

IROBOT CORP  
Form DEF 14A  
April 13, 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

iRobot Corporation  
(Name of Registrant as Specified in Its Charter)

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

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- No fee required.
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Dear Stockholder:

April 13, 2015

You are cordially invited to attend the annual meeting of stockholders of iRobot Corporation to be held at 2:00 p.m., local time, on Wednesday, May 20, 2015 at iRobot Corporation headquarters located at 8 Crosby Drive, Bedford, Massachusetts 01730.

At this annual meeting, you will be asked to elect three (3) Class I directors for three-year terms, to elect one (1) Class III director for a two-year term, to ratify the appointment of our independent registered public accountants, to approve the iRobot Corporation 2015 Stock Option and Incentive Plan (the "2015 Plan"), to approve amendments to our amended and restated certificate of incorporation to adopt majority voting standards (the "Restated Certificate"), to cast an advisory vote on the approval of the compensation of our named executive officers, and to consider a stockholder proposal entitled "Elect Each Director Annually." The board of directors unanimously recommends that you vote FOR election of the director nominees, FOR ratification of appointment of our independent registered public accountants, FOR approval of the 2015 Plan, FOR approval of the Restated Certificate, FOR approval, on an advisory basis, of the compensation of our named executive officers, and AGAINST the stockholder proposal entitled "Elect Each Director Annually".

Details regarding the matters to be acted upon at this annual meeting appear in the accompanying proxy statement.

Please give this material your careful attention.

Whether or not you plan to attend the annual meeting, we urge you to sign and return the enclosed proxy so that your shares will be represented at the annual meeting. If you attend the annual meeting, you may vote in person even if you have previously returned your proxy card. Your prompt cooperation will be greatly appreciated.

Very truly yours,

COLIN M. ANGLE

Chief Executive Officer & Chairman of the Board

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**SUMMARY OF RECENT CHANGES TO CORPORATE GOVERNANCE AND EXECUTIVE COMPENSATION**

In our continuing efforts to improve corporate governance and better align executive compensation with company performance, the following highlights elements of our corporate governance and executive compensation that are described in more detail in the proxy statement.

	2014	2015
Corporate Governance	Termination of rights plan - "poison pill"	Adoption of majority voting standards for removal of directors and amendments to certain provisions of our certificate of incorporation
	Adopted majority voting standard for election of directors	
Executive Compensation	Designed 50% of executives' LTI to be based on the Company's financial performance	Inclusion of clawback policy

**Corporate Governance**

At our 2014 annual meeting of stockholders, our stockholders voted to request that our board of directors take the steps necessary so that each voting requirement in our existing amended and restated certificate of incorporation (the "Current Certificate") and by-laws that calls for a greater than a simple majority vote be eliminated and replaced by a majority voting standard. In response to the strong support from our stockholders, iRobot's board of directors has proposed an amendment to the Current Certificate to adopt majority voting standards for removal of directors and amendments to certain provisions of the certificate of incorporation. Details on this proposal appear on pages 49-50 of this proxy statement.

These proposed changes are in addition to unilateral changes made by our board of directors in 2014, including the termination of the Company's shareholder rights plan -- commonly known as a "poison pill"-- and a change to a majority voting standard for the election of directors.

We will continue to evaluate our corporate governance to ensure it remains in the best interests of our stockholders.

**Executive Compensation**

We continue to evaluate our program and policies to ensure that they emphasize pay-for-performance. In 2014, the compensation committee made an important change to its long-term incentive structure through the inclusion of performance-based equity awards for our executive officers. As more fully described in this proxy statement, a significant portion of our long-term incentives is now "at risk" based upon the Company's performance. This is in addition to our non-equity incentive based compensation, which is strictly "at risk" and based on financial performance. Overall, our executive compensation program contains the following highlights:

- |   |  |
|---|--|
| Annual "say-on-pay" vote  | No pension benefits for executive officers       |
| Clawback policy   | No discounted options                            |
| Strong stock ownership and stock holding guidelines                   | No option repricing without stockholder approval |
| Oversight of risks associated with compensation policies and practice | No excise tax gross-ups                          |
| "Double trigger" change in control agreements                         | No hedging or pledging of Company stock          |
| Independent compensation consultant                                   | No excessive perquisites for executives          |

A full description of our executive compensation program is contained in the Compensation Discussion and Analysis section in this proxy statement.

iROBOT CORPORATION

8 Crosby Drive  
Bedford, Massachusetts 01730  
(781) 430-3000

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on May 20, 2015

To the Stockholders of iRobot Corporation:

The annual meeting of stockholders of iRobot Corporation, a Delaware corporation (the "Company"), will be held on Wednesday, May 20, 2015, at 2:00 p.m., local time, at iRobot Corporation headquarters located at 8 Crosby Drive, Bedford, Massachusetts 01730, for the following purposes:

1. To elect three (3) Class I directors, nominated by the board of directors, each to serve for a three year term and until his or her successor has been duly elected and qualified or until his or her earlier resignation or removal and to elect one (1) Class III director, nominated by the board of directors, to serve for a two-year term and until her successor has been duly elected and qualified or until her earlier resignation or removal;
2. To ratify the appointment of the accounting firm of PricewaterhouseCoopers LLP as the Company's independent registered public accountants for the current fiscal year;
3. To approve the iRobot Corporation 2015 Stock Option and Incentive Plan;
4. To approve amendments to our amended and restated certificate of incorporation to adopt majority voting standards;
5. To hold an advisory vote on the approval of the compensation of our named executive officers;
6. To consider a stockholder proposal entitled "Elect Each Director Annually," which proposal is opposed by the board of directors, if such proposal is properly introduced at the meeting; and
7. To transact such other business as may properly come before the annual meeting and any adjournments or postponements thereof.

Proposal 1 relates solely to the election of three (3) Class I directors and one (1) Class III director nominated by the board of directors and does not include any other matters relating to the election of directors, including without limitation, the election of directors nominated by any stockholder of the Company.

Only stockholders of record at the close of business on April 9, 2015, are entitled to notice of and to vote at the annual meeting and at any adjournment or postponement thereof.

All stockholders are cordially invited to attend the annual meeting in person. However, to assure your representation at the annual meeting, we urge you, whether or not you plan to attend the annual meeting, to sign and return the enclosed proxy so that your shares will be represented at the annual meeting. If you attend the annual meeting, you may vote in person even if you have previously returned your proxy card. Directions to iRobot Corporation headquarters can be found at the Company's website, <http://www.irobot.com>.

By Order of the Board of Directors,

GLEN D. WEINSTEIN

Executive Vice President,  
Chief Legal Officer and Secretary  
Bedford, Massachusetts  
April 13, 2015

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 20, 2015. THE PROXY STATEMENT AND ANNUAL REPORT TO STOCKHOLDERS ARE AVAILABLE AT <https://materials.proxyvote.com/462726>.

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WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING, PLEASE COMPLETE, DATE AND SIGN THE ENCLOSED PROXY CARD AND MAIL IT PROMPTLY IN THE ENCLOSED ENVELOPE IN ORDER TO ASSURE REPRESENTATION OF YOUR SHARES. NO POSTAGE NEED BE AFFIXED IF THE PROXY CARD IS MAILED IN THE UNITED STATES.

IN ACCORDANCE WITH OUR SECURITY PROCEDURES, ALL PERSONS ATTENDING THE ANNUAL MEETING WILL BE REQUIRED TO PRESENT PICTURE IDENTIFICATION.

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iROBOT CORPORATION

8 Crosby Drive

Bedford, Massachusetts 01730

PROXY STATEMENT

For the Annual Meeting of Stockholders

To Be Held on May 20, 2015

April 13, 2015

This proxy statement is furnished in connection with the solicitation of proxies by the board of directors of iRobot Corporation, a Delaware corporation (the "Company" or "iRobot"), for use at the annual meeting of stockholders to be held on Wednesday, May 20, 2015, at 2:00 p.m., local time, at iRobot Corporation headquarters located at 8 Crosby Drive, Bedford, Massachusetts 01730, and any adjournments or postponements thereof. An annual report to stockholders, containing financial statements for the fiscal year ended December 27, 2014, is being mailed together with this proxy statement to all stockholders entitled to vote at the annual meeting. This proxy statement and the form of proxy are expected to be first mailed to stockholders on or about April 17, 2015.

The purposes of the annual meeting are to elect three (3) Class I directors for three-year terms, to elect one (1) Class III director for a two-year term, to ratify the appointment of the Company's independent registered public accountants, to approve the iRobot Corporation 2015 Stock Option and Incentive Plan (the "2015 Plan"), to approve amendments to our amended and restated certificate of incorporation to adopt majority voting standards (the "Restated Certificate"), to hold an advisory vote on the compensation of our named executive officers, and to consider a stockholder proposal entitled "Elect Each Director Annually." Only stockholders of record at the close of business on April 9, 2015 will be entitled to receive notice of and to vote at the annual meeting. As of March 24, 2015, 29,690,899 shares of common stock, \$.01 par value per share, of the Company were issued and outstanding. 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. If you attend the annual meeting, you may vote in person even if you have previously returned your proxy card. Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before it is voted. Proxies may be revoked by (i) 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, (ii) duly completing 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 (iii) 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 sent so as to be delivered to iRobot Corporation, 8 Crosby Drive, Bedford, Massachusetts 01730, Attention: Secretary, before the taking of the vote at the annual meeting.

The representation in person or by proxy of at least a majority of the outstanding shares of common stock entitled to vote at the annual meeting is necessary to constitute a quorum for the transaction of business. Votes withheld from any nominee, abstentions and broker "non-votes" are counted as present or represented for purposes of determining the presence or absence of a quorum for the annual meeting. A "non-vote" occurs when a nominee holding shares for a beneficial owner votes on one proposal but does not vote on another proposal because, with respect to such other proposal, the nominee does not have discretionary voting power and has not received instructions from the beneficial owner. Broker "non-votes" are not considered voted for the particular matter and have the effect of reducing the number of affirmative votes required to achieve a majority for such matter by reducing the total number of shares from which the majority is calculated.

For Proposal 1, the election of three Class I directors and one Class III director, the affirmative vote of holders of a majority of the votes cast by holders of shares present, in person or represented by proxy, and entitled to vote on the matter is required for approval. Abstentions and broker non-votes will not be counted as voting with respect to the election of the directors and, therefore, will not have an effect on the election of the Class I directors or the Class III director.

For Proposal 2, the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accountants for the current fiscal year, Proposal 3, approval of the 2015 Plan, Proposal 5, the advisory vote on the compensation of our named executive officers, and Proposal 6, the stockholder proposal entitled

"Elect Each Director Annually," an affirmative vote of a majority of the shares present, in person or represented by proxy, and voting on each such matter is required for approval. Abstentions are included in the number of shares present or represented and entitled to vote on each such matter.

For Proposal 4, the vote on the Restated Certificate, an affirmative vote of not less than 75% of the outstanding shares entitled to vote as of the record date is required for approval.

The persons named as attorneys-in-fact in the proxies, Glen D. Weinstein and Alison Dean, 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 by such person at the annual meeting. Where a choice has been specified on the proxy with respect to the foregoing matters, the shares represented by the proxy will be voted in accordance with the specifications. If no such specifications are indicated, such proxies will be voted FOR election of the director nominees, FOR ratification of the appointment of our independent registered public accountants, FOR the approval of the 2015 Plan, FOR the approval of the Restated Certificate, FOR the approval on an advisory basis, of the compensation of our named executive officers, and AGAINST the stockholder proposal entitled "Elect Each Director Annually".

Aside from the election of directors, the ratification of the appointment of the independent registered public accountants, the approval of the 2015 Plan, the approval of the Restated Certificate, the advisory vote on the compensation of our named executive officers and the stockholder proposal entitled "Elect Each Director Annually," the board of directors knows of no other matters to be presented at the annual meeting. If any other matter should be presented at the annual meeting upon which a vote properly may be taken, shares represented by all proxies received by the board of directors will be voted with respect thereto in accordance with the judgment of the persons named as attorneys-in-fact in the proxies.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding beneficial ownership of the Company's common stock as of March 27, 2015: (i) by each person who is known by the Company to beneficially own more than 5% of the outstanding shares of common stock; (ii) by each director or nominee of the Company; (iii) by each named executive officer of the Company; and (iv) by all directors and executive officers of the Company as a group. Unless otherwise noted below, the address of each person listed on the table is c/o iRobot Corporation, 8 Crosby Drive, Bedford, Massachusetts 01730.

Name of Beneficial Owner	Shares Beneficially Owned(1)	Percentage of Shares Beneficially Owned(2)
BlackRock, Inc.(3) 40 East 52 <sup>nd</sup> St. New York, NY 10022	2,512,817	8.50%
The Vanguard Group, Inc.(4) 100 Vanguard Boulevard Malvern, PA 19355	1,841,733	6.23%
T. Rowe Price Associates, Inc.(5) 100 East Pratt Street Baltimore, MD 21202-1009	1,669,000	5.60%
Colin M. Angle(6)	694,474	2.34%
Alison Dean(7)	53,868	*
Russell J. Campanello(8)	89,374	*
Paolo Pirjanian (9)	75,146	*
Glen D. Weinstein(10)	60,303	*
Christian Cerda (11)	49,087	*
Ronald Chwang(12)	260,806	*
Gail Deegan(13)	11,596	*
Deborah G. Ellinger(14)	15,424	*
Andrea Geisser(15)	72,145	*
George C. McNamee(16)	156,282	