomolny	79,080(2)	*
Steven Becker	3,197,105(3)(4)(5)	10.28
Gerald J. Fine, Ph.D.		*
Hong Q. Hou, Ph.D.	381,718(5)(6)	1.22%
Charles T. Scott	73,617(7)	*
Sherman McCorkle	22,510(8)	*
Reuben F. Richards, Jr.	441,886(9)	1.41%
James A. Tegnalia, Ph.D.	18,231(10)	*
Stephen L. Domenik		*
Thomas J. Russell, Ph.D.	1,719,717(11)	5.53%
Mark Weinswig	107,156(12)	*
Monica Van Berkel	115,119(13)	*
Alfredo Gomez	32,667(14)	*
Christopher Larocca	42,584(15)	*
All directors and executive officers as a group (15 persons)	4,511,673(16)	14.18%
Becker Drapkin Management, L.P.	3,197,105(3)(4)(5)	10.28%
Kopp Investment Advisors, LLC	2,073,975(17)	6.67%
Photon Acquisition Corporation	3,578,413(18)	11.51%
c/o Veritas Capital Fund Management L.L.C.		



590 Madison Avenue, New York, NY 10022

---

\* Less than 1.0%

Table of Contents

- (1) As of December 19, 2014, 31,631,692 shares of Common Stock were outstanding.
- (2) Includes 7,921 phantom share credits, representing shares of Common Stock earned by Mr. Bogomolny for services rendered as a director, which he elected to defer.
- (3) This formation is based on information contained in a Schedule 13 D/A filed with the SEC on December 6, 2013 and in a Form 4 filed on December 10, 2013. According to the Schedule 13D/A and Form 4, Becker Drapkin Partners (QP), L.P. ( Becker Drapkin QP ) owns 2,077,849 shares of Common Stock (the Becker Drapkin QP Shares ), and Becker Drapkin Partners, L.P. ( Becker Drapkin, L.P. ) owns 292,742 shares of Common Stock (the Becker Drapkin, L.P. Shares ). The Becker Drapkin QP Shares and Becker Drapkin, L.P. Shares are collectively referred to herein as the Becker Drapkin Funds Shares. Becker Drapkin QP has the power to vote or to direct the vote of (and the power to dispose or direct the disposition of) the Becker Drapkin QP Shares. Becker Drapkin QP disclaims beneficial ownership of the Becker Drapkin, L.P. Shares. Becker Drapkin, L.P. has the power to vote or to direct the vote of (and the power to dispose or direct the disposition of) the Becker Drapkin, L.P. Shares. Becker Drapkin, L.P. disclaims beneficial ownership of the Becker Drapkin QP Shares. As general partner of the Becker Drapkin Funds, Becker Drapkin Management, L.P. ( BD Management ) may be deemed to have the shared power to vote or direct the vote of (and the shared power to dispose or direct the disposition of) the Becker Drapkin Funds Shares. BD Management in its capacity as investment manager for a separate managed account on behalf of an investment advisory client (the Managed Account ) has the sole power to vote or direct the vote of (and the sole power to dispose or direct the disposition of) 826,514 shares held by the Managed Account (the Managed Account Shares ). BC Advisors, LLC ( BCA ), as the general partner of BD Management, and Mr. Becker and Matthew A. Drapkin, as the sole members and co-managing members of BCA and limited partners of BD Management, may in each case be deemed to be beneficial owners of the Becker Drapkin Funds Shares and the Managed Account Shares. BD Management disclaims beneficial ownership of the Becker Drapkin Funds Shares. BCA does not own any shares directly and disclaims beneficial ownership of any shares beneficially owned by BD Management. Mr. Becker and Matthew A. Drapkin each disclaim beneficial ownership of any shares beneficially owned by BCA..
- (4) Pursuant to the terms of the Settlement Agreement between the Company and Mr. Drapkin, Stephen Becker, BCA, BD Management, Becker Drapkin QP, and Becker Drapkin L.P. (collectively with Messrs. Becker and Drapkin, the Shareholder Group ), have agreed that, through the conclusion of the 2015 Annual Meeting (the Standstill Period ), each member of the Shareholder Group shall cause all shares of Common Stock owned of record or beneficially owned by it or its respective affiliates or associates to be present for quorum purposes and to be voted in favor of all directors nominated by our Board of Directors for election at any shareholder meeting where such matters will be voted on, provided, that such nominees were not nominated in contravention of the Settlement Agreement. In addition, the Settlement Agreement imposes certain restrictions and requirements on each member of the Shareholder Group (and their respective affiliates, associates, agents and other persons acting on his or its behalf), relating to actions with respect to the Company and its common stock during the Standstill Period, including limits on the acquisition of beneficial ownership in excess of 15% of the outstanding shares of our Common Stock; limits on submitting shareholder proposals and Board nominations for a vote by our shareholders; limits on the ability to solicit proxies or written consents from our shareholders; limits on the ability to call a special meeting of our shareholders; limits on actions with respect to sale transactions involving the Company; limits on public statements regarding the Company, the Board, and management; and limits on engaging in certain securities transactions relating to the Company and the securities of the Company.
- (5) Becker Drapkin Management, L.P., Becker Drapkin Partners (QP), L.P., Becker Drapkin Partners, L.P., BC Advisors, LLC, and Dr. Hong Q. Hou (the Covered Shareholders ) entered into a voting agreement with Photon Acquisition Corporation on September 17, 2014, pursuant to which, subject to certain exceptions, the Covered Shareholders have agreed to vote such shares (i) in favor of the Asset Sale Proposal and (ii) against (A) any action or agreement that would reasonably be expected to result in any of the conditions to EMCORE s obligation to consummate the transactions contemplated by the Asset Purchase Agreement not being fulfilled, (B) any Alternative Transaction Proposal, and (C) any other action, proposal, transaction or agreement that could reasonably be expected to impede, interfere with, materially delay, materially postpone or materially adversely affect consummation of the Asset Sale (except that the foregoing clauses (A) and (C) will not apply to the sale or disposition by way of asset sale of any part or all of the Other Businesses so long as clause (i) of the definition of Alternative Transaction Proposal is not satisfied, any transaction conditioned on the consummation of the Asset Sale or, solely with

Table of Contents

respect to certain shareholders, any election of directors nominated by the Board). The voting agreement includes restrictions on the ability of the shareholders that are parties thereto to, (x) transfer the record or beneficial ownership of the shares of EMCORE common stock held by such shareholders, (y) enter into any voting or similar agreement with respect to shares of EMCORE common stock held by such shareholders or (z) take any actions which could reasonably be expected to have the effect of preventing or adversely affecting the consummation of the Asset Sale or such shareholder's ability to perform its obligations under the voting agreement.

- (6) Includes options to purchase 276,720 shares of Common Stock exercisable within 60 days of September 23, 2014, and 10,705 shares of Common Stock held in the Company's 401(k) Plan as of June 30, 2014.
- (7) Includes 14,689 phantom share credits, representing shares of Common Stock earned by Mr. Scott for services rendered as a director, which he elected to defer, and 34,125 shares of Common Stock owned by Kircal, Ltd.
- (8) Includes 8,000 shares of Common Stock held in Mr. McCorkle's 401(k) Plan as of December 31, 2013.
- (9) Includes options to purchase 256,250 shares of Common Stock exercisable within 60 days of September 23, 2014, 43,750 shares of Common Stock held by his spouse, 2,500 shares of Common Stock held by his spouse in a pension fund and 2,500 shares of Common Stock held in trust for the benefit of Mr. Richards' daughter.
- (10) Includes 13,251 phantom share credits, representing shares of Common Stock earned by Mr. Tegnalia for services rendered as a director, which he elected to defer.
- (11) Includes 856,016 shares of Common Stock held by The Morning Star Trust for the benefit of Dr. Russell's daughter.
- (12) Includes options to purchase 60,000 shares of Common Stock exercisable within 60 days of September 23, 2014, 5,000 restricted stock units vesting within 60 days of September 23, 2014, and 5,485 shares of Common Stock held in the Company's 401(k) Plan as of June 30, 2014.
- (13) Includes options to purchase 78,932 shares of Common Stock exercisable within 60 days of September 23, 2014 and 9,014 shares of Common Stock held in the Company's 401(k) Plan as of June 30, 2014.
- (14) Includes options to purchase 13,250 shares of Common Stock exercisable within 60 days of September 23, 2014 and 4,709 shares of Common Stock held in the Company's 401(k) Plan as of June 30, 2014.
- (15) Includes options to purchase 42,584 shares of Common Stock exercisable within 60 days of September 23, 2014. On January 14, 2014, all of Mr. Larocca's outstanding equity awards vested pursuant to the terms of a separation agreement, which he entered into with the Company in connection with his resignation as Chief Operating Officer.
- (16) Includes 5,000 restricted stock units vesting within 60 days of September 23, 2014, and options to purchase 727,736 shares of Common Stock exercisable within 60 days of September 23, 2014.
- (17) This information is based solely on information contained in a Schedule 13D filed with the SEC on October 8, 2010, by Kopp Investment Advisors, LLC ( "KIA" ), a wholly-owned subsidiary of Kopp Holding Company, LLC ( "KHC" ), which is controlled by Mr. LeRoy C. Kopp ( "Kopp" ) (collectively, the "Kopp Parties" ). KIA reports beneficially owning a total of 2,073,975 shares of Common Stock including having sole voting power over 0 shares of Common Stock and shared dispositive power over 735,225 shares of Common Stock. KHC reports beneficially owning 2,073,975 shares of Common Stock including having sole voting power over 0 shares of Common Stock and shared dispositive power over 735,225 shares of Common Stock. Kopp reports beneficially owning a total of 2,073,975 shares of Common Stock including having sole voting power over 1,338,750 shares of Common Stock and shared dispositive power over 735,225 shares of Common Stock. All share ownership numbers have been adjusted to account for a reverse stock split effected by the Company at a ratio of 4:1 on February 15, 2012. The address of the Kopp Parties is 8400 Normandale Lake Blvd., Suite 1450, Bloomington, Minnesota, 55437.
- (18) On September 26, 2014, Photon Acquisition Corporation, Photon Holdings Corporation, Photon Holding LLC, the Veritas Capital Fund IV, L.P., Veritas Capital Partners IV, L.L.C. (collectively, the "Veritas Entities" ), Ramzi M. Musallam, Hugh D. Evans and Benjamin M. Polk jointly filed a Schedule 13D with the SEC in respect of 3,578,413 shares of Common Stock that are the subject of the Voting Agreement. As a result of the terms of the Voting Agreement, the Veritas Entities and Messrs. Musallam, Evans and Polk may be deemed to have certain shared power to vote the 3,578,413 shares of Common Stock that are the subject of the Voting Agreement. Veritas Capital Partners IV, L.L.C. is the general partner of The Veritas Capital Fund IV, L.P., and Mr. Musallam is the managing member of such general partner. The Veritas Capital Fund IV, L.P. holds 100% of the equity of Photon Holding LLC and indirectly holds 100% of the equity of Photon Acquisition Corporation and Photon Holdings Corporation. Share ownership and other information contained herein concerning these reporting persons is based solely on the Schedule 13D filed by them. Each of the filers of the Schedule 13D disclaims any beneficial ownership of shares of Common Stock, and nothing herein or in the Schedule 13D shall be deemed to be an admission by the filers as to the beneficial ownership of such shares. The address of the Veritas Entities is c/o Veritas Capital Fund Management L.L.C. 590 Madison Avenue, New York, NY 10022.

Table of Contents**EQUITY COMPENSATION PLAN INFORMATION**

The following table sets forth, as of September 30, 2014, the number of securities outstanding under each of EMCORE's stock option plans and EMCORE's 2000 Employee Stock Purchase Plan, the weighted average exercise price of such options, and the number of options available for grant under such plans:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	2,397,769	\$ 19.06	2,200,189
Equity compensation plans not approved by security holders			

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Based on the Company's review of copies of all disclosure reports filed by directors and executive officers of the Company, pursuant to Section 16(a) of the Exchange Act, and written representations furnished to the Company, the Company believes that there was compliance with all filing requirements of Section 16(a) applicable to directors and executive officers of the Company during fiscal 2014. In fiscal 2013, Mr. McCorkle had one late filing in respect of two transactions as a result of an internal communication error.

Table of Contents

**PROPOSAL II:**

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

For the fiscal 2014, KPMG LLP ( KPMG ) provided audit services, which included examination of the Company's annual consolidated financial statements. A summary of the fees for these services provided by KPMG LLP is below. The Audit Committee of the Board of Directors has appointed KPMG to serve as the Company's independent registered public accounting firm for fiscal 2015 and the Board of Directors recommends that shareholders ratify such appointment at the Annual Meeting.

Action by the shareholders is not required by law in the appointment of an independent registered public accounting firm, but their appointment is submitted by the Audit Committee of the Board of Directors in order to give the shareholders a voice in the designation of auditors. If the resolution ratifying the appointment of KPMG as the Company's independent registered public accounting firm is rejected by the shareholders, then the Audit Committee may reconsider its choice of independent registered public accounting firms. Even if the resolution is approved, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and its shareholders. **Proxies in the form solicited hereby that are properly submitted will be voted FOR the resolution unless otherwise instructed by the shareholder.**

Representatives of KPMG are expected to attend the Annual Meeting. They will have an opportunity to make a statement if they desire to do so, and are expected to be available to respond to appropriate questions.

**RECOMMENDATION OF THE BOARD OF DIRECTORS**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF KPMG LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM UNDER PROPOSAL II.**

**FISCAL 2014 & 2013 AUDITOR FEES AND SERVICES**

The fees billed to the Company by KPMG in fiscal 2013 and 2014 are as follows:

	Fiscal 2014	Fiscal 2013
Audit fees (1)	\$ 874,669	\$ 941,072
Audit-related fees		
Tax fees (2)	\$ 87,095	
All other fees		
<b>Total</b>	<b>\$ 961,764</b>	<b>\$ 941,072</b>

- 
- (1) Represents fees for professional services rendered in connection with the integrated audit of our annual financial statements, reviews of our quarterly financial statements, other SEC filings, including registration statements, correspondence with the SEC, and advice provided on accounting matters that arose in connection with audit services.
  - (2) Represents fees for professional services rendered to assist the Company with determining whether the Company has experienced one or more ownership changes within the meaning of Section 382 of the Internal Revenue Code of 1986.

Table of Contents

**Audit Committee Pre-Approval Policies and Procedures**

The Audit Committee pre-approves all audit and permissible non-audit services provided by the independent auditors. These services may include audit services, audit-related services, tax services and other services. The Audit Committee has adopted a policy for the pre-approval of services provided by the independent auditors. Under the policy, pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is subject to a specific budget. In addition, the Audit Committee may also pre-approve particular services on a case-by-case basis. For each proposed service, the independent auditors are required to provide detailed back-up documentation at the time of approval. Pursuant to the Sarbanes-Oxley Act of 2002, all of the fees and services provided as noted in the table above were authorized and approved by the Audit Committee in compliance with the pre-approval policies and procedures described herein.

**REPORT OF THE AUDIT COMMITTEE**

*The following Report of the Audit Committee does not constitute soliciting material, and should not be deemed filed or incorporated by reference into any other Company filing under the Securities Act or the Exchange Act, except to the extent the Company specifically incorporates this Report of the Audit Committee by reference therein.*

The Company has a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. During fiscal 2014, the Audit Committee consisted of Messrs. Scott (chairman), Bogomolny, Domenik and McCorkle. Each member of the Audit Committee is currently an independent director within the meaning of Nasdaq Listing Rule 5605(a)(2). The Board of Directors has determined that Mr. Scott is an Audit Committee Financial Expert. The Audit Committee met seven (7) times in fiscal 2014. The Audit Committee performs the functions set forth in the EMCORE Corporation Audit Committee Charter, which has been adopted by the Board of Directors. The Audit Committee Charter is available in the Corporate Governance section on the Investor tab of our website ([www.emcore.com](http://www.emcore.com)).

The Audit Committee has reviewed and discussed the Company's audited consolidated financial statements contained in the Company's Annual Report on Form 10-K for fiscal 2014 with management of the Company and the Company's independent registered public accounting firm. The Audit Committee has also discussed with the Company's independent registered public accounting firm the matters required to be discussed by Auditing Standard No. 16, Communication With Audit Committees, issued by the Public Company Accounting Oversight Board. Furthermore, the Audit Committee has reviewed management's assessment of the effectiveness of the Company's internal controls over financial reporting, and has reviewed the opinion of the Company's independent registered public accounting firm regarding the conformity of the Company's audited financial statements with GAAP and on the Company's internal controls over financial reporting.

The Audit Committee has received the written disclosures and the letter from the Company's independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, and has discussed with such accounting firm the independence of such accounting firm. The Audit Committee concluded that the Company's independent registered public accounting firm's provision of non-audit services to the Company, as detailed below, is compatible with the accounting firm's independence.

## Edgar Filing: EMCORE CORP - Form PRE 14A

Based on the foregoing review and discussions, the Audit Committee recommended to the Board of Directors that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K for fiscal 2014, which was filed with the SEC on December 12, 2014.

This report is submitted by the Audit Committee.

December 22, 2014

AUDIT COMMITTEE  
Charles T. Scott, Chairman  
Robert L. Bogomolny  
Stephen L. Domenik  
Sherman McCorkle



Table of Contents

**PROPOSAL III**

**ADVISORY VOTE ON EXECUTIVE COMPENSATION**

In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act and the related compensation disclosure rules of the SEC, and consistent with our shareholders' preference to provide annual advisory votes on the compensation of our Named Executive Officers, we are asking our shareholders to vote to approve, on a non-binding, advisory basis, the compensation of our Named Executive Officers as disclosed in this Proxy Statement.

As described in detail under the heading "Compensation Discussion and Analysis," we seek to closely align the interests of our Named Executive Officers with the interests of our shareholders. Our compensation programs are designed to reward our Named Executive Officers for the achievement of short-term and long-term strategic and operational goals, while at the same time avoiding the encouragement of unnecessary or excessive risk-taking.

The vote on this resolution is not intended to address any specific element of compensation; rather, the vote relates to the overall compensation of our Named Executive Officers, as described in this Proxy Statement. The vote is advisory, which means that the vote is not binding on the Company, our Board of Directors or the Compensation Committee of the Board of Directors. Although the vote is non-binding, the Compensation Committee will consider the voting results when it evaluates whether any changes should be made to our compensation program.

Accordingly, we ask our shareholders to approve the following resolution at the Annual Meeting:

RESOLVED, that the Company's shareholders approve, on an advisory basis, the compensation awarded to the Corporation's Named Executive Officers as disclosed in the Compensation Discussion and Analysis, the accompanying compensation tables, and the related narrative disclosure in this Proxy Statement.

**RECOMMENDATION OF THE BOARD OF DIRECTORS**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS, AS DISCLOSED IN THIS PROXY STATEMENT.**

Table of Contents

**PROPOSAL IV**

**APPROVAL OF TAX BENEFITS PRESERVATION PLAN**

We are asking our shareholders to vote to approve the Tax Benefits Preservation Plan, dated as of September 17, 2014 (the "Tax Benefits Preservation Plan"), by and between the Company and American Stock Transfer and Stock, LLC, as Rights Agent (the "Rights Agent"), as disclosed in Exhibit 4.1 of the Form 8-K filed by the Company on September 17, 2014, which is incorporated by reference. The Tax Benefits Preservation Plan is currently in effect. However, pursuant to the terms of the Tax Benefits Preservation Plan, if this proposal is not approved by our shareholders at the Annual Meeting, the Tax Benefits Preservation Plan will terminate immediately following the final adjournment of the Annual Meeting.

**Please read the Tax Benefits Preservation Plan in its entirety as the discussion below is only a summary.**

**Background**

The purpose of the Tax Benefits Preservation Plan is to protect the Company's ability to utilize its net operating losses and other tax assets (collectively, the "Tax Benefits") to offset future taxable income. The Company's use of the Tax Benefits in the future could be significantly limited if it experiences an ownership change for U.S. federal income tax purposes. Generally, there is a change in ownership if, at any time, one or more 5-percent shareholders (as defined under U.S. federal income tax laws) have aggregate increases in their ownership of the Company of more than 50 percentage points looking back over the prior three-year period. The Tax Benefits Preservation Plan is designed to reduce the likelihood of a change in ownership by, among other things, discouraging any person or group from becoming a 5-percent shareholder and dissuading existing 5-percent shareholders from acquiring additional stock of the Company. There is no guarantee, however, that the Tax Benefits Preservation Plan will prevent the Company from experiencing an ownership change.

Our business operations have generated significant Tax Benefits in the past and we may generate additional Tax Benefits in future years. Under federal tax laws, we generally can use the Tax Benefits to offset ordinary taxable income in our prior two tax years or on our future taxable income for up to 20 years, in each case, with respect to when the Tax Benefit was generated.

As of September 30, 2014, we estimate that we had approximately \$458,100,000 in net operating losses available to offset future taxable income. While we cannot estimate the exact amount of the Tax Benefits that we can use to reduce our future income tax liability, because we cannot predict the amount and timing of our future taxable income, we believe that our Tax Benefits are a valuable asset of the Company.

After careful consideration, our Board of Directors determined that it was desirable and in the best interests of the Company and its shareholders to have the Company enter into the Tax Benefits Preservation Plan in order to help preserve the Tax Benefits.

**Description of the Tax Benefits Preservation Plan**

**Acquiring Person.** Under the Tax Benefits Preservation Plan, **Acquiring Person** generally means any person or entity that has become a 5-percent shareholder of the Company after September 17, 2014 without the prior written approval of the Board of Directors, other than as a result of, among others, (i) repurchases of Company equity securities by the Company, (ii) stock dividends, stock splits, reverse stock splits, or similar transactions effected by the Company or (iii) certain inadvertent actions taken by our shareholders. Notwithstanding the foregoing, no person shall be an **Acquiring Person** if the Board of Directors shall have affirmatively determined, prior to the Distribution Date (as defined below), in light of the intent and purposes of this Tax Benefits Preservation Plan or other circumstances facing the Company, that such Person shall not be deemed an **Acquiring Person**.

**The Rights.** The Board of Directors authorized the dividend distribution of one preferred share purchase right (a **Right**) for each outstanding share of the Company's common stock, no par value per share (the **Common Stock**), payable to our shareholders of record as of the close of business on October 3, 2014. Subject to the terms, provisions and conditions in the Tax Benefits Preservation Plan, if the Rights become exercisable, each Right would entitle the registered holder to purchase from the Company one ten-thousandth of a share (a **Unit**) of a series of the Company's preferred stock designated as Junior Participating Preferred Stock, Series A ( **Preferred Stock** ) at a price of \$21.50 per Unit (the **Purchase Price** ), subject to adjustment. Prior to exercise, a Right does not give its holder any rights as a shareholder of the Company, including, without limitation, any dividend, voting or liquidation rights.

Table of Contents

**Exercisability.** The Rights will not be exercisable until the earlier of (i) the close of business on the tenth business day following the date of public announcement by the Company or an Acquiring Person that the Acquiring Person has become such (such date, the Stock Acquisition Date ) or (ii) the close of business on the tenth business day (or such later date as the Board of Directors shall determine) following the commencement of a tender offer or exchange offer that would result in a person or group becoming an Acquiring Person (the earlier of the dates in clause (i) or (ii) above, the Distribution Date ). Prior to the Distribution Date, the Rights will be attached to all Common Stock certificates representing shares then outstanding, and no separate Rights certificates will be distributed. After the Distribution Date, the Rights Agent would send certificates representing the Rights to the shareholders and the Rights would trade independent of the Common Stock.

**Flip-in Feature.** In the event that a Person becomes an Acquiring Person, each holder of a Right will thereafter have the right to receive, upon exercise, Common Stock (or, in certain circumstances, cash, property or other securities of the Company) having a value equal to two times the exercise price of the Right. Notwithstanding any of the foregoing, following the occurrence of the event set forth in this paragraph, all Rights that are, or (under certain circumstances specified in the Tax Benefits Preservation Plan) were, beneficially owned by any Acquiring Person will be null and void. However, the Rights are not exercisable until such time as the Rights are no longer redeemable by the Company, as described below.

**Flip-over Feature.** Except for certain exempt transactions specified in the Tax Benefits Preservation Plan, in the event that, at any time following the Stock Acquisition Date, (i) the Company engages in a merger or other business combination transaction in which the Company is not the surviving corporation, (ii) the Company engages in a merger or other business combination transaction in which the Company is the surviving corporation and the Common Stock of the Company is changed or exchanged, or (iii) 50% or more of the Company's assets, cash flow or earning power is sold or transferred, each holder of a Right (except Rights which have previously been voided as set forth above) shall thereafter have the right to receive, upon exercise, common stock of the acquiring company having a value equal to two times the exercise price of the Right.

**Exchange.** At any time after a person becomes an Acquiring Person and prior to the acquisition by such person or group of fifty percent (50%) or more of the outstanding Common Stock, the Board of Directors may exchange the Rights (other than Rights owned by such person or group which have become void), in whole or in part, at an exchange ratio of one share of Common Stock, or one Unit of Preferred Stock (or of a share of a class or series of the Company's preferred stock having equivalent rights, preferences and privileges), per Right, subject to adjustment.

**Redemption.** At any time until ten business days following the Stock Acquisition Date, the Company may redeem the Rights in whole, but not in part, at a price of \$0.0001 per Right (the Redemption Price ), payable in cash, Common Stock or other consideration deemed appropriate by the Board of Directors. Immediately upon the action of the Board of Directors ordering redemption of the Rights, the Rights will terminate and the only right of the holders of Rights will be to receive the Redemption Price.

*Anti-Dilution Provisions.* The Purchase Price payable, and the number of Units of Preferred Stock or other securities or property issuable, upon exercise of the Rights, are subject to adjustment to prevent dilution that may occur as a result of certain events, including, among others, in the event of a stock dividend on, or a subdivision, combination or reclassification of, the Preferred Stock. With certain exceptions, no adjustment in the Purchase Price will be required until cumulative adjustments amount to at least 1% of the Purchase Price.

*Amendments.* Any of the provisions of the Tax Benefits Preservation Plan may be amended by the Board of Directors prior to the Distribution Date. After the Distribution Date, the provisions of the Tax Benefits Preservation Plan may be amended by the Board of Directors in order to cure any ambiguity, to make changes which do not adversely affect the interests of holders of Rights, or to shorten or lengthen any time period under the Tax Benefits Preservation Plan. Notwithstanding the foregoing, no amendment may be made at such time as the Rights are not redeemable.

Table of Contents

**Expiration.** The Rights will expire on the earliest of (i) 5:00 P.M. (New York City time) on October 3, 2017, unless such date is extended, (ii) the time at which the Rights are redeemed or exchanged pursuant to the Tax Benefits Preservation Plan, (iii) the close of business on the effective date of the repeal of Section 382 of the Internal Revenue Code, if the Board of Directors determines that the Tax Benefits Preservation Plan is no longer necessary or desirable for the preservation of the Tax Benefits, (iv) the close of business on the first day of a taxable year of the Company to which the Board of Directors determines that no Tax Benefits may be carried forward or (v) immediately following the final adjournment of the Annual Meeting if shareholder approval of this proposal has not been received.

**Additional Considerations**

The Board of Directors believes that approval by our shareholders of the Tax Benefits Preservation Plan is in our and our shareholders' best interests. However, in addition to the risk factors listed in our Annual Report on Form 10-K, please consider the items discussed below when voting on this proposal.

***The Internal Revenue Service could challenge the amount of our Tax Benefits or claim we experienced an ownership change, which could significantly reduce the amount of our Tax Benefits that we can use or eliminate our ability to use them altogether.***

The Internal Revenue Service (the "IRS") has not audited or otherwise validated the amount of our Tax Benefits. The IRS could challenge the amount of our Tax Benefits, which could limit our ability to use our Tax Benefits to reduce our future taxable income. In addition, the complexity of the relevant rules under the Internal Revenue Code (as amended, the "Code") governing the use of the Tax Benefits and the limited knowledge that any public company has about the ownership of its publicly traded common stock, may make it difficult to determine whether an ownership change has occurred. As such, even if the Tax Benefits Preservation Plan remains in effect, the IRS could claim that we experienced an ownership change and attempt to reduce or eliminate the amount of our Tax Benefits.

***Continued Risk of Ownership Change***

Although the Tax Benefits Preservation Plan is intended to reduce the likelihood of an ownership change, we cannot assure you that it would prevent all transfers of our common stock that could result in an ownership change.

***Potential Impact on the Price of Our Common Stock***

The Tax Benefits Preservation Plan, which is currently in effect, discourages future shareholders from becoming 5% shareholders of our common stock and existing 5% shareholders from acquiring additional shares of our common stock. Certain investors may not be comfortable holding our common stock subject to the terms of the Tax Benefits Preservation Plan. As such, approving this proposal to keep the Tax Benefits Preservation Plan in place could continue the risk that the Tax Benefits Preservation Plan may depress the price of our common stock, including

in an amount that could more than offset the value preserved by protecting our Tax Benefits through the Tax Benefits Preservation Plan.

***Potential Anti-Takeover Impact***

The Board of Directors approved the Tax Benefits Preservation Plan in order to preserve the long-term value of our Tax Benefits. The Tax Benefits Preservation Plan is not intended to prevent a takeover of the Company, was not executed as the result of any potential takeover transaction known to us and is not part of a plan by us to adopt a series of anti-takeover measures. However, the Tax Benefits Preservation Plan could be deemed to have a potential anti-takeover effect because an Acquiring Person may be diluted under certain circumstances under the Tax Benefits Preservation Plan.

**Required Vote**

To be approved, this proposal will require an affirmative vote of a majority of shares present in person or represented by proxy and that are entitled to vote on this proposal at the Annual Meeting. The Tax Benefits Preservation Plan is currently in effect, however, pursuant to the terms of the Tax Benefits Preservation Plan, if this proposal is not approved by our shareholders at the Annual Meeting, the Tax Benefits Preservation Plan will terminate immediately following the final adjournment of the Annual Meeting.

Table of Contents

Based on the foregoing, we ask our shareholders to approve the following resolution at the Annual Meeting:

RESOLVED, that the Company's shareholders approve the Tax Benefits Preservation Plan, dated as of September 17, 2014, between the Company and American Stock Transfer and Stock, LLC as Rights Agent, as disclosed in this Proxy Statement and in the Appendix to this Proxy Statement.

**RECOMMENDATION OF THE BOARD OF DIRECTORS**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE APPROVAL OF THE TAX BENEFITS PRESERVATION PLAN, DATED AS OF SEPTEMBER 17, 2014, BY AND BETWEEN THE COMPANY AND AMERICAN STOCK TRANSFER AND STOCK, LLC, AS RIGHTS AGENT, AS DISCLOSED IN THIS PROXY STATEMENT AND IN THE APPENDIX TO THIS PROXY STATEMENT.**



Table of Contents

**GENERAL MATTERS**

Annual Report on Form 10-K and Financial Statements

A shareholder may send a written request for a copy of the Company's 2014 Annual Report on Form 10-K and any additional exhibits to the Form 10-K not included in the Company's 2014 Annual Report. All such requests should be directed to the Company at 2015 W. Chestnut Street, Alhambra, CA, 91803, Attention: Investor Relations. Following receipt of any such request by a shareholder, the Company will furnish the requested materials to the shareholder without charge. The Company's 2014 Annual Report on Form 10-K (including amendments and exhibits thereto) and this Proxy Statement are also available in the Investor Relations section of the Company's website (www.emcore.com).

Shareholder Proposals

Shareholder proposals intended to be included in our proxy materials to be distributed in connection with the 2016 Annual Meeting of Shareholders, including nominations for the Company's Board of Directors, must be received by the Company no later than September 26, 2015. Proposals should be mailed to the Company, to the attention of The Secretary, 2015 W. Chestnut Street, Alhambra, CA, 91803. Proposals must comply with all applicable SEC rules.

Shareholder proposals intended to be presented at the 2016 Annual Meeting of Shareholders that are not to be included in our proxy materials must comply with the requirements of our By-Laws and must be received by the Company at the address in the preceding paragraph no later than December 10, 2015.

Delivery of Documents to Shareholders Sharing an Address

The Company may deliver only one copy of the Notice of Internet Availability or, as applicable, Annual Report and Proxy Statement to shareholders who share a single address unless we have received contrary instructions from any shareholder at the address. In that case, we will deliver promptly a separate copy of the Notice of Internet Availability or, as applicable, Annual Report and/or Proxy Statement. For future deliveries, shareholders who share a single address can request a separate copy of the Company's notice of Internet availability of proxy materials or annual report and/or proxy statement, as applicable. Similarly, if multiple copies of the notice of Internet availability of proxy materials or annual report and proxy statement are being delivered to a single address, shareholders can request a single copy of the notice of Internet availability of proxy materials or annual report and proxy statement, as applicable, for future deliveries. To make a request, please call or write to The Secretary, EMCORE Corporation, 2015 W. Chestnut Street, Alhambra, CA 91803 or (626) 239-3400.

Other Matters

Edgar Filing: EMCORE CORP - Form PRE 14A

The Board of Directors knows of no other business which will be presented at the annual meeting. If, however, other matters are properly presented, the persons named in the enclosed proxy will vote the shares represented thereby in accordance with their judgment on such matters.

By Order of the Board of Directors,

/s/ Alfredo Gomez  
Alfredo Gomez, Esq.  
Secretary

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time on Monday, March 9, 2015. Have your proxy card in hand when you access the website and follow the instructions to obtain your records and to create an electronic voting instruction form.

**EMCORE CORPORATION**

**ATTN:**

**GENERAL COUNSEL**

**2015 W. CHESTNUT STREET**

**ALHAMBRA, CA 91803**

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time on Monday, March 9, 2015. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

KEEP THIS PORTION FOR YOUR RECORDS

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

DETACH AND RETURN THIS PORTION ONLY

	For All	Withhold All	For All Except	
<b>The Board of Directors recommends you vote FOR the following:</b>	o	o	o	To withhold authority to vote for any individual nominee(s), mark for All Except and write the number(s) of the nominee(s) on the line below.

1. Election of Directors  
Nominees

01 Stephen L. Domenik      02 Jeffrey Rittichier

<b>The Board of Directors recommends you vote FOR proposal 2, 3 and 4.</b>	For	Against	Abstain
	o	o	o

Edgar Filing: EMCORE CORP - Form PRE 14A

2. To ratify the selection of KPMG LLP as EMCORE's independent registered public accounting firm for the fiscal year ending September 30, 2015.

3. To provide an advisory vote on executive compensation of the Company's Named Executive Officers.

o o o

4. To provide for shareholder approval of the Tax Benefits Preservation Plan.

o o o

Note: In the discretion of the proxies for such other business as may properly come before the meeting or any adjournment thereof.

Please sign exactly as your name(s) appear hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name, by authorized officer.

Signature [PLEASE SIGN Date  
WITHIN BOX]

Signature (Joint Owners)

Date

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting: The Notice & Proxy Statement, Annual Report is/ are available at [www.proxyvote.com](http://www.proxyvote.com).

<b>EMCORE CORPORATION</b>
<b>2015 Chestnut Street</b>
<b>Alhambra, CA 91803</b>
<b>THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS</b>
The undersigned hereby appoints Jeffrey Rittichier and Mark Weinswig, and each of them, as proxies for the undersigned, each with full power of substitution, for and in the name of the undersigned to act for the undersigned and to vote, as designated on the reverse side of this proxy card, all of the shares of stock of the Company that the undersigned is entitled to vote at the 2015 Annual Meeting of Shareholders of the Company, to be held at 8:00 a.m. local time on Tuesday, March 10, 2015, at the Pasadena Hilton Hotel located at 168 So. Los Robles Avenue, Pasadena, California, 91101, or at any adjournments or postponements thereof.
<b>THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED SHAREHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE DIRECTOR NOMINEES LISTED IN PROPOSAL (1), FOR THE RATIFICATION OF KPMG LLP AS EMCORE S INDEPENDENT AUDITORS IN PROPOSAL (2), FOR THE EXECUTIVE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS IN PROPOSAL (3), FOR THE TAX BENEFITS PRESERVATION PLAN IN PROPOSAL (4 ), AND IN THE DISCRETION OF THE PROXIES UPON SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE ANNUAL MEETING.</b>
<b>Continued and to be signed on reverse side</b>