

CREE INC  
Form DEF 14A  
September 08, 2015  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

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

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

CREE, INC.

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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:

Fee paid previously with preliminary materials.

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

1) Amount Previously Paid:

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- 2) Form, Schedule or Registration Statement No.:
  - 3) Filing Party:
  - 4) Date Filed:
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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

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To the Shareholders of Cree, Inc.:

The 2015 Annual Meeting of Shareholders of Cree, Inc. will be held at Bay 7, on the American Tobacco Campus at 318 Blackwell Street, Durham, North Carolina 27701, on Tuesday, October 27, 2015, at 10:00 a.m. local time, to consider and vote upon the following matters and to transact such other business as may be properly brought before the meeting:

• Proposal No. 1—Election of nine directors

• Proposal No. 2—Ratification of the appointment of PricewaterhouseCoopers LLP as independent auditors for the fiscal year ending June 26, 2016

• Proposal No. 3—Advisory (nonbinding) vote to approve executive compensation

All shareholders are invited to attend the meeting in person. Only shareholders of record at the close of business on August 26, 2015 are entitled to notice of and to vote at the meeting.

By order of the Board of Directors,

Bradley D. Kohn  
Secretary  
Durham, North Carolina  
September 8, 2015

PLEASE NOTE:

We are primarily providing access to our proxy materials over the Internet pursuant to the Securities and Exchange Commission's "notice and access" rules. Beginning on or about September 14, 2015, we expect to mail to our shareholders a Notice of Internet Availability of Proxy Materials, which will indicate how to access our 2015 Proxy Statement and 2015 Annual Report on the Internet. The Notice also includes instructions on how you can receive a paper copy of your annual meeting materials, including the notice of annual meeting, proxy statement and proxy card. Whether or not you plan to attend the meeting in person, please submit voting instructions for your shares promptly using the directions on your Notice or, if you elected to receive printed proxy materials by mail, your proxy card, to vote by one of the following methods: (1) over the Internet, by accessing the website address [www.proxyvote.com](http://www.proxyvote.com); (2) by telephone, by calling the toll-free telephone number 1-800-690-6903; or (3) if you elected to receive printed proxy materials by mail, by marking, dating and signing your proxy card and returning it in the accompanying postage-paid envelope.

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CREE, INC.

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PROXY STATEMENT

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2015 PROXY SUMMARY

This summary highlights information contained in this proxy statement. The summary does not contain all of the information that you should consider; please read the entire proxy statement carefully before voting.

Annual Meeting of Shareholders

- Place: Bay 7, on the American Tobacco Campus at 318 Blackwell Street, Durham, North Carolina 27701
- Parking: Bay 7 is equidistant from the North and South Parking Decks accessible from Julian Carr Street: [www.americantobaccohistoricdistrict.com/parking](http://www.americantobaccohistoricdistrict.com/parking).
- Date and time: Tuesday, October 27, 2015, at 10:00 a.m.
- Record Date: August 26, 2015
- Approximate Date of Availability of Proxy Materials: September 14, 2015
- Voting: Shareholders as of the record date are entitled to vote. Each share of common stock is entitled to vote for each director nominee and to one vote for each of the other proposals to be voted on.

Voting matters and Board recommendations

- Election of nine directors (FOR THE NOMINEES)
- Ratification of the appointment of PricewaterhouseCoopers LLP as our independent auditors for the fiscal year ending June 26, 2016 (FOR)
- Advisory (nonbinding) vote to approve executive compensation (FOR)

Board nominees

- Charles M. Swoboda. Cree, Inc. Chairman, President and Chief Executive Officer. Cree Director since 1999.
- Clyde R. Hosein. Executive Vice President and Chief Financial Officer of RingCentral, Inc. Cree Director since 2005.
- Robert A. Ingram. General Partner in Hatteras Venture Partners. Cree Director since 2008.
- C. Howard Nye. Chairman, Chief Executive Officer and President of Martin Marietta Materials, Inc.
- Franco Plastina. Cree, Inc. Interim Executive Vice President—Power & RF. Cree Director since 2007.
- John B. Repogle. Chief Executive Officer and President of Seventh Generation, Inc. Cree Director since 2014.
- Robert L. Tillman. Former Chairman, President and Chief Executive Officer of Lowe’s Companies, Inc. Cree Director since 2010.
- Thomas H. Werner. Chief Executive Officer and Director of SunPower Corporation. Cree Director since 2006.

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- Anne C. Whitaker. Executive Vice President and Company
- Group Chairman of Valeant Pharmaceuticals International, Inc. Cree Director since 2013.
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Executive officers	<ul style="list-style-type: none"><li>• Charles M. Swoboda, Chairman, President and Chief Executive Officer</li><li>• Michael E. McDevitt, Executive Vice President and Chief Financial Officer</li><li>• Norbert W. G. Hiller, Executive Vice President–Lighting</li><li>• Franco Plastina, Interim Executive Vice President–Power &amp; RF</li></ul>
Independent auditors	<p>Although not required, we ask shareholders to ratify the selection of PricewaterhouseCoopers LLP as our auditors for our fiscal year ending June 26, 2016. Our Board of Directors recommends a FOR vote.</p>
Advisory (nonbinding) vote to approve executive compensation	<p>Annually, our shareholders consider and vote on the compensation of our named executive officers on an advisory (nonbinding) basis. Our Board of Directors recommends a FOR vote.</p>



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MEETING INFORMATION

The Board of Directors of Cree, Inc. (“Cree” or the “Company”) is asking for your proxy for use at the 2015 Annual Meeting of Shareholders and any adjournments of the meeting. The meeting will be held at Bay 7, on the American Tobacco Campus at 318 Blackwell Street, Durham, North Carolina 27701, on Tuesday, October 27, 2015, at 10:00 a.m. local time, to conduct the following business and such other business as may be properly brought before the meeting: (1) election of the nine directors listed in this proxy statement; (2) ratification of the appointment of PricewaterhouseCoopers LLP as our independent auditors for the fiscal year ending June 26, 2016; and (3) advisory (nonbinding) vote to approve executive compensation.

The Board of Directors recommends that you vote FOR the election of the director nominees listed in this proxy statement, FOR ratification of the appointment of PricewaterhouseCoopers LLP as our independent auditors for the fiscal year ending June 26, 2016, and FOR the advisory (nonbinding) vote to approve executive compensation.

Beginning on or about September 14, 2015, proxy materials for the annual meeting, including this proxy statement and our 2015 Annual Report, are being made available to shareholders entitled to vote at the annual meeting. The Annual Report is not part of our proxy soliciting materials.

Important Notice Regarding the Availability of Proxy Materials  
For the Shareholder Meeting to Be Held on October 27, 2015:

The Annual Report and proxy statement will be available on the Internet at [www.cree.com/annualmeeting](http://www.cree.com/annualmeeting).

Pursuant to the Securities and Exchange Commission’s “Notice and Access” rules, we are furnishing proxy materials to our shareholders primarily via the Internet. Beginning on or about September 14, 2015, we intend to mail to our shareholders a Notice of Internet Availability of Proxy Materials, or Notice, containing instructions on how to access our proxy materials on the Internet, including our proxy statement and our Annual Report. The Notice also instructs you on how you can vote using the Internet and by telephone. Other shareholders, in accordance with their prior requests, have received e-mail notification of how to access our proxy materials and vote via the Internet or by telephone, or have been mailed paper copies of our proxy materials and a proxy card or voting form.

Internet distribution of our proxy materials is designed to expedite receipt by shareholders, lower the cost of the annual meeting, and conserve natural resources. If, however, you would prefer to receive printed proxy materials, please follow the instructions included in the Notice. If you have previously elected to receive our proxy materials electronically, you will continue to receive these materials via e-mail unless you elect otherwise.

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VOTING PROCEDURES

Who Can Vote

Only shareholders of record of the Company at the close of business on August 26, 2015 are entitled to vote at the meeting and any adjournments of the meeting. At that time, there were 103,044,743 shares of the Company's common stock outstanding, each of which is entitled to one vote on each matter submitted to a vote at the meeting.

How You Can Vote

You may vote shares by proxy or in person using one of the following methods:

**Voting by Internet.** You can vote over the Internet by following the directions on your Notice to access the website address at [www.proxyvote.com](http://www.proxyvote.com). The deadline for voting over the Internet is Monday, October 26, 2015 at 11:59 p.m. Eastern time.

**Voting by Telephone.** You can vote by calling the toll-free telephone number at 1-800-690-6903. The deadline for voting by telephone is Monday, October 26, 2015 at 11:59 p.m. Eastern time.

**Voting by Mail.** If you requested printed proxy materials, you can vote by completing and returning your signed proxy card. To vote using your proxy card, please mark, date and sign the card and return it by mail in the accompanying postage-paid envelope. You should mail your signed proxy card sufficiently in advance for it to be received by Monday, October 26, 2015.

**Voting in Person.** You can vote in person at the meeting if you are the record owner of the shares to be voted. You can also vote in person at the meeting if you present a properly signed proxy that authorizes you to vote shares on behalf of the record owner. If a broker, bank, custodian or other nominee holds your shares, to vote in person at the meeting you must present a letter or other proxy appointment, signed on behalf of the broker or nominee, granting you authority to vote the shares.

How You Can Revoke Your Proxy and Change Your Vote

You can revoke your proxy and change your vote by (1) attending the meeting and voting in person; (2) delivering written notice of revocation of your proxy to the Secretary at any time before voting is closed; (3) timely submitting new voting instructions by telephone or over the Internet as described above; or (4) if you requested printed proxy materials, timely submitting a signed proxy card bearing a later date.

How Your Proxy Will Be Voted

If you timely submit your proxy over the Internet, by telephone, or by proxy card as described above and have not revoked it, your shares will be voted or withheld from voting in accordance with the voting instructions you gave. If you timely submit your proxy as described above without giving voting instructions, your shares will be voted FOR the election of the director nominees listed in this proxy statement, FOR ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent auditors for the fiscal year ending June 26, 2016, and FOR the advisory (nonbinding) vote to approve executive compensation.

How You Can Vote Shares Held by a Broker or Other Nominee

If a broker, bank, custodian or other nominee holds your shares, you may have received a notice or voting instruction form from them. Please follow the directions that your broker, bank, custodian or other nominee provides or contact the firm to determine the voting methods available to you. Brokers are no longer permitted to vote in the election of directors (and many other matters, including Proposal 3) if the broker has not received instructions from the beneficial owner of shares. It is particularly important, if you are a beneficial owner, that you instruct your broker how you wish to vote your shares because brokers will have discretionary voting authority only with respect to Proposal 2 if you do not instruct your broker how you wish to vote your shares.

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Quorum Required

A quorum must be present at the meeting before business can be conducted. A quorum will be present if a majority of the shares entitled to vote are represented in person or by proxy at the meeting. Shares represented by a proxy with instructions to withhold authority to vote or to abstain from voting on any matter will be considered present for purposes of determining the existence of a quorum. Shares represented by a proxy as to which a broker, bank, custodian or other nominee has indicated that it does not have discretionary authority to vote on certain matters (sometimes referred to as “broker non-votes”) will also be considered present for purposes of determining the existence of a quorum.

Vote Required

Proposal 1 (Election of Directors). Directors will be elected by a plurality of the votes cast. The nominees who receive the most votes will be elected to fill the available positions. Shareholders do not have the right to vote cumulatively in electing directors. Withholding authority in your proxy to vote for a nominee will result in the nominee receiving fewer votes.

As set forth in the Corporate Governance Principles adopted by the Board of Directors, except in cases when there are more nominees than available seats, if a nominee elected to the Board by plurality vote received a number of “withhold” votes that is greater than 50% of all votes cast with respect to that nominee, the nominee shall tender the nominee’s resignation from the Board in writing to the Chairman prior to the first regular meeting of the Board that follows the meeting of shareholders at which the election was held and any meeting of the Board held in connection with it. The resignation will be effective if and when it is accepted by the Board. Promptly after the Board reaches a decision, the Company will publicly disclose the action taken by the Board regarding the director’s tendered resignation.

Proposal 2 (Ratification of Appointment of Auditors). The proposed ratification of the appointment of PricewaterhouseCoopers LLP as the Company’s independent auditors for fiscal 2016 will be approved if the votes cast for approval exceed the votes cast against approval. Although shareholder ratification of the appointment is not required by law or the Company’s Bylaws, the Audit Committee has determined that, as a matter of corporate governance, the selection of independent auditors should be submitted to the shareholders for ratification. If the appointment of PricewaterhouseCoopers LLP is not ratified by a majority of the votes cast at the 2015 Annual Meeting, the Audit Committee will consider the appointment of other independent auditors for subsequent fiscal years. Even if the appointment is ratified, the Audit Committee may change the appointment at any time during the year if it determines that the change would be in the Company’s best interest and the best interests of the shareholders.

Proposal 3 (Advisory (Nonbinding) Vote to Approve Executive Compensation). With respect to the advisory (nonbinding)