CABOT MICROELECTRONICS CORP
Form DEF 14A
January 20, 2015
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES

EXCHANGE ACT OF 1934

Filed by Registrant þ

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨	Preliminary Proxy Statement	¨	Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)).
þ	Definitive Proxy Statement		
¨	Definitive Additional Materials		
¨	Soliciting Materials Pursuant to Section 240.14a-11(c) or Section 240.14a-12		

CABOT MICROELECTRONICS CORPORATION
(Exact name of Registrant as Specified in Its Charter)

Payment of Filing Fee (Check the appropriate box):

þ 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 price 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:

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CABOT MICROELECTRONICS CORPORATION

870 North Commons Drive

Aurora, Illinois 60504

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To be held March 3, 2015

To our Stockholders:

We are notifying you that the Annual Meeting of Stockholders of Cabot Microelectronics Corporation will be held on Tuesday, March 3, 2015 at 8:00 a.m. local time at Cabot Microelectronics Corporation, 870 North Commons Drive, Aurora, Illinois 60504 for the following purposes:

1. To elect three directors, each for a term of three years;

2. To hold a non-binding stockholder advisory vote to approve our named executive officer compensation;

3. To ratify the selection of PricewaterhouseCoopers LLP, an independent registered public accounting firm, as our independent auditors for fiscal year 2015; and

4. To transact other business properly coming before the meeting.

Each of these matters is described in further detail in the accompanying proxy statement. We also have included a copy of our 2014 Annual Report. Only stockholders of record at the close of business on January 9, 2015 are entitled to vote at the meeting or any postponements or adjournments of the meeting. A complete list of these stockholders will be available at our principal executive offices prior to the meeting.

We are delivering our proxy statement and 2014 Annual Report under the United States Securities and Exchange Commission rules that allow companies to furnish proxy materials to their stockholders over the internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials to our stockholders, which is designed to reduce our printing and mailing costs and the environmental impact of the proxy materials. A paper copy of our proxy materials may be requested through one of the methods described in the Notice of Internet Availability of Proxy Materials.

Please use this opportunity to take part in our affairs by voting your shares. You are cordially invited to attend the meeting in person. If you wish to attend the meeting in person, please bring a valid form of photo identification to the meeting. If your stock is not registered in your own name and you plan to attend the meeting and vote in person, you should contact your broker or agent in whose name your stock is registered to obtain a broker s proxy and bring it to the meeting in order to vote at the meeting.

Whether or not you plan to attend the meeting, your vote is important. Please promptly submit your proxy by telephone, internet or mail by following the instructions found on your Notice of Internet Availability of Proxy Materials or proxy card. Your proxy can be withdrawn by you at any time before it is voted.

By order of the Board of Directors,

William P. Noglows

Chairman of the Board

Aurora, Illinois

January 20, 2015, and is first being made available to stockholders electronically via the internet on or about January 20, 2015.

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CABOT MICROELECTRONICS CORPORATION

870 North Commons Drive

Aurora, Illinois 60504

PROXY STATEMENT

The Board of Directors of Cabot Microelectronics Corporation is asking for your proxy for use at the annual meeting of our stockholders to be held on Tuesday, March 3, 2015 at 8:00 a.m. local time, at Cabot Microelectronics Corporation, 870 North Commons Drive, Aurora, Illinois 60504 and at any postponements or adjournments of the meeting.

Pursuant to the rules and regulations adopted by the United States Securities and Exchange Commission (SEC), we are providing our stockholders with access to our proxy materials over the internet rather than in paper form. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials, rather than a printed copy of the proxy materials, to our stockholders of record as of January 9, 2015. We expect to mail the Notice of Internet Availability of Proxy Materials to stockholders entitled to vote at our annual meeting on or about January 20, 2015.

ABOUT THE MEETING

What is the purpose of the annual meeting?

At our annual meeting, stockholders will act upon the matters outlined in the accompanying notice of meeting, including the election of three directors, the non-binding stockholder advisory vote to approve our named executive officer compensation and the ratification of the selection of our independent auditors. In addition, our management will report generally on the fiscal year ended September 30, 2014 and respond to questions from stockholders.

What is the Notice of Internet Availability of Proxy Materials?

On or about January 20, 2015, we will mail to our stockholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access and review our proxy materials and our 2014 annual report. The Notice of Internet Availability of Proxy Materials will instruct you as to how you may access and review the proxy materials and submit your proxy via the internet or phone. If you would like to receive a printed copy of the proxy materials, please follow the instructions included in the Notice of Internet Availability of Proxy Materials for requesting printed materials.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held March 3, 2015:

The proxy statement and annual report to stockholders are available at www.cabotcmp.com and www.proxyvote.com.

What are our voting recommendations?

Our board of directors recommends that you vote your shares FOR the election of each of the nominees named below under ELECTION OF DIRECTORS , FOR non-binding advisory approval of our named executive officer compensation and FOR the ratification of the selection of our independent auditors.

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Who is entitled to vote?

Only stockholders of record at the close of business on the record date, January 9, 2015, are entitled to receive notice of the annual meeting and to vote the shares of common stock that they held on that date at the meeting, or any postponements or adjournments of the meeting. Each outstanding share of common stock entitles its holder to cast one vote, without cumulation, on each matter to be voted on.

What is the difference between holding shares as a record holder and as a beneficial owner?

Record Holder. You are a record holder of our common stock if at the close of business on the record date your shares were registered directly in your name with Computershare Trust Company, N.A., P.O. Box 43078, Providence, Rhode Island 02940-3078, our stock transfer agent.

Beneficial Owner. You are a beneficial owner if at the close of business on the record date your shares were held by a broker, bank, custodian, nominee or other record holder of our common stock and not in your name. Being a beneficial owner means that, like most of our stockholders, your shares are held in street name. As the beneficial owner, you have the right to direct your broker or nominee how to vote your shares by following the voting instructions your broker or other nominee provides. If you do not provide your broker or nominee with instructions on how to vote your shares, your broker or nominee will be able to vote your shares with respect to some of the proposals, but not all. Please see What if I did not specify how my shares are to be voted? for additional information.

What constitutes a quorum?

If a majority of the shares outstanding on the record date are present at the annual meeting, either in person or by proxy, we will have a quorum at the meeting permitting the conduct of business at the meeting. As of the record date, we had approximately 24,086,489 shares of common stock outstanding and entitled to vote. Any shares represented by proxies that are marked to abstain from voting on a proposal will be counted as present for purposes of determining whether we have a quorum. If a broker, bank, custodian, nominee or other record holder of our common stock indicates on a proxy that it does not have discretionary authority to vote certain shares on a particular matter, the shares held by that record holder (referred to as broker non-votes) will also be counted as present in determining whether we have a quorum.

How do I vote, and can I vote by telephone or through the internet?

You may vote in person at the annual meeting or you may vote by proxy. If your stock is registered in your own name, you may vote in person by attending the meeting, presenting a valid form of photo identification and delivering your completed proxy card in person. If your stock is not registered in your own name and you plan to attend the meeting and vote in person, you should contact your broker or agent in whose name your stock is registered to obtain a broker s proxy and bring it to the meeting along with a valid form of photo identification. You may vote by proxy by signing, dating and mailing a proxy card. In addition, you may vote by telephone or through the internet by following the instructions below or those included in the Notice of Internet Availability of Proxy Materials.

To vote by telephone, if you are a record holder of our common stock, call toll free 1-800-690-6903 and follow the instructions provided by the recorded message. To vote by telephone if you are a beneficial owner of our common stock, call the toll free number listed in the Proxy Card or follow the instructions provided by your broker. For all holders of our common stock (whether record or beneficial), to vote through the internet, go to www.proxyvote.com and follow the steps on the secure website. You also may access the proxyvote website (www.proxyvote.com) or view our proxy materials by going to our website, www.cabotcmp.com, selecting Investor Relations on our Homepage, and then selecting Annual Meeting/Proxy from the drop down menu.

If you vote by proxy, the individuals named on the proxy card as proxy holders will vote your shares in the manner you indicate.

What if I do not specify how my shares are to be voted?

Record Holder. If you are a record holder of our common stock and you sign and return the proxy card without indicating your instructions, your shares will be voted FOR :

- the election of the three nominees for director named below under ELECTION OF DIRECTORS;
- the non-binding advisory approval of our named executive officer compensation; and
- the ratification of the selection of our independent auditors.

Beneficial Owners. If you are a beneficial owner and you do not provide the broker, bank, custodian, nominee or other record holder that holds your shares with voting instructions, such person will determine if it has the discretionary authority to vote on the particular matter. Under applicable rules, such person has the discretion to vote on routine matters such as the ratification of our independent auditors, but does not have discretion to vote on non-routine matters such as the election of directors and the non-binding stockholder advisory vote to approve our named executive officer compensation.

Can I revoke my proxy or change my vote after I return my proxy card or after I vote electronically via the internet or by telephone?

Yes. Even after you have submitted your proxy, you may revoke your proxy or change your vote at any time before the proxy is voted at the annual meeting by delivering to our Secretary a written notice of revocation or a properly signed proxy bearing a later date, or by attending the annual meeting and voting in person. (Attendance at the meeting will not cause your previously granted proxy to be revoked unless you specifically so request.) To revoke a proxy previously submitted electronically through the internet or by telephone, you may simply vote again at a later date, using the same procedures, in which case the later submitted vote will be recorded and the earlier vote revoked.

What vote is required to approve each matter that comes before the meeting?

Our bylaws provide that director nominees must receive the affirmative vote of a plurality of the votes cast at the meeting by stockholders entitled to vote thereon, meaning that the three nominees for director with the most votes will be elected. However, our Corporate Governance Guidelines, which are available through our website, www.cabotcmp.com, provide that in an uncontested election, any nominee for director who receives a greater number of votes withheld from his or her election than votes for such election (a Majority Withheld Vote) shall promptly tender his or her resignation following certification of the stockholder vote for such election. In this situation, our nominating and corporate governance committee then shall consider the resignation offer and recommend to our board of directors whether to accept it. The board of directors then will act on the nominating and corporate governance committee s recommendation within ninety (90) days following certification of the stockholder vote for such election. Thereafter, the board of directors will promptly disclose its decision whether to accept the director s resignation offer (and the reasons for rejecting the resignation offer, if applicable), in a press release to be disseminated in the manner that we typically distribute press releases.

The non-binding stockholder advisory vote to approve our named executive officer compensation requires the affirmative vote of a majority of the votes cast at the meeting in person or by proxy by stockholders entitled to vote thereon. If the named executive officer compensation is not approved, then our compensation committee and our board of directors will meet following the annual meeting to consider the results of such non-binding stockholder advisory vote.

The ratification of the selection of our independent auditors requires the affirmative vote of a majority of the votes cast at the meeting in person or by proxy by stockholders entitled to vote thereon. If our independent auditors are not ratified, then our audit committee and our board of directors will meet following the annual meeting to the consider the results of such non-binding ratification vote.

Abstentions and broker non-votes will not be counted for purposes of determining whether an item has received the requisite number of votes for approval.

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What happens if additional proposals are presented at the meeting?

Other than the matters described in this proxy statement, we do not expect any additional matters to be presented for a vote at the annual meeting. If you vote by proxy, your proxy grants the persons named as proxy holders the discretion to vote your shares on any additional matters properly presented for a vote at the meeting.

Who will bear the costs of soliciting votes for the meeting?

Certain directors, officers and employees, who will not receive any additional compensation for such activities, may solicit proxies by personal interview, mail, telephone or electronic communication. We will also reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to our stockholders. In addition to the mailing of these proxy materials, we have hired the firm of D.F. King & Co., Inc. to assist in the solicitation of proxies at an estimated cost of approximately $8,000. We shall bear all costs of solicitation.

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STOCK OWNERSHIP

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information regarding the beneficial ownership of our common stock as of January 9, 2015 (except as indicated below) by:

- all persons known by us to own beneficially 5% or more of our outstanding common stock;
- each of our directors;
- each of the named executive officers in the Compensation Discussion and Analysis Section and the Summary Compensation Table included in this Proxy Statement; and
- all of our directors and executive officers as a group.

Unless otherwise indicated, each stockholder listed below has sole voting and investment power with respect to the shares of common stock beneficially owned by such stockholder.

Stock Ownership Table

Name and Address	Number of Shares Beneficially Owned(1)	Approximate Percent of Class(1)
CERTAIN BENEFICIAL OWNERS:		
1. BlackRock, Inc. 55 East 52nd Street New York, New York 10022	2,690,958(2)	11.2%
2. Royce & Associates, LLC 745 Fifth Avenue New York, New York 10151	1,921,484(3)	8.0%
3. Earnest Partners, LLC 1180 Peachtree Road, Suite 2300 N.E. Atlanta, Georgia 30309	1,911,426(4)	7.9%
4. Riverbridge Partners LLC 80 South 8th Street, #1200 Minneapolis, Minnesota 55402	1,860,676(5)	7.7%
5. Price (T.Rowe) Associates Inc.	1,781,376(6)	7.4%

P.O. Box 89000 Baltimore, Maryland 21289		
6. The Vanguard Group, Inc. P.O. Box 2600 Valley Forge, Pennsylvania 19482	1,498,775(7)	6.2%
DIRECTORS AND EXECUTIVE OFFICERS:		
William P. Noglows	627,667(8)	2.6%
David H. Li	65,622(8)	*
Robert J. Birgeneau	61,689(8)	*
John P. Frazee, Jr.	81,495(8)	*
H. Laurance Fuller	131,246(8)	*
Richard S. Hill	32,125(8)	*
Barbara A. Klein	81,773(8)	*
Edward J. Mooney	89,782(8)	*
Steven V. Wilkinson	116,200(8)	*

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Name and Address	Number of Shares Beneficially Owned(1)	Approximate Percent of Class(1)
Bailing Xia	87,795(8)	*
William S. Johnson	264,863(8)	1.1%
Adam F. Weisman	160,223(8)(9)	*
Ananth Naman	39,257(8)	*
All directors and executive officers as a group (19 persons)	2,115,454(10)	8.8%

* = less than 1%

(1) Beneficial ownership generally means any person who, directly or indirectly, has or shares voting or investment power with respect to a security or has the right to acquire such power within 60 days. Shares of common stock subject to options, warrants or rights that are currently exercisable or exercisable within 60 days of January 9, 2015 are deemed outstanding for computing the ownership percentage of the person holding such options, warrants or rights, but are not deemed outstanding for computing the ownership percentage of any other person. The amounts and percentages are based upon 24,086,489 shares of our common stock outstanding as of January 9, 2015.

(2) Of the shares reported as beneficially owned, Blackrock, Inc. exercises (a) sole power to vote 2,579,692 shares, (b) shared power to vote 0 shares, (c) sole investment power over 2,690,958 shares, and (d) shared investment power over 0 shares. The total number of shares reported as beneficially owned is 2,690,958. BlackRock, Inc. is the parent holding company of the following investment operating subsidiaries that beneficially own shares: (i) BlackRock Advisors (UK) Limited; (ii) BlackRock Advisors, LLC; (iii) BlackRock Asset Management Canada Limited; (iv) BlackRock Asset Management Ireland Limited; (v) BlackRock Financial Management, Inc.; (vi) BlackRock Fund Advisors; (vii) BlackRock Institutional Trust Company, N.A.; (viii) BlackRock International Limited; (ix) BlackRock Investment Management (Australia) Limited; (x) BlackRock Investment Management (UK) Ltd; (xi) BlackRock Investment Management, LLC; (xii) BlackRock Japan Co Ltd; and (xiii) BlackRock Life Limited. The number of shares indicated is based on information reported in the Schedule 13G/A Holdings Report filed by Blackrock, Inc. on January 9, 2015.

(3) Of the shares reported as beneficially owned, Royce & Associates, LLC exercises (a) sole power to vote 1,921,484 shares, (b) shared power to vote 0 shares, (c) sole investment power over 1,921,484 shares, and (d) shared investment power over 0 shares. The total number of shares reported as beneficially owned is 1,921,484. Various accounts managed by Royce & Associates, LLC have the right to receive or power to direct the receipt of dividends from, or the proceeds of the sale of the shares. The number of shares indicated is based on information reported in the Schedule 13G/A Holdings Report filed by Royce & Associates, LLC on January 6, 2015.

(4) Of the shares reported as beneficially owned, Earnest Partners, LLC exercises (a) sole power to vote 743,086 shares, (b) shared power to vote 250,504 shares, (c) no power to vote 917,836 shares, (d) sole investment power over 1,911,426 shares, and (e) shared investment power over 0 shares. The total number of shares reported as beneficially owned is 1,911,426. The number of shares indicated is based on information reported in the Form 13F Holdings Report filed by Earnest Partners, LLC on November 14, 2014.

(5) Of the shares reported as beneficially owned, Riverbridge Partners LLC exercises (a) sole power to vote 1,483,332 shares, (b) shared power to vote 0 shares, (c) no power to vote 377,344 shares, (d) sole investment power over 1,860,676 shares, and (e) shared investment power over 0 shares. The total number of shares reported as beneficially owned is 1,860,676. This information is based on information reported in the Form 13F Holdings Report filed by Riverbridge Partners LLC on November 5, 2014.

(6) Of the shares reported as beneficially owned, Price (T.Rowe) Associates Inc exercises (a) sole power to vote 675,430 shares, (b) shared power to vote 0 shares, (c) no power to vote 1,105,946 shares, (d) sole investment power over 1,781,376 shares, and (e) shared investment power over 0 shares. The total number of shares reported as beneficially owned is 1,781,376. This information is based on information reported in the Form 13F Holdings Report filed by Price (T.Rowe) Associates Inc on November 14, 2014.

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(7) Of the shares reported as beneficially owned, The Vanguard Group, Inc. exercises (a) sole power to vote 34,414 shares, (b) shared power to vote 0 shares, (c) no power to vote 1,464,361 shares, (d) sole investment power over 1,465,861 shares, and (e) shared investment power over 32,914 shares. The total number of shares reported as beneficially owned is 1,498,775. The number of shares indicated is based on information reported in the Form 13F Holdings Report filed by The Vanguard Group, Inc. on November 12, 2014.

(8) Includes shares of our common stock that such person has the right to acquire pursuant to stock options granted pursuant to the Second Amended and Restated Cabot Microelectronics Corporation 2000 Equity Incentive Plan, As Amended and Restated September 23, 2008 (2000 Equity Incentive Plan), and pursuant to the Cabot Microelectronics Corporation 2012 Omnibus Incentive Plan (2012 Omnibus Incentive Plan), exercisable within 60 days of January 9, 2015, as follows:

Name	**Upon Exercise Shares Issuable**
Mr. Noglows	505,535
Mr. Li	26,056
Mr. Birgeneau	44,112
Mr. Frazee	61,520
Mr. Fuller	61,520
Mr. Hill	23,625
Ms. Klein	63,696
Mr. Mooney	52,816
Mr. Wilkinson	61,520
Mr. Xia	72,400
Mr. Johnson	168,115
Mr. Weisman	131,937
Dr. Naman	18,999

Also includes restricted shares of common stock awarded to such executive officer pursuant to the 2000 Equity Incentive Plan, on December 1, 2011, and pursuant to the 2012 Omnibus Incentive Plan on December 3, 2012, December 3, 2013 and December 3, 2014, respectively, that are still subject to restrictions as of January 9, 2015, as set forth in the table below. On December 1, 2011, December 3, 2012, December 3, 2013 and December 3, 2014 as part of our annual equity incentive award program, we awarded restricted shares to our executive officers with restrictions that lapse in equal increments upon each anniversary over four years, except that pursuant to his Executive Chairman employment letter, all unvested restricted stock held by Mr. Noglows will vest in full (1) at end of the employment term, subject to Mr. Noglows continued employment through the end of the employment term, or (2) upon the earlier termination of Mr. Noglows employment by us without cause or by Mr. Noglows due to a material breach by us of the employment letter subject to Mr. Noglows execution and non-revocation of a release of claims against us. On January 2, 2015 as part of Mr. Li s appointment as our President and Chief Executive Officer, we awarded 14,700 restricted shares to Mr. Li with restrictions that lapse in equal increments upon each anniversary of the award over four years. On January 2, 2015, related to the leadership transition, we awarded 22,222 restricted shares to Mr. Johnson with restrictions that lapse in equal increments upon each anniversary of the award over four years. The outstanding restricted stock awards are eligible to receive dividends and have voting rights.

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Name	Equity Incentive Program Restricted Shares 12/01/11	12/03/12	12/03/13	12/03/14	1/02/15
Mr. Noglows	5,500	12,500	18,750	44,400	
Mr. Li	1,450	3,000	4,425	5,200	14,700
Mr. Johnson	2,175	4,900	6,375	7,100	22,222
Mr. Weisman	1,725	3,950	5,400	5,800	
Dr. Naman	1,375	3,250	4,950	6,100	

Also includes both restricted shares of common stock that such executive officer has purchased at fair market value as deposit shares and for which the executive officer has been awarded a matching grant of award shares , pursuant to our Executive Officer Deposit Share Program, that are still subject to restrictions (with respect to award shares) or conditions (with respect to deposit shares) as of January 9, 2015 as set forth in the table below. Under this program, our executive officers are entitled to voluntarily use all or a portion of their after-tax annual cash bonus compensation to purchase at fair market value shares of restricted stock awarded under the 2012 Omnibus Incentive Plan, and before that, under the 2000 Equity Incentive Plan. These shares are retained on deposit with us until the third anniversary of the date of deposit (deposit shares), and our company matches the deposit with a restricted stock award equal to 50% of the shares deposited by the participant (award shares). If the participant is employed by our company on the third anniversary of the deposit date and the deposit shares have remained on deposit with us through such date, the restrictions on the award shares will lapse. Such executive officer has dividend and voting rights with respect to the restricted shares.

Name	Deposit Share Program Restricted Shares
Mr. Noglows	
Mr. Li	1,738
Mr. Johnson	1,967
Mr. Weisman	
Dr. Naman	

Also includes restricted stock units awarded to such non-employee director pursuant to the 2012 Omnibus Incentive Plan that are still subject to restrictions as of January 9, 2015, as set forth in the table below. For annual equity awards to non-employee directors, restricted stock units are currently awarded with restrictions that lapse in full upon the first anniversary of the award. Initial equity awards of restricted stock units to non-employee directors are currently made with restrictions that lapse in equal annual increments beginning on the date of the award, as with awards to our employees, including our executive officers. Outstanding restricted stock awards are eligible to receive dividends and have voting rights but may not be sold or transferred, other than to immediate family members as provided in the plan. Outstanding restricted stock unit awards have the same economic value as shares of common stock but do not receive dividends and may not be voted, sold or transferred, other than to immediate family members as provided in the plan.

Name	Non-Employee Director Restricted Stock Units
Mr. Birgeneau	2,000
Mr. Frazee	2,000
Mr. Fuller	2,000
Mr. Hill	2,625
Ms. Klein	2,000
Mr. Mooney	2,000
Mr. Wilkinson	2,000
Mr. Xia	2,000

Also includes phantom shares of our common stock that such non-employee director has the right to acquire pursuant to the Directors Deferred Compensation Plan as of January 9, 2015, as follows:

Name	Phantom Shares
Mr. Birgeneau*	
Mr. Frazee**	14,749
Mr. Fuller	35,938
Mr. Hill*	
Ms. Klein*	
Mr. Mooney**	9,807
Mr. Wilkinson**	16,641
Mr. Xia*	

* Messrs. Birgeneau, Hill and Xia and Ms. Klein are not participants in the Directors Deferred Compensation Plan.

** Messrs. Frazee and Wilkinson, as of January 1, 2008, and Mr. Mooney, as of January 1, 2009, elected to cease deferral of their compensation pursuant to the Directors Deferred Compensation Plan.

(9) On January 5, 2015, we announced that Mr. Weisman has announced his decision to resign from our company. The effective date of his resignation as Executive Vice President, Business Operations was December 31, 2014, and he will continue to perform transition responsibilities for us until he resigns his employment on April 1, 2015.

(10) Includes all individuals who were directors and executive officers as of January 9, 2015, and does not include individuals who ceased to be executive officers prior to such date, even if such individuals are otherwise named executive officers (e.g., Mr. Weisman). Includes 1,420,360 shares of our common stock that our directors and executive officers have the right to acquire pursuant to stock options exercisable within 60 days of January 9, 2015, 236,028 restricted shares of our common stock held by our executive officers still subject to restrictions as of January 9, 2015 (which include shares subject to restrictions or conditions pursuant to our Deposit Share Program), and 77,135 phantom shares of our common stock that our non-employee directors have the right to acquire pursuant to the Directors Deferred Compensation Plan as of January 9, 2015. Does not include 3,598 restricted covered appreciation rights and 1,299 restricted covered units to which a non-U.S. executive officer who is not a named executive officer has the right to receive a cash payment.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our directors, executive officers and holders of more than 10% of our common stock to file with the Securities and Exchange Commission reports regarding

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their ownership and changes in ownership of our common stock. Based solely on our review of the reports furnished to us, we believe that all of our directors and executive officers have complied with all Section 16(a) filing requirements for fiscal year 2014.

ELECTION OF DIRECTORS

Our board of directors is currently comprised of ten directors. The board of directors is divided into three classes: Class I, whose terms will expire at the annual meeting of stockholders to be held in 2016; Class II, whose terms will expire at the annual meeting of stockholders to be held in 2017; and Class III, whose terms will expire at the upcoming annual meeting of stockholders. Messrs. Fuller, Hill and Mooney are currently in Class I, Messrs. Birgeneau, Wilkinson and Xia are currently in Class II, and Messrs. Frazee, Li and Noglows and Ms. Klein are currently in Class III. Mr. Frazee has decided not to stand for re-election when his term expires at the upcoming annual meeting of stockholders, and therefore will cease to be a member of the board of directors as of such time. At such time, the board of directors will be comprised of nine directors, with three directors in Class III.

At each annual meeting of stockholders, the successors to directors whose terms will then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Our certificate of incorporation provides that the authorized number of directors may be changed only by resolution of the board of directors. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the total number of directors. Our certificate of incorporation also provides that our board of directors may fill any vacancy created by the resignation of a director or the increase in the size of our board of directors.

The board of directors has nominated and urges you to vote FOR the election of the three nominees named below for terms of office ending in 2018.

In the event a nominee is not available to serve for any reason when the election occurs, it is intended that the proxies will be voted for the election of the other nominees and may be voted for any substitute nominee. Our board of directors has no reason to believe that any of the nominees will not be a candidate or, if elected, will be unable or unwilling to serve as a director. In no event will the proxies be voted for a greater number of persons than the number of nominees named.

Our board of directors recommends that you vote FOR the election to the board of each of the nominees named below.

Nominees for Director for terms that expire in 2018:

Barbara A. Klein, 60, was elected a director of our company in April 2008. Ms. Klein also is a director of Ingredion, Inc. She retired in May 2008 as the Senior Vice President and Chief Financial Officer of CDW Corporation. Prior to that, Ms. Klein held a variety of senior finance positions including Vice President and Chief Financial Officer of Dean Foods Company, Vice President and Corporate Controller of Ameritech Corporation, and Vice President and Corporate Controller of Pillsbury Co. She is a certified public accountant. Ms. Klein received a B.S. in accounting and finance from Marquette University, and a M.B.A. from Loyola University. Based upon Ms. Klein s management and director experience and her accounting and finance background discussed above, the board has concluded Ms. Klein should serve as a director of our company.

David H. Li, 42, was elected a director of our company in January 2015. Mr. Li has served as our President and Chief Executive Officer since January 2015. From June, 2008 through December 2014, Mr. Li served as our Vice President of the Asia Pacific Region. Prior to that role, Mr. Li served in various leadership roles, including as our Managing Director of China and Korea, and our Global Business Director for Tungsten and Advanced Dielectrics. Prior to that, he held a variety of leadership positions in operations, sourcing and investor relations since joining us in 1998. Mr. Li received a B.S. in chemical engineering from Purdue University and an M.B.A.

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from Northwestern University. Based upon Mr. Li s management experience, his knowledge of our company, its operations and customers, his knowledge of the chemical and semiconductor industries, and his Asia-focused, cross-border business experience, the board has concluded Mr. Li should serve as a director of our company.

William P. Noglows, 56, has served as our Chairman since 2003 and our President and Chief Executive Officer from November 2003 through December 2014. Mr. Noglows also is a director of Aspen Aerogels, Inc. and Littlefuse, Inc. From 1984 through 2003, he served in various management positions at Cabot Corporation, culminating in serving as an executive vice president and general manager. While there, he was one of the primary founders of our company and was responsible for identifying and encouraging the development of the CMP application, which is the core of our business. Mr. Noglows had previously served as a director of our company from December 1999 until April 2002. Mr. Noglows received his B.S. in chemical engineering from the Georgia Institute of Technology. Based upon Mr. Noglows management experience, his knowledge of our company and its operations, and his knowledge of the chemical and semiconductor industries, the board has concluded Mr. Noglows should serve as a director of our company.

Directors whose terms continue until 2016:

H. Laurance Fuller, 76, was elected a director of our company in June 2002. Mr. Fuller retired from the position of Co-Chairman of BP Amoco, p.l.c. in 2000 after serving as Chairman and Chief Executive Officer of Amoco Corporation since 1991 and President since 1983. He also has served as director of various entities including Abbott Laboratories, J.P. Morgan Chase, Motorola, Inc. and Security Capital Group Incorporated. Mr. Fuller received his B.S. in chemical engineering from Cornell University. Based upon Mr. Fuller s management and director experience and his technical background discussed above, the board has concluded Mr. Fuller should serve as a director of our company.

Richard S. Hill, 63, was elected a director of our company in June 2012. Mr. Hill retired as the Chairman and Chief Executive Officer of Novellus Systems, Inc. in June 2012 after serving in these positions since 1996, and since 1993 as CEO upon his joining Novellus. Prior to leading Novellus, Mr. Hill held various senior leadership and management positions with Tektronix, Inc., General Electric, Inc., Motorola, Inc., and Hughes Aircraft, Inc. Mr. Hill also serves as a director of Arrow Electronics, Inc., Planar Systems, Inc., and Tessera Technologies, Inc. He received a B.S. in bioengineering from the University of Illinois and a M.B.A. from Syracuse University. Based upon Mr. Hill s management and director experience and his technical background discussed above, the board has concluded Mr. Hill should serve as a director of our company.

Edward J. Mooney, 73, was elected a director of our company in March 2005. He also serves as a director of FMC Technologies, Inc. and the Northern Trust Corporation, and has served on the boards of Commonwealth Edison, Inc., FMC Corporation and PolyOne Corporation. Mr. Mooney was the Delegue General-North America, Suez Lyonnaise des Eaux from March 2000 until his retirement in March 2001. From 1994 to 2000, he was Chairman and Chief Executive Officer of Nalco Chemical Company. Mr. Mooney received both a B.S. in chemical engineering and a J.D. from the University of Texas. Based upon Mr. Mooney s management and director experience and his knowledge of the chemical industry discussed above, the board has concluded Mr. Mooney should serve as a director of our company.

Directors whose terms continue until 2017:

Robert J. Birgeneau, 72, was elected a director of our company in March 2005. In June, 2014, he concluded his service as the Chancellor of the University of California, Berkeley, a position he had held since September 2004. He holds a faculty appointment in the departments of physics and materials science and engineering there. From July 2000 until assuming his position at Berkeley, Mr. Birgeneau served as the President of the University of Toronto. Prior to that, Mr. Birgeneau was the Dean of the School of Science at the Massachusetts Institute of Technology, and previously had been the chair of its physics department. Mr. Birgeneau received his B.S. in mathematics from the University of Toronto and his Ph.D. in physics from Yale University. Based upon Mr. Birgeneau s management experience and his science and technology background discussed above, the board has concluded Mr. Birgeneau should serve as a director of our company.

Steven V. Wilkinson, 73, was elected a director of our company in April 2000. He is also a director of Entergy Corporation. Mr. Wilkinson has been retired since 1998. Prior to retirement, he was a partner of Arthur Andersen LLP. During his tenure with Arthur Andersen LLP, Mr. Wilkinson served clients across many industries, including chemical, electric and gas distribution, telecommunications, steel and transportation. He is a certified public accountant. Mr. Wilkinson received his B.A. in economics from DePauw University and his M.B.A. from the University of Chicago. Based upon Mr. Wilkinson s management experience and his accounting and finance background discussed above, the board has concluded Mr. Wilkinson should continue to serve as a director of our company.

Bailing Xia, 59, was elected a director of our company in September 2007. He is the Chairman of Summer Leaf, Inc., a privately-held company, headquartered in Toronto, Canada, and has served in that role since 1996. He has been the Chief Representative in North America for China Central Television (CCTV) for education, science, technology, culture and health programs since 1994. In April 2007, Mr. Xia was appointed a Member of the Planning Committee of the China Development Bank. In February, 2010, Mr. Xia was appointed a Senior Advisor of China Certification & Inspection Group (CCIC). He also served as a director of Lingo Media International, Inc. Mr. Xia holds a degree in economics from Anhui University, and also graduated from the Sino-American Scientific Technology, Industry and Business Administration Program. Based upon Mr. Xia s management experience and his Asia-centric cross-border business experience, the board has concluded Mr. Xia should serve as a director of our company.

BOARD STRUCTURE AND COMPENSATION

Board of Directors and Board Committees

Our board of directors has a standing audit committee, a standing compensation committee and a standing nominating and corporate governance committee to assist the board of directors in the discharge of its responsibilities. Our board of directors has adopted the Cabot Microelectronics Corporation Corporate Governance Guidelines, which are available on our website, www.cabotcmp.com, along with other corporate governance materials, such as board of directors committee charters and our Code of Business Conduct. Pursuant to the Corporate Governance Guidelines, committee charters and other corporate governance materials and practices, our board of directors and audit committee periodically review and provide oversight of the management of various risk factors that are relevant to our company. Our board of directors also reviews annually the functioning of the board. During fiscal year 2014, our board of directors held 16 meetings and did not take action by written consent. Each of our directors attended at least 75% of all the meetings of the board and those committees on which he or she served during fiscal year 2014. With respect to our annual meeting of stockholders in fiscal year 2014, all of our directors attended. Since the end of fiscal year 2014, the board of directors has met seven times and took action by written consent twice. Stockholders and third parties may communicate with our board of directors through the Chairman of the Board, c/o the Secretary of our company at our offices at 870 North Commons Drive, Aurora, Illinois 60504.

Independent Directors and Leadership Structure. The board of directors has determined that seven of our nine directors (Mr. Frazee will cease to be a member of the board of directors following the upcoming annual meeting of stockholders and the size of the board will be reduced accordingly to nine directors), including Messrs. Birgeneau, Fuller, Hill, Mooney, Wilkinson, and Xia and Ms. Klein, are independent directors as defined in Rule 4200 of the National Association of Securities Dealers Automated Quotation (NASDAQ) Marketplace Rules and as defined in applicable rules by the SEC. In making its determinations of independence, in addition to consideration of the relevant SEC and NASDAQ rules (according to which the definition of independent director is set forth in our Corporate Governance Guidelines), the board of directors considered factors for each director such as any other directorships, any employment or consulting arrangements, and any relationship with our company s customers, suppliers or advisors. Our independent directors hold regularly scheduled meetings in executive session, at which only independent directors are present. As provided in our Corporate Governance Guidelines, the Chairman of the nominating and governance committee serves as chairman of the meetings of the independent directors in executive session and performs other responsibilities of a lead director such as working with the Chairman of the board of directors to plan and set the agenda for meetings of the board of directors. Following the upcoming annual meeting of stockholders, our board of directors will appoint committees and chairmanships, pursuant to its usual practice, and our board of directors will appoint another independent director to replace Mr. Frazee as the Chairman of the nominating and governance committee, and such Chairman will serve as chairman of the meetings of the independent directors in executive session. Mr. Noglows is the Chairman of the board of directors and prior to January 1, 2015, also was the President and Chief Executive Officer of our company. The board of directors believed that this leadership structure was appropriate at the time for our company given the size and scope of our business, the experience and active involvement of our independent directors, and our corporate governance practices, which include regular communication with and interaction between and among Mr. Noglows and the independent directors. The board believed that this approach served to provide for the board s role in corporate governance and guiding corporate policy in an efficient manner. Effective January 1, 2015, Mr. Li became our President and Chief Executive Officer, and Mr. Noglows has continued as Chairman of the Board. Thus, from and after January 1, 2015, our company has a separate Chairman of the Board of directors (Mr. Noglows) and a separate President and Chief Executive Officer (Mr. Li), an approach that our board believes is appropriate while Mr. Noglows as Chairman and Mr. Li as Chief Executive Officer work to ensure a smooth leadership transition for our company. Stockholders and third parties may communicate with our independent directors through the Chairman of the nominating and corporate governance committee, c/o the Secretary of our company at our offices at 870 North Commons Drive, Aurora, Illinois 60504. During fiscal year 2014, our independent directors met in executive session ten times. Since fiscal year end, our independent directors have met in executive session six times.

Audit Committee. The functions of the audit committee include selecting, appointing, retaining, compensating and overseeing our independent auditors, deciding upon and approving in advance the scope of audit and non-audit assignments and related fees, reviewing accounting principles we use in financial reporting, and reviewing the adequacy of our internal control procedures, including the internal audit function. The members of the audit committee are currently Messrs. Frazee, Hill and Wilkinson and Ms. Klein (Chair); Mr. Frazee will cease to be a member when he ceases to be a director as of the upcoming annual meeting. Each of these audit committee members during fiscal year 2014 and currently:

- is an independent director as defined in Rule 4200(a)(15) of the NASDAQ Marketplace Rules;
- meets the criteria for independence as required by applicable rules adopted by the SEC;
- has not participated in the preparation of our financial statements or the financial statements of any of our current subsidiaries at any time during the past three years; and
- is able to read and understand fundamental financial statements.

Our board of directors has determined that the audit committee has at least one member who qualifies as an Audit Committee Financial Expert, as defined by relevant SEC rules, and has designated Ms. Klein, the Chair of the committee, as such Audit Committee Financial Expert. As previously stated, Ms. Klein is an independent director. The audit committee operates under a written charter, a current copy of which is attached to this proxy statement as Appendix A and is available on our website, www.cabotcmp.com. The audit committee reviews and reassesses the adequacy of the audit committee charter on an annual basis. The audit committee has established procedures for the receipt, retention, and treatment of complaints received regarding accounting, internal accounting controls or auditing matters, as well as for the pre-approval of services provided by our independent auditors, both of which are also available on our website, www.cabotcmp.com. A current copy of the procedures for the pre-approval of services provided by our independent auditors is attached to this proxy statement as Appendix B. As set forth in the audit committee charter, the audit committee is also responsible for the review and approval of any related party transaction in advance of the company entering into any such transaction; since April 2002, we have not been engaged in any related party transactions and none have been proposed to the audit committee for consideration. The audit committee met eight times during fiscal year 2014 and did not take action by written consent, and has met twice since fiscal year end with respect to the audit of our fiscal year 2014

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financial statements and related matters and has not taken action by written consent. In fulfillment of the audit committee s responsibilities for fiscal year 2014, Ms. Klein, the audit committee Chair, reviewed our Annual Report on Form 10-K for the fiscal year ended September 30, 2014 (as did the other members of the committee and board of directors), and our Quarterly Reports on Form 10-Q before we filed them, and Ms. Klein and other members of the committee also reviewed quarterly earnings announcements and related matters before we released them.

Compensation Committee. The functions of the compensation committee include reviewing and approving the compensation and benefits for our employees, evaluating and deciding upon the compensation of our chief executive officer, evaluating and deciding upon the compensation of our other executive officers, which is done following consultation with our chief executive officer, monitoring the administration of our employee benefit plans, authorizing and ratifying stock option grants, restricted stock and restricted stock unit awards, other equity awards and other incentive arrangements, and authorizing employment and related agreements. Our chief executive officer is neither present for voting or deliberation on, nor votes upon decisions relating to, his compensation. In addition, our chief executive officer does not vote upon decisions related to the compensation of our other executive officers. Also, our vice president of human resources and her staff support the compensation committee in its work by providing input and recommendations on the overall mix and forms of executive compensation as directed by the compensation committee. Our vice president of human resources and human resources staff do not make decisions regarding the amount of compensation for our named executive officers or other executive officers.

The compensation committee has engaged the services of a compensation consultant, W.T. Haigh & Company, Inc. (W.T. Haigh), which reports directly to the committee. The consultant has been engaged to advise the committee on executive compensation and equity incentive matters and trends and to perform benchmark comparison analysis of compensation practices of peer companies. From time to time, and as part of the committee s ongoing and annual reviews of executive officer compensation matters, the consultant recommends specific ranges of compensation for our executive officers, including our named executive officers, based on information provided by the committee regarding different performance scenarios and desired market placement. The consultant also advises the nominating and corporate governance committee on non-employee director compensation matters. The consultant provides no other services to our company. The compensation committee also has reviewed the independence of the consultant in light of SEC rules and NASDAQ listing standards regarding compensation consultants and has concluded that the consultant s work for the committee and for the nominating and corporate governance committee is independent and does not raise any conflict of interest.

The members of the compensation committee are Messrs. Birgeneau, Fuller (Chairman), Hill, Mooney and Xia, each of whom was during fiscal year 2014 and is now an independent director as defined in Rule 4200(a)(15) of the NASDAQ Marketplace Rules and as defined in applicable rules adopted by the SEC. Further, the members of the compensation committee each satisfy the enhanced eligibility requirements applicable to compensation committee members of listed companies set forth in newly approved NASDAQ listing standards. The compensation committee operates under a written charter that addresses compensation matters, a current copy of which is available on our website, www.cabotcmp.com. The compensation committee reviews and reassesses the adequacy of the compensation committee charter (including under NASDAQ listing standards) on an annual basis. The compensation committee met six times during fiscal year 2014 and did not take action by written consent, and has met four times since the fiscal year end with respect to 2014 annual bonuses, salary increases, stock option grants and restricted stock awards, and other matters, and took action by written consent twice.

Nominating and Corporate Governance Committee. The functions of the nominating and corporate governance committee include reviewing and recommending a slate of nominees for the election of directors, recommending changes in the number, classification and term of directors, reviewing nominations by stockholders with regard to the nomination process, reviewing and recommending compensation and other matters for our non-employee directors, and attending to general corporate governance matters. The members of

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the nominating and corporate governance committee are currently Messrs. Frazee (Chairman), Fuller and Wilkinson and Ms. Klein, each of whom was during fiscal year 2014 and is now an independent director as defined in Rule 4200(a)(15) of the NASDAQ Marketplace Rules and as defined in applicable rules adopted by the SEC. Mr. Frazee will cease to be a member when he ceases to be a director as of the upcoming annual meeting; as of such time, another independent director will become a member of the nominating and corporate governance committee and serve as its chairman. The nominating and corporate governance committee operates under a formal charter that addresses the nominations process and such related matters as may be required under the federal securities laws and NASDAQ listing requirements, a current copy of which is available on our website, www.cabotcmp.com. The nominating and corporate governance committee reviews and reassesses the adequacy of the nominating and corporate governance charter on an annual basis. The nominating and corporate governance committee met three times during fiscal year 2014, did not take action by written consent, and has met three times since fiscal year end and took action by written consent once. The nominating and corporate governance committee acted unanimously to recommend the nomination of the Class III director nominees to the board of directors, subject to stockholder approval, as discussed in ELECTION OF DIRECTORS, above.

Criteria for Nominating Directors

The nominating and corporate governance committee considers candidates to fill new directorships created by expansion and vacancies that may occur and makes recommendations to the board of directors with respect to such candidates. The nominating and corporate governance committee considers suggestions from many sources regarding possible candidates for director and will consider nominees recommended by stockholders. Any such stockholder nominations, together with appropriate biographical information, should be submitted to the Chairman of the nominating and corporate governance committee, c/o the Secretary of our company at our offices at 870 North Commons Drive, Aurora, Illinois 60504. To be included in the proxy statement, such nomination must be received by the Secretary of our company not later than the 120th day prior to the first anniversary of the date of the preceding year s proxy statement.

In fiscal year 2014, we did not pay a fee to any third party to identify or evaluate potential director nominees; however, in the future we may pay a fee to a third party to identify or evaluate potential director nominees if the need arises, given the important role our directors play in guiding our strategic direction and overseeing the management of our company.

Board candidates are selected based upon various criteria including their character and reputation, relevant business experience and acumen, and relevant educational background. Some of the factors that are considered in evaluating candidates for the board of directors include experience in areas such as technology, manufacturing, marketing, finance, strategy, international business, and academia, as well as geographic, cultural, experiential and other forms of diversity. The nominating and corporate governance committee and board of directors review these factors, including diversity, in considering candidates for board membership. Board members are expected to prepare for, attend and participate in all board of directors and applicable committee meetings, and our annual meetings of stockholders. The nominating and corporate governance committee considers a director s past attendance record, participation and contribution to the board of directors in considering whether to recommend the reelection of such director.

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Compensation of Directors

The following table shows information concerning the compensation that the company s non-employee directors earned during the last completed fiscal year ended September 30, 2014. A director who is also our employee receives no additional compensation for his or her services as a director.

2014 Director Compensation

Name	Fees Earned or Paid in Cash ($)[1]	Stock Awards ($)[2]	Options Awards ($)[2]	All Other Compensation ($)	Total ($)
Robert J. Birgeneau	70,000	89,600	99,591		259,191
John P. Frazee, Jr.	97,500	89,600	99,591		286,691
H. Laurance Fuller	95,000	89,600	99,591		284,191
Richard S. Hill	82,500	89,600	99,591		271,691
Barbara A. Klein	101,250	89,600	99,591		290,441
Edward J. Mooney	70,000	89,600	99,591		259,191
Steven V. Wilkinson	88,750	89,600	99,591		277,941
Bailing Xia	70,000	89,600	99,591		259,191

1 Includes an annual retainer fee and committee fee, earned quarterly, and, as applicable, committee chairperson annual retainer fees, earned annually, each as discussed in more detail below. Dollar amounts are comprised as follows:

Name	Annual Retainer Fee	Committee Membership Fees	Committee Chair Fee
Mr. Birgeneau	$ 60,000	$ 10,000	
Mr. Frazee, Jr.*	$ 60,000	$ 22,500	$ 15,000
Mr. Fuller**	$ 60,000	$ 20,000	$ 15,000
Mr. Hill	$ 60,000	$ 22,500	
Ms. Klein***	$ 60,000	$ 22,500	$ 18,750
Mr. Mooney	$ 60,000	$ 10,000	
Mr. Wilkinson***	$ 60,000	$ 22,500	$ 6,250
Mr. Xia	$ 60,000	$ 10,000	

* Nominating and corporate governance committee chairman

** Compensation committee chairman

*** Audit committee chair (Mr. Wilkinson served until the 2014 annual meeting of stockholders in March 2014 and Ms. Klein has served since such time)

[2] The amounts in the column headed Stock Awards represent the aggregate award date fair value of awards made in fiscal year 2014 computed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718, Stock Compensation (ASC 718). For these restricted stock unit awards, the fair value is equal to the underlying value of the stock and is calculated using the closing price of our common stock on the award date. The actual value realized by a non-employee director related to restricted stock unit awards will depend on the market value of our common stock on the date the underlying stock is sold following vesting of the awards.

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The amounts in the column headed Option Awards represent the aggregate grant date fair value of grants in fiscal year 2014 computed in accordance with ASC 718 (see Note 11 of Notes to Consolidated Financial Statements included in Item 8 of Part II of our Annual Report on Form 10-K for fiscal year 2014 for a description of the assumptions used in that computation). The actual value realized by a non-employee director related to option awards will depend on the difference between the market value of our common stock on the date the option is exercised and the exercise price of the option.

The award date fair market value computed in accordance with ASC 718, excluding the impact of estimated forfeitures for service-based vesting conditions, of each Stock Award awarded to our non-employee directors during fiscal year 2014 is as follows:

Name	Award Date	Number of Restricted Stock Units	Award Date Fair Value ($)
Mr. Birgeneau	3/4/14	2,000	89,600
Mr. Frazee	3/4/14	2,000	89,600
Mr. Fuller	3/4/14	2,000	89,600
Mr. Hill	3/4/14	2,000	89,600
Ms. Klein	3/4/14	2,000	89,600
Mr. Mooney	3/4/14	2,000	89,600
Mr. Wilkinson	3/4/14	2,000	89,600
Mr. Xia	3/4/14	2,000	89,600

The grant date fair market value computed in accordance with ASC 718 (such amount is included in the amounts under Option Awards in the 2014 Director Compensation Table), and the grant date fair market value computed in accordance with SFAS 123R, excluding the impact of estimated forfeitures for service-based vesting conditions, of each Option Award granted to our non-employee directors during fiscal year 2014 is as follows:

Name	Grant Date	Number of Options	Grant Date Fair Value ($)
Mr. Birgeneau	3/4/14	6,000	99,591
Mr. Frazee	3/4/14	6,000	99,591
Mr. Fuller	3/4/14	6,000	99,591
Mr. Hill	3/4/14	6,000	99,591
Ms. Klein	3/4/14	6,000	99,591
Mr. Mooney	3/4/14	6,000	99,591
Mr. Wilkinson	3/4/14	6,000	99,591
Mr. Xia	3/4/14	6,000	99,591

During fiscal year 2014, no awards to any of our non-employee directors were modified or cancelled (forfeited).

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The aggregate number of stock awards and the aggregate number of stock option awards for each non-employee director that were outstanding as of the end of fiscal year 2014 are as follows:

	Aggregate Number of Awards Outstanding as of September 30, 2014	
Name	**Stock Awards***	**Option Awards**
Mr. Birgeneau	2,000	52,816
Mr. Frazee	2,000	76,026
Mr. Fuller	2,000	61,520
Mr. Hill	2,625	25,500
Ms. Klein	2,000	63,696
Mr. Mooney	2,000	52,816
Mr. Wilkinson	2,000	61,520
Mr. Xia	2,000	72,400

* Restricted Stock Units.

Our non-employee directors received an aggregate of 48,000 stock options and 16,000 restricted stock units in fiscal year 2014.

As provided in our Corporate Governance Guidelines and the nominating and corporate governance committee charter, the nominating and corporate governance committee is responsible for reviewing and recommending to the board of directors compensation (cash and equity) for non-employee directors. The committee does this through review of director compensation benchmark information and analysis provided by W.T. Haigh, director compensation consultant to the committee.

As a result of such review following the close of fiscal year 2010, and confirmed pursuant to an additional review following the close of fiscal year 2013, effective March 2011 at the time of our annual meeting, the board of directors, upon the recommendation of the nominating and corporate governance committee, approved certain changes to the compensation program for non-employee directors, as summarized below, and since then, non-employee directors have been eligible for the following compensation:

Description of Director Compensation Effective March 2011	**Amount**
Annual Retainer Fee*	$60,000
Committee Membership Fee*:	
Audit committee member	$12,500
Compensation committee member	$10,000
Nominating and corporate governance committee member	$10,000
Committee Chair Annual Retainer Fees*:	
Audit committee chairperson	$25,000
Compensation committee chairperson	$15,000
Nominating and corporate governance committee chairperson	$15,000
No Standing Committee or Board Meeting Fees**	
Annual Non-qualified Stock Option Grant***	6,000 options
Annual Restricted Stock Unit Award***	2,000 units
Initial Non-qualified Stock Option Grant****	7,500 options
Initial Restricted Stock Unit Award****	2,500 units

* Paid quarterly beginning with the quarter end following each the effective date of appointment, and subsequently, beginning with the quarter end following our annual meeting.

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** To the extent a special committee is established by board of directors to address a unique matter, committee meeting fee of $1,500 will be provided.

*** Made at the time of our annual meeting, with 100% vesting occurring on the first anniversary of the grant/award date.

**** Made as of the effective date of appointment to the board of directors, with vesting occurring 25% immediately on the grant/award date, and 25% per year on the next three anniversaries of the grant/award date.

Upon a non-employee director s termination of service as a director of the company for reason of Death, Disability or a Change in Control, as defined in the 2000 Equity Incentive Plan, the 2012 Omnibus Incentive Plan and/or an award agreement, the grant or award will be fully vested. In addition, if at the time of termination of service for any reason other than by reason of Cause, Death, Disability or a Change in Control, as defined in the 2000 Equity Incentive Plan, the 2012 Omnibus Incentive Plan and/or an award agreement, the non-employee director has completed at least two full terms as a director, as defined in our bylaws, the grant or award will be fully vested.

Under our Directors Cash Compensation Umbrella Program, which only applies to non-employee directors and is filed as an exhibit to our Annual Report on Form 10-K filed with the SEC on December 10, 2003, each non-employee director may choose to receive his compensation either in cash, in fully vested restricted stock under our 2012 Omnibus Incentive Plan (and formerly under our 2000 Equity Incentive Plan) (as of the date the fees are earned, the fees would be converted into the equivalent number of fully vested restricted shares, which would be beneficially owned and reported on Form 4 filings), or as deferred compensation under our Directors Deferred Compensation Plan, as amended September 23, 2008, which first became effective in March 2001, and is filed as an exhibit to our Annual Report on Form 10-K filed with the SEC on November 25, 2008. At present, non-employee directors receive their annual retainer and committee chair and member fees on a quarterly basis. Non-employee directors also are eligible for reimbursement of travel and other out-of-pocket costs incurred in attending meetings. Non-employee directors are not eligible for any other compensation arrangement.

Prior to January 1, 2008, Messrs. Frazee, Fuller, Mooney, and Wilkinson had each elected to defer his compensation to future periods under the Directors Deferred Compensation Plan. Messrs. Frazee and Wilkinson, as of January 1, 2008, and Mr. Mooney, as of January 1, 2009, each elected to no longer defer his compensation under the plan. Under the Directors Deferred Compensation Plan, deferred amounts are payable only in the form of our common shares. A participating director is required to elect a date on which deferred compensation will begin to be distributed, which date generally must be at least two years after the end of the year deferrals are made and no later than the date of termination. As of the date the compensation is earned, the fees are converted into the right to acquire the equivalent number of shares of common stock at the end of the deferral period. These rights to acquire shares under the Directors Deferred Compensation Plan are reported as beneficially owned on Form 4 filings for each participating director. As of January 9, 2015, an aggregate of approximately $1,965,790 of directors compensation was deferred under the plan, and as of September 30, 2014, the amount was $1,942,040.

Compensation Committee Interlocks and Insider Participation

None of the current or former members of the compensation committee are or have been our employees.

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FEES OF INDEPENDENT AUDITORS AND AUDIT COMMITTEE REPORT

Fees Billed by Independent Auditors

During fiscal years 2014 and 2013, the audit committee pre-approved 100% of all audit and non-audit services provided by our independent auditors, PricewaterhouseCoopers LLP, an independent registered public accounting firm. For such pre-approval of services, the audit committee follows its policy for the pre-approval of services provided by our independent auditors, a current copy of which is attached to this proxy statement as Appendix B and also is available on our web-site, www.cabotcmp.com. The following table presents fees for audit services rendered by PricewaterhouseCoopers LLP for the audit of our annual financial statements for the fiscal year ended September 30, 2014, and September 30, 2013, and fees billed for other services rendered by PricewaterhouseCoopers LLP during those periods.

Fees	Fiscal Year Ended September 30, 2014 ($)	Fiscal Year Ended September 30, 2013 ($)
Audit Fees(1)	1,845,545	1,544,009
Audit-Related Fees(2)		
Tax Fees(3)	788,061	493,743
All Other Fees(4)	4,500	4,500
Total	2,638,106	2,042,252

(1) Audit Fees include fees for professional services rendered by PricewaterhouseCoopers LLP for the audit of our annual financial statements and internal control over financial reporting and review of financial statements included in our Form 10-Q and for services that normally would be provided by PricewaterhouseCoopers LLP in connection with statutory and regulatory filings or engagements. In addition to including fees for services necessary to perform an audit or review in accordance with generally accepted auditing standards, this category also may include services that generally only PricewaterhouseCoopers LLP reasonably can provide, such as comfort letters, statutory audits, attest services, consents and assistance with and review of documents filed with the SEC.

(2) Audit-Related Fees include assurance and related services traditionally performed by PricewaterhouseCoopers LLP that are reasonably related to the performance of the audit or review of our financial statements and not reported under the Audit Fee heading, including any employee benefit plan audits, due diligence related to mergers and acquisitions, accounting consultations and audits in connection with acquisitions, internal control reviews, attest services that are not required by statute or regulation and consultation concerning financial accounting and reporting standards. For fiscal years 2014 and 2013, PricewaterhouseCoopers LLP did not provide any Audit-Related Services to us.

(3) Tax Fees include all services performed by professional staff in PricewaterhouseCoopers LLP s and its foreign affiliates tax divisions except those services related to the audit, and include fees for tax compliance, tax planning, and tax advice. Tax compliance generally involves preparation of original and amended tax returns, and claims for refund. Tax planning and tax advice encompass a diverse range of services, including assistance with tax audits and appeals, tax advice related to mergers and acquisitions, employee benefit plans and requests for rulings or technical advice from taxing authorities. For fiscal year 2014, out of Tax Fees of $788,061, which included non-recurring fees related to tax planning services, $258,064 was for tax compliance services. For fiscal year 2013, $352,700 out of the total $493,743 for Tax Fees was for tax compliance services.

(4) All Other Fees include fees for fiscal years 2014 and 2013 for access to on-line accounting research software tools.

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Report of the Audit Committee

The following report of the audit committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other of our filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent we specifically incorporate this report by reference therein.

The audit committee of the board of directors is responsible for providing independent, objective oversight of our accounting and system of internal controls, the quality and integrity of our financial reports, and the independence and the selection, appointment, retention, compensation and oversight of the performance of our independent auditors. The audit committee is composed of independent directors and operates under a written charter, a current copy of which is attached to this proxy statement as Appendix A and is available on our website, www.cabotcmp.com. The audit committee reviews and reassesses the adequacy of the audit committee charter on an annual basis. Our board of directors has determined that the audit committee has at least one member who qualifies as an Audit Committee Financial Expert, as defined by relevant Securities and Exchange Commission (SEC) rules, and has designated Ms. Klein, the Chair of the committee, as such Audit Committee Financial Expert.

Management is responsible for our internal controls and the financial reporting process. The independent auditors are responsible for performing an independent audit of our financial statements in accordance with generally accepted auditing standards and issuing a report on those financial statements. The audit committee monitors and oversees these processes.

In this context, the audit committee reviewed and discussed the audited financial statements for fiscal year 2014 with management and with the independent auditors. Specifically, the audit committee has discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 16 (Communications with Audit Committees), which include, among other things:

- methods used to account for any significant and unusual transactions;
- the effect of any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;
- the process used by management in formulating any particularly sensitive accounting estimates and the basis for the independent auditors conclusions regarding the reasonableness of those estimates; and
- any disagreements with management over the application of accounting principles, the basis for management s accounting estimates, and the disclosures in the financial statements.

The audit committee believes strongly in the principles underlying the requirement that independent auditors maintain their independence in strict compliance with applicable independence rules. The audit committee has received the written disclosures and the letter from the independent auditors required by the Public Company Accounting Oversight Board regarding the independent accountant s communications with the audit committee concerning independence, and has discussed with the independent auditors the issue of the independent auditors independence from the company and management. In addition, in accordance with the SEC s auditor independence requirements, the audit committee has considered whether the independent auditors provision of non-audit services to the company is compatible with maintaining the independence of the independent auditors and has concluded that it is.

Based on its review of the audited financial statements and the various discussions noted above, the audit committee recommended to the board of directors that the audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2014.

Respectfully submitted by the audit committee,

John P. Frazee, Jr.

Richard S. Hill

Barbara A. Klein, Chair

Steven V. Wilkinson

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COMPENSATION DISCUSSION AND ANALYSIS

In this section, we discuss and analyze our executive officer compensation program and how we compensated each of our named executive officers identified in the following table in fiscal year 2014. The individuals listed include our chief executive officer, chief financial officer and our three other most highly compensated executive officers based on total compensation.

Name	Title
William P. Noglows	Chairman of the Board, President and Chief Executive Officer
William S. Johnson	Executive Vice President and Chief Financial Officer
Adam F. Weisman	Executive Vice President, Business Operations
Ananth Naman	Vice President, Research and Development
David H. Li	Vice President, Asia Pacific Region

Chief Executive Officer Transition

On December 16, 2014, we announced that after more than eleven years of Mr. Noglows serving as our Chairman of the Board of Directors, President and Chief Executive Officer, effective January 1, 2015, David H. Li, previously our Vice President, Asia Pacific Region, would succeed him as our President and Chief Executive Officer, with Mr. Noglows continuing to serve as Executive Chairman of the Board, consistent with our board of directors long-term planning for a seamless transition of executive leadership. Also, effective as of January 1, 2015, Mr. Li was elected as a member of the board of directors. Related to this transition, on December 12, 2014, we entered into an employment letter with Mr. Noglows that provides for the continuation of his employment with our company until December 31, 2015, or such other date that may be mutually agreed upon by us and Mr. Noglows, in the role of Executive Chairman of the Board of Directors. Under this employment letter, which replaces the original one entered into with Mr. Noglows on November 2, 2003 upon his employment with us, Mr. Noglows remains an employee and member of the board of directors. In consideration of Mr. Noglows continuing to serve as our Executive Chairman of the Board of Directors and of the other terms of the employment letter, Mr. Noglows base salary was reduced to $500,000 and his target bonus under our Annual Incentive Program continues to be 100% of his base salary. Except in connection with a change of control of our company, as set forth in Mr. Noglows Change in Control Severance Protection Agreement previously entered into in 2008, (i) in the event that Mr. Noglows employment is terminated by us without cause or by Mr. Noglows due to a material breach by us of the employment letter, Mr. Noglows would receive a lump-sum cash payment equal to the base salary he would have received had he continued to be employed for the remainder of his employment term as Executive Chairman, and (ii) in the event that Mr. Noglows employment is terminated by us without cause, Mr. Noglows would receive a pro-rata bonus under the Annual Incentive Program. Receipt of severance under the employment letter is subject to Mr. Noglows execution and non-revocation of a release of claims against us. Mr. Noglows will continue to be eligible to participate in all employee benefit plans, programs and arrangements applicable to employees and executive officers of our company, and to those that applied to him prior to January 1, 2015. All unvested stock options and restricted stock held by Mr. Noglows will vest in full (1) at end of the employment term, subject to Mr. Noglows continued employment through the end of the employment term, or (2) upon the earlier termination of Mr. Noglows employment by our company without cause or by Mr. Noglows due to a material breach by our company of the employment letter subject to Mr. Noglows execution and non-revocation of a release of claims against our company.

On December 12, 2014, we entered into an employment letter with Mr. Li setting forth the material terms of Mr. Li s employment as our President and Chief Executive Officer as of January 1, 2015. Pursuant to the employment letter, Mr. Li s initial base salary is now $550,000, and his target bonus under our Annual Incentive Program is now 100% of his base salary. Mr. Li also received a non-qualified stock option grant covering 38,500 shares of our common stock and an award of 14,700 restricted shares of our common stock, each with an award date of January 2, 2015. The option and restricted shares are scheduled to vest upon each anniversary in 25% increments over four years, subject to Mr. Li s continued service, and the options have an exercise price equal to $46.82, the closing price of our common stock on January 2, 2015.

Except in connection with a change of control of our company, as set forth in Mr. Li s Change in Control Severance Protection Agreement previously entered into in 2008, in the event that Mr. Li s employment is terminated by us without cause or by Mr. Li due to a material breach by us of the employment letter, (1) Mr. Li would be entitled to vesting of stock options and restricted shares held by him, including those described above, to the extent that such awards would have otherwise vested in accordance with their terms during the twelve-month period following the date of termination, (2) Mr. Li would continue to receive his base salary for twelve months and (3) to the extent applicable, we would maintain for 60 days the lease for Mr. Li s Shanghai housing if such lease is then in effect. Receipt of severance and the accelerated vesting described above is subject to Mr. Li s execution and non-revocation of a release of claims against us.

In the event of a termination of Mr. Li s employment in connection with a change of control of our company, Mr. Li s rights are set forth in his existing change in control agreement, and as of January 1, 2015, the severance amount multiple pursuant thereto is three times, and the benefits continuation period is 36 months.

Mr. Li is eligible to participate in all employee benefit plans, programs and arrangements applicable to our employees and executive officers. Due to the significant amount of time Mr. Li is expected to spend in Asia and the United States, Mr. Li is also entitled to the continued provision of a car and driver in China on the same basis as applied prior to January 1, 2015, a housing allowance of up to $100,000 per year to be used for housing expenses in Shanghai, China and Aurora, Illinois, and a tax equalization benefit, on the same basis as applied prior to January 1, 2015.

Fiscal Year 2014 Executive Compensation Summary

Our executive compensation program is structured to align our named executive officers interests with those of our stockholders, by linking compensation to business objectives and performance, and to attract and retain talented executives. In general, our executive officers, including William P. Noglows, our Chairman, President and Chief Executive Officer during fiscal year 2014, and our other named executive officers, are eligible for, and participate in, our compensation and benefits programs according to the same general terms as those available to all of our employees. Our executive compensation program is administered by the compensation committee of our board of directors, which is composed solely of independent directors. The key elements of our executive compensation program are base salary, annual cash bonuses and long-term equity incentives. The compensation committee is responsible for determining the level of compensation paid to our named executive officers and our other executive officers. The compensation committee targets compensation levels that take into account current market practices and believes that offering market-comparable pay opportunities allows our company to maintain a stable, successful executive team.

Our company delivered solid results in fiscal year 2014 as a result of the efforts of our global workforce, led by Mr. Noglows and our other executive officers, including our named executive officers. Highlights included an increase in overall revenue from our integrated circuit (IC) CMP consumables products, which is the core of our business, from fiscal year 2013, and record revenue in our Pads, Aluminum and Advanced Dielectrics product areas, as well as growth in our Tungsten product area, accentuated by our receipt of seven supplier excellence awards. However, our overall financial results decreased from the strong results of fiscal year 2013 with respect to revenue, gross profit margin, net income and earnings per share, as a result of a variety of factors, including soft semiconductor industry conditions in the first half of the fiscal year, and lower revenue in our QED Technologies and Data Storage product areas. For fiscal year 2014, we reported annual revenue of $424.7 million, gross profit margin of 47.8 percent of revenue, annual net income of $50.8 million, and earnings per share of $2.04. Despite the decline in our financial results for fiscal year 2014, we believe our overall results reflect our continued successful execution of the company s long-term strategic initiatives, such as our renewed focus on greater technological collaboration with customers, enhanced innovation of products for leading-edge applications, and supply chain excellence.

The company s performance in most areas did not meet the company s fiscal year 2014 performance goals that were established by the compensation committee of our board of directors. The fiscal year 2014 performance goals that were not met were financial goals that included revenue, gross profit margin, and earnings per share; the 2014 performance goal that was exceeded was a nonfinancial goal related to certain growth objectives. As described in greater detail below, because of our company s overall performance with respect to our fiscal year 2014 performance goals, based on the methodology for determining awards under our Annual Incentive Program, our employees earned annual cash bonuses under the Annual Incentive Program that resulted in smaller annual cash bonuses than in fiscal year 2013, based on the strong performance in fiscal year 2013 that had met or exceeded more of our fiscal year 2013 performance goals as compared with performance against the goals for fiscal year 2014. Using a similar methodology, the compensation committee, in evaluating the performance of our company in fiscal year 2014 against our fiscal year 2014 performance goals, determined awards to be made under the Annual Incentive Program to our executive officers, including Mr. Noglows and our other named executive officers, which resulted in smaller annual cash bonuses being earned by them as compared with fiscal year 2013. Following the end of fiscal year 2014, the compensation committee awarded annual long term equity incentives under our 2012 Omnibus Incentive Plan that reflected a methodology and terms and conditions generally consistent with annual award cycles of the past few years, but with values somewhat reduced to be more aligned with the lower end of the target range for comparable benchmark positions, as described more fully below. With respect to base salaries, following the end of fiscal year 2013, after two years of slight to modest increases to the base salaries of our named executive officers awarded by the compensation committee consistent with the company s strategy to maintain base salaries in line with market comparables, for 2014, in consideration of market comparables and the additional responsibilities assumed during fiscal year 2013 by each of Mr. Johnson and Mr. Weisman, who were named executive vice presidents, and market comparables for Dr. Naman and Mr. Li, the compensation committee elected to award Mr. Johnson, Mr. Weisman, Dr. Naman and Mr. Li base salary increases of 4.8%, 6.1%, 10% and 5%, respectively; the compensation committee awarded Mr. Noglows a base salary increase of 5.6% based on market comparables. Following the end of fiscal year 2014, for 2015, in consideration of market comparables, the compensation committee did not award any increase to the base salaries of Mr. Noglows, Mr. Johnson, Mr. Weisman, and Mr. Li; the compensation committee awarded Dr. Naman a base salary increase of 3.4% in consideration of market comparables. In November 2014, the compensation committee established performance goals for our company for fiscal year 2015. As described above in consideration of the change in respective responsibilities, effective January 1, 2015 the compensation committee increased Mr. Li s base salary from $336,000 to $550,000 in consideration of his promotion to President and Chief Executive Officer of our company, and decreased Mr. Noglows salary from $640,000 to $500,000 to reflect his continuing service as only our Executive Chairman of the board of directors as of such date.

Overview

General. Our executive compensation program is administered by the compensation committee of our board of directors, which is composed solely of independent directors. The compensation committee is responsible for determining the level of compensation paid to our named executive officers and our other executive officers, including determining awards under and administering the 2012 Omnibus Incentive Plan, and its predecessor, the 2000 Equity Incentive Plan. The compensation committee is also responsible for reviewing and establishing all other executive officer compensation programs and plans that we may adopt from time to time. During and for fiscal year 2014, the compensation committee made all decisions pertaining to the compensation of our named executive officers and our other executive officers. The compensation committee also reviewed and approved the methodology used for compensation of our general employee population. Our chief executive officer is neither present for voting or deliberation on, nor votes upon decisions relating to, his compensation. In addition, our chief executive officer does not vote upon decisions related to the compensation of our other executive officers. Although our chief executive officer evaluates the performance of our other executive officers, including the named executive officers, discusses the compensation and mix and forms of compensation of the other executive officers with the compensation committee s compensation consultant and with the committee, and makes recommendations to the committee with respect to the compensation of the other

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executive officers, the committee makes all final decisions regarding the executive officers compensation. Also, our vice president of human resources and her human resources staff support the compensation committee in its work by providing input and recommendations on the overall mix and forms of executive officer compensation, and discuss such matters with the committee s compensation consultant, as directed by the compensation committee. Our vice president of human resources and her human resources staff do not make decisions regarding the amount of compensation for our named executive officers or other executive officers, and are not present for voting or deliberation on, any such matters.

As part of its responsibilities pursuant to its charter, the compensation committee also authorizes and reviews the non-binding stockholder advisory vote to approve our named executive officer compensation, as described in our proxy statement. At our 2014 annual meeting of stockholders, our stockholders approved the company s named executive officer compensation, as described in our 2014 proxy statement, with approximately 91% of the votes cast in favor of the matter. Our compensation committee and our board of directors met following the 2014 annual meeting to consider the results of such non-binding stockholder advisory vote and made no changes to the company s executive compensation program as a result of such vote. The compensation committee has determined that the non-binding stockholder advisory vote to approve our named executive officer compensation should be submitted to our stockholders for approval annually.

Compensation Policy and Overall Objectives. In determining the amount and composition of executive officer compensation, the committee s goal is to provide compensation that will enable us to:

- attract and retain talented executives,
- align compensation with business objectives and performance, and
- link the interests of our executive officers to the interests of our stockholders.

In general, executive officers, including our Chairman, President and Chief Executive Officer and our other named executive officers, are eligible for, and participate in, our compensation and benefits programs according to the same general terms as those available to all of our employees. For example, the terms and conditions of our annual equity incentive awards under the 2012 Omnibus Incentive Plan, and its predecessor the 2000 Equity Incentive Plan, are the same for our executive officers as they are for our other employees. Similarly, the health and welfare benefit programs are the same for all of our employees, including our named executive officers and other executive officers; all executive officers participate in the same Employee Stock Purchase Plan, tax-qualified savings plan (the 401(k) Plan) and non-qualified supplemental savings plan (the Supplemental Plan), according to the same terms, as all of our employees. Aside from the change-in-control severance protection agreements with our named executive officers and other executive officers, and employment agreements with Mr. Noglows and Mr. Li, all of which are described in greater detail either above or in the Executive Compensation section below, we do not have general post-termination of service agreements with our executive officers. Our executive officers are eligible to participate in our Executive Officer Deposit Share Program, under which they are entitled to voluntarily use all or a portion of their after-tax bonus compensation to purchase, at fair market value, shares of restricted stock awarded under the 2000 Equity Incentive Plan and the 2012 Omnibus Incentive Plan. These shares are retained on deposit with us until the third anniversary of the date of deposit (deposit shares), and our company matches the deposit with a restricted stock grant equal to 50% of the shares deposited by the participant (award shares) subject to certain terms and conditions, as described in greater detail below.

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Competitive Compensation and Benchmarking. The compensation committee believes that each element of the compensation program should target compensation levels that take into account current market practices. Offering market-comparable pay opportunities allows us to maintain a stable, successful management team. Our direct competitors in our core business of developing, manufacturing, and selling CMP slurries and pads are generally not stand-alone publicly-traded entities; therefore, our market for compensation comparison purposes is comprised of a group of companies that develop, manufacture, supply or use a variety of semiconductor products and processes, including companies that have similar levels of revenue, market capitalization, and employment, as well as comparable geographic presence. The compensation committee considers changes to the composition of this group from time to time based on changes in our or others business, and last revised the group during fiscal year 2014 based on recommendations made by the outside compensation consultant to the compensation committee, W.T. Haigh. These revisions were made in light of changes in the size and scope of others business (i.e., Axcelis, Cree, and Mattson), and various mergers and acquisition activity (i.e., Aeroflex, Cymer, and Triquint) in the prior group over the prior several years, and as other comparable companies are identified. The compensation committee first used the current group for comparison purposes as of the end of fiscal year 2014 to consider benchmarks for fiscal year 2014 annual cash bonuses, and fiscal year 2015 base salaries, annual cash bonus targets, and long term equity incentive awards, and intends to continue to use it for all comparison purposes. The current group is comprised of the following companies:

Advanced Energy Industries	Integrated Device Technology, Inc.
ATMI, Inc.	Micrel Semiconductor, Inc.
AZ Electronic Materials, Inc.	Park Electrochemical Corp.
Brooks Automation, Inc.	Photronics, Inc.
Cognex Corporation	PMC Sierra, Inc.
Coherent, Inc.	QLogic Corporation
Electro Scientific Industries, Inc.	Rogers Corporation
Entegris, Inc.	Semtech Corporation
FormFactor, Inc.	Tessera Technologies, Inc.
II-VI, Inc.	Veeco Instruments, Inc.

In evaluating the comparison group for compensation purposes, the compensation committee, in consultation with an outside compensation consultant hired by the committee, currently W.T. Haigh, exercises its discretion and makes its judgment regarding executive officer compensation matters after considering all relevant factors. In general, it is the goal of the compensation committee that each element of compensation and total compensation for our named executive officers and our other executive officers fall within the 50^{th} to 75^{th} percentile for comparable positions within the comparison group. However, a direct correlation may not always exist between the roles, responsibilities, and tenure of each of our executive officers and those of the position that appears to best correspond to such individual at companies within the comparison group. In addition, a direct correlation may not always exist between the relevant time period of evaluation given that the fiscal year end of companies within the comparison group is in most cases different from the company s fiscal year end of September 30, thereby making direct or any comparison difficult, especially when significant macro-economic or semiconductor industry changes occur that materially affect business performance and therefore, compensation differently and in different reporting periods, for each the company and the companies within the comparison group. The timing of the commencement of, and recovery from, the severe global economic recession that began in 2008 is one such example.

Elements of Compensation

The key elements of our compensation program for our named executive officers and other executive officers are:

- base salary,
- annual cash bonuses, and
- long-term equity incentives.

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In addition, we provide our named executive officers and other executive officers with:

- change in control severance protection agreements, and in some limited circumstances post-termination agreements, and
- the same retirement and other benefits provided to our employees generally.

Descriptions of these elements and the reasons we provide them to our named executive officers and other executive officers are provided in the following table:

Element	Description	Reason Provided
Base Salary	Fixed amount paid in cash twice per month, as for all of our employees.	As for all of our employees, provides named executive officers with a steady, predictable amount of fixed income with merit increases from time-to-time based on performance and market comparisons (if provided, usually effective on January 1 of the calendar year following such evaluation).
Annual Cash Bonuses (Annual Incentive Program, pursuant to 2012 Omnibus Incentive Plan)	Cash payment made within 75 days following completion of fiscal year depending on company and individual performance, as for all of our employees.	As for all of our employees, aligns compensation with business objectives and performance by communicating goals and motivating individuals to achieve these goals, and rewarding performance actually achieved.
Long-Term Equity Incentives (2012 Omnibus Incentive Plan and prior thereto, the 2000 Equity Incentive Plan)	Restricted Stock Awards (Initial, Annual and Deposit Share Program) and Stock Option Grants (Initial, Annual).	As for all of our employees who receive awards pursuant to our equity incentive plan, at risk nature of equity awards links interests with those of our stockholders; provides ongoing retention mechanism over vesting periods.
Change in Control Severance Protection Benefits for Executive Officers and other Key Employees	Salary and other benefits paid if terminated within a certain period of time pursuant to a Change in Control of our company (three years salary and other benefits for Chief Executive Officer; two years for other Executive Officers other than Principal Accounting Officer; one year for Key Employees and Principal Accounting Officer).	Assures company of dedicated executive and key employee team, notwithstanding the possibility, threat or occurrence of a change in control; provides for continuity of executive management and key employees in the event of an actual or threatened change in control.
Retirement and other Benefits	401(k) savings plan, Supplemental Plan, basic life and disability insurance and limited perquisites, as for all of our employees.	Represents market practice and competitive factors; broad-based programs for all employees who exceed the federal 401(k) compensation limit.

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Each of these elements is also addressed separately below. In determining compensation for executive officers, the compensation committee considers all elements of an executive officer s total compensation package in comparison to current market practices, including change in control arrangements, ability to participate in savings plans and other benefits. On at least an annual basis, the compensation committee considers the base salary, annual cash bonus, and long-term equity incentive elements, and balance among each of these elements, of each executive officer s overall compensation.

The receipt and retention by executive officers of certain elements of compensation, such as cash bonuses and equity-based compensation, are subject to our company s Code of Business Conduct, and the terms and conditions of relevant program, plan, and grant and award agreements, all of which include provisions that provide that the company may rescind or recover (**clawback**) from an executive officer, including post-separation of service, cash bonus and/or equity-based incentives paid or awarded to such executive officer immediately under certain circumstances, including, but not limited to, actions by the executive constituting Cause, as determined by the company in its discretion and as otherwise enforceable under local law and violation of the Cabot Microelectronics Corporation Code of Business Conduct, including those provisions related to financial reporting (e.g., in the event of a restatement caused by certain factors). In the event of any such rescission or right of recovery, the individual must repay the amount in question to the company, and the company shall be entitled to set-off against such amount any amount owed to the individual by the company.

Base Salaries. The compensation committee regularly reviews each executive officer s base salary. Base salaries for executive officers are initially determined by evaluating the executive officers levels of responsibility, prior experience, breadth of knowledge, internal equity issues and external compensation practices, with particular reference to the comparison group of companies. Increases to base salaries are driven primarily by performance and current market practices, and evaluated by the compensation committee based on sustained levels of contribution to the company in the context of our performance-based management process. In the past, depending on the level of performance of the company and each executive officer, this generally had meant base salaries in the 50^{th} to 75^{th} percentile of the salary ranges of similarly positioned executive officers in the comparison group of companies, but in the past few years generally has meant closer to the 50^{th} percentile of the range. The factors the compensation committee considers in determining base salary levels are not assigned specific weights. Rather, the compensation committee reviews all of the factors and makes base pay determinations that reflect the compensation committee s analysis of the aggregate impact of these factors.

Current market practices, as represented by a comparison to executive officer base salaries in the comparison group of companies continued to serve as the primary reference for the compensation committee with respect to deciding upon any changes to base salary for both fiscal year 2014 (effective as of January 1, 2014), and fiscal year 2015 (effective as of January 1, 2015), similar to fiscal year 2013 (effective as of January 1, 2013). Over this period the comparative data likely reflect the effects of macroeconomic and industry factors, set in the context of individual company performance, since, for example, for fiscal year 2015, our named executive officers salaries remained competitive within our peer group and therefore the named executive officers, including Mr. Noglows, received no increases to their base salaries, with the exception of Dr. Naman, who received 3.4%, in the context of solid performance for fiscal year 2014, whereas for fiscal year 2014, to remain competitive with our peer group, and as a reflection of certain increased responsibilities for Mr. Johnson and Mr. Weisman, the named executive officers received base salary increases that averaged approximately 6.3%, in the context of the company s strong performance for fiscal year 2013, and for fiscal year 2013, to remain competitive within our peer group, the named executive officers received only modest increases of 2.5% or less, or no increases, and Mr. Noglows received an increase of 4.5%, in the context of solid performance for fiscal year 2012. As described above, according to consistent methodology, for fiscal year 2015, upon review of the competitiveness of salaries within the peer group and upon review of each named executive officer s performance in the context of the company s performance for fiscal year 2014, the compensation committee awarded no base salary increase to Mr. Noglows, Mr. Johnson, Mr. Weisman, or Mr. Li; the compensation committee awarded Dr. Naman an increase of 3.4%. As described above, effective January 1, 2015, to reflect Mr. Noglows new position of continuing solely as our Executive Chairman, and Mr. Li s promotion to President and Chief Executive Officer, the compensation committee decreased Mr. Noglows base salary and increased Mr. Li s base salary, based on competitive benchmarks. The resulting base salaries for 2015, 2014, and 2013 are as follows:

Name	2015 Base Salary	2014 Base Salary	2013 Base Salary
William P. Noglows	$ 500,000	$ 640,000	$ 606,000
William S. Johnson	$ 370,000	$ 370,000	$ 353,000
Adam F. Weisman	$ 360,000	$ 360,000	$ 339,300
Ananth Naman	$ 341,200	$ 330,000	$ 300,000
David H. Li	$ 550,000	$ 336,000	$ 320,000

Annual Cash Bonuses. All of the company s employees are eligible to participate in the company s annual cash bonus program, which is called our Annual Incentive Program and is administered pursuant to our 2012 Omnibus Incentive Plan, with executive officer, including named executive officer, bonuses, if any, determined by the compensation committee. As with all employees, executive officers opportunities to earn annual cash bonuses correspond to the degree to which our company achieves the annually-established goals. The compensation committee believes that an annual cash bonus program allows us to communicate specific goals that are of primary importance during such year and motivates executive officers to achieve these goals.

Performance-Based Management Program and Company Performance Objectives: At the beginning of each fiscal year, the compensation committee and board of directors establish specific performance goals for the company in accordance with our performance-based management process. These objectives are set to reflect the key elements of our annual plan and budget, and provide a common platform for our initiatives for the year. Throughout the year, our senior management periodically reviews the company s progress in achieving these goals with our board of directors and compensation committee. In November 2013, the board of directors and compensation committee approved our Fiscal Year 2014 Company Performance Objectives, which also served as our Performance Goals for the purposes of our Annual Incentive Program. As in prior years, the fiscal year 2014 Annual Incentive Program Performance Goals were chosen to encourage a particular and enhanced focus on certain aspects of our company s performance, business strategy and objectives for all of our employees, including our named executive officers and other executive officers, and for which all of our executive officers collectively have responsibility for influencing and driving.

The board of directors and compensation committee selected as our Fiscal Year 2014 Company Performance Objectives and Annual Incentive Program Performance Goals financial measures that are consistent with those used by the investment community to evaluate the performance of our company, and which would be appropriate goals by which to incent the ongoing balanced performance of the company and its employees, including its executive officers, across all of its operational units, within the soft industry environment we faced in early fiscal year 2014. The Fiscal Year 2014 Company Performance Objectives and Annual Incentive Program Performance Goals with corresponding Weighting, Measures for evaluating attainment of such, and corresponding Performance Targets were as follows:

Fiscal Year 2014 Company Performance Objectives:

Fiscal Year 2014 Annual Incentive Program Performance Goals (with corresponding Weighting, Measures, and Performance Targets), followed by (Fiscal Year 2014 Achievement):

Revenue (25%) (Revenue, $439 million, threshold of $418 million) ($424.7 million);

Gross Margin (30%) (Gross Profit, as a percentage of revenue, 49.5%, threshold of 47.5%) (47.8%);

Earnings Per Share (30%) (Earnings Per Share, $2.31, threshold of $1.73) ($2.04); and

Achievement of Certain Business Opportunities (15%) (Achievement of Number of Certain Business Opportunities, 100%) (122%).

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Performance Goals, Bonus Pool and Bonus Calculation: As in prior years, in fiscal year 2014, level of achievement of the noted four Fiscal Year 2014 Annual Incentive Program Performance Goals served as the mechanism by which the company determined the amount of funding for our Annual Incentive Program Bonus Pool (AIP Bonus Pool), which is approved by the compensation committee for all employees, including our named executive officers and other executive officers.

To determine the funding of the AIP Bonus Pool, the performance goals generally are weighted, based on their relative importance to achieving the company s overall goals. Then, for each performance goal, threshold , target and stretch metrics, or levels, of performance are established. Because each year our performance goals are set to reflect the key objectives of our annual plan and budget, the threshold , target and stretch metrics for each goal are designed to reflect increasing levels of difficulty, improvement, and motivation in achieving each level. For fiscal year 2014, consideration was given to the generally improved industry conditions in the context of some global economic uncertainty, and at the time continuation of the seasonal slowdown in the semiconductor industry from the end of fiscal year 2013, in setting the Performance Targets for the Annual Incentive Program Performance Goals. As part of our senior management s periodic review throughout the year of our progress in meeting our Company Performance Objectives and Annual Incentive Program Performance Goals with the compensation committee and board of directors, performance is discussed against a particular goal s threshold , target and stretch levels.

The threshold level of performance for a particular performance goal represents the lowest level of performance for which any bonus would be earned on that goal. The stretch level of performance represents the level for which the maximum bonus would be earned for that particular goal, and the target represents the target level of performance. The actual bonus, if any, attributable to each performance goal is calculated based on the actual performance compared to these threshold , target and stretch performance levels, and these are added together for all the performance goals to determine the funding of the AIP Bonus Pool. In turn, the AIP Bonus Pool is allocated for payment of bonuses to employees and executive officers, including our named executive officers. For fiscal year 2014, the bonus for a particular employee or executive officer was calculated by:

i) multiplying the salary of the employee or executive officer by the bonus target level established for the particular role or level of the employee or executive officer (expressed as a percentage of the individual s base salary, and set according to market pay practices), as described in greater detail for executive officers below;

ii) multiplied by a factor related to the company s overall achievement of the Annual Incentive Program Performance Goals (expressed as a percentage of the target level of performance); and

iii) multiplying this product by a factor that corresponds to an assessment of the individual performance of the employee or executive officer relative to the individual s own performance objectives. The compensation committee and board of directors approved and set the individual performance factor multiplier for each participant at the maximum level of 2.0, and the compensation committee retained discretion to reduce this amount.

In addition, in certain years, in assessing the company s overall performance and calculating the funding of the AIP Bonus Pool for all of our employees, including our named executive officers and other executive officers, the compensation committee also considers certain additional factors, such as, for example, acquisition activity or the impact of global or other events beyond the company s control, that may have affected our company s achievement of certain of the Performance Goals that the committee considered important in evaluating the company s performance for the particular fiscal year, but that were not able to be known to the company at the time the year s Annual Incentive Program Performance Goals and related metrics were established.

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Individual Executive Officer Bonus Target Levels and Cash Bonus Earned: As described above, actual payouts for cash bonus awards are determined by the level of performance of our company, which as described above while overall solid, generally did not meet the target level of performance goals for fiscal year 2014, and the individual performance of each employee, including each named executive officer and other executive officers, and may be higher or lower than the established individual s bonus target level depending upon performance relative to the pre-established goals. The compensation committee, in consultation with its outside compensation consultant, has established a bonus award target for each executive officer by evaluating factors such as external pay practices, with particular reference to the comparison group of companies (as described above, bonus award targets are established for each of our employees based on an individual s role or level). In this regard, for fiscal year 2014, the compensation committee retained the bonus award target for each named executive officer at the same level as each individual s bonus award target for fiscal year 2013, other than for Mr. Johnson and Mr. Weisman, whose responsibilities were expanded during fiscal year 2013 and as a result the compensation committee increased their bonus targets from 65% to 75%. The bonus award targets and actual amounts earned for our named executive officers for fiscal year 2014 were as follows:

Name	**Bonus Target (as % of Base Salary)**	**Bonus Target ($)**	**Actual Bonus Earned* ($)**
William P. Noglows	100%	$ 640,000	$ 359,300
William S. Johnson	75%	$ 277,500	$ 1top:0pt;margin-bottom:0pt">

ITEM 5. **OTHER INFORMATION**

None.

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ITEM 6. EXHIBITS

(a) Exhibits

31.1	Certification of Co-CEO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification of Co-CEO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.3	Certification of CFO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	

	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Cryo-Cell International, Inc.

/s/ DAVID PORTNOY
David Portnoy
Co-Chief Executive Officer

Cryo-Cell International, Inc.

/s/ MARK PORTNOY
Mark Portnoy
Co-Chief Executive Officer

Cryo-Cell International, Inc.

/s/ JILL TAYMANS
Jill M. Taymans
Vice President,

Finance
Date: July 16, 2018

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