

SemiLEDs Corp  
Form 10-K/A  
December 27, 2016  
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

---

FORM 10 K/A

Amendment No. 1

---

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934

For the fiscal year ended August 31, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-34992

---

SemiLEDs Corporation

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

20 2735523  
(I.R.S. Employer  
Identification Number)

3F, No. 11 Ke Jung Rd., Chu Nan Site,  
Hsinchu Science Park, Chu Nan 350,  
Miao Li County, Taiwan, R.O.C. 350  
(Address of principal executive offices) (Zip Code)

Edgar Filing: SemiLEDs Corp - Form 10-K/A

Registrant's telephone number including area code: +886 37 586788

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                           | Name of each exchange on which registered |
|---|---|
| Common stock, par value \$0.0000056 per share | The NASDAQ Stock Market                   |

Securities registered pursuant to Section 12(g) of the Act:

None

---

Indicate by check mark if the registrant is a well known seasoned issuer, as defined in Rule 405 of the Securities Act.  
Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check One):

Edgar Filing: SemiLEDs Corp - Form 10-K/A

Large Accelerated Filer   Accelerated Filer   Non accelerated Filer   Smaller reporting Company  
(Do not check if a  
smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  
No

The aggregate market value of voting stock held by non-affiliates of the registrant as of February 27, 2016 (the last business day of the registrant's most recently completed second fiscal quarter), based upon the closing price of the common stock reported by the NASDAQ Capital Market on such date, was approximately \$4.2 million. Shares of common stock held by each executive officer and director of the registrant and by each person who owns 10% or more of the registrant's outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

Number of shares outstanding of the registrant's Common Stock, par value \$0.0000056 per share, as of November 16, 2016: 3,517,290.

---

Table of Contents

INTRODUCTORY NOTE

On November 21, 2016, SemiLEDs Corporation (the “Company,” “we,” “us,” and “our”) filed its annual report on Form 10-K for the year ended August 31, 2016 (the “Original Filing”). This Amendment No. 1 to Form 10-K (this “Amendment”) on Form 10-K/A completes the items identified below that were originally omitted from the Original Filing in the expectation that a proxy statement would be filed with the Securities and Exchange Commission (the “SEC”) within 120 days after the end of our 2016 fiscal year.

As a result, this Amendment amends only Part III, Item 10 (Directors, Executive Officers and Corporate Governance), Item 11 (Executive Compensation), Item 12 (Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters), Item 13 (Certain Relationships and Related Transactions, and Director Independence) and Item 14 (Principal Accounting Fees and Services). All other items in the Original Filing are unchanged and this Amendment does not amend, update or change any other information in the Original Filing.

Pursuant to Rule 12b-15 under the Exchange Act, this Amendment also contains new certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, which are attached hereto. Because no financial statements have been included in this Amendment and this Amendment does not contain or amend any disclosure with respect to Items 307 and 308 of Regulation S-K, paragraphs 3, 4, and 5 of the certifications have been omitted. Pursuant to Rule 13a-14 of the Exchange Act, this Amendment also contains new certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, which are attached hereto.

Table of Contents

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Our Board of Directors

Trung T. Doan, 58, has served as a director, Chairman of our Board and as our CEO since January 2005, and as our President since August 2012. Prior to joining us, Mr. Doan served as Corporate Vice President of Applied Global Services (AGS) Product Group at Applied Materials, Inc. and also served as President and Chief Executive Officer of Jusung Engineering, Inc., a semiconductor/LCD equipment company in Korea. In addition, Mr. Doan served as Vice President of Process Development at Micron Technology Inc. Mr. Doan previously served as a director of Advanced Energy Industries, a publicly traded manufacturer of power conversion and control systems within the past five years. Mr. Doan also previously served as a director of Dolsoft Corporation, a privately held software company, as a director of Nu Tool Inc., a semiconductor technology company, and as a director of EMCO, a publicly traded manufacturer of advanced flow control devices and systems. Mr. Doan holds a bachelor of science degree in nuclear engineering from the University of California, Santa Barbara, where he graduated with honors, and a master of science degree in chemical engineering from the University of California, Santa Barbara. Our Board has determined that Mr. Doan should serve on our Board and as our Chairman based on his in depth knowledge of our business and industry and his experience serving on the boards of directors of several major technology companies, as well as in management roles in the technology industry.

Dr. Edward Kuan Hsiung Hsieh, 64, has served as a director since February 2012. Dr. Hsieh has been Chairman, Chief Executive Officer and a director of Eton Intelligent Technologies, a media and publications company, since April 2000 and Chairman, Chief Executive Officer and a director of VR Networks, a VoIP and Internet networks company, since January 2000. He has also served as an Adjunct Professor at National Taiwan University since February 2009. From February 2007 to February 2010, Dr. Hsieh was Chief Executive Officer of Asia Pacific Telecom, a 3G mobile and fixed line telecommunications company, as well as Executive Director of APOL, an Internet service provider. He also served as Chairman of International Christian Goodwill within the past five years. Dr. Hsieh holds a bachelor of science degree in electrical engineering from National Taiwan University, a master of science degree in electrical engineering from the University of California, Santa Barbara and a doctor of philosophy degree in electrical engineering from Cornell University. He also studied accounting at the University of California, Los Angeles. Our Board has determined that Dr. Hsieh should serve as a director based on his experience teaching master of business administration classes at National Taiwan University, his service as an International Financial Adviser with Merrill Lynch, Pierce, Fenner & Smith and his management roles at several start up companies.

Scott R. Simplot, 70, has served as a director since March 2005. Mr. Simplot has been Chairman of the board of directors and a director of J.R. Simplot Company since May 2001 and August 1970, respectively. Mr. Simplot holds a bachelor of science degree in business from the University of Idaho and a master of business administration degree from the University of Pennsylvania. Mr. Simplot became a director on our Board as part of his duties as the

Chairman of the board of J.R. Simplot Company, the 100% owner of Simplot Taiwan, Inc., which was entitled to designate two members of our board of directors in connection with J.R. Simplot Company's investment in our Series A convertible preferred stock. Our Board has determined that Mr. Simplot should serve as a director based on the extensive knowledge and insight he brings to our Board from his experience serving as Chairman and holding a variety of management positions at a large private company and serving on the boards of directors of companies in a variety of industries.

Walter Michael Gough, 62, has served as a director since April 2016. Mr. Gough has led Gough and Associates, a firm that specializes in financial consulting for domestic and international companies since 2005. He is also a tenured faculty member in Accounting and Business at DeAnza College in Cupertino, California where he has taught since 1985. From June 2000 to June 2004, he was Chief Financial Officer and Financial Consultant at NuTool Inc., a semiconductor equipment manufacturer. From 1995 through 1999, he was a founding member and Chief Financial Officer of Invest In Yourself, LLC; an organization that provided consulting for professional sports franchises. Prior to teaching and consulting, Mr. Gough was a financial analyst and contracts manager at Watkins-Johnson Company, a high technology electronics firm. Before Watkins-Johnson, Mr. Gough worked for Kidder Peabody, an investment banking firm. He holds MBA and BA degrees (cum laude) from Santa Clara University, and a Masters in English from Notre Dame de Namur

## Table of Contents

University. Our Board has determined that Mr. Gough should serve on our Board based on his experience as a consultant to technology companies in both the United States and Taiwan, his prior experience as a chief financial officer of several companies, and his expertise in accounting and finance.

Dr. Peter Chiou, 51, Dr. Chiou is a technologist who has more than 25 years' experience in the telecom, datacom and satcom industries. He was the system architect who led the design team that designed the JetBlue in-flight Wi-Fi services through Ka band Satellite. His past experiences include NASA, FAA, SPRINT, AT&T and MOEA of Taiwan. From March 2015 to June 2016, Dr. Chiou served as Chief Executive Officer of Luxe Electric Co., Ltd., an electrical products manufacturer in Taiwan. From February 2011 to March 2015, Dr. Chiou was a lead engineer of ViaSat Inc., a publicly traded satellite provider. Dr. Chiou received his Ph.D. and M.S., both in Electrical Engineering, from University of Maryland at College Park. Our Board has determined that Dr. Chiou should serve on our Board based on his experience with technology companies and other organizations in both the United States and Taiwan.

## Executive Officers

In addition to Mr. Doan, our CEO, who also serves as a director, our executive officers as of November 30, 2016 consisted of the following:

Christopher Lee, 45, has served as our Chief Financial Officer since September 2015. From November 21, 2014 until his appointment as Chief Financial Officer, Mr. Lee was the interim Chief Financial Officer of the Company. Mr. Lee joined SemiLEDs in September 2014. Mr. Lee has over 20 years of experience in accounting and finance, including US GAAP, PCAOB standards and SEC rules and regulations. Prior to joining us, Mr. Lee was a partner of KEDP CPA Group from August 2009 to June 2011 and a self employed accountant from July 2011 to August 2014. Mr. Lee holds a BS degree in accounting from Ohio State University and a MS degree in business taxation from Golden Gate University and is licensed as a Certified Public Accountant (CPA) in the United States.

## CORPORATE GOVERNANCE

### Board Composition

Our Nominating and Corporate Governance Committee is charged with identifying and evaluating individuals qualified to serve as members of the Board and recommending to the full Board nominees for election as directors. We seek directors with experience in areas relevant to the strategy and operations of the Company. We seek a Board that collectively has a range and diversity of skills, experience, age, industry knowledge and other factors in the

context of the needs of the Board. The biographies of each of the directors above contains information regarding the person's service as a director, business experience, director positions held currently or at any time during the last five years and the experiences, qualifications, attributes or skills that caused the Nominating and Corporate Governance Committee to determine that the person should serve as a director of our Company. In addition to the information presented above regarding each director's specific experience, qualifications, attributes and skills that led our Nominating and Corporate Governance Committee and Board to the conclusion that he should serve as a director, we also believe that each of our directors has a reputation for integrity, honesty and adherence to high ethical standards. Each of our directors has demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment of service to our Company and our Board.

#### Board Responsibilities and Structure

The Board oversees, counsels, and directs management in the long term interests of the Company and our stockholders. The Board's responsibilities include:

- selecting, evaluating the performance of, and determining the compensation of the CEO and other executive officers;
- overseeing the risks that the Company faces;



Table of Contents

- reviewing and approving our major financial objectives and strategic and operating plans, and other significant actions;
- overseeing the conduct of our business and the assessment of our business and other enterprise risks to evaluate whether the business is being properly managed; and
- overseeing the processes for maintaining our integrity with regard to our financial statements and other public disclosures, and compliance with law and ethics.

The Board and its committees met throughout the year on a set schedule, held special meetings, and acted by written consent from time to time as appropriate. During fiscal year 2016, the Board held executive sessions for the independent directors to meet without Mr. Doan present at the end of every Board meeting.

Our Bylaws do not dictate a particular Board structure and the Board is free to determine whether or not to have a Chairman and, if so, to select that Chairman and our CEO in the manner it considers our best interest. Currently, the Board has selected Mr. Doan to hold the position of both Chairman of the Board and CEO. Mr. Doan’s experience at the Company has afforded him intimate knowledge of the issues, challenges and opportunities facing each of the Company’s businesses. Accordingly, he is well positioned to focus the Board’s attention on the most pressing issues facing the Company. The Board has not appointed a lead independent director. The Board believes its administration of its risk oversight function has not affected the Board’s leadership structure.

Board Committees and Charters

The Board delegates various responsibilities and authority to different Board committees. Committees regularly report on their activities and actions to the full Board. The Board currently has, and appoints the members of, a standing Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee. Each of the Board committees has a written charter approved by the Board, and we post each charter on our web site at <http://investors.semileds.com/governance.cfm>. Each committee can engage outside experts, advisors and counsel to assist the committee in its work. The following table identifies the current committee members.

| Name                         | Audit | Compensation | Nominating<br>and Corporate<br>Governance |
|------------------------------|-------|--------------|---|
| Arthur H. del Prado(1)       | √     |              |   |
| Dr. Edward Kuan Hsiung Hsieh | Chair | √            |   |
| Walter Michael Gough         | √     |              |   |
| Dr. Peter Chiou              | √     |              |   |

|   |   |       |       |
|---|---|-------|-------|
| Scott R. Simplot                                      |   | Chair | Chair |
| Number of Committee Meetings Held in Fiscal Year 2016 | 4 | 2     | 2     |

---

(1) Mr. del Prado resigned from SemiLEDs on June 22, 2016.

#### Audit Committee

Our Audit Committee is responsible for, among other things:

- reviewing and approving the selection of our independent auditors, and approving the audit and non-audit services to be performed by our independent auditors;
- monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to financial statements or accounting matters;
- reviewing the adequacy and effectiveness of our internal control policies and procedures;

Table of Contents

- discussing the scope and results of the audit with the independent auditors and reviewing with management and the independent auditors our interim and year end operating results; and
- preparing the Audit Committee Report that the SEC requires in our annual proxy statement.

The Board believes that each current member of our Audit Committee is an independent director under the NASDAQ rules and meets the additional SEC independence requirements for audit committee members. It has also determined that Dr. Hsieh and Mr. Gough meet the requirements of an “audit committee financial expert,” as defined in Regulation S-K.

Compensation Committee

Our Compensation Committee is responsible for, among other things:

- overseeing our compensation policies, plans and benefit programs;
- reviewing and approving for our executive officers: the annual base salary, the annual incentive bonus, including the specific goals and amount, equity compensation, employment agreements, severance arrangements and change in control arrangements, and any other benefits, compensation or arrangements;
- reviewing and determining our equity based compensation plans; and
- administering our equity based compensation plans.

Although the Compensation Committee has the authority to determine the compensation paid to executive officers, other officers, employees, consultants and advisors, it can delegate its responsibility for setting compensation for individuals other than the CEO to a subcommittee, in the case of other officers, or to officers, in the case of employees and consultants. It may also delegate to officers the authority to grant options or other equity or equity based awards to employees who are not executive officers or members of the Board. It may also generally take into account the recommendations of the CEO, other than with respect to his own compensation. As further described under “Compensation of the Named Executive Officers and Directors” below, the Compensation Committee has engaged Radford, an independent compensation consultant, to assist it in various respects. The Compensation Committee has assessed Radford’s independence pursuant to SEC rules and concluded that no conflict of interest exists that would prevent Radford from independently representing the Compensation Committee.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee is responsible for, among other things:

- identifying prospective director nominees and recommending nominees for each annual meeting of stockholders to the Board;
- reviewing developments in corporate governance practices and developing and recommending governance principles applicable to our Board;
- overseeing the evaluation of our Board and management; and
- recommending members for each Board committee to our Board.

Our Nominating and Corporate Governance Committee has not established any minimum qualifications for directors although in assessing the skills and characteristics of individual members, it must give due regard for independence and financial literacy considerations dictated by the NASDAQ rules. The Nominating and Corporate Governance Committee does not at this time have a policy regarding its consideration of director candidates recommended

## Table of Contents

by stockholders, as it has not yet received any such recommendations. It may adopt a policy if such recommendations are received.

### Attendance at Board, Committee and Annual Stockholders' Meetings

The Board held ten meetings in fiscal year 2016. We expect each director to attend every meeting of the Board and the committees on which he or she serves, and encourage them to attend the annual stockholders' meeting. All directors attended at least 75% of the aggregate meetings of the Board and the committees on which they served in fiscal year 2016 and all continuing directors attended the 2016 annual meeting of stockholders.

### Risk Management

The Board is involved in the oversight of risks that could affect the Company. This oversight is conducted primarily through the Audit Committee which, on behalf of the Board, is charged with overseeing the principal risk exposures we face and our mitigation efforts in respect of these risks. The Audit Committee is responsible for interfacing with management and discussing with management the Company's principal risk exposures and the steps management has taken to monitor and control risk exposures, including risk assessment and risk management policies. The Compensation Committee also plays a role in that it is charged, in overseeing the Company's overall compensation structure, with assessing whether that compensation structure creates risks that are reasonably likely to have a material adverse effect on us.

### Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics that applies to all of our employees, officers and directors, including those officers responsible for financial reporting. These standards are designed to deter wrongdoing and to promote honest and ethical conduct. The Code of Business Conduct and Ethics is available at our website at <http://investors.semileds.com/governance.cfm>. Any amendments to the Code, or any waivers of its requirements required to be disclosed pursuant to SEC or NASDAQ requirements, will be disclosed on the website.

### Communications from Stockholders and Other Interested Parties to Directors

The Board recommends that stockholders and other interested parties initiate communications with the Board, any committee of the Board or any individual director in writing to the attention of our Corporate Secretary at our

principal executive office at 3F, No. 11 Ke Jung Rd., Chu Nan Site, Hsinchu Science Park, Chu Nan 350, Miao Li County, Taiwan, R.O.C. This process will assist the Board in reviewing and responding to stockholder communications in an appropriate manner. The Board has instructed our Corporate Secretary to review such correspondence and, at his discretion, not to forward items if he deems them to be of a commercial or frivolous nature or otherwise inappropriate for the Board's consideration.

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

Section 16(a) of the Exchange Act requires our directors and executive officers, among others, to file with the SEC an initial report of ownership of our stock on Form 3 and reports of changes in ownership on Form 4 or Form 5. Persons subject to Section 16 are required by SEC regulations to furnish us with copies of all Section 16(a) forms that they file. As a matter of practice, our administrative staff assists our executive officers and directors in preparing initial ownership reports and reporting ownership changes, and typically files those reports on their behalf. Based solely on a review of the copies of such forms in our possession and on written representations from reporting persons, we believe that during fiscal year 2016 all of our executive officers and directors filed the required reports on a timely basis under Section 16(a), other than two reports on Form 4 (transaction date of October 16, 2015 for Mark E. Tuttle reported on February 23, 2016 and transaction date of June 22, 2016 for Arthur H. del Prado reported on June 28, 2016).

Table of Contents

## Item 11. Executive Compensation

## COMPENSATION OF THE NAMED EXECUTIVE OFFICERS AND DIRECTORS

## Executive Compensation

This executive compensation section discloses the compensation awarded to or earned by our “named executive officers” during fiscal year 2016. Trung T. Doan, our CEO, was the only executive officer whose total compensation exceeded \$100,000 during fiscal year 2016.

We held our last non-binding advisory vote regarding compensation of our named executive officers at 2015 Annual Meeting of Stockholders and expect to hold our next vote at our 2018 Annual Meeting of Stockholders.

## Summary Compensation Table

The following table sets forth all of the compensation earned by named executive officers during the relevant fiscal years.

| Name and Principal Position | Fiscal Year | Salary (\$) | Bonus (\$) | Stock Awards (\$)(1) | Option Awards (\$) | All Other Compensation (\$) | Total (\$)  |
|-----------------------------|-------------|-------------|------------|----------------------|--------------------|-----------------------------|-------------|
| Trung T. Doan               | 2016        | 303,750     | —          | —                    | —                  | 1,401                       | (2) 305,151 |
| Chief Executive Officer     | 2015        | 354,375     | —          | —                    | —                  | 1,476                       | (2) 355,851 |

(1) The amounts reported in the Stock Awards column represent the aggregate grant date fair value of the restricted stock units (the “RSUs”) granted to the named executive officers in the applicable fiscal year calculated in accordance with ASC 718. For RSUs, the grant date fair value is calculated by multiplying (x) the closing price of our common stock on the grant date by (y) the number of RSUs awarded. Note that the amounts reported in this column reflect the accounting cost for these stock awards, and do not correspond to the actual economic value that may be received by the named executive officers.

(2) The amount represents the payments for airfare for his family member to fly from Taiwan to the United States.





Table of Contents

## Outstanding Equity Awards at Fiscal Year End

The following table presents certain information regarding outstanding equity awards held by each of our named executive officers as of the fiscal year ended August 31, 2016. Values in this table are calculated based on the closing price per share of our common stock on August 31, 2016, which was \$6.23.

| Name          | Option Awards   |   | Equity Incentive Plan Awards:                           |                               |                        | Stock Awards  |     | Market Value of Shares or Units of Stock That Have Not Vested (\$) |
|---------------|---|---|---|-------------------------------|------------------------|---|-----|--|
|               | Number of Securities Underlying Unexercised Options Exercisable (#) | Number of Securities Underlying Unexercised Options Unexercisable (#) | Number of Securities Underlying Unexercised Options (#) | Option Exercise Price (\$/Sh) | Option Expiration Date | Number of Shares or Units of Stock That Have Not Vested (#) |     |  |
| Trung T. Doan | —   | —   | —   | —                             | —                      | 5,000   | (1) | 31,150   |
|               | —   | —   | —   | —                             | —                      | 14,625  | (2) | 91,114   |

(1) RSUs vest in equal installments on February 20 in each of 2014, 2015, 2016 and 2017.

(2) Performance-based restrictions stock units vest upon the attainment of certain criteria through August 31, 2017 and will become fully vested upon a change in control.

## Pension Benefits

We do not maintain any defined benefit pension plans.

## Nonqualified Deferred Compensation

We do not maintain any nonqualified deferred compensation plans.

## Severance and Change in Control Benefits

Mr. Doan entered into an employment agreement in 2005, which provides that if he is terminated by us without cause or resigns due to a constructive termination, he will receive as severance an amount equal to six months of his then current salary plus his current medical insurance for six months following his termination date. We offered such severance to motivate Mr. Doan to continue as our executive officer by providing severance protection in the event that he is terminated by us without having committed any egregious act constituting cause or if we adversely change his position such that he resigns. Cause is defined as (a) the conviction of a felony or of any criminal offense involving moral turpitude; (b) the repeated failure to satisfactorily perform duties reasonably required by us; (c) material breach of the proprietary information and invention agreement, our written policies established by our Board or any term of his employment agreement; or (d) misappropriation of our property or unlawful appropriation of our corporate opportunity or our business. If we determine cause exists, we will provide Mr. Doan with written notice alleging cause and his failure to remedy the alleged cause within 30 days may result in a termination for cause. Constructive termination is defined as one of the following events when we have not received Mr. Doan's written consent for such event: (a) a significant reduction of his duties, position or responsibilities relative to his duties, position or responsibilities in effect immediately prior to such reduction or his removal from such position, duties and responsibilities, provided that a reduction in duties, position or responsibilities solely by virtue of us being acquired and made part of a larger entity will not constitute a constructive termination; (b) a substantial reduction, without good business reasons, of the facilities and perquisites available to him immediately prior to such reduction; (c) a reduction of his base salary unless such reduction is a part of a Company wide reduction for similarly situated persons; or (d) a material reduction in the kind or level of employee benefits to which he is entitled immediately prior to such reduction, with the result that his overall benefits package is significantly reduced, unless such reductions are part of a Company wide reduction for similarly situated persons.

## Table of Contents

Certain of the equity granted to our named executive officers will fully vest upon a change in control. In addition, the RSUs granted to our named executive officers in fiscal years 2015 will fully vest if we are subject to a change in control while they remain employed.

## Employment Agreements

We entered into employment agreements with each of our named executive officers which set forth the terms of their employment, including base salary and, to the extent applicable, bonus opportunities, stock options and severance benefits. The payments made in fiscal years 2015 and 2016 are set forth in the “Summary Compensation Table” above.

Mr. Doan entered into an employment agreement in 2005, which provides for the severance payments and benefits described under “Severance and Change in Control Benefits” above.

## Director Compensation

Based on recommendations from Radford, our Board has adopted a director compensation policy pursuant to which non employee members of the Board will receive the following compensation for their board and committee services:

- an annual cash retainer for general Board service of \$25,000 paid in quarterly installments;
- no cash payments for attendance at general Board meetings;
- an annual cash retainer of \$15,000 for serving as chairman of the Audit Committee, \$9,000 for serving as the chairman of the Compensation Committee and \$6,000 for serving as the chairman of the Nominating and Governance Committee, with each retainer paid in quarterly installments;
- an annual cash retainer of \$8,000 per non chairman member serving on the Audit Committee, \$5,000 per non chairman member serving on the Compensation Committee and \$3,000 per non chairman member serving on the Nominating and Corporate Governance Committee; and
- each year shortly following the annual stockholder meeting an annual grant of 2,500 shares of RSUs, which fully vests on the earlier of the next annual meeting or the one year anniversary of the grant date, subject to continued service through the vesting date, provided that the RSUs will fully vest if we are subject to a change in control

during their service.

The director compensation policy requires directors to attend at least 75% of the meetings each year in order to be renominated. The policy also includes an equity ownership guideline whereby our directors will be expected to own and hold shares of our common stock until retirement from their Board service. We also reimburse non-employee directors for travel, lodging and other expenses incurred in connection with their attendance at Board or committee meetings.

Table of Contents

## Director Compensation Table

The following table sets forth the total compensation for our non employee directors for the year ended August 31, 2016:

| Name                            | Fees Earned or<br>Paid in Cash<br>(\$) | Stock Awards<br>(\$)(1) | All Other<br>Compensation<br>(\$) | Total<br>(\$) |
|---------------------------------|--|-------------------------|-----------------------------------|---------------|
| Arthur H. del Prado             | 24,750                                 | 8,500                   | —                                 | 33,250        |
| Dr. Edward Kuan Hsiung Hsieh(2) | 45,000                                 | 8,500                   | —                                 | 53,500        |
| Walter Michael Gough(2)         | 8,250                                  | 8,500                   | —                                 | 16,750        |
| Dr. Peter Chiou                 | —                                      | —                       | —                                 | —             |
| Scott R. Simplot                | —                                      | —                       | —                                 | —             |

(1) Amounts shown do not reflect compensation actually received by directors. Instead, the value reported above in the “Stock Awards” column represents the dollar amounts of the aggregate grant date fair value of RSUs granted to directors in fiscal year 2016, computed in accordance with ASC 718.

(2) Mr. Walter Michael Gough and Dr. Hsieh held 2,500 RSUs at August 31, 2016. The RSUs will fully vest at the earlier of April 12, 2017 or the date of the 2017 annual meeting.

## Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

## PRINCIPAL STOCKHOLDERS

The following table sets forth information regarding the beneficial ownership of our common stock as of November 30, 2016 with respect to:

- each person, or group of affiliated persons, who is known by us to own beneficially 5% or more of our common stock;
- each of our directors;
- each of our named executive officers; and

- all directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC. All shares of our common stock subject to options currently exercisable or exercisable within 60 days of November 30, 2016 and RSUs that will vest within 60 days of November 30, 2016, are deemed to be outstanding for the purpose of computing the percentage ownership of the person or group holding options and RSUs, but are not deemed to be outstanding for computing the percentage of ownership of any other person.

Unless otherwise indicated by the footnotes below, we believe, based on the information furnished to us, that each stockholder named in the table has sole voting and investment power with respect to all shares beneficially owned, subject to applicable community property laws.

Percentage of ownership is based on 3,517,290 shares of common stock outstanding as of November 30, 2016.

Table of Contents

Unless otherwise indicated in the footnotes to the table, the address of each individual listed in the table is c/o SemiLEDs Corporation, 3F, No.11 Ke Jung Rd., Chu Nan Site, Hsinchu Science Park, Chu Nan 350, Miao Li County, Taiwan, R.O.C.

| Name and Address of Beneficial Owner  | Shares Beneficially Owned |        |         |   |
|---|---------------------------|--------|---------|---|
|   | Number                    |        | Percent |   |
| 5% Stockholders:  |                           |        |         |   |
| Simplot Taiwan, Inc.<br>J.R. Simplot Company<br>999 Main Street, Suite 1300 Boise, ID 83702 | 989,934                   | (1)    | 28.1    | % |
| Well Thrive Limited<br>No. 79 Heng Yang Road, Taipei, Taiwan                                | 577,000                   |        | 16.4    | % |
| Trung Tri Doan  | 364,972                   | (2)    | 10.4    | % |
| Executive Officers and Directors:   |                           |        |         |   |
| Trung Tri Doan  | 364,972                   | (2)    | 10.4    | % |
| Walter Michael Gough  | 1,068                     |        | *       |   |
| Dr. Peter Chiou   | —                         |        | —       |   |
| Dr. Edward Kuan Hsiung Hsieh  | 13,571                    |        | *       |   |
| Scott R. Simplot  | 1,020,970                 | (1)(3) | 29.0    | % |
| Christopher Lee   | 2,125                     | (4)    | *       |   |
| All executive officers and directors as a group (6 persons)                                 | 1,402,706                 | (4)    | 39.9    | % |

\*Indicates beneficial ownership of less than 1%.

- (1) Based on a Schedule 13G filed February 10, 2011, Simplot Taiwan, Inc., a wholly owned subsidiary of J.R. Simplot Company, and J.R. Simplot Company share voting and investment power over all such shares. Scott Simplot is the Chairman of J.R. Simplot Company. Mr. Simplot may be deemed to have shared voting and investment power over the shares held by Simplot Taiwan, Inc. Mr. Simplot disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein.
- (2) Includes 157,142 shares held by The Trung Tri Doan 2010 GRAT, of which Trung Tri Doan is the sole trustee.
- (3) Includes 31,036 shares held by JRS Properties III L.P. JRS Management L.L.C. is the sole general partner of JRS Properties III L.P. Scott Simplot and Stephen A. Beebe are the managers of JRS Management L.L.C. As managers of JRS Management L.L.C., Mr. Simplot and Mr. Beebe share voting and investment power over the securities held by JRS Properties III L.P. Mr. Simplot may be deemed to have shared voting and investment power over the shares held by JRS Properties III L.P. Mr. Simplot disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein.

- (4) Includes 625 RSUs that vested and will be delivered within the first open trading window following the vesting date and 750 RSUs that will vest within 60 days.



Table of Contents

## Equity Compensation Plan Information

The following table summarizes information about our equity compensation plans as of August 31, 2016. All outstanding awards relate to our common stock.

| Plan category  | Number of securities to be issued upon exercise of outstanding options, warrants and rights<br>(a)<br>(in thousands) | Weighted average exercise price of outstanding options, warrants and rights(2)<br>(b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))<br>(c)<br>(in thousands) |
|--|--|---|--|
| Equity compensation plans approved by security holders     | 76   | (1) \$ 107.40   | 277  |
| Equity compensation plans not approved by security holders | —  | —   | —  |
| Total  | 76   |   | 277  |

(1) Consists of stock options granted under the 2005 Equity Incentive Plan and the 2010 Equity Incentive Plan, and restricted stock units granted under the 2010 Equity Incentive Plan. No additional grants could be made under the 2005 Equity Incentive Plan after December 8, 2010. In April 2014, SemiLEDs' stockholders approved an amendment to the 2010 Plan that increased the number of shares authorized for issuance under the plan by an additional 250 thousand shares.

(2) The weighted average exercise price does not take into account the shares issuable upon vesting of outstanding restricted stock unit awards, which have no exercise price.

The information required by this Item with respect to the securities ownership of directors, officers and certain beneficial owners is set forth under the heading "Principal Stockholders" above.

## Item 13. Certain Relationships and Related Transactions, and Director Independence

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Since September 1, 2014, there has not been any transaction or series of similar transactions to which we were or are a party in which the amount involved exceeded or exceeds and in which any of our directors or executive officers, any holder of more than 5% of any class of our voting securities or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest, other than the transactions described below, some of which represent continuing transactions from prior periods.

#### Employment Agreements

See “Compensation of the Named Executive Officers and Directors — Employment Agreements.”

#### Policies and Procedures for Related Party Transactions

Our Board has adopted a formal, written related party transactions policy pursuant to which, our executive officers, directors, beneficial owners of more than 5% of our common stock, and any member of the immediate family of and any firm, corporation or other entity at which any of the foregoing persons is employed or is a general partner or principal or in a similar position or in which such person has a 5% or greater beneficial interest, are not permitted to enter into a related party transaction with us without prior consent and approval of our Audit Committee. This policy covers any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships in which we are a participant, the aggregate amount involved will or may be expected to exceed \$120,000 in any year and a related person has or will have a direct or indirect material interest (other than solely as a result of being a director or a less than

## Table of Contents

10% beneficial owner of another entity), including, without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness or employment by us of a related person.

The Audit Committee has determined that a related person does not have a direct or indirect material interest in the following categories of transactions and that each will be deemed to be preapproved:

- any transaction with another company at which a related person's only relationship is as an employee (other than an executive officer), director, or beneficial owner of less than 10% of that company's shares, if the aggregate amount involved does not exceed the greater of \$1 million or 2% of that company's total annual revenue.

In fiscal years 2015 and 2016, all the related person transactions represented the continuation of transactions entered into prior to our initial public offering and adoption of the policy.

## Director Independence

The published listing requirements of NASDAQ dictate that a majority of the Board be comprised of independent directors whom our Board has determined have no material relationship with our Company and who are otherwise "independent" directors under those listing requirements. Our current Board consists of the five persons listed above. The Board has determined that each of our current directors, other than Mr. Doan, our CEO, qualifies as an independent director, such that more than a majority of our directors are independent directors under the NASDAQ rules.

The NASDAQ rules have objective tests and a subjective test for determining who is an "independent director." Under the objective tests, a director cannot be considered independent if:

- the director is, or at any time during the past three years was, an employee of the company;
- the director or a family member of the director accepted any compensation from the company in excess of \$120,000 during any period of 12 consecutive months within the three years preceding the independence determination (subject to certain exclusions, including, among other things, compensation for board or board committee service);
- a family member of the director is, or at any time during the past three years was, an executive officer of the company;

- the director or a family member of the director is a partner in, controlling stockholder of, or an executive officer of an entity to which the company made, or from which the company received, payments in the current or any of the past three fiscal years that exceeded 5% of the recipient's consolidated gross revenue for that year or \$200,000, whichever was greater (subject to certain exclusions);
- the director or a family member of the director is employed as an executive officer of an entity where, at any time during the past three years, any of the executive officers of the company served on the compensation committee of such other entity; or
- the director or a family member of the director is a current partner of the company's outside auditor, or at any time during the past three years was a partner or employee of the company's outside auditor, and who worked on the company's audit.

The subjective test states that an independent director must be a person who lacks a relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Board has not established categorical standards or guidelines to make these subjective determinations but considers all relevant facts and circumstances.

Table of Contents

In addition to the Board level standards for director independence, the NASDAQ rules provide that directors, of whom there must be three, who serve on the Audit Committee must each satisfy standards established by the SEC that require that members of audit committees must not be affiliated persons of the issuer and may not accept directly or indirectly any consulting, advisory, or other compensatory fee from the issuer other than their director compensation.

Transactions Considered in Independence Determinations

In making its independence determinations, the Board considered transactions that occurred since the beginning of fiscal year 2014 between the Company and entities associated with the independent directors or members of their immediate family. All identified transactions that appeared to relate to the Company and a family member of, or entity with a known connection to, a director were presented to the Board for consideration.

None of the non employee directors was disqualified from “independent” status under the objective tests. In making its subjective determination that each of our Company’s non employee director is independent, the Board reviewed and discussed additional information provided by the directors and the Company with regard to each director’s business and personal activities as they may relate to the Company and the Company’s management. The Board considered the transactions in the context of the NASDAQ objective standards, the special standards established by the SEC for members of audit committees, and the SEC and U.S. Internal Revenue Service (“IRS”) standards for compensation committee members. Based on all of the foregoing, as required by the NASDAQ rules, the Board made a subjective determination that, because of the nature of the director’s relationship with the entity and/or the amount involved, no relationships exist that, in the opinion of the Board, would impair the director’s independence.

Item 14. Principal Accountant Fees and Services

Fees Billed by Independent Registered Public Accounting Firm

The following table shows the fees and related expenses for audit and other services provided by KPMG (Taiwan) billed for fiscal years 2016 and 2015. The services described in the following fee table were approved in conformity with the Audit Committee’s pre approval process.

|                | KPMG<br>(Taiwan)<br>2016 Fees | KPMG<br>(Taiwan)<br>2015 Fees |
|----------------|-------------------------------|-------------------------------|
| Audit Services | \$ 200,000                    | \$ 240,000                    |

Edgar Filing: SemiLEDs Corp - Form 10-K/A

|                        |            |            |
|------------------------|------------|------------|
| Audit Related Services | —          | —          |
| Tax Services           | —          | —          |
| All Other Services     | —          | —          |
| Total                  | \$ 200,000 | \$ 240,000 |

Audit Services. This category includes the audit of our annual consolidated financial statements, review of our quarterly condensed consolidated financial statements and services that are normally provided by our independent auditors in connection with statutory and regulatory filings or engagements. This category also includes statutory audits required by the Tax Bureau of Taiwan for certain of our subsidiaries in Taiwan.

KPMG (Taiwan) did not perform services other than audit services during fiscal years 2016 and 2015.

Table of Contents

PART IV

Item 15. Exhibits and Financial Statement Schedules

(2) Exhibits:

The exhibits listed on the Exhibit Index are included or incorporated by reference as part of this Annual Report on Form 10 K, as amended.

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Amendment No. 1 to the Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: December 27, 2016 SemiLEDs Corporation

By: /s/ TRUNG TRI DOAN  
Trung Tri Doan

Chairman and Chief Executive Officer



Table of Contents

## EXHIBIT INDEX

| Exhibit<br>No | Exhibit Title  | Form | File No. | Exhibit | Filing Date | Filed<br>Herewith |
|---------------|--|------|----------|---------|-------------|-------------------|
| 31.1          | Certification of Chief Executive Officer<br>Pursuant to Exchange Act<br>Rule 13a-14(a)/15d-14(a) |      |          |         |             | X                 |
| 31.2          | Certification of Chief Financial Officer<br>Pursuant to Exchange Act<br>Rule 13a-14(a)/15d-14(a) |      |          |         |             | X                 |
| 32.1          | Certification Pursuant to 18 U.S.C.<br>Section 1350  |      |          |         |             | X                 |
| 32.2          | Certification Pursuant to 18 U.S.C.<br>Section 1350  |      |          |         |             | X                 |