

MEMSIC Inc
Form DEF 14A
June 01, 2012

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by Filed by a Party other than the Registrant
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 Under Rule 14a-12

MEMSIC, INC.

(Name of Registrant as Specified in Its Charter)

Not Applicable

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

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 - (2) Form, Schedule or Registration Statement no.:

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Date Filed:

Dear MEMSIC Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders, which will be held on June 28, 2012, at 10:00 a.m., at the offices of Foley Hoag LLP, Bay Colony Corporate Center, 1000 Winter Street, Suite 4000, Waltham, Massachusetts 02451. The notice of meeting and proxy statement that follow describe the business to be conducted at that meeting.

Whether or not you plan to attend the meeting in person, it is important that your shares be represented and voted. After reading the enclosed Notice of Annual Meeting and Proxy Statement, I urge you to complete, sign, date and return your proxy ballot in the envelope provided.

Thank you for your cooperation, continued support and interest in MEMSIC, Inc.

For the Board of Directors,

Yang Zhao, Ph.D.
President and Chief Executive Officer

MEMSIC, INC.

One Tech Drive, Suite 325
Andover, Massachusetts 01810
(978) 738-0900

NOTICE OF SPECIAL MEETING IN LIEU OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON JUNE 28, 2012

To the Stockholders of MEMSIC, Inc.:

Notice is hereby given that a Special Meeting in Lieu of the Annual Meeting of Stockholders (the "Annual Meeting") of MEMSIC, Inc., a Delaware corporation ("MEMSIC" or the "Company"), will be held at 10:00 a.m., local time, on June 28, 2012, at the offices of Foley Hoag LLP, Bay Colony Corporate Center, 1000 Winter Street, Suite 4000, Waltham, Massachusetts 02451, to consider and act upon the following proposals:

1. To elect Roger W. Blethen and Yang Zhao, Ph.D., to the board of directors to serve for three-year terms as Class II directors;
2. To approve an amendment to our Amended and Restated 2007 Stock Incentive Plan, to increase the number of shares of our common stock issuable under the plan by 1,500,000 shares;
3. To ratify the selection of Ernst & Young LLP as our independent auditors for the fiscal year ending December 31, 2012; and
4. To transact such other business as may properly come before the Annual Meeting or any postponements or adjournments thereof.

The board of directors has fixed the close of business on May 7, 2012 as the record date for the determination of the MEMSIC stockholders entitled to notice of, and to vote at, the Annual Meeting and any postponements or adjournments thereof.

Important Notice Regarding the Availability of Proxy Materials for the Special Meeting
in Lieu of Annual Meeting of Stockholders to be Held on June 28, 2012

Pursuant to rules promulgated by the Securities and Exchange Commission, or the SEC, we have elected to provide access to our proxy materials both by sending you this full set of proxy materials, including a notice of annual meeting, proxy card and our 2011 Annual Report, and by notifying you of the availability of our proxy materials on the Internet. The notice of annual meeting, proxy statement, proxy card and 2011 Annual Report are available at <http://investor.memsic.com/annualmeeting.cfm>.

All stockholders are cordially invited to attend the Annual Meeting in person. **HOWEVER, TO ENSURE YOUR REPRESENTATION AT THE ANNUAL MEETING, YOU ARE URGED TO COMPLETE, SIGN AND RETURN THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE IN THE ENCLOSED POSTAGE-PREPAID ENVELOPE.** You may revoke your proxy in the manner described in the accompanying Proxy Statement at any time before it has been voted at the Annual Meeting. Any stockholder attending the Annual Meeting may vote in person even if he or she has returned a proxy.

Properly executed proxies will be voted in accordance with the specifications on the proxy card. A list of stockholders entitled to vote will be available for inspection at the offices of the Company, located at One Tech Drive, Suite 325, Andover, Massachusetts 01810, for a period of ten (10) days prior to the Annual Meeting. Executed proxies with no instructions indicated thereon will be voted FOR the election of the two nominees named herein for director, FOR the

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amendment of our 2007 Stock Incentive Plan and FOR ratification of the selection of Ernst & Young LLP as our independent auditors.

By Order of the Board of Directors,

Robert L. Birnbaum
Secretary

Andover, Massachusetts
June 1, 2012

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE COMPLETE, SIGN AND DATE THE ENCLOSED PROXY CARD AND RETURN IT AS PROMPTLY AS POSSIBLE IN THE ENCLOSED POSTAGE-PREPAID ENVELOPE.

MEMSIC, INC.
 One Tech Drive, Suite 325
 Andover, Massachusetts 01810
 (978) 738-0900

PROXY STATEMENT

2012 ANNUAL MEETING OF STOCKHOLDERS
 To Be Held June 28, 2012

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MEMSIC, INC.
One Tech Drive, Suite 325
Andover, Massachusetts 01810
(978) 738-0900

PROXY STATEMENT
2012 ANNUAL MEETING OF STOCKHOLDERS
To Be Held June 28, 2012

INFORMATION ABOUT THE MEETING

The Meeting

This Proxy Statement is being furnished in connection with the solicitation of proxies by the board of directors of MEMSIC, Inc., a Delaware corporation (“MEMSIC” or the “Company”), for use at the Company’s Special Meeting in Lieu of Annual Meeting of Stockholders to be held on Thursday, June 28, 2012 (the “Annual Meeting”) at 10:00 a.m., local time, at the offices of Foley Hoag LLP, Bay Colony Corporate Center, 1000 Winter Street, Suite 4000, Waltham, Massachusetts 02451 or at any postponements or adjournments thereof. The purpose of the Annual Meeting is to consider and act upon the following proposals:

1. To elect Roger W. Blethen and Yang Zhao, Ph.D., to the board of directors to serve for three-year terms as Class II directors;
2. To approve an amendment to our Amended and Restated 2007 Stock Incentive Plan, to increase the number of shares of our common stock issuable under the plan by 1,500,000 shares;
3. To ratify the selection of Ernst & Young LLP as our independent auditors for the fiscal year ending December 31, 2012; and
4. To transact such other business as may properly come before the Annual Meeting or any postponements or adjournments thereof.

This Proxy Statement and the enclosed proxy card, as well as our 2011 Annual Report containing financial statements and management’s discussion and analysis of financial condition and results of operations for the twelve months ended December 31, 2011, will be mailed to stockholders on or about June 1, 2012.

How to Vote

Only stockholders of record at the close of business on May 7, 2012 (the “Record Date”) are entitled to notice of, and to vote at, the Annual Meeting or any adjournment thereof. As of the Record Date, an aggregate of 24,057,781 shares of Common Stock (the “Common Stock”) of the Company were issued and outstanding and held by approximately 19 holders of record. The holders of Common Stock are entitled to one vote per share on any proposal presented at the Annual Meeting. Stockholders may vote in person or by proxy. Execution of a proxy will not affect a stockholder’s right to attend the Annual Meeting and vote in person. Any proxy may be revoked by the person giving it at any time before its exercise by (1) filing with the Secretary of the Company, before the taking of the vote at the Annual Meeting, a written notice of revocation bearing a later date than the proxy, (2) duly executing a later dated proxy relating to the same shares and delivering it to the Secretary of the Company before the taking of the vote at the Annual Meeting, or (3) attending the Annual Meeting and voting in person (although attendance at the Annual Meeting will not in and of itself constitute a revocation of a proxy). Any written notice of revocation or subsequent proxy should be delivered to MEMSIC, Inc., One Tech Drive, Suite 325, Andover, Massachusetts 01810, Attention: Corporate Secretary, at or before the taking of the vote at the Annual Meeting.

Quorum and Tabulation of Votes

Our bylaws provide that the presence in person or representation by proxy of the holders of at least a majority of the outstanding shares of Common Stock entitled to vote at the Annual Meeting is necessary to establish a quorum for the transaction of business at the Annual Meeting. If a quorum is not present, then either the chairman of the meeting or the stockholders entitled to vote at the meeting may adjourn the meeting until a later time. Abstentions and broker “non-votes” are counted as present or represented for purposes of determining the presence or absence of a quorum. A broker “non-vote” occurs when a broker holding shares for a beneficial owner votes on one proposal, but does not vote on another proposal because, in respect of such other proposal, the broker does not have discretionary voting power and has not received instructions from the beneficial owner. The New York Stock Exchange’s Rule 452 governs the ability of brokers who are record holders of shares to exercise discretionary authority to vote those shares. Rule 452 prohibits such brokers from exercising discretionary authority in the election of our directors and for the approval of the amendment to our Amended and Restated 2007 Stock Incentive Plan, but brokers may exercise discretionary authority with respect to the ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm and may vote shares held in street name for their clients on that proposal without instructions from the beneficial owners.

The election of directors is determined by a plurality of the votes properly cast and, accordingly, the director nominees receiving the highest number of “FOR” votes at the meeting will be elected to serve as Class II directors. You may either vote “FOR” or “WITHHOLD” your vote for each director nominee. A properly executed proxy marked “WITHHOLD” with respect to the election of a director nominee will not be voted in favor of the election of that director nominee, although it will be counted for purposes of determining whether there is a quorum.

The approval of the amendment to our Amended and Restated 2007 Stock Incentive Plan requires the affirmative vote of a majority of the votes properly cast on such proposal at the Annual Meeting. Abstentions and broker non-votes will not be included in calculating the number of shares voting, and, if a quorum is present at the meeting, will have no effect on the outcome of that proposal. You may vote either “FOR” or “AGAINST” approval of the amendment to our Amended and Restated 2007 Stock Incentive Plan, or you may abstain. A properly executed proxy marked “ABSTAIN” with respect to approval of such amendment will not be counted as a vote cast with respect to such approval.

Stockholder ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2012 is not required by law or by our governing instruments. However, our board of directors is submitting the selection of Ernst & Young LLP to our stockholders for ratification as a matter of good corporate governance and practice. Under our bylaws, the ratification of the appointment of Ernst & Young LLP requires a majority of the votes properly cast. You may vote either “FOR” or “AGAINST” ratification of the appointment, or you may abstain. A properly executed proxy marked “ABSTAIN” with respect to the ratification of the appointment will not be counted as a vote cast with respect to such ratification.

The only items of business that our board of directors intends to present at the meeting are set forth in this proxy statement. As of the date of this proxy statement, no stockholder has advised us of an intent to present any other matter, and we are not aware of any other matters to be presented at the meeting. If any other matter or matters are properly brought before the meeting, the person(s) named as your proxyholder(s) will have the discretion to vote your shares on those matters in accordance with their best judgment and as they deem advisable.

The vote on each matter submitted to stockholders is tabulated separately. Abstentions and broker “non-votes” are not counted as votes cast for the particular matter and, in the case of Proposal Two and Proposal Three, have the effect of reducing the number of affirmative votes required to achieve a majority for that matter by reducing the total number of shares from which the majority is calculated.

The persons named as attorneys-in-fact in the proxies were selected by the board of directors and are officers of the Company. All properly executed proxies returned in time to be counted at the Annual Meeting will be voted.

All shares represented by properly executed proxies will be voted in accordance with the stockholders’ instructions, and if no choice is specified the shares represented by proxies will be voted in favor of the election of both director nominees identified herein, in favor of the approval of the amendment to our Amended and Restated 2007 Stock Incentive Plan and in favor of the ratification of the selection of Ernst & Young LLP as our independent auditors.

Multiple Stockholders Sharing the Same Address

If you and other residents at your mailing address own shares of Common Stock through a broker or other nominee, you may have elected to receive only one copy of this proxy statement and our 2011 Annual Report. If you and other residents at your mailing address own shares of our Common Stock in your own names, you may have received only one copy of this proxy statement and our 2011 Annual Report unless you provided our transfer agent with contrary instructions.

This practice, known as “householding,” is designed to reduce our printing and postage costs. We will promptly provide you with an additional copy of this proxy statement, enclosed proxy card and our 2011 Annual Report upon your written request to MEMSIC, Inc., One Tech Drive, Suite 325, Andover, Massachusetts 01810, Attention: Corporate Secretary. If you hold your shares through a broker or other nominee and wish to discontinue householding or to change your householding election, you may do so by calling (800) 542-1061 or writing to Broadridge Investor Communications, 51 Mercedes Way, Edgewood, New York 11717. If you hold shares in your own name and wish to discontinue householding or change your householding election, you may do so by calling (212) 936-5100 or writing to American Stock Transfer & Trust Company, 6201 15th Avenue, 2nd Floor, Brooklyn, New York 11219.

PROPOSAL ONE—ELECTION OF CLASS II DIRECTORS

Our board of directors has fixed the number of directors at six pursuant to our bylaws. The term of office for each of Roger W. Blethen and Yang Zhao, Ph.D., our current Class II directors, expires on the date of the 2012 Annual Meeting. Our board of directors has nominated Messrs. Blethen and Zhao for re-election as Class II directors, in each case for a three-year term expiring at our annual meeting of stockholders in 2015. Our Class I and Class III directors will continue in office after the Annual Meeting.

Classes of the Board of Directors

Our board of directors is divided into three classes. Each of the directors serves a three-year term, with one class of directors being elected by our stockholders at each annual meeting. Currently, our directors are divided into Classes I, II and III as follows:

Name	Age	Term Expires	Position
CLASS I DIRECTORS			
Lawrence A. Kaufman, Ph.D.(1)(2)(3)	71	2014	Director
David Yang(1)(3)(4)	43	2014	Director
CLASS II DIRECTORS			
Roger W. Blethen(2)(4)	60	2012	Lead Director
Yang Zhao, Ph.D.	49	2012	President, Chief Executive Officer and Chairman of the Board of Directors
CLASS III DIRECTORS			
Michael Tung(1)(3)	56	2013	Director
Quan Zhou, Ph.D.	54	2013	Director

-
- (1) Member of audit committee.
 - (2) Member of governance committee.
 - (3) Member of nominating committee.
 - (4) Member of compensation committee.

Director Nominees

At the Annual Meeting, two Class II directors will be elected to serve until the 2015 annual meeting and until such directors' successors are duly elected and qualified, or until their earlier death, resignation, removal or disqualification. The board of directors has nominated Roger W. Blethen and Yang Zhao, Ph.D. for re-election as Class II directors. Both nominees have agreed to serve if elected, and we have no reason to believe that either will be unable to serve. In the event that a nominee is unable or declines to serve as a director at the time of the Annual Meeting, proxies will be voted for such other nominee as is then designated by our board of directors.

Roger W. Blethen has served as a director since 2005. In March 2008, our Board of Directors also designated Mr. Blethen as our lead director. Mr. Blethen was appointed chairman of the board of LTX-Credence Corporation, a provider of semiconductor test solutions to major integrated-circuit manufacturers in December 2008. Mr. Blethen also served as chairman of the board of LTX Corporation from December 2001 until its merger with Credence in

August 2008. He was the chief executive officer of LTX Corporation from September 1996 to November 2005 and the president of LTX Corporation from 1994 to 1996. Mr. Blethen serves as Chairman of Ottawa-based Diablo Technologies Inc. Mr. Blethen received his B.S. in Electrical Engineering from Northeastern University in 1974. We believe that Mr. Blethen's educational background in electrical engineering, his broad knowledge of the semiconductor industry, gained from his long tenure as a senior operating executive and director of LTX Corporation and as a director of Diablo Technologies, and the skills, judgment and experience he has accumulated in these capacities and as a chief executive officer qualify him to serve as a member of our board of directors.

