

AVID TECHNOLOGY, INC.
Form PRE 14A
September 18, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

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

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 Materials Pursuant to sec. 240.14a-12

Avid Technology, Inc.
(Exact Name of Registrant as Specified in Its Charter)

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- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.1
 - (1) Title of each class of securities to which transaction applies:

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- 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.
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1

PRELIMINARY COPY - SUBJECT TO COMPLETION

September __, 2014

Dear Stockholder,

I am pleased to invite you to attend the 2014 Annual Meeting of Stockholders of Avid Technology, Inc. The annual meeting will be held on October 29, 2014, at 8:00 a.m., local time, at our headquarters at 75 Network Drive, Burlington, Massachusetts, 01803.

You will find information regarding the business to be conducted at the annual meeting in our notice of annual meeting and proxy statement. The proxy materials also contain a notice of Internet availability of the proxy materials which includes instructions for accessing the proxy materials over the Internet. Your vote is important regardless of the number of shares that you own. Whether or not you plan to attend the annual meeting, we encourage you to read the proxy statement and vote by proxy through the Internet or request, sign and return your proxy card by mail as soon as possible, so that your shares may be represented at the meeting. Voting by proxy will not affect your right to attend the annual meeting and vote in person should you so choose.

If your shares are held by a broker, your broker cannot vote your shares for non-routine matters, including the election of directors, the advisory vote on executive compensation and approval of our 2014 Stock Incentive Plan, unless you provide voting instructions. Therefore, if your shares are held by a broker, please instruct your broker regarding how to vote your shares on the election of directors, the advisory vote on executive compensation and on the approval of our 2014 Stock Incentive Plan. This will ensure that your shares are counted with respect to these matters.

On behalf of the board of directors, I would like to express our appreciation for your investment in our company. I look forward to greeting many of you at the annual meeting.

Sincerely,

Louis Hernandez, Jr.
President and Chief Executive Officer

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON OCTOBER 29, 2014:
THIS PROXY STATEMENT AND THE ANNUAL REPORT ARE AVAILABLE AT
www.proxyvote.com

PRELIMINARY COPY - SUBJECT TO COMPLETION

AVID TECHNOLOGY, INC.

75 Network Drive
Burlington, MA 01803

NOTICE OF 2014 ANNUAL MEETING OF STOCKHOLDERS

Meeting Date	October 29, 2014
Time	8:00 a.m., local time
Location	75 Network Drive Burlington, Massachusetts 01803
Proposals	To elect (i) two Class II directors, each to serve until our 2016 annual meeting of Stockholders and, as to each, until a successor is duly elected and qualified, or until (1) earlier death, resignation or removal of the director, and (ii) two Class III directors, each to serve until our 2017 annual meeting of Stockholders and, as to each, until a successor is duly elected and qualified, or until earlier death, resignation or removal of the director. (2) To ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the current fiscal year. (3) To approve, by a non-binding, advisory vote, the compensation paid to the company's named executive officers. (4) To approve our 2014 Stock Incentive Plan. Consideration will also be given to such other business as may properly come before the meeting or any adjournment thereof.
Board Recommendations	Our board of directors recommends that stockholders vote FOR each of the proposals to be considered and acted upon at the annual meeting.
Record Date	Only stockholders as of the close of business on September 2, 2014 are entitled to notice of, and to vote at, the annual meeting.

By Order of our Board of Directors,

Jason A. Duva
Corporate Secretary
Burlington, Massachusetts
September __, 2014

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PRELIMINARY COPY - SUBJECT TO COMPLETION

AVID TECHNOLOGY, INC.
75 Network Drive
Burlington, Massachusetts 01803

PROXY STATEMENT

ANNUAL MEETING OCTOBER 29, 2014

INFORMATION ABOUT PROXY MATERIALS, THE ANNUAL MEETING AND VOTING

Why am I receiving these materials?

On or about September __, 2014 we have made these materials available to you on the Internet and have delivered printed versions of these materials to you by mail or electronic copies to you by email, in connection with the solicitation of proxies by our board of directors for use at our 2014 Annual Meeting of Stockholders to be held on October 29, 2014 at 8:00 a.m., and at any postponement(s) or adjournment(s) of the annual meeting. The annual meeting will be held at our headquarters at 75 Network Drive, Burlington, Massachusetts 01803. If you plan on attending the annual meeting in person, please visit our website at www.avid.com to obtain driving directions to our headquarters. However, you do not need to attend the Annual Meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card or submit your proxy through the Internet according to the instructions contained in the enclosed proxy card. References in this proxy statement to “we,” “us,” “the company,” “our company” or “Avid” refer to Avid Technology, Inc. and its consolidated subsidiaries.

What is included in these materials?

These materials include:

- this proxy statement (including the Notice of 2014 Annual Meeting of Stockholders); and
- our Annual Report to Stockholders for the year ended December 31, 2013.

What items will be voted on at the Annual Meeting?

Stockholders will vote on the following items at the annual meeting:

- Proposal One: the election to the board of directors of the two nominees named in this proxy statement as Class II Directors and the two nominees named in this proxy statement as Class III Directors;
- Proposal Two: ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the current fiscal year;
- Proposal Three: an advisory vote on the compensation paid to our named executive officers; and
- Proposal Four: approval of our 2014 Stock Incentive Plan.

We are not aware of any other matters to be presented at our annual meeting. However, if any other matters are properly presented, the persons designated as proxies intend to vote, or otherwise act, on those matters in accordance with their judgment.

What are the voting recommendations of the board of directors?

The board recommends that you vote your shares:

•“FOR” each of the nominees to the board of directors (Proposal No. 1);

•“FOR” ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the current fiscal year (Proposal No. 2);

•“FOR” the advisory vote on the compensation paid to our named executive officers (Proposal No. 3); and

•“FOR” the approval of the 2014 Stock Incentive Plan (Proposal No. 4).

What is the voting requirement to approve each of the proposals?

Election of Directors (Proposal No. 1). To be elected, directors must receive a majority of the votes cast (the number of shares voted “for” a director nominee must exceed the number of votes cast “against” that nominee). Prior to the election, each director nominee currently serving on our board delivered to the board of directors an irrevocable resignation that will become effective if (i) he or she does not receive a majority of the votes cast (with “abstentions” and “broker non-votes” not counted as a vote “for” or “against” such nominee’s election) and (ii) within 90 days following certification of the stockholder vote, the board determines to accept such resignation in accordance with our corporate governance guidelines. We will publicly disclose any such decision by the board of directors with regard to any director’s resignation.

Other Matters. Under our by-laws, the affirmative vote of the holders of a majority of the votes cast will be required for approval of the ratification of the selection of the independent registered public accounting firm (Proposal 2), approval of the advisory vote on compensation paid to our named executive officers (Proposal 3), and approval of our 2014 Stock Incentive Plan (Proposal 4). While the advisory vote on our company’s executive compensation is required by law, it will not be binding on us or our board of directors. However, the compensation committee of our board of directors (the “Compensation Committee”) will take into account the outcome of the vote when considering future executive compensation decisions.

I share an address with another stockholder, and we received only one paper copy of the proxy materials. How may I obtain an additional copy of the proxy materials or a copy of the Annual Report on Form 10-K?

Some brokers or custodians practice “householding” whereby they provide a single copy of proxy materials to multiple stockholders sharing the same household. If you have received proxy materials on a household basis, we will promptly deliver an additional copy of the proxy materials at no charge upon oral or written request to: Avid Technology, Inc., 75 Network Drive, Burlington, Massachusetts 01803, Attn: Director of Investor Relations, telephone: (978) 640-3346. If you are receiving proxy materials on a household basis and wish to discontinue doing so, or if you would like to begin receiving proxy materials on a household basis, you should contact your bank or custodian, or you may contact us as described above.

A copy of our Annual Report on Form 10-K for the year ended December 31, 2013, which also includes results for the fiscal year ended December 31, 2012 and restated results for the fiscal year ended December 31, 2011, as filed with the SEC, including financial statements and schedules, but excluding exhibits, will be furnished without charge to any stockholder upon request to: Avid Technology, Inc., 75 Network Drive, Burlington, Massachusetts 01803, Attn: Director of Investor Relations, telephone: (978) 640-3346. Exhibits will be provided upon written request and payment of an appropriate processing fee.

How can I get electronic access to the proxy materials?

Our proxy materials are available over the Internet. The notice of Internet availability, included in this proxy statement, includes instructions for accessing the proxy materials over the Internet or requesting a printed copy of the proxy materials by mail or an electronic copy by email. It also includes instructions on how stockholders may elect to receive future proxy materials in printed form by mail or electronically by email.

Who may vote at the Annual Meeting?

Only stockholders of record as of the close of business on September 2, 2014, the record date, are entitled to receive notice of, to attend and to vote at the annual meeting. As of the record date, there were 39,125,806 shares of our common stock, \$0.01 par value per share, issued and outstanding. Stockholders are entitled to one vote per share.

What is the difference between a stockholder of record and a beneficial owner of shares held in street name?

In certain sections of this proxy statement, we distinguish between stockholders of record and beneficial owners. Most of our stockholders are beneficial owners of shares held in street name.

Stockholders of Record. If your shares are held in your name with our transfer agent, Computershare Investor Services, you are considered the “stockholder of record” of those shares. As a stockholder of record, you are receiving a printed or electronic copy of the proxy materials directly from us.

Beneficial Owners of Shares Held in Street Name. If your shares are held in a brokerage account or by another custodian, you are considered the “beneficial owner” of those shares and the shares are held in “street name” by the broker or custodian, which is the stockholder of record. As a beneficial owner, your broker or custodian will forward to you a printed or electronic copy of the proxy materials.

How do I vote?

There are three ways to vote your shares:

Over the Internet. You may submit your vote over the Internet any time prior to 11:59 p.m., EDT, on October 28, 2014 by following the instructions on the notice of Internet availability, included in this proxy statement, or proxy card.

By Mail. You may submit your vote by mail by following the instructions on the proxy card you received. Please allow sufficient time for mailing as only proxy cards received by us prior to the annual meeting will be deemed valid and counted.

In Person. All stockholders of record may vote in person at the annual meeting. We will give you a ballot when you arrive. Please note, however, that if you are a beneficial owner of shares held in street name, in order to vote your shares in person at the annual meeting, you must obtain a legal proxy from the stockholder of record (which is your broker or custodian) that authorizes you to do so.

If you receive multiple printed copies of the proxy materials (including multiple proxy cards), in order to vote all of your shares by proxy, you must return each proxy card or separately vote over the Internet all the shares owned by you. You may receive multiple copies of the proxy materials if, for example, you hold shares in more than one brokerage account or you are a stockholder of record and hold shares registered in more than one name.

What is the quorum requirement for the Annual Meeting?

The holders of a majority of the shares of our issued and outstanding common stock entitled to vote at the annual meeting constitute a quorum. Shares of common stock represented in person or by proxy (including shares that abstain or do not vote for any reason with respect to one or more of the proposals presented for stockholder approval) will be counted for purposes of determining whether a quorum is present at the annual meeting. If a quorum is not present, the annual meeting will be adjourned until a quorum is obtained.

How are proxies voted?

All shares represented by valid proxies received prior to the annual meeting will be voted and, where a stockholder specifies a choice with respect to any matter to be acted upon, the shares will be voted in accordance with the stockholder's instructions.

What happens if I do not return my proxy?

Stockholders of Record. If you are a stockholder of record and you do not vote over the Internet, by mailing your proxy card or by delivering your proxy to the annual meeting, your shares will not be voted unless you appear in person (or are legally represented) and vote your shares by ballot at the annual meeting.

Beneficial Owners of Shares Held in Street Name. If you are a beneficial owner of shares held in street name and do not vote over the Internet or by mailing your proxy card, under the rules of various securities exchanges, the broker or custodian that holds your shares may generally vote on routine matters but cannot vote on non-routine matters. If your broker or custodian that holds your shares does not receive instructions from you on how to vote your shares on a non-routine matter, the broker or custodian will inform the inspector of election that it does not have the authority to vote on this matter with respect to your shares; this is referred to as a "broker non-vote." A broker non-vote may also result if your broker or custodian may, but opts not to, vote your shares on a routine matter for which you have not given instructions.

What happens if I submit my vote by proxy but do not give specific voting instructions with respect to a particular proposal?

As a stockholder of record, if you sign and return a proxy card without giving specific voting instructions with respect to a particular proposal, the persons designated by us as proxies will vote your shares as recommended by our board of directors.

Which proposals are considered "routine" or "non-routine"?

Election of Directors (Proposal No. 1). The election of directors is considered a non-routine matter under applicable rules;

Ratification of the Appointment of Deloitte & Touche LLP (Proposal No. 2). The ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the current fiscal year is considered a routine matter under applicable rules;

Advisory Vote to Approve Compensation Paid to Named Executive Officers (Proposal No. 3). The advisory vote to approve our company's executive compensation is considered a non-routine matter under applicable rules; and

Approval of our 2014 Stock Incentive Plan (Proposal No. 4). The approval of our 2014 Stock Incentive Plan is considered a non-routine matter under applicable rules.

Therefore, unless you provide voting instructions to any broker holding shares on your behalf, your broker may not use discretionary authority to vote your shares on Proposals 1, 3 or 4. Proposal 2, regarding the ratification of the appointment of our independent registered public accounting firm, is considered a routine matter, and brokers are therefore permitted to vote shares held by them without instruction from beneficial owners.

How are abstentions and broker non-votes treated?

Abstentions and broker non-votes will not be counted as shares voting on any proposal. Assuming the presence of a quorum, abstentions and broker non-votes will not affect the voting on any of the proposals under consideration by stockholders. Abstentions and broker non-votes will, however, as stated above, be counted as present and entitled to vote for purposes of determining whether a quorum is present at the annual meeting.

Can I change my vote after I have voted?
If you vote your shares by pr