

Super Micro Computer, Inc.
Form DEF 14A
January 18, 2017

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

Definitive Proxy Statement

Definitive Additional Materials Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Soliciting Material Pursuant to
§240.14a-12

SUPER MICRO COMPUTER, INC.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SUPER MICRO COMPUTER, INC.

980 Rock Avenue
San Jose, California 95131

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MARCH 1, 2017

To the Stockholders of Super Micro Computer, Inc.:

Notice is hereby given that the Annual Meeting of stockholders of Super Micro Computer, Inc. (the "Company") will be held on Wednesday, March 1, 2017, at 11:00 a.m., local time, at our principal offices located at 980 Rock Avenue, San Jose, CA 95131, for the following purposes:

1. To elect two Class I directors to hold office until the annual meeting of stockholders in 2019 or until their successors are duly elected and qualified.
2. To vote on a non-binding advisory resolution to approve the compensation of our named executive officers.
3. To hold a non-binding advisory vote on the frequency of future advisory votes on the compensation of our named executive officers.
4. To ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for fiscal year 2017 ending June 30, 2017.
5. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

The accompanying Proxy Statement more fully describes the business to be transacted at the Annual Meeting. Our board of directors recommends that you vote (1) "FOR" the election of each of our nominees for director as proposed in this Proxy Statement, (2) "FOR" the non-binding advisory resolution to approve the compensation of our named executive officers, (3) "FOR" holding future advisory votes on executive compensation once every three years and (4) "FOR" the ratification of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2017. We have not received notice of other matters that may be properly presented at the Annual Meeting.

If you were a stockholder as of the close of business (Eastern Time) on January 10, 2017, you are entitled to vote at the Annual Meeting and any adjournment thereof. For ten days prior to the Annual Meeting, a complete list of stockholders entitled to vote at the Annual Meeting will be available for examination by any stockholder, for any purpose relating to the Annual Meeting, during ordinary business hours at our principal offices located at 980 Rock Avenue, San Jose, CA 95131.

By Order of the Board of Directors

/s/ Yih-Shyan (Wally) Liaw

Secretary
San Jose, California
January 18, 2017

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on March 1, 2017

The Proxy Statement and Annual Report to Stockholders are available at
<http://ir.supermicro.com/financials.cfm>.

Information on our website, other than this Proxy Statement, is not a part of this Proxy Statement.

IMPORTANT: To ensure that your vote is recorded promptly, please vote as soon as possible, even if you plan to attend the meeting. Most stockholders have three options for submitting their votes prior to the meeting: (1) via the Internet; (2) by telephone; or (3) by mail. If you have Internet access, we encourage you to record your vote on the Internet. It is convenient and saves us postage and processing costs. Your completed proxy, or your telephone or Internet vote, will not prevent you from attending the meeting and voting in person should you so choose.

TABLE OF CONTENTS

	Page
<u>GENERAL INFORMATION</u>	<u>1</u>
<u>PROPOSAL 1—ELECTION OF DIRECTORS</u>	<u>4</u>
<u>Composition of the Board</u>	<u>4</u>
<u>Class I Directors—Nominees for Terms Expiring at the 2019 Annual Meeting</u>	<u>5</u>
<u>Class II Directors—Terms Expiring at the 2017 Annual Meeting</u>	<u>5</u>
<u>Class III Directors—Terms Expiring at the 2018 Annual Meeting</u>	<u>6</u>
<u>CORPORATE GOVERNANCE</u>	<u>6</u>
<u>Corporate Governance Guidelines</u>	<u>6</u>
<u>Code of Ethics</u>	<u>6</u>
<u>Director Independence</u>	<u>6</u>
<u>Executive Sessions</u>	<u>7</u>
<u>Director Qualifications and Nomination Process</u>	<u>7</u>
<u>Communications with the Board of Directors</u>	<u>7</u>
<u>MEETINGS AND COMMITTEES OF THE BOARD</u>	<u>8</u>
<u>Board Meetings</u>	<u>8</u>
<u>Board Leadership Structure</u>	<u>8</u>
<u>Board Role in the Oversight of Risk</u>	<u>8</u>
<u>Committees of the Board of Directors</u>	<u>8</u>
<u>Compensation Committee Interlocks and Insider Participation</u>	<u>10</u>
<u>PRINCIPAL STOCKHOLDERS AND STOCK OWNERSHIP BY MANAGEMENT</u>	<u>10</u>
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	<u>11</u>
<u>EXECUTIVE COMPENSATION</u>	<u>12</u>
<u>Compensation Discussion and Analysis</u>	<u>12</u>
<u>Compensation Committee Report</u>	<u>16</u>
<u>Summary Compensation Table</u>	<u>17</u>
<u>Grants of Plan-Based Awards</u>	<u>18</u>
<u>Outstanding Equity Awards at Fiscal Year-End 2016</u>	<u>18</u>
<u>Option Exercises and Stock Vested During Fiscal Year 2016</u>	<u>21</u>
<u>DIRECTOR COMPENSATION</u>	<u>21</u>
<u>EQUITY COMPENSATION PLAN INFORMATION</u>	<u>22</u>
<u>CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS AND DIRECTOR INDEPENDENCE</u>	<u>23</u>
<u>Procedures for Approval of Related Person Transactions</u>	<u>23</u>
<u>Transactions with Related Parties, Promoters and Certain Control Persons</u>	<u>23</u>

	Page
<u>PROPOSAL 2—NON-BINDING ADVISORY VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS</u>	<u>25</u>
<u>PROPOSAL 3—ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS</u>	<u>26</u>
<u>PROPOSAL 4—RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	<u>27</u>
<u>Independent Registered Public Accounting Firm Fees and Services</u>	<u>27</u>
<u>Audit Committee Pre-Approval Policies and Procedures</u>	<u>27</u>
<u>AUDIT COMMITTEE REPORT</u>	<u>28</u>
<u>Review of Audited Financial Statements</u>	<u>28</u>
<u>ANNUAL REPORT TO STOCKHOLDERS ON FORM 10-K</u>	<u>28</u>
<u>“HOUSEHOLDING” OF PROXY MATERIALS</u>	<u>28</u>
<u>STOCKHOLDER PROPOSALS FOR 2017 MEETING</u>	<u>28</u>
<u>OTHER MATTERS</u>	<u>29</u>

SUPER MICRO COMPUTER, INC.

980 Rock Avenue
San Jose, California 95131

PROXY STATEMENT
FOR ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MARCH 1, 2017

GENERAL INFORMATION

The enclosed proxy is being solicited by our board of directors for use in connection with the Annual Meeting of stockholders to be held on Wednesday, March 1, 2017 at our principal offices located at 980 Rock Avenue, San Jose, CA 95131, commencing at 11:00 a.m. local time, and at any adjournments thereof. The proxy solicitation materials were first made available on or about January 18, 2017 to all stockholders entitled to vote at the Annual Meeting.

In this Proxy Statement:

“We,” “us,” “our”, “Company” and “Supermicro” refer to Super Micro Computer, Inc. with its principle executive offices located at 980 Rock Avenue, San Jose, CA 95131

“Annual Meeting” or “Meeting” means our 2016 Annual Meeting of Stockholders

“Board of Directors” or “Board” means our Board of Directors

“SEC” means the Securities and Exchange Commission

We have summarized below important information with respect to the Annual Meeting.

Who is entitled to vote at the meeting?

Only stockholders of record at the close of business (Eastern Time) on January 10, 2017 (the “record date”) will be entitled to vote at the Annual Meeting. At the close of business on the record date, we had 48,294,079 shares of our common stock outstanding, all of which are entitled to vote with respect to all matters to be acted upon at the Annual Meeting. Each share of common stock is entitled to one vote on each matter presented.

Why did I receive a notice in the mail regarding the Internet availability of the proxy materials instead of a paper copy of the proxy materials?

We are pleased to again take advantage of the rules adopted by the SEC allowing companies to furnish proxy materials over the Internet to their stockholders rather than mailing paper copies of those materials to each stockholder. On or about January 18, 2017 we mailed to our stockholders a Notice of Internet Availability of Proxy Materials directing stockholders to a web site where they can access our proxy statement for the annual meeting and our annual report for the fiscal year ended June 30, 2016 and view instructions on how to vote via the Internet or by phone. If you would prefer to receive a paper copy of our proxy materials, please follow the instructions included in the Notice of Internet Availability of Proxy Materials.

How do I vote my shares?

If you are a stockholder of record as of the record date, you can give a proxy to be voted at the Meeting in any of the following ways:

Over the telephone by calling a toll-free number;

Electronically, using the Internet; or

By completing, signing and mailing the proxy card.

The telephone and Internet voting procedures have been set up for your convenience. We encourage you to save corporate expense by submitting your vote by telephone or Internet. The procedures have been designed to authenticate your identity, to allow you to give voting instructions, and to confirm that those instructions have been recorded properly. If you are a stockholder of record and you would like to submit your proxy by telephone or Internet, please refer to the specific instructions provided on the enclosed proxy card. If you wish to submit your proxy by mail, please return your signed proxy card to us before the Annual Meeting.

If you hold your shares in “street name,” you must vote your shares in the manner prescribed by your broker or other nominee. Your broker or other nominee has enclosed or otherwise provided a voting instruction card for you to use in directing the broker or nominee how to vote your shares. Telephone and Internet voting also is encouraged for stockholders who hold their shares in street name.

Can I vote my shares in person at the meeting?

If you are a stockholder of record, you may vote your shares in person at the meeting by completing a ballot at the meeting. Even if you currently plan to attend the meeting, we recommend that you also submit your proxy as described above so that your vote will be counted if you later decide not to attend the meeting.

If you are a street name holder, you may vote your shares in person at the meeting only if you obtain a signed proxy from your broker, bank, trust or other nominee giving you the right to vote the shares at the meeting.

What is the difference between a stockholder of record and a “street name” holder?

If your shares are registered directly in your name with our transfer agent, Computershare, you are considered the stockholder of record with respect to those shares.

If your shares are held in a stock brokerage account or by a bank, trust or other nominee, then the broker, bank, trust or other nominee is considered to be the stockholder of record with respect to those shares. However, you still are considered the beneficial owner of those shares, and your shares are said to be held in “street name.” Street name holders generally cannot vote their shares directly and must instead instruct the broker, bank, trust or other nominee how to vote their shares using the method described above.

Quorum

The presence at the meeting, in person or by proxy, of the holders of a majority of the shares of common stock outstanding and entitled to vote on the record date will constitute a quorum for the transaction of business at the meeting. Shares that are voted “FOR,” or “AGAINST” a proposal or marked “ABSTAIN” are treated as being present at the Annual Meeting for purposes of establishing a quorum and are also treated as shares entitled to vote at the Annual Meeting with respect to such proposal. “Broker non-votes” are also included for purposes of determining whether a quorum of shares is present at a meeting. A “broker non-vote” occurs when a nominee holding shares for the beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner.

What vote is required for the election of directors or for a proposal to be approved?

The plurality of the votes cast by the holders of shares of common stock present or represented by proxy and voting at the Annual Meeting will determine the election of the directors. Therefore, the two nominees receiving the highest number of votes will be elected. Abstentions and broker non-votes will be counted as present in determining if a quorum is present but will not affect the election of directors. There is no cumulative voting.

The affirmative vote of a majority of the shares present in person or by proxy at the meeting and entitled to vote is required to approve the advisory vote on executive compensation and the ratification of Deloitte & Touche LLP as the Company’s independent registered accounting firm. For the advisory vote on the frequency of future advisory voting on executive compensation, we will consider the choice that receives the plurality of the votes cast to be the preference of our stockholders. A stockholder who does not vote in person or by proxy on a proposal (including a broker non-vote) is not deemed to be present in person or by proxy for the purpose of determining whether a proposal has been approved.

How are votes counted?

All valid proxies received before the Annual Meeting, including proxies granted over the Internet or by telephone submitted prior to midnight the night before the Annual Meeting, will be exercised. All shares represented by a proxy will be voted, and where a proxy specifies a stockholder’s choice with respect to any matter to be acted upon, the shares will be voted in accordance with that specification. If no choice is indicated on the proxy, the shares will be voted FOR each nominee and FOR each proposal.

You may either vote “FOR” or “WITHHOLD” authority to vote for each nominee for the board of directors. You may vote “FOR,” “AGAINST” or “ABSTAIN” on the advisory vote on executive compensation and on the proposal to appoint our auditor. With respect to the frequency of holding our future advisory voting on executive compensation you may vote “FOR” every year, “FOR” every two years, “FOR” every three years, or “ABSTAIN.”

If you submit your proxy but abstain from voting or withhold authority to vote on one or more matters, your shares will be counted as present at the meeting for the purpose of determining a quorum. Your shares also will be counted as present at the meeting for the purpose of calculating the vote on the particular matter with respect to which you abstained from voting or withheld authority to vote.

Edgar Filing: Super Micro Computer, Inc. - Form DEF 14A

Shares not present at the meeting and shares voted "WITHHOLD" will have no effect on the election of directors. If you abstain from voting on a proposal other than the election of directors, your abstention has the same effect as a vote against that proposal.

If you hold your shares in street name and do not provide voting instructions to your broker or other nominee, your shares will be considered to be "broker non-votes" and will not be voted on any proposal on which your broker or other nominee does

2

not have discretionary authority to vote under the rules of The NASDAQ Stock Market, Inc. ("NASDAQ"). Shares that constitute broker non-votes will be counted as present at the meeting for the purpose of determining a quorum, but will only be considered entitled to vote on the proposal to ratify the selection of our independent public accounting firm.

Your broker or other nominee has discretionary authority to vote your shares on the ratification of our independent registered public accounting firm, even if your broker or other nominee does not receive voting instructions from you. However, your broker or other nominee does not have discretionary authority to vote your shares on non-routine proposals such as the election of directors, the advisory vote on executive compensation and the frequency of our future advisory vote on executive compensation and may not vote on these proposals if you do not provide specific voting instructions. Accordingly, if you want your vote to count in the election of directors, we encourage you to vote promptly, even if you plan to attend the Annual Meeting.

Can I change my vote after I have mailed in my proxy card?

You may revoke your proxy by signing a later-dated proxy card and submitting it so that it is received prior to the meeting in accordance with the instructions included in the proxy card, or by attending the meeting and voting your shares in person. Attending the meeting without voting in person will not revoke your proxy unless you specifically request it.

Who will count the vote?

Representatives of Computershare, our transfer agent, will tabulate votes and act as our independent inspectors of election.

How does the board recommend that I vote?

The board of directors recommends a FOR vote on the following proposals:

• Election of two Class I directors;

• Approval, on a non-binding advisory basis, of our named executive compensation;

• Approval, on a non-binding advisory basis, of future triennial advisory voting on our executive compensation; and
• Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year 2017 ending June 30, 2017.

Adjournment of Meeting

If a quorum is not present to transact business at the Meeting or if we do not receive sufficient votes in favor of the proposals by the date of the Meeting, the persons named as proxies may propose one or more adjournments of the Meeting to permit further solicitation of proxies. Any adjournment would require the affirmative vote of a majority of the shares present in person or represented by proxy at the Meeting.

Expenses of Soliciting Proxies

We will bear the cost of soliciting proxies relating to our Annual Meeting. In addition to solicitation by the use of mail, certain of our directors, officers and regular employees may solicit proxies by telephone or personal interview, and we may request brokerage firms and custodians, nominees and other record holders to forward soliciting materials to the beneficial owners of our stock and will reimburse them for their reasonable out-of-pocket expenses in forwarding these materials.

What are the deadlines for submitting stockholder proposals?

In order for a stockholder proposal to be considered for inclusion in our proxy statement for the 2017 annual meeting, the written proposal must be received at our principal executive offices at 980 Rock Avenue, San Jose, California 95131, Attention: Corporate Secretary, on or before September 20, 2017. The proposal must comply with the SEC regulations regarding the inclusion of stockholder proposals in Company-sponsored proxy materials.

Our bylaws provide that a stockholder may nominate a director for election at the annual meeting or may present from the floor a proposal that is not included in the proxy statement if proper written notice is received by the Corporate Secretary of the Company at our principal executive offices in San Jose, California, at least 120 days in advance of the date the proxy statement for the prior year's meeting was released to stockholders. For the 2017 annual meeting, written notice of director nominations and stockholder proposals must be received on or before September 20, 2017. The nomination or proposal must contain the specific information required by our bylaws. You may request a copy of our bylaws by contacting our Corporate Secretary, Super Micro Computer, Inc., telephone (408) 503-8000.

Stockholder proposals that are received by us after September 20, 2017, will not be eligible to be presented at the 2017 annual meeting.

Internet Availability of Proxy Materials

Our proxy statement and our 2016 annual report to stockholders are also available on our website at <http://ir.supermicro.com/financials.cfm>.

PROPOSAL 1

ELECTION OF DIRECTORS

Composition of the Board

The authorized number of directors of the Company is eight. There are currently eight directors. Our amended and restated certificate of incorporation provides for a classified board of directors divided into three classes. The members of each class are elected to serve a three-year term with the term of office for each class ending in consecutive years. Vacancies may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director. Alternatively, the board of directors, at its option, may reduce the number of directors, provided that no decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

At this year's Annual Meeting, the term of our two Class I directors will expire. Charles Liang and Sherman Tuan are the current Class I directors. Charles Liang and Sherman Tuan have each been nominated for re-election to the board of directors to serve until the 2019 annual meeting or until their successors are elected and qualified. Each of the nominees has agreed to serve as a director if elected. Proxies may not be voted for more than two directors. Assuming a quorum is present, the two director nominees who receive the highest number of the votes cast by the stockholders entitled to vote at the election will be elected. In the event that a nominee is unable or unwilling to serve, the enclosed proxy will be voted to elect the replacement nominee designated by the board of directors, unless the board instead decides to reduce the number of directors.

The names of the current directors and nominees and certain information about them is set forth below:

Class I Directors (nominees for terms expiring at the 2019 annual meeting)

Name	Principal Occupation	Age	Director Since
Charles Liang	Founder, President, Chief Executive Officer and Chairman of the Board of Supermicro	59	1993
Sherman Tuan	Founder, Chief Executive Officer and Chairman of the Board of PurpleComm, Inc.	63	2007

Class II Directors (terms expiring at 2017 annual meeting)

Name	Principal Occupation	Age	Director Since
Yih-Shyan (Wally) Liaw	Co-Founder, Senior Vice President of International Sales, Corporate Secretary and Director of Supermicro	62	1993
Laura Black	Managing Director of Needham & Company, LLC	55	2012
Michael S. McAndrews	Principal of Abbott, Stringham & Lynch	64	2015

Class III Directors (terms expiring at the 2018 annual meeting)

Name	Principal Occupation	Age	Director Since
Chiu-Chu (Sara) Liu Liang	Co-Founder, Senior Vice President of Operations, Chief Administration Officer, Treasurer and Director of Supermicro	55	1993
Hwei-Ming (Fred) Tsai	Independent business consultant and director of ANZ Bank (Taiwan) Limited, a wholly owned subsidiary of Australia and New Zealand Banking Group Limited	61	2006
Saria Tseng	Vice President of Strategic Corporate Development, General Counsel and Secretary of Monolithic Power Systems	46	2016

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ELECTION OF EACH OF THE TWO NOMINEES TO SERVE AS CLASS I DIRECTORS. PROXIES WILL BE VOTED FOR THE ELECTION OF THE TWO NOMINEES UNLESS OTHERWISE SPECIFIED.

The nominees for election as directors and the directors whose terms of office will continue after the meeting have provided the following information about themselves. Dates listed for the nominees and continuing directors include service as directors of predecessor companies to Supermicro.

Class I Directors—Nominees for Terms Expiring at the 2019 Annual Meeting

Charles Liang, age 59, founded Super Micro Computer, Inc. and has served as our President, Chief Executive Officer and Chairman of the Board since our inception in September 1993. Mr. Liang has been developing server system architectures and technologies for the past two decades. From July 1991 to August 1993, Mr. Liang was President and Chief Design Engineer of Micro Center Computer Inc., a high-end motherboard design and manufacturing company. From January 1988 to April 1991, Mr. Liang was Senior Design Engineer and Project Leader for Chips & Technologies, Inc., a chipset technology company, and Suntek Information International Group, a system and software development company. Mr. Liang has been granted many server technology patents. Mr. Liang holds an M.S. in Electrical Engineering from the University of Texas at Arlington and a B.S. in Electrical Engineering from National Taiwan University of Science & Technology in Taiwan. Our Nominating and Corporate Governance Committee (“Governance Committee”) concluded that Mr. Liang should serve on the Board based on his skills, experience and qualifications in managing technology businesses, his technical expertise, and his long familiarity with the Company’s business.

Sherman Tuan, age 63, has been a member of our board of directors since February 2007. Mr. Tuan is founder of PurpleComm, Inc. (doing business as 9x9.tv), a platform for connected TV, where he has served as Chief Executive Officer since January 2005 and Chairman of the Board since June 2003. From September 1999 to May 2002, he was director of Metromedia Fiber Network, Inc., a fiber optical networking infrastructure provider. Mr. Tuan was co-founder of AboveNet Communications, Inc., an internet connectivity solutions provider, where he served as President from March 1996 to January 1998, Chief Executive Officer from March 1996 to May 2002 and director from March 1996 to September 1999. Mr. Tuan holds a degree in Electrical Engineering from Feng-Chia University in Taiwan. Our Governance Committee concluded that Mr. Tuan should serve on the Board based on his skills, experience and qualifications in managing technology businesses, his technical expertise, and his familiarity with the Company’s business.

Class II Directors—Terms Expiring at the 2017 Annual Meeting

Yih-Shyan (Wally) Liaw, age 62, co-founded Super Micro Computer, Inc. and has served as our Senior Vice President of International Sales since May 2014 and Corporate Secretary and a member of our board of directors since our inception in September 1993. Mr. Liaw was our Vice President of International Sales from September 1993 to April 2014. From 1988 to 1991, Mr. Liaw was Vice President of Engineering at Great Tek, a computer company. Mr. Liaw holds an M.S. in Computer Engineering from University of Arizona, an M.S. in Electrical Engineering from Tatung Institute of Technology in Taiwan, and a B.S. degree from Taiwan Provincial College of Marine and Oceanic Technology. Our Governance Committee concluded that Mr. Liaw should serve on the Board based on his skills, experience and qualifications in managing technology businesses, his technical expertise and his long familiarity with the Company’s business.

Laura Black, age 55, has been a member of our board of directors since April 2012. Since March 1999, she has served as a Managing Director of Needham & Company, LLC, a full service investment banking firm. At Needham, she has raised public and private equity capital for numerous technology companies and served as strategic financial advisor on multiple M&A transactions. From July 1995 to February 1999, she served as a Managing Director and Corporate Finance at Black & Company, a regional investment bank subsequently acquired by Wells Fargo Van Kasper. From July 1993 to June 1995, Ms. Black served as a Director for TRW Avionics & Surveillance Group where she evaluated acquisition candidates, managed direct investments and raised venture capital to back spin-off companies. From August 1983 to August 1992, she worked at TRW as an electrical engineer designing spread spectrum communication systems. Ms. Black holds a BSEE from University of California at Davis, a MSEE from Santa Clara University and a MS Management from Stanford. Our Governance Committee concluded that Ms. Black should serve on the Board

based on her skills, experience and qualifications in capital finance, her financial literacy and her familiarity with technology businesses.

Michael S. McAndrews, age 64, has been a member of our board of directors since February 2015. Mr. McAndrews has served as a Principal of Abbott, Stringham & Lynch, an accounting firm serving the Silicon Valley, since September 2013. From June 2002 to June 2013, he served as a Partner at PricewaterhouseCoopers LLP, a multinational professional services network, where he provided tax planning and consulting services to multinational public companies, private companies and their owners and emerging businesses in a variety of industries including high-technology, manufacturing, food processing and wholesale/retail distribution. From November 1979 to June 2002, he worked for Arthur Andersen and Company, a global professional services firm. He served as Partner from 1993 to 2002 where he focused primarily on providing tax planning and compliance services to

high technology companies ranging in size from start-ups to large multinational public companies. Mr. McAndrews is a certified public accountant with an active license in California and holds a Bachelor of Science in Commerce, Accounting degree from Santa Clara University. Our Governance Committee concluded that Mr. McAndrews should serve on the Board based on his skills, experience, his financial literacy and his familiarity with technology businesses.

Class III Directors—Terms Expiring at the 2018 Annual Meeting

Chiu-Chu (Sara) Liu Liang, age 55, co-founded Super Micro and has served as Senior Vice President of Operations since May 2014, Chief Administration Officer since January 2015, and Treasurer and a member of our board of directors since our inception in September 1993. Ms. Liang was Vice President of Operations from September 1993 to April 2014. From 1985 to 1993, Ms. Liang held finance and operational positions for several companies, including Micro Center Computer Inc. Ms. Liang holds a B.S. in Accounting from Providence University in Taiwan. Ms. Liang is married to Mr. Charles Liang, our Chairman, President and Chief Executive Officer. Our Governance Committee concluded that Ms. Liang should serve on the Board based on her skills, experience, her general expertise in business and accounting and her long familiarity with the Company's business.

Hwei-Ming (Fred) Tsai, age 61, has been a member of our board of directors since August 2006. Mr. Tsai has served as an independent director of ANZ Bank (Taiwan) Limited, a wholly owned subsidiary of Australia and New Zealand Banking Group Limited since September 2013. Mr. Tsai has also been an independent business consultant since January 2010. Mr. Tsai served as Executive Vice President and Chief Financial Officer of SinoPac Bancorp, a financial holding company based in Los Angeles, California from February 2001 and August 2005, respectively, to December 2009. He also served as Senior Executive Vice President of Far East National Bank, a commercial bank that is held by SinoPac Bancorp from December 2002 to December 2009. Mr. Tsai received a Master in Professional Accounting from the University of Texas at Austin and a B.A. in Accounting from National Taiwan University in Taiwan. Our Governance Committee concluded that Mr. Tsai should serve on the Board based on his skills, experience and qualifications in capital finance, his financial literacy and his familiarity with the Company's business.

Saria Tseng, age 46, has been a member of our board of directors since November 2016. Ms. Tseng has served as Vice President of Strategic Corporate Development, General Counsel and Secretary of Monolithic Power Systems, Inc. since 2004, a leading fabless manufacturer of high-performance analog and mixed-signal semiconductors. From 2001 to 2004, Ms. Tseng served as Vice President, General Counsel and Corporate Secretary of MaXXan Systems, an enterprise class storage network system. Previously, Ms. Tseng was an attorney at Gray Cary (now DLA Piper) and Jones Day. Ms. Tseng is a member of the state bar in both California and New York and is a member of the bar association of the Republic of China, Taiwan. She holds Master of Law degrees from the University of California at Berkeley and the Chinese Culture University in Taipei. Our Governance Committee concluded that Ms. Tseng should serve on the Board based on her skills, experience and qualifications in business and corporate law, her legal expertise and her familiarity with technology business.

Except for Mr. Charles Liang and Ms. Chiu-Chu (Sara) Liu Liang who are married, there are no other family relationships among any of our directors or executive officers.

CORPORATE GOVERNANCE

Corporate Governance Guidelines

We have adopted "Corporate Governance Guidelines" to help ensure that the board of directors is independent from management, appropriately performs its function as the overseer of management, and that the interests of the board of directors and management align with the interests of the stockholders. The "Corporate Governance Guidelines" are available at www.Supermicro.com by first clicking on "About Us" and then "Investor Relations" and then "Corporate Governance."

Code of Ethics

We have adopted a "Code of Business Conduct and Ethics" that is applicable to all directors and employees and embodies our principles and practices relating to the ethical conduct of our business and our long-standing commitment to honesty, fair dealing and full compliance with all laws affecting our business. The "Code of Business

Conduct and Ethics” is available at www.Supermicro.com by first clicking on “About Us” and then “Investor Relations” and then “Corporate Governance”. Any substantive amendment or waiver of the Code relating to executive officers or directors will be made only after approval by a committee comprised of a majority of our independent directors and will be promptly disclosed on our website within four business days.

Director Independence

The rules of NASDAQ generally require that a majority of the members of a listed company's board of directors be independent. In addition, the listing rules generally require that, subject to specified exceptions, each member of a listed company's audit committee, compensation committee, and nominating and corporate governance committee be independent.

Audit Committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the listing requirements of The NASDAQ Stock Market. In addition, compensation committee members must satisfy the independence criteria set forth in Rule 10C-1 under the Exchange Act and the listing requirements of The NASDAQ Stock Market.

The board affirmatively determines the independence of each director and nominee for election as a director in accordance with guidelines it has adopted, which include all elements of independence set forth in applicable NASDAQ listing standards. Our director independence standards are set forth in our "Corporate Governance Guidelines" available at the website noted above.

Based on these standards, our board of directors has determined that five of our current eight members, Hwei-Ming (Fred) Tsai, Laura Black, Michael S. McAndrews, Saria Tseng and Sherman Tuan are "independent directors" under the applicable rules and regulations of the SEC and the listing requirements and rules of The NASDAQ Stock Market.

Executive Sessions

Non-management directors meet in executive session without management present each time the board holds its regularly scheduled meetings.

Director Qualifications and Nomination Process

Criteria

The Nominating and Corporate Governance Committee of the Board (the "Governance Committee") is responsible for reviewing, on an annual basis, the appropriate skills and characteristics required of board members, individually as well as for the board as a whole. Except as may be required by rules and regulations promulgated by NASDAQ or the SEC and as set forth herein, it is the current belief of the Governance Committee that there are no specific minimum qualifications that must be met by each candidate for the board, nor are there specific qualities or skills that are necessary for one or more of the members of the board to possess. In evaluating the qualifications of any director candidates, the Governance Committee will consider many factors, including without limitation, character, judgment, independence, expertise, diversity of experience, length of service, and other commitments. The Governance Committee will evaluate such factors, among others, and does not assign any particular weighting or priority to any of these factors. The Governance Committee will consider each individual candidate in the context of the current perceived needs of the board as a whole. While the Governance Committee has not established specific minimum qualifications for director candidates, the board believes that candidates and nominees must reflect a board that is comprised of directors who (a) are predominantly independent, (b) are of high integrity, (c) have experience, expertise and qualifications that will increase overall board effectiveness and (d) meet other requirements as may be required by applicable rules and regulations of NASDAQ and the SEC. For future nominations, the Governance Committee expects to consider diversity when identifying nominees.

Identification and Evaluation of Nominees

The Governance Committee is responsible for regularly assessing the appropriate size of the board and whether any vacancies on the board are expected due to retirement or otherwise. In the event that vacancies are anticipated, or otherwise arise, the Governance Committee is responsible for considering potential candidates for director. The Governance Committee will consider bona fide candidates from all relevant sources, including current board members, professional search firms, stockholders and other persons. The Governance Committee will consider director candidates recommended by our stockholders, based on the same criteria listed above that would apply to candidates identified by a Governance Committee member. The Governance Committee is responsible for evaluating director candidates in light of the board membership criteria described above, based on all relevant information and materials available to the Governance Committee. This includes information and materials provided by stockholders recommending director candidates, professional search firms and other parties.

Stockholder Recommendations

The Governance Committee will consider director candidates recommended by stockholders of the Company. Stockholder nominations for director must be made in writing and addressed to the Corporate Secretary of the Company. Such stockholder's notice shall set forth the following information:

- The information required by Section 2.15 of our Bylaws (a copy of which is included as an exhibit to our Registration Statement on Form S-1 as filed with the SEC on March 27, 2007); and

- Any other information that such stockholder believes is relevant in considering the director candidate.

7

Communications with the Board of Directors

The board of directors welcomes the submission of any comments or concerns from stockholders or other interested parties. If you wish to send any communications to the board of directors, you may use one of the following methods:

✉ Write to the board at the following address:

Board of Directors
Super Micro Computer, Inc.
c/o Robert Aeschliman, General Counsel
980 Rock Avenue
San Jose, California 95131

✉ E-mail the board of directors at BODInquiries@supermicro.com

Communications that are intended specifically for the independent directors or non-management directors should be sent to the e-mail address or street address noted above, to the attention of the "Independent Directors".

MEETINGS AND COMMITTEES OF THE BOARD

Board Meetings

Each director is expected to devote sufficient time, energy and attention to ensure diligent performance of his or her duties and to attend all board and committee meetings. We encourage, but do not require, each board member to attend our annual meeting of stockholders. Five of our directors attended our annual meeting of stockholders held during fiscal year 2016. The board of directors held four meetings during fiscal year 2016, each of which were regularly scheduled meetings. The board of directors also acted by written consent one time during fiscal year 2016. All directors attended at least 75% of the meetings of the board of directors and of the committees on which they served during the time they served as a director in fiscal year 2016.

Board Leadership Structure

Our Chairman, Charles Liang, is also our CEO. The Board and our Nominating and Corporate Governance Committee believe that it is appropriate for Mr. Liang to serve as both the CEO and Chairman due to the relatively small size of our Board, and the fact that Mr. Liang is the founder of the Company with extensive experience in our industry. The Company does not currently have a lead independent director.

Board Role in the Oversight of Risk

Our Board exercises oversight over our risk management activities, requesting and receiving reports from management. The Board exercises this oversight responsibility directly and through its committees. Our Board has delegated primary responsibility for oversight of risks relating to financial controls and reporting to our Audit Committee, which in turn reports to the full Board on such matters as appropriate. The Audit Committee also assists the Board in oversight of certain Company risks, particularly in the areas of internal controls, financial reporting and review of related party transactions.

Our management with oversight from our Compensation Committee has reviewed our compensation policies and practices with respect to risk-taking incentives and risk management, and does not believe that potential risks arising from our compensation policies or practices are reasonably likely to have a material adverse effect on the Company.

Committees of the Board of Directors

The Board has three standing committees to facilitate and assist the board of directors in discharging its responsibilities: the Audit Committee, the Compensation Committee and the Governance Committee. In accordance with applicable NASDAQ listing standards, each of these committees is comprised solely of non-employee, independent directors. The charter for each committee is available at www.Supermicro.com by first clicking on "About Us" and then "Investor Relations" and then "Corporate Governance". The charter of each committee also is available in print to any stockholder who requests it. The following table sets forth the current members of each of the standing board committees:

Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Laura Black (1)	Sherman Tuan(1)	Hwei-Ming (Fred) Tsai(1)

Michael S. McAndrews Hwei-Ming (Fred) Tsai Sherman Tuan

Hwei-Ming (Fred) Tsai Saria Tseng Saria Tseng

(1)Committee Chairperson

Audit Committee

The Audit Committee has three members. The Audit Committee met seven times in fiscal year 2016, four of which were regularly scheduled quarterly meetings and three of which were special meetings. Our board has determined that each member of our Audit Committee meets the requirements for independence under the applicable listing standards of NASDAQ and the rules of the SEC. Our board of directors has also determined that each member of our Audit Committee is an “audit committee financial expert” as defined under applicable SEC rules.

As outlined more specifically in the Audit Committee charter, the Audit Committee has, among other duties, the following responsibilities:

- The appointment, compensation and retention of our independent auditors, and the review and evaluation of the auditors’ qualifications, independence and performance;
- Oversees the independent auditors' audit work and reviews and pre-approves all audit and non-audit services that may be performed by them;
- Reviews and approves the planned scope of the annual audit;
- Monitors the rotation of partners of the independent auditors on the engagement team as required by law;
- Reviews our financial statements and discusses with management and the independent auditors the results of the annual audit and the review of our quarterly financial statements;
- Reviews our critical accounting policies and estimates;
- Oversees the adequacy of our financial controls;
- Reviews annually the audit committee charter and the committee’s performance;
- Reviews and approves all related-party transactions;
- Establishes and oversees procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls or auditing matters and oversees enforcement, compliance and remedial measures under our Code of Business Conduct and Ethics; and
- Reviews and evaluates, at least annually, the adequacy of the audit committee charter and recommend any proposed changes to the board of directors for approval.

Compensation Committee

The Compensation Committee has two members and met four times in fiscal year 2016. The Compensation Committee is comprised solely of non-employee directors. Our board has determined that each member of our Compensation Committee meets the requirements for independence under the applicable listing standards of NASDAQ.

As outlined more specifically in the Compensation Committee charter, the Compensation Committee has, among other duties, the following responsibilities:

- Periodically reviews and advises our board concerning the Company's overall compensation philosophy, policies and plans, including a review of both regional and industry compensation practices and trends;
- Reviews and approves corporate goals and objectives relevant to compensation of the chief executive officer and other executive officers;
-

Evaluates the performance of the chief executive officer and other executive officers in light of those goals and objectives;

• Reviews and approves the compensation of the chief executive officer and other executive officers;

• Administers the issuance of restricted stock grants, stock options and other awards to executive officers and directors under our stock plans; and

• Reviews and evaluates, at least annually, the performance of the compensation committee and its members, including compliance of the compensation committee with its charter and the adequacy of the compensation committee charter.

Nominating and Corporate Governance Committee

The Governance Committee has two members and met four times in fiscal year 2016. The Governance Committee is comprised solely of non-employee directors. Our board has determined that each member of our Governance Committee meets the requirements for independence under the applicable listing standards of NASDAQ.

As outlined more specifically in the Governance Committee charter, the Governance Committee has, among other duties, the following responsibilities:

- Identifies individuals qualified to become directors;
- Recommends to our board of directors director nominees for each election of directors;
- Develops and recommends to our board of directors criteria for selecting qualified director candidates;
- Considers committee member qualifications, appointment and removal;
- Recommends corporate governance guidelines applicable to us;
- Provides oversight in the evaluation of our board of directors and each committee;
- Coordinates and reviews board and committee charters for consistency and adequacy under applicable rules, and make recommendations to the board for any proposed changes; and
- Periodically reviews scope of responsibilities of the Governance Committee and the committee's performance of its duties.

Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation Committee is a current or former officer or employee of the Company or had any relationship with the Company requiring disclosure. In addition, during fiscal year 2016, none of our executive officers served as a member of the board of directors or compensation committee of any other entity that has one or more executive officers who served on our board of directors or Compensation Committee.

PRINCIPAL STOCKHOLDERS AND STOCK OWNERSHIP BY MANAGEMENT

The following table sets forth certain information known to us regarding beneficial ownership of our common stock as of December 31, 2016 by:

- each of the named executive officers;
- each of our directors;
- all directors and executive officers as a group; and
- all person known to us beneficially own 5% or more of our outstanding common stock.

Name and Address of Beneficial Owner(1)	Amount and Nature of Beneficial Ownership(2)	Percent of Common Stock Outstanding(3)	
Executive Officers and Directors:			
Charles Liang(4)	8,947,256	18.0	%
Howard Hideshima(5)	159,874	*	
Phidias Chou(5)	135,871	*	
Chiu-Chu (Sara) Liang(6)	8,947,256	18.0	%
Yih-Shyan (Wally) Liaw(7)	2,203,823	4.6	%
Laura Black(5)	16,500	*	
Michael S. McAndrews(5)	9,000	*	
Hwei-Ming (Fred) Tsai(8)	301,000	*	
Saria Tseng	—	*	
Sherman Tuan(5)	59,500	*	
All directors and executive officers as a group (10 persons)(9)	11,832,824	23.6	%
5% Holders Not Listed Above:			
BlackRock, Inc.(10)	3,457,156	7.2	%

Edgar Filing: Super Micro Computer, Inc. - Form DEF 14A

FMR LLC(11)	3,917,139	8.1	%
The Vanguard Group(12)	3,139,239	6.5	%

*Represents beneficial ownership of less than one percent of the outstanding shares of common stock

- Except as otherwise indicated, to our knowledge the persons named in this table have sole voting and investment
- (1) power with respect to all shares of Common Stock shown as beneficially owned by them, subject to community property laws applicable and to the information contained in the footnotes to this table.
 - (2) Under the SEC rules, a person is deemed to be the beneficial owner of shares that can be acquired by such person within 60 days upon the exercise of options.
Calculated on the basis of 48,294,079 shares of common stock outstanding as of December 31, 2016, provided that
 - (3) any additional shares of Common Stock that a stockholder has the right to acquire within 60 days after December 31, 2016 are deemed to be outstanding for the purposes of calculating that stockholder's percentage of beneficial ownership.
Includes 1,177,056 shares issuable upon the exercise of options exercisable within 60 days after December 31, 2016. Also includes 3,175,002 shares jointly held by Mr. Liang and his spouse, 1,703,468 shares of which are
 - (4) pledged as security for a personal credit line, 850,000 shares held by Mr. Liang which are pledged as security for a personal credit line, 15,000 shares held by Green Earth Charitable Trust, for which Mrs. Liang serves as trustee, 495,620 shares held directly by Mrs. Liang and 109,400 shares issuable upon the exercise of options held by Mrs. Liang and exercisable within 60 days after December 31, 2016. See footnote 6.
 - (5) Consists of shares issuable upon the exercise of options exercisable within 60 days after December 31, 2016.
Includes 109,400 shares issuable upon the exercise of options exercisable within 60 days after December 31, 2016. Also includes 3,175,002 shares jointly held by Mr. Liang and his spouse, 1,703,468 shares of which are pledged as security for a personal credit line, 15,000 shares held by Green Earth Charitable Trust, 3,969,793 shares held by
 - (6) Charles Liang, Mrs. Liang's spouse, 850,000 shares of which are pledged as security for a personal credit line, and 1,177,056 shares issuable upon the exercise of options held by Mr. Liang and exercisable within 60 days after December 31, 2016. See footnote 4.
Includes 81,470 shares issuable upon the exercise of options exercisable within 60 days after December 31, 2016.
 - (7) 2,052,204 shares held by Liaw Family Trust, for which Mr. Liaw and his spouse serve as trustees, 21,972 shares held by Mr. Liaw's daughters and 48,177 shares held by Mrs. Liaw.
 - (8) Includes 45,000 shares issuable upon the exercise of options exercisable within 60 days after December 31, 2016.
 - (9) Includes 1,793,671 shares issuable upon the exercise of options exercisable within 60 days after December 31, 2016.
The information with respect to the holdings of entities affiliated with BlackRock, Inc. ("BlackRock") is based
 - (10) solely on Schedule 13G/A filed on January 22, 2016 by BlackRock. BlackRock has the sole power to vote or to direct the vote of 3,375,388 of such shares. BlackRock has the sole power to dispose or to direct the disposition of all of such shares. The address for BlackRock is 55 East 52nd Street, New York, New York 10055.
The information with respect to the holdings of FMR LLC ("FMR") is based solely on Schedule 13G filed on
 - (11) February 12, 2016 by FMR. FMR has the sole power to dispose or to direct the disposition of all of such shares. FMR has the sole power to direct the vote of 166,981 of such shares. The address for FMR is 245 Summer Street, Boston, Massachusetts 02210.
The information with respect to the holdings of entities affiliated with The Vanguard Group ("Vanguard") is based solely on Schedule 13G filed on February 10, 2016 by Vanguard. Vanguard has the sole power to dispose
 - (12) of or to direct the disposition of 3,057,098 of such shares and shared power to dispose or to direct the disposition of 82,141 of such shares. Vanguard has the sole power to vote or direct to vote of 80,741 of such shares and shared power to vote or direct to vote of 3,700 of such shares. The address for Vanguard is 100 Vanguard Blvd, Malvern, Pennsylvania 19355.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

The members of our board of directors, our executive officers and persons who hold more than 10% of our outstanding common stock are subject to the reporting requirements of Section 16(a) of the Exchange Act, which require them to file reports with respect to their ownership of our common stock and their transactions in our common stock. Based upon (i) the copies of Section 16(a) reports that we received from such persons for their fiscal year 2016 transactions in our common stock and their common stock holdings and (ii) the written representations

received from one or more of such persons that no annual Form 5 reports were required to be filed by them for fiscal year 2016, we believe that all reporting requirements under Section 16(a) were met in a timely manner by the persons who were executive officers, members of the board of directors or greater than 10% stockholders during such fiscal year, other than one late report made by Phidias Chou with respect to one transaction.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Process Overview

The Compensation Committee of the board of directors discharges the board of directors' responsibilities relating to compensation of all of our executive officers. The Compensation Committee is comprised of two non-employee directors, both of whom are independent pursuant to the applicable listing rules of NASDAQ, Rule 16b-3 under the Exchange Act, and Section 162(m) of the Internal Revenue Code ("Code").

The agenda for meetings is determined by the Chair of the Compensation Committee with the assistance of Howard Hideshima, our Chief Financial Officer. Committee meetings are regularly attended by Mr. Hideshima and Robert Aeschliman, our General Counsel. However, Mr. Hideshima does not attend the portion of meetings during which his own performance or compensation is being discussed. Mr. Hideshima and Mr. Aeschliman support the Compensation Committee in its work by providing information relating to our financial plans, performance assessments of our executive officers and other personnel-related data. In addition, the Compensation Committee has the authority under its charter to hire, terminate and approve fees for advisors, consultants and agents as it deems necessary to assist in the fulfillment of its responsibilities. In July 2015, as part of making an overall assessment of each individual's role and performance, and structuring our compensation programs for fiscal year 2016, the Compensation Committee reviewed recommendations of management as well as publicly available peer group compensation data.

Compensation Philosophy and Objectives

It is the Compensation Committee's philosophy to link the named executive officers' compensation to corporate performance. The base salary, quarterly bonuses and stock option grants of the named executive officers are determined in part by the Compensation Committee reviewing data on prevailing compensation practices of comparable technology companies with whom we compete for executive talent, and evaluating such information in connection with our corporate goals and compensation practices. The Company's compensation philosophy has been unchanged over the last several years.

The Compensation Committee considers various sources of competitive data when determining executive compensation levels, including compensation data from a sampling of public companies and public compensation surveys. For fiscal year 2016, the sample of companies consisted of the following companies:

Brocade Communications Systems, Inc.	Infinera Corporation
Cray, Inc.	NetApp, Inc.
Extreme Networks, Inc.	Netgear, Inc.

In selecting the companies for inclusion in the sample, the following factors were considered: industry, net revenues, operating income and whether the company may compete against us for executive talent. These companies ranged in annual revenue from approximately \$552.9 million to \$6.1 billion. In addition to gathering data specific to the above listed companies, the Compensation Committee also reviewed public surveys of compensation practices.

The Compensation Committee does not seek to specifically benchmark compensation based upon the sample companies reviewed nor does the Compensation Committee employ any other formulaic process in making compensation decisions. Rather the Compensation Committee uses its subjective judgment based upon a review of all information, including an annual review for each officer of his or her level of responsibility, contributions to our financial results and our overall performance. The Compensation Committee makes a generalized assessment of these factors and this information is not weighted in any specific manner.

We believe that our current compensation arrangements for several of our executive officers, including our Chief Executive Officer, are significantly below typical compensation levels for similar positions at comparable companies. This is principally due to the high level of Company stock ownership held by such persons. As we continue to grow, we may need to increase our recruiting of new executives from outside of the Company. This in turn may require us to pay higher compensation closer to or in excess of that typical paid by comparable companies.

Finally, we believe that creating stockholder value requires not only managerial talent but active participation by all employees. In recognition of this, we try to minimize the number of compensation arrangements that are distinct or exclusive to our executive officers. We currently provide base salary, quarterly bonuses and long-term equity incentive compensation to a considerable number of our domestic employees and international employees, in addition to our executive officers.

12

The Role of Stockholder Say-on-Pay Votes.

Our board of directors, the Compensation Committee, and our management value the opinions of our stockholders. At our annual meeting of stockholders held on February 13, 2014 (the "2013 Annual Meeting"), we provided our stockholders the opportunity to vote to approve, on an advisory basis, the compensation of the Company's named executive officers as disclosed in the proxy statement for our 2013 Annual Meeting. At the meeting, 35,521,057 shares or approximately 98.1% of the stockholders who voted on the "say-on-pay" proposal approved the compensation of our named executive officers, while only 514,344 or approximately 1.4% voted against (with approximately 155,954 shares or 0.4% abstaining). 4,727,490 shares held by brokers were not voted with respect to this proposal. Although the advisory stockholder vote on executive compensation is non-binding, the Compensation Committee has considered and will continue to consider, the outcome of the vote when making future compensation decisions for named executive officers. In determining and deciding on executive compensation for fiscal year 2016, our Compensation Committee took into account the results of the 2013 Annual Meeting stockholder advisory vote to approve executive compensation, particularly the strong support expressed by the Company's stockholders, as one of the many factors considered in deciding that the Company's compensation policies and procedures for 2016 should largely remain consistent with our policies and procedures in prior years.

Role of Executive Officers in the Compensation Process

Management provides recommendations to the Compensation Committee on issues such as compensation program design, and evaluations of executive and Company performance. In fiscal year 2016, the Compensation Committee also had access to competitive data collected by management. While the Compensation Committee carefully considers all recommendations made by members of management, ultimate authority for all compensation decisions regarding our executive officers rests with the Compensation Committee.

In addition, the Company evaluates the use of a compensation consultant each year, but currently does not feel that it is necessary to engage a compensation consultant as part of the Company's compensation process.

Fiscal Year 2016 Executive Officer Compensation Components

For fiscal year 2016, the principal components of compensation for our executive officers were:

• Base salary;

• Quarterly bonus; and

• Equity-based incentive compensation.

Base Salary. Base salaries for our executive officers other than the Chief Executive Officer are determined annually by the Compensation Committee based upon recommendations by our Chief Executive Officer, taking into account such factors as salary norms in comparable companies and publicly available data regarding compensation increases in the industry, a subjective assessment of the nature of the position and an annual review of the contribution and experience of each executive officer. For the Chief Executive Officer, the Compensation Committee considers substantially the same sort of information, as well as the size of the Company and the Chief Executive Officer's overall stock ownership.

Fiscal Year 2016 Executive Officer Compensation

In July 2015, the Compensation Committee met to review the base salaries of our executive officers for fiscal year 2016. In determining base salaries for fiscal year 2016, the Compensation Committee decided to increase the base salary of our executive officers other than the Chief Executive Officer after taking into account the recommendations of our Chief Executive Officer and taking into account such factors as salary norms in comparable companies and publicly available data regarding compensation increases in the industry, a subjective assessment of the nature of each position and an annual review of the contribution and experience of each executive officer. For the Chief Executive Officer, the Compensation Committee considered substantially the same sort of information, as well as the size of the Company and the Chief Executive Officer's stock ownership, and determined to increase the base salary of the Chief Executive Officer. Based upon its review, the Compensation Committee approved increases in base salaries for our executive officers set forth below. The base salary increases were comparable to the average percentage base salary increases granted to our employees generally.

	Principal Position	2015 Base Salary	2016 Base Salary	Base Salary % Change	
Charles Liang	President, Chief Executive Officer and Chairman of the Board	\$ 331,963	\$ 365,160	10.0	%
Howard Hideshima	Senior Vice President and Chief Financial Officer	\$ 300,956	\$ 322,023	7.0	%
Phidias Chou	Senior Vice President, Worldwide Sales	\$ 273,635	\$ 287,317	5.0	%
Yih-Shyan (Wally) Liaw	Senior Vice President, International Sales, Corporate Secretary and Director	\$ 222,216	\$ 233,327	5.0	%
Chiu-Chu (Sara) Liang	Senior Vice President of Operations, Chief Administration Officer, Treasurer, and Director	\$ 216,505	\$ 238,156	10.0	%

Quarterly Bonus. Our cash bonus program seeks to motivate executive officers to work effectively to achieve our financial performance objectives and to reward them when such objectives are met. Quarterly bonuses for executive officers are subject to approval by the Compensation Committee. Bonuses are not awarded based upon any specific plan or formula, but are subjectively determined based upon our performance during the quarter and the individual's contributions. Historically these bonuses have ranged from zero to an amount equal to two weeks of base salary. For fiscal year 2016, approximately one week of base salary was granted to our executive officers.

Equity-Based Incentive Compensation. Stock options and other equity-based awards are an important component of the total compensation of executive officers. We believe that equity-based awards align the interests of each executive with those of our stockholders. They also provide executive officers a significant, long-term interest in our success and help retain key executive officers in a competitive market for executive talent. Our 2016 Equity Incentive Plan authorizes the Compensation Committee to grant stock options and other equity-based awards to executive officers. The number of shares owned by, or subject to equity-based awards held by, each executive officer is periodically reviewed and additional awards are considered based upon a generalized assessment of past performance of the executive and the relative holdings of other executive officers. The stock options and restricted stock unit awards granted to executive officers by the Compensation Committee generally vest over periods of four years, and stock options expire no later than ten years from the date of grant.

In fiscal year 2016, the Compensation Committee approved grants of additional stock options and restricted stock units to Mr. Chou, Mr. Liaw and Mrs. Liang, as part of the Compensation Committee's review of all employee grant levels.

Fiscal Year 2017 Executive Officer Compensation

In August 2016, the Compensation Committee met to review the base salaries of our executive officers for fiscal year 2017. In determining base salaries for fiscal year 2017, the Compensation Committee decided to provide no base salary adjustments for our executive officers.

Stock Ownership Guidelines

We currently do not require our directors or executive officers to own a particular amount of our common stock. The Committee is satisfied that stock and option holdings among our directors and executive officers are sufficient at this time to provide motivation and to align this group's interests with those of our stockholders. Our insider trading policy prohibits any of our directors, executive officers, employees or contractors from engaging in any transactions in publicly-traded options, such as puts and calls, and other derivative securities, including any hedging or similar transaction, with respect to our common stock.

Stock Retention Policy

We have adopted a stock retention policy which requires that our Chief Executive Officer hold a significant portion of the shares of our common stock acquired under our equity incentive plan for at least 36 months. Under the policy, the Chief Executive Officer must retain at least 50% of all "net" shares received ("net" shares means those shares remaining after the sale or withholding of shares in payment of the exercise price, if applicable, and withholding taxes) for at least 36 months following the date on which an equity award is vested, settled or exercised.

Recoupment Policy

We established a Recoupment Policy that is applicable to our executive officers. Under the policy, if we are required to prepare an accounting restatement due to material noncompliance with the financial reporting requirements under

U.S. securities laws, the Compensation Committee shall be entitled to recover from any current or former executive officer any excess incentive-based compensation received by such person during the three year period prior to the date on which we are required to prepare the restatement. This policy applies to both equity-based and cash-based incentive compensation awards. The “excess compensation” is the difference between the actual amount that was paid, and the amount that would have been paid under the restated financial results.

Other Benefits

Health and Welfare Benefits

Our executive officers receive the same health and welfare benefits as are offered to our other employees, including medical, dental, vision, life, accidental death and dismemberment, disability, flexible spending accounts and holiday pay. The same contribution amounts, percentages and plan design provisions are applicable to all employees.

Retirement Program

Our executive officers may participate in the same tax-qualified, employee-funded 401(k) plan that is offered to all our other employees. We currently have no Supplemental Executive Retirement Plan, or SERP, obligations. We do not offer any defined benefit retirement plans to our executive officers.

Perquisites

We do not provide special benefits or other perquisites to any of our executive officers.

Employment Arrangements, Severance and Change of Control Benefits

We have not entered into employment agreements with any of our named executive officers. Mr. Hideshima, Mr. Chou and Ms. Liang have signed offer letters which provide for at-will employment. The offer letters provide for salary, stock options and right to participate in our employee benefit plans. We do not have any written employment arrangements with Messrs. Liang and Liaw. We do not have any arrangements with any of our executive officers that provide for any severance benefits in the event of termination or change of control.

Tax and Accounting Treatment of Compensation

In our review and establishment of compensation programs and payments, we consider, but do not place great emphasis on, the anticipated accounting and tax treatment of our compensation programs on us and our executive officers. While we may consider accounting and tax treatment, these factors alone are not dispositive. Among other factors that receive greater consideration are the net costs to us and our ability to effectively administer executive compensation in the short and long-term interests of stockholders under a proposed compensation arrangement. We have endeavored to structure the performance-based incentive elements of executive compensation to meet the requirements for deductibility under Section 162(m). The Committee does not believe that compensation decisions should be constrained by how much compensation is deductible for federal tax purposes. Accordingly, the Committee is not limited to paying compensation under plans that are qualified under Section 162(m) and the Committee's ability to retain flexibility in this regard may, in certain circumstance, outweigh the advantages of qualifying all compensation as deductible under Section 162(m).

The Compensation Committee will continue to assess the impact of Section 162(m) on its compensation practices and determine what further action, if any, is appropriate.

We account for equity compensation paid to our employees in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Stock Compensation ("FASB ASC Topic 718"), which requires us to estimate and record expenses for each award of equity compensation over the service period of the award.

We intend that our plans, arrangements and agreements providing for deferral of compensation will be structured and administered in a manner that is intended to comply with the requirements of Section 409A of the Code. If our plans, arrangements and agreements as administered fail to meet certain requirements under Section 409A, compensation earned may be subject to immediate taxation and tax penalties.

Summary

The Compensation Committee believes that our compensation philosophy and programs are designed to foster a performance-oriented culture that aligns our executive officers' interests with those of our stockholders. The Compensation Committee also believes that the compensation of our executive officers is both appropriate and responsive to the goal of building stockholder value.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis (“CD&A”) with the Company’s management. Based on this review and these discussions, the Committee recommended to the board of directors that the CD&A be included in this filing.

This report has been furnished by the Compensation Committee.

Sherman Tuan, Chair

Hwei-Ming (Fred) Tsai

Summary Compensation Table

The following table sets forth information concerning the compensation earned during the fiscal years ended 2016, 2015 and 2014 by our Chief Executive Officer, our Chief Financial Officer, and our three other most highly-compensated executive officers. We refer to these officers as our “named executive officers.”

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Bonus (\$)(1)	Stock Awards (\$)	Option Awards (\$)(2)	Non-Equity Incentive Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)(3)	All Other Compensation (\$)(4)	Total (\$)
Charles Liang President, Chief Executive Officer and Chairman of the Board	2016	363,776	\$ —	—	—	—	—	—	—\$363,776
	2015	331,963	7,607	—	2,607,616	—	—	35,565	2,982,751
	2014	312,793	—	—	—	—	—	17,505	330,298
Howard Hideshima Senior Vice President and Chief Financial Officer	2016	321,146	—	—	—	—	—	1,500	322,646
	2015	300,956	6,990	—	403,580	—	—	14,860	726,386
	2014	286,173	2,593	—	—	—	—	9,839	298,605
Phidias Chou Senior Vice President, Worldwide Sales	2016	286,747	3,416	137,160	38,000	—	—	—	565,323
	2015	273,635	6,446	—	—	—	—	26,643	306,724
	2014	257,396	2,341	—	225,577	—	—	14,042	499,356
Yih-Shyan (Wally) Liaw Senior Vice President, International Sales, Corporate Secretary and Director	2016	232,864	—	109,959	105,089	—	—	—	447,912
	2015	222,216	5,422	—	—	—	—	25,055	252,693
	2014	206,122	1,867	—	202,899	—	—	11,196	422,084
Chiu-Chu (Sara) Liu Liang Senior Vice President of Operations, Treasurer and Director	2016	237,253	—	110,484	13,961	—	—	—	461,698
	2015	216,505	5,309	—	—	—	—	14,041	235,855
	2014	200,357	1,814	—	174,800	—	—	5,806	382,777

(1) Amounts disclosed under “Bonus” reflect the cash bonuses earned by the named executive officers.

The dollar amount reported in the Option Awards column represents the grant date fair value of each award calculated in accordance with FASB ASC Topic 718, excluding the estimates of service-based forfeiture and using (2) the Black Scholes option-pricing model. Assumptions used in the calculation of these amounts were included in Item 8, Financial Statements and Supplementary Data, and Note 10 of Notes to our audited Consolidated Financial Statements for the fiscal year 2016 included in our Annual Report on Form 10-K.

(3) The Company does not have a defined benefit plan or a non-qualified deferred compensation plan.

(4) Amount reflects vacation and sick pay.

Grants of Plan-Based Awards

The following table provides information concerning all plan-based awards granted during fiscal year 2016 to our named executive officers:

GRANTS OF PLAN-BASED AWARDS

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)(1)
		Threshold (\$)	Target (\$)	Maximum (\$)				
Phidias Chou	10/21/2015	—	—	—	5,400	(2)—	\$	—\$137,160
Phidias Chou	10/21/2015	—	—	—	—	7,130	(3)25.40	81,995
Phidias Chou	10/21/2015	—	—	—	—	4,870	(4)25.40	56,005
Yih-Shyan (Wally) Liaw	4/27/2016	—	—	—	3,830	(5)—	—	109,959
Yih-Shyan (Wally) Liaw	4/27/2016	—	—	—	—	3,390	(6)28.71	41,912
Yih-Shyan (Wally) Liaw	4/27/2016	—	—	—	—	5,110	(7)28.71	63,177
Chiu-Chu (Sara) Liu Liang	1/27/2016	—	—	—	4,050	(8)—	—	110,484
Chiu-Chu (Sara) Liu Liang	1/27/2016	—	—	—	—	9,000	(9)27.28	113,961

(1) Represents the fair value of each stock option and award as of the date of grant, computed in accordance with FASB ASC Topic 718.

(2) These time-based restricted stock units vest at the rate of 25% on November 10, 2016 and 1/16th per quarter thereafter, such that the shares will be fully vested on November 10, 2019.

(3) These non-qualified stock options vest at the rate of 25% on September 13, 2016 and 1/16th per quarter thereafter, such that the shares will be fully vested on September 13, 2019.

(4) These incentive stock options vest at the rate of 25% on September 13, 2016 and 1/16th per quarter thereafter, such that the shares will be fully vested on September 13, 2019.

(5) These time-based restricted stock units vest at the rate of 25% on May 10, 2017 and 1/16th per quarter thereafter, such that the shares will be fully vested on May 10, 2020.

(6) These non-qualified stock options vest at the rate of 25% on March 29, 2017 and 1/16th per quarter thereafter, such that the shares will be fully vested on March 29, 2020.

(7) These incentive stock options vest at the rate of 25% on March 29, 2017 and 1/16th per quarter thereafter, such that the shares will be fully vested on March 29, 2020.

(8) These time-based restricted stock units vest at the rate of 25% on February 10, 2017 and 1/16th per quarter thereafter, such that the shares will be fully vested on February 10, 2020.

(9) These non-qualified stock options vest at the rate of 25% on December 12, 2016 and 1/16th per quarter thereafter, such that the shares will be fully vested on December 12, 2019.

Outstanding Equity Awards at Fiscal Year-End 2016

The following table provides information concerning the outstanding equity-based awards as of June 30, 2016, and the option exercise price and expiration dates for each award, held by each of our named executive officers.

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of shares or units of stock that have not vested (#)	Market value of shares or units of stock that have not vested (\$)(1)
Charles Liang	720,000	(2) —	\$ 10.66	3/4/2019		
	132,000	(3) —	\$ 18.59	4/25/2021		
	202,352	(4) 28,908	\$ 20.70	1/21/2023		
	62,530	(5) 104,220	\$ 35.07	1/19/2025		
Howard Hideshima	19,198	(6) —	\$ 13.89	11/17/2016		
	21,428	(6) —	\$ 13.89	11/17/2016		
	22,500	(7) —	\$ 10.19	4/26/2017		
	56,614	(8) —	\$ 13.61	8/2/2020		
	10,886	(8) —	\$ 13.61	8/2/2020		
	37,810	(9) —	\$ 12.50	8/6/2022		
	8,690	(9) —	\$ 12.50	8/6/2022		
	13,370	(10) 13,370	\$ 26.75	8/4/2024		
	3,630	(10) 3,630	\$ 26.75	8/4/2024		
	Phidias Chou	17,500	(11) —	\$ 5.53	4/29/2019	
31,030		(12) —	\$ 8.36	10/26/2019		
18,970		(12) —	\$ 8.36	10/26/2019		
32,850		(13) —	\$ 15.22	10/24/2021		
6,150		(13) —	\$ 15.22	10/24/2021		
11,843		(14) 5,384	\$ 14.23	10/21/2023		
11,530		(14) 5,243	\$ 14.23	10/21/2023		
—		(15) 7,130	\$ 25.40	10/21/2025		
—		(15) 4,870	\$ 25.40	10/21/2025		
Yih-Shyan (Wally) Liaw	10,635	(17) —	\$ 7.46	4/28/2018		
	30,275	(17) —	\$ 7.46	4/28/2018		
	10,079	(18) —	\$ 13.61	8/2/2020		
	7,671	(18) —	\$ 13.61	8/2/2020		
	18,313	(19) —	\$ 17.29	4/23/2022		
	8,687	(19) —	\$ 17.29	4/23/2022		
	8,694	(20) 6,764	\$ 18.93	4/21/2024		
	4,241	(20) 3,301	\$ 18.93	4/21/2024		
	—	(21) 3,390	\$ 28.71	4/27/2026		
	—	(21) 5,110	\$ 28.71	4/27/2026		
Chiu-Chu (Sara) Liu Liang	20,300	(11) —	\$ 5.53	4/29/2019		
	19,615	(23) —	\$ 11.81	1/25/2020		
	20,985	(23) —	\$ 11.81	1/25/2020		
	29,000	(24) —	\$ 17.09	1/23/2022		
	14,375	(25) 8,625	\$ 17.96	1/20/2024		
					5,400(16) 134,190	
					3,830(22) 95,176	

Edgar Filing: Super Micro Computer, Inc. - Form DEF 14A

— 9,000 (26)\$ 27.28 1/27/2026
4,050(27)100,643

- (1) Represents the fair market value per share of our common stock June 30, 2016 (\$24.85) multiplied by the number of shares underlying RSUs that had not vested as of June 30, 2016.
- (2) Options vested at the rate of 25% on November 1, 2009 and 1/16th per quarter thereafter, such that the shares were fully vested on November 1, 2012.
- (3) Options vested at the rate of 25% on April 25, 2012 and 1/16th per quarter thereafter, such that the shares were fully vested on April 25, 2015.
- (4) Options vested at the rate of 25% on November 1, 2013 and 1/16th per quarter thereafter, such that the shares will be fully vested on November 1, 2016.
- (5) Options vested at the rate of 25% on November 1, 2015 and 1/16th per quarter thereafter, such that the shares will be fully vested on November 1, 2018.
- (6) Options vested at the rate of 25% on May 8, 2007 and 1/16th per quarter thereafter, such that the shares were fully vested on May 8, 2010.
- (7) Options vested at the rate of 25% on April 26, 2008 and 1/16th per quarter thereafter, such that the shares were fully vested on April 26, 2011.
- (8) Options vested at the rate of 25% on May 8, 2011 and 1/16th per quarter thereafter, such that the shares were fully vested on May 8, 2014.
- (9) Options vested at the rate of 25% on May 7, 2013 and 1/16th per quarter thereafter, such that the shares were fully vested on May 7, 2016.
- (10) Options vested at the rate of 25% on May 8, 2015 and 1/16th per quarter thereafter, such that the shares will be fully vested on May 8, 2018.
- (11) Options vested at the rate of 25% on April 29, 2010 and 1/16th per quarter thereafter, such that the shares were fully vested on April 29, 2013.
- (12) Options vested at the rate of 25% on July 1, 2010 and 1/16th per quarter thereafter, such that the shares were fully vested on July 1, 2013.
- (13) Options vested at the rate of 25% on July 1, 2012 and 1/16th per quarter thereafter, such that the shares were fully vested on July 1, 2015.
- (14) Options vested at the rate of 25% on September 13, 2014 and 1/16th per quarter thereafter, such that the shares will be fully vested on September 13, 2017.
- (15) Options vest at the rate of 25% on September 13, 2016 and 1/16th per quarter thereafter, such that the shares will be fully vested on September 13, 2019.
- (16) RSUs vest at the rate of 25% on November 10, 2016 and 1/16th per quarter thereafter, such that the shares will be fully vested on November 10, 2019.
- (17) Options vested at the rate of 25% on March 30, 2009 and 1/16th per quarter thereafter, such that the shares were fully vested on March 30, 2012.
- (18) Options vested at the rate of 25% on August 2, 2011 and 1/16th per quarter thereafter, such that the shares were fully vested on August 2, 2014.
- (19) Options vested at the rate of 25% on March 29, 2013 and 1/16th per quarter thereafter, such that the shares were fully vested on March 29, 2016.
- (20) Options vested at the rate of 25% on March 30, 2015 and 1/16th per quarter thereafter, such that the shares will be fully vested on March 30, 2018.
- (21) Options vest at the rate of 25% on March 29, 2017 and 1/16th per quarter thereafter, such that the shares will be fully vested on March 29, 2020.
- (22) RSUs vest at the rate of 25% on May 10, 2017 and 1/16th per quarter thereafter, such that the shares will be fully vested on May 10, 2020.
- (23) Options vested at the rate of 25% on December 12, 2010 and 1/16th per quarter thereafter, such that the shares were fully vested on December 12, 2013.
- (24) Options vested at the rate of 25% on December 12, 2012 and 1/16th per quarter thereafter, such that the shares were fully vested on December 12, 2015.
- (25)

Options vested at the rate of 25% on December 12, 2014 and 1/16th per quarter thereafter, such that the shares will be fully vested on December 12, 2017.

(26) Options vest at the rate of 25% on December 12, 2016 and 1/16th per quarter thereafter, such that the shares will be fully vested on December 12, 2019.

(27) RSUs vest at the rate of 25% on February 10, 2017 and 1/16th per quarter thereafter, such that the shares will be fully vested on February 10, 2020.

Option Exercises and Stock Vested During Fiscal Year 2016

The following table sets forth the dollar amounts realized pursuant to the exercise or vesting of equity-based awards by our named executive officers during fiscal year 2016.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired or Exercised (#)	Value Realized on Exercise (\$)(#)	Number of Shares Vested (#)	Value Realized on Vesting (\$)(#)
Charles Liang	—	\$ —	—	\$ —
Howard Hideshima	40,624	\$ 626,078	—	\$ —
Phidias Chou	10,000	\$ 237,799	—	\$ —
Yih-Shyan (Wally) Liaw	20,000	\$ 494,333	—	\$ —
Chiu-Chu (Sara) Liu Liang	—	\$ —	—	\$ —

(1) Based on the difference between the closing price of our common stock on the date of exercise and the exercise price.

(2) The value is the closing price of our common stock on the date of vesting, multiplied by the number of shares vested.

Director Compensation

Under our director compensation policy, we reimburse non-employee directors for reasonable expenses in connection with attendance at board and committee meetings. Our non-employee directors receive an annual retainer of \$40,000, payable quarterly. In addition, the Chairperson of our Audit Committee receives an annual retainer of \$25,000, the Chairperson of each of our Compensation Committee and Nominating and Corporate Governance Committee receives an annual retainer of \$5,000 and each director serving in a non-chairperson capacity on our standing board committees receives an annual retainer of \$2,500 per committee, payable quarterly.

Non-employee directors also are eligible to receive stock options under our 2016 Equity Incentive Plan. Under the policy, non-employee directors are granted an initial option to purchase 18,000 shares upon first becoming a member of our board of directors. A non-employee director serving as Chairperson of the Audit Committee receives an additional initial grant of an option to purchase 12,000 shares. Non-employee directors serving as Chairperson of the Compensation or Nominating and Corporate Governance Committees receive an additional initial grant of an option to purchase 2,000 shares. Each of these initial options vests and becomes exercisable over four years, with the first 25% of the shares subject to each initial option vesting on the first anniversary of the date of grant and the remainder vesting quarterly thereafter. Immediately after each of our annual meetings of stockholders, each non-employee director is granted an option to purchase 4,500 shares of our common stock, the Audit Committee Chairperson is granted an additional annual option to purchase 3,000 shares of our common stock and the Chairperson of each of the Compensation and Nominating and Corporate Governance Committees is granted an additional annual option to purchase 500 shares of our common stock. These options will vest and become exercisable on the first anniversary of the date of grant or immediately prior to our annual meeting of stockholders, if earlier.

The options granted to non-employee directors have a per share exercise price equal to 100% of the fair market value of the underlying shares on the date of grant, and will become fully vested if we are subject to a change of control. Annual grants will be reduced proportionally if the person did not serve for the full year after the annual grant.

The following table shows for the fiscal year ended June 30, 2016 certain information with respect to the compensation of all of our non-employee directors:

DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash \$(1)	Stock Awards (\$)	Option Awards \$(2)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Non-qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Laura Black	\$ 65,000	—	\$ 105,737	—	—	—	\$ 170,737
Michael McAndrews	\$ 42,500	—	\$ 63,442	—	—	—	\$ 105,942
Hwei-Ming (Fred) Tsai	\$ 50,000	—	\$ 70,491	—	—	—	\$ 120,491
Sherman Tuan	\$ 47,500	—	\$ 70,491	—	—	—	\$ 117,991

(1) This column represents annual director fees, non-employee committee chairman fees and other committee member fees earned in fiscal year 2016.

The dollar amount in this column represents the grant date fair value of each award calculated in accordance with FASB ASC Topic 718, excluding the estimates of service-based forfeiture and using the Black Scholes (2) option-pricing model. Assumptions used in the calculation of these amounts were included in Item 8, Financial Statements and Supplementary Data, and Note 10 of Notes to our audited Consolidated Financial Statements for the fiscal year 2016 included in our Annual Report on Form 10-K.

The table below sets forth the aggregate number of option awards held by our non-employee directors as of June 30, 2016.

Name	Option Awards
Laura Black	24,000
Michael McAndrews	22,500
Hwei-Ming (Fred) Tsai	60,000
Sherman Tuan	64,500

EQUITY COMPENSATION PLAN INFORMATION

As of June 30, 2016, we maintained three compensation plans that provide for the issuance of our Common Stock to officers and other employees, directors and consultants. These consist of the 1998 Stock Option Plan, the 2006 Equity Incentive Plan and the 2016 Equity Incentive Plan, all of which have been approved by our stockholders. We no longer grant any equity-based awards under the 1998 Stock Option Plan and the 2006 Equity Incentive Plan. The following table sets forth information regarding outstanding options and restricted stock units and shares reserved and remaining available for future issuance under the foregoing plans as of June 30, 2016:

Plan Category	Number of shares to be issued upon exercise of outstanding options, warrants and rights (a)(1)	Weighted-average exercise price of outstanding options, warrants and rights (b)(2)(3)	Number of shares remaining available for future issuance under equity compensation plans (excluding shares
---------------	---	---	--

			reflected in column (a)) (c)	
Equity compensation plans approved by stockholders	9,887,850	\$ 14.88	4,294,003	(1)
Equity compensation plans not approved by stockholders	—	—	—	
Total	9,887,850	\$ 14.88	4,294,003	

(1) This number includes 8,960,867 shares subject to outstanding options and 926,983 shares subject to outstanding RSU awards.

- The weighted average exercise price is calculated based solely on the exercise prices of the outstanding options and
- (2) does not reflect the shares that will be issued upon the vesting of outstanding awards of RSUs, which have no exercise price.
 - (3) The weighted-average remaining contractual term of our outstanding options as of June 30, 2016 was 5.20 years.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Procedures for Approval of Related Person Transactions

Pursuant to our Audit Committee charter, the Audit Committee has the responsibility for the review or approval of any related person transactions. In approving or rejecting a proposed transaction, our Audit Committee will consider the relevant facts and circumstances available and deemed relevant, including, but not limited to the risks, costs and benefits to us, the terms of the transaction, the availability of other sources for comparable services or products, and, if applicable, the impact on a director's independence. Our Audit Committee shall approve only those transactions that, in light of known circumstances are not inconsistent with the Company's best interests, as the Audit Committee determines in the good faith exercise of its discretion. In addition, we annually require each of our directors and executive officers to complete a directors' and officers' questionnaire that elicits information about related party transactions as such term is defined by SEC rules and regulations. These procedures are intended to determine whether any such related party transaction impairs the independence of a director or presents a conflict of interest on the part of a director, employee or officer.

Transactions with Related Parties, Promoters and Certain Control Persons

Director and Officer Indemnification

We have entered into agreements to indemnify our directors and executive officers to the fullest extent permitted under Delaware law. In addition, our certificate of incorporation contains provisions limiting the liability of our directors and our bylaws contain provisions requiring us to indemnify our officers and directors.

Equity-Based Awards

Please see the "Grants of Plan-Based Awards" table and the "Director Compensation" table above for information on stock option and restricted stock unit grants to our directors and named executive officers in fiscal year 2016.

Transactions with Ablecom Technology Inc.

Ablecom Technology Inc.—Ablecom, a Taiwan corporation, together with one of its subsidiaries, Compuware (collectively "Ablecom"), is one of our major contract manufacturers. Ablecom's ownership of Compuware is below 50% but Compuware remains a related party as Ablecom still has significant influence over the operations. Ablecom's chief executive officer, Steve Liang, is the brother of Charles Liang, our President, Chief Executive Officer and Chairman of the board of directors, and owns approximately 0.3% of our common stock. Charles Liang served as a Director of Ablecom during our fiscal 2006, but is no longer serving in such capacity. In addition, Charles Liang and his wife, also an officer of ours, collectively own approximately 10.5% of Ablecom, while Steve Liang and other family members own approximately 36.0% and 36.0% of Ablecom at June 30, 2016 and 2015, respectively.

We have product design and manufacturing services agreements ("product design and manufacturing agreements") and a distribution agreement ("distribution agreement") with Ablecom.

Under the product design and manufacturing agreements, we outsource a portion of our design activities and a significant part of our manufacturing of components such as server chassis to Ablecom. Ablecom agrees to design products according to our specifications. Additionally, Ablecom agrees to build the tools needed to manufacture the products. We have agreed to pay for the cost of chassis and related product tooling and engineering services and will pay for those items when the work has been completed.

Under the distribution agreement, Ablecom purchases server products from us for distribution in Taiwan. We believe that the pricing and terms under the distribution agreement are similar to the pricing and terms of distribution arrangements we have with similar, third party distributors.

Ablecom's net sales to us and its net sales of our products to others comprise a substantial majority of Ablecom's net sales. For fiscal year 2016, 2015 and 2014, we purchased products from Ablecom totaling \$241,836,000, \$227,562,000 and \$201,848,000, respectively. For fiscal year 2016, 2015 and 2014, we sold products to Ablecom totaling \$19,453,000, \$58,013,000 and \$14,576,000, respectively.

Edgar Filing: Super Micro Computer, Inc. - Form DEF 14A

Amounts owed to us by Ablecom as of June 30, 2016 and 2015, were \$4,678,000 and \$13,186,000, respectively. Amounts owed to Ablecom by us as of June 30, 2016 and 2015, were \$39,152,000 and \$59,015,000, respectively. In fiscal year 2016, we

23

have paid Ablecom the majority of invoiced dollars between 48 and 90 days of invoice. For the years ended June 30, 2016, 2015 and 2014, we paid \$9,085,000, \$5,851,000 and \$6,906,000, respectively, for tooling assets and miscellaneous costs to Ablecom.

Our exposure to loss as a result of our involvement with Ablecom is limited to (a) potential losses on our purchase orders in the event of an unforeseen decline in the market price and/or demand of our products such that we incur a loss on the sale or cannot sell the products and (b) potential losses on outstanding accounts receivable from Ablecom in the event of an unforeseen deterioration in the financial condition of Ablecom such that Ablecom defaults on its payable to us. Outstanding purchase orders with Ablecom were \$62,782,000 and \$67,261,000 at June 30, 2016 and 2015, respectively, representing the maximum exposure to loss relating to (a) above. We do not have any direct or indirect guarantees of losses of Ablecom.

In May 2012, we and Ablecom jointly established Super Micro Asia Science and Technology Park, Inc. ("Management Company") in Taiwan to manage the common areas shared by us and Ablecom for their separately constructed manufacturing facilities. Each company contributed \$168,000 and own 50% of the Management Company. Although the operations of the Management Company are independent of us, through governance rights, we have the ability to direct the Management Company's business strategies. Therefore, we have concluded that the Management Company is a variable interest entity of us as we are the primary beneficiary of the Management Company. The accounts of the Management Company are consolidated with the accounts of us, and a noncontrolling interest has been recorded for the Ablecom's interests in the net assets and operations of the Management Company. The Management Company had no business operations as of June 30, 2012. In fiscal year 2016, 2015 and 2014, \$20,000, \$(11,000) and \$(6,000) of net income (loss) attributable to Ablecom's interest was included in the Company's general and administrative expenses in the consolidated statements of operations.

PROPOSAL 2

NON-BINDING ADVISORY VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, requires that our stockholders have the opportunity to cast a non-binding, advisory vote on the compensation of our named executive officers, commonly referred to as a “say-on-pay” vote. At our 2011 Annual Meeting of Stockholders, our stockholders voted in favor of holding future “say-on-pay” votes once every three years. Our board of directors subsequently determined that such advisory votes shall be held once every three years at the annual meeting of stockholders. At the 2016 Annual Meeting, as further described in Proposal 3, we will again ask our stockholders to vote on the frequency of future “say-on-pay” votes. Because this “say-on-pay” vote is advisory, it is not binding on the Company, the Compensation Committee or our board of directors in any way. However, our board of directors and our Compensation Committee value the opinions of our stockholders, and to the extent there is any significant vote against the named executive officer compensation as disclosed in this proxy statement, we will consider our stockholders’ concerns and the Compensation Committee will evaluate whether any actions are appropriate to address those concerns.

At the 2013 Annual Meeting, approximately 98.1% of the stockholders who voted on the “say-on-pay” proposal approved the compensation of our named executive officers, while only approximately 1.4% voted against (with approximately 0.4% abstaining). As a result of this positive shareholder feedback, our Compensation Committee has adopted compensation packages having similar basic structures in subsequent years.

As described in detail under the heading “Executive Compensation - Compensation Discussion and Analysis,” our executive compensation philosophy and programs are designed to foster a performance-oriented culture that aligns our executive officers’ interests with those of our stockholders. For fiscal year 2016, the principal components for our executive officers were base salary and equity-based incentive compensation. Please read the “Compensation Discussion and Analysis” beginning on page 12 for additional details about our executive compensation programs, including information about the fiscal year 2016 compensation of our named executive officers.

We are asking our stockholders to indicate their support for the compensation arrangements with our named executive officers as described in this proxy statement. This proposal gives our stockholders the opportunity to express their views on our named executive officers’ compensation. This advisory vote on executive compensation is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this proxy statement. Furthermore, because this non-binding, advisory resolution primarily relates to the compensation of our named executive officers that has already been paid or contractually committed, there is generally no opportunity for us to revisit these decisions.

Accordingly, we are asking our stockholders to vote “FOR” the following resolution to be presented at the Annual Meeting:

“RESOLVED, that the Company’s stockholders of Super Micro Computer, Inc. approve, on an advisory basis, the compensation of the Company’s named executive officers for the fiscal year ended June 30, 2016, as disclosed in the Company’s Proxy Statement for the 2016 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the compensation tables and the related narrative discussion.”

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE FOREGOING RESOLUTION.

PROPOSAL 3

**ADVISORY VOTE ON THE FREQUENCY OF
FUTURE ADVISORY VOTES ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS**

The Dodd-Frank Act also provides for our stockholders to take an advisory vote to indicate how frequently we should seek future, further advisory votes on the compensation of our named executive officers, as disclosed pursuant to the SEC's compensation disclosure rules, such as Proposal 2 included on page 25 of this proxy statement. By voting on this Proposal 3, stockholders may indicate whether they would prefer that our future advisory voting on our compensation of named executive officers occur once every one, two, or three years.

After careful consideration of this Proposal, our Board has determined that an advisory vote on named executive officer compensation that occurs once every three years is the most appropriate alternative for Supermicro, and therefore our board of directors recommends that you vote for a three-year interval for the future advisory votes on compensation of named executive officers.

In formulating its recommendation, our Board considered that given the nature of our compensation programs, a triennial vote would be sufficient for our stockholders to provide us with their input on our compensation philosophy, policies and practices. We understand that our stockholders may have different views as to what is the best approach, and we look forward to hearing from our stockholders on this Proposal.

At 2011 Annual Meeting of Stockholders, the most recent meeting where our stockholders provided an advisory vote on the frequency future advisory votes on the compensation of named executive officers, our stockholders voted in favor of holding future "say-on-pay" votes once every three years.

You may cast your vote on your preferred voting frequency by choosing the option of one year, two years, three years or abstain from voting when you vote in response to this proposal.

The option of one year, two years or three years that receives the highest number of votes cast by stockholders will be the frequency for the advisory votes on compensation of named executive officers that has been selected by stockholders. However, because this vote is advisory and not binding on the board of directors or Supermicro in any way, our board may decide that it is in the best interests of our stockholders and the Company to hold an advisory vote on executive compensation more or less frequently than the option approved by our stockholders.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE OPTION OF ONCE EVERY THREE YEARS AS THE FREQUENCY WITH WHICH STOCKHOLDERS ARE ASKED IN THE FUTURE TO PROVIDE AN ADVISORY VOTE ON EXECUTIVE COMPENSATION, AS DISCLOSED PURSUANT TO THE COMPENSATION DISCLOSURE RULES OF THE SECURITIES AND EXCHANGE COMMISSION.

PROPOSAL 4

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has appointed Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending June 30, 2017. Deloitte & Touche LLP has acted in such capacity since its appointment in fiscal year 2003.

While we are not required to do so, we are submitting the appointment of Deloitte & Touche LLP to serve as our independent registered public accounting firm for the fiscal year ending June 30, 2017, for ratification in order to ascertain the views of our stockholders on this appointment. If the appointment is not ratified, the Audit Committee may reconsider its selection. Representatives of Deloitte & Touche LLP are expected to be present at the Annual Meeting, have the opportunity to make a statement if they desire to do so, and are expected to be available to answer stockholder questions.

Independent Registered Public Accounting Firm Fees and Services

The following table sets forth the aggregate audit fees billed to us by our independent registered public accounting firm, Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates (collectively, "Deloitte"), and fees paid to Deloitte for services in the fee categories indicated below during the fiscal years 2016 and 2015. The Audit Committee has considered the scope and fee arrangements for all services provided by Deloitte, taking into account whether the provision of non-audit services is compatible with maintaining Deloitte's independence, and has pre-approved 100% of the services described below.

	Fiscal Year Ended	
	June 30,	June 30,
	2016	2015
Audit Fees(1)	\$2,427,000	\$1,797,000
Audit-Related Fees	—	—
Tax Fees	—	—
All Other Fees	—	—
Total	\$2,427,000	\$1,797,000

Audit fees consist of the aggregate fees for professional services rendered for the audit of our fiscal years 2016 and (1)2015 consolidated financial statements, review of interim consolidated financial statements and certain statutory audits.

Audit Committee Pre-Approval Policies and Procedures

The Audit Committee has determined that all services performed by Deloitte & Touche LLP are compatible with maintaining the independence of Deloitte & Touche LLP. The Audit Committee's policy on approval of services performed by the independent registered public accounting firm is to pre-approve all audit and permissible non-audit services to be provided by the independent registered public accounting firm during the fiscal year. The Audit Committee reviews each non-audit service to be provided and assesses the impact of the service on the firm's independence.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING JUNE 30, 2017. PROXIES WILL BE VOTED FOR THE RATIFICATION OF THIS APPOINTMENT UNLESS OTHERWISE SPECIFIED.

AUDIT COMMITTEE REPORT

Review of Audited Financial Statements

The Audit Committee has reviewed and discussed our audited financial statements for the fiscal year ended June 30, 2016 with both our management and our independent registered public accounting firm. The Audit Committee has also discussed with the independent registered public accounting firm the matters required to be discussed by Auditing Standard No. 16, “Communications with Audit Committees” issued by the Public Company Accounting Oversight Board (PCAOB). Management has represented to the Audit Committee that the financial statements were prepared in accordance with accounting principles generally accepted in the United States of America.

The Audit Committee also has received and reviewed the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the PCAOB regarding independent registered public accounting firm's communications with the Audit Committee concerning independence, and has discussed with independent registered public accounting firm its independence from Super Micro. The Audit Committee has also received written material addressing the independent registered public accounting firm's internal quality control procedures and other matters, as required by applicable NASDAQ listing standards. The Audit Committee has considered the effect of non-audit fees on the independence of the independent registered public accounting firm and has concluded that such non-audit services are compatible with the independence of the independent public accounting firm.

Based on these reviews and discussions, the Audit Committee recommended to the board of directors that the financial statements be included in the Company's Annual Report on Form 10-K for filing with the SEC.

This report has been furnished by the members of the Audit Committee.

Laura Black, Chair

Michael S. McAndrews

Hwei-Ming (Fred) Tsai

ANNUAL REPORT TO STOCKHOLDERS ON FORM 10-K

Our 2016 Annual Report to Stockholders, including financial statements for the year ended June 30, 2016, and this Proxy Statement are available on our website at <http://ir.supermicro.com/financials.cfm>.

“HOUSEHOLDING” OF PROXY MATERIALS

The SEC has adopted rules that permit companies and intermediaries such as brokers to satisfy delivery requirements for proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a single proxy statement or annual report, as applicable, addressed to those stockholders. This process, which is commonly referred to as “householding,” potentially provides extra convenience for stockholders and cost savings for companies. Although we do not household for our registered stockholders, some brokers household Supermicro proxy materials and annual reports, delivering a single proxy statement and annual report to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that they will be householding materials to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate proxy statement or annual report, or if you are receiving multiple copies of either document and wish to receive only one, please notify your broker. We will deliver promptly upon written or oral request a separate copy of our annual report and/or proxy statement to a stockholder at a shared address to which a single copy of either document was delivered. For copies of either or both documents, stockholders should write to Investor Relations, Super Micro Computer, Inc., 980 Rock Avenue, San Jose, CA 95131, or call (408) 503-8000.

STOCKHOLDER PROPOSALS FOR 2017 MEETING

If any stockholder intends to present a proposal to be considered for inclusion in the Company's proxy material in connection with the 2017 annual meeting of stockholders, the proposal must be in proper form (per SEC Regulation 14A, Rule 14a-8—Stockholder Proposals) and received by the Corporate Secretary of the Company on or before September 20, 2017. Stockholder proposals to be presented at the 2017 annual meeting of stockholders which

are not to be included in the Company's proxy materials must be received by the Company by September 20, 2017, in accordance with the procedures in the Company's bylaws.

OTHER MATTERS

We do not know of any other matters that may be presented for consideration at the Annual Meeting. If any other business does properly come before the Annual Meeting, the persons named as proxies on the enclosed proxy card will vote as they deem in the best interests of Super Micro.

/s/ Yih-Shyan (Wally) Liaw
Secretary

P-1

Fiscal 2016 Annual Meeting of
Super Micro Computer, Inc. Stockholders
MARCH 1, 2017, 11:00 a.m. Local Time
Principal Office
980 Rock Ave, San Jose, CA 95131

Driving directions to 980 Rock Ave, San Jose, CA 95131:

From San Jose, CA

1. Take I-880N
2. Take the Brokaw Road exit
3. Turn right onto E Brokaw Rd
4. Turn left onto Oakland Rd
5. Turn left onto Rock Ave

From Oakland, CA

1. Take I-880S
2. Take the Montague Expwy exit and bear left
3. Turn right onto Oakland Rd
4. Turn right onto Rock Ave

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION,
DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

Proxy — Super Micro Computer, Inc.

Notice of Fiscal 2016 Annual Meeting of Stockholders

980 Rock Ave, San Jose, CA 95131

Proxy Solicited by Board of Directors for Annual Meeting - March 1, 2017

Charles Liang, Howard Hideshima and Robert Aeschliman, or any of them, each with the power of substitution, are hereby authorized to represent and vote the shares of the undersigned, with all the powers which the undersigned would possess if personally present, at the Annual Meeting of Stockholders of Super Micro Computer, Inc. to be held on March 1, 2017 or at any postponement or adjournment thereof.

Shares represented by this proxy will be voted by the stockholder. If no such directions are indicated, the Proxies will have authority to vote FOR election of the two nominees, FOR the approval of the advisory (non-binding) resolution relating to named executive compensation, FOR the advisory (non-binding) approval of future triennial advisory voting on our executive compensation and FOR ratification of appointment of Deloitte & Touche LLP as Super Micro Computer, Inc.'s independent registered public accounting firm for the fiscal year ending June 30, 2017.

In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting.

(Items to be voted appear on reverse side.)

Important notice regarding the Internet availability of proxy materials for the Annual Meeting of stockholders. The Proxy Statement and the 2016 Annual Report to Stockholders are available at <http://ir.supermicro.com/financials.cfm>.

P-2