

MICRON TECHNOLOGY INC  
Form PRE 14A  
November 17, 2016

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A  
Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant   
Filed by a Party other than the Registrant   
Check the appropriate box:  
 Preliminary Proxy Statement  
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
 Definitive Proxy Statement  
 Definitive Additional Materials  
 Soliciting Material Pursuant to §240.14a-12

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

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.  
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Notice of Fiscal 2016 Annual Meeting of Shareholders

January 18, 2017

To the Shareholders:

NOTICE IS HEREBY GIVEN that the Fiscal 2016 Annual Meeting of Shareholders of Micron Technology, Inc., a Delaware corporation, will be held on January 18, 2017, at 9:00 a.m., Mountain Standard Time, at our headquarters located at 8000 South Federal Way, Boise, Idaho 83716-9632, for the purposes listed below. As used herein "we," "our," "us," "the Company" and similar terms refer to Micron Technology, Inc., unless the context indicates otherwise.

1. To elect directors to serve for the ensuing year and until their successors are elected and qualified;
2. To approve our Amended and Restated 2007 Equity Incentive Plan and increase the shares reserved for issuance thereunder by 30,000,000;
3. To ratify the adoption of our Section 382 Rights Agreement;
4. To ratify the appointment of PricewaterhouseCoopers LLP as our Independent Registered Public Accounting Firm for the fiscal year ending August 31, 2017;
5. To approve a non-binding resolution to approve the compensation of our Named Executive Officers as described in the proxy statement; and
6. To transact such other business as may properly come before the meeting or any adjournment thereof.

The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice.

Only shareholders of record at the close of business on November 21, 2016, are entitled to receive notice of and to vote at the meeting and any postponements or adjournments of the meeting. A complete list of shareholders entitled to vote at the meeting will be open to the examination of any shareholder, for any purpose germane to the business to be transacted at the meeting, during ordinary business hours for the ten-day period immediately preceding the date of the meeting, at our headquarters at 8000 South Federal Way, Boise, Idaho 83716-9632.

The Securities and Exchange Commission permits proxy materials to be furnished over the Internet rather than in paper form. Accordingly, we are sending most of our shareholders a notice regarding the availability of this proxy statement, our Annual Report on Form 10-K for fiscal 2016 and other proxy materials via the Internet (the "Notice"). This electronic process gives you fast, convenient access to the materials, reduces the impact on the environment and reduces our printing and mailing costs. If you received a Notice by mail, you will not receive a printed copy of the proxy materials in the mail. The Notice instructs you on how to access and review all of the important information contained in the Proxy Statement and Annual Report. The Notice also instructs you on how you may submit your vote over the Internet. If you received a Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Notice.

Attendance at the Annual Meeting will be limited to shareholders and our guests. Shareholders may be asked to furnish proof of ownership of our Common Stock before being admitted to the meeting.

To ensure your representation at the meeting, you are urged to vote. You may vote by telephone or electronically via the Internet. Alternatively, if you received a paper copy, you may sign, date and return the proxy card in the postage-prepaid envelope enclosed for that purpose. Please refer to the instructions included with the proxy card for additional details. Shareholders attending the meeting may vote in person even if they have already submitted their proxy, and any previous votes that were submitted by the shareholder, whether by Internet, telephone or mail, will be superseded by the vote that such shareholder casts at the meeting.

By Order of the Board of Directors

Boise, Idaho Joel L. Poppen

December \_\_, 2016 Vice President, Legal Affairs, General Counsel and Corporate Secretary

YOUR VOTE IS IMPORTANT. PLEASE SUBMIT YOUR PROXY PROMPTLY.

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8000 South Federal Way  
Boise, Idaho 83716-9632

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PROXY STATEMENT  
FISCAL 2016 ANNUAL MEETING OF SHAREHOLDERS

January 18, 2017  
9:00 a.m. Mountain Standard Time

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INFORMATION CONCERNING SOLICITATION AND VOTING

General

The proxy is furnished in connection with the solicitation of proxies on behalf of the Board of Directors of Micron Technology, Inc., for use at the Fiscal 2016 Annual Meeting of Shareholders to be held on January 18, 2017, at 9:00 a.m., Mountain Standard Time, or at any adjournment or postponement thereof (the "Annual Meeting"). The purpose of the Annual Meeting is set forth herein and in the accompanying Notice of Fiscal 2016 Annual Meeting of Shareholders. The Annual Meeting will be held at our headquarters located at 8000 South Federal Way, Boise, Idaho 83716-9632. Our telephone number is (208) 368-4000.

This Proxy Statement and related proxy card are first being distributed on or about December \_\_, 2016, to all shareholders entitled to vote at the meeting.

Shareholders can vote their shares using one of the following methods:

- Vote through the Internet at [www.proxypush.com/MU](http://www.proxypush.com/MU) using the instructions included in the notice regarding the Internet availability of proxy materials, the proxy card or voting instruction card;
- Vote by telephone using the instructions on the proxy card or voting instruction card if you received a paper copy of the proxy materials;
- Complete and return a written proxy or voting instruction card using the proxy card or voting instruction card if you received a paper copy of the proxy materials; or
- Attend and vote at the meeting.

Internet and telephone voting are available 24 hours a day, and if you use one of those methods, you do not need to return a paper proxy or voting instruction card. If you have questions on how to vote, you can call us at (877) 297-1746. Unless you are planning to vote at the meeting, your vote must be received by 11:59 p.m., Eastern Standard Time, on January 17, 2017.

Record Date

Shareholders of record at the close of business on November 21, 2016 (the "Record Date"), are entitled to receive notice of and to vote at the meeting.

Revocability of Proxy

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before its use by attending the Annual Meeting and voting in person or by delivering to us a written notice of revocation or another duly executed proxy bearing a date later than the earlier given proxy but prior to the date of the Annual Meeting.

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## Solicitation

We will bear the cost of solicitation. In addition, we may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation materials to such beneficial owners. Proxies may be solicited by our directors, officers and employees, without additional compensation, personally or by telephone or Internet. We intend to use the services of D.F. King & Co., a proxy solicitation firm, in connection with the solicitation of proxies. Although the exact cost of the solicitation services is not known at this time, it is anticipated that the fees paid by us for these services will be approximately \$12,500.

## Outstanding Shares

We have one class of stock outstanding, common stock, \$0.10 par value per share (the "Common Stock"). As of November 21, 2016, the Record Date, \_\_\_\_\_ shares of Common Stock were issued and outstanding and entitled to vote.

## Voting Rights and Required Vote

Under the Delaware General Corporation Law and our Restated Certificate of Incorporation and our Amended and Restated Bylaws ("Bylaws"), each shareholder will be entitled to one vote for each share of Common Stock held at the Record Date for all matters, including the election of directors. The required quorum for the transaction of business at the Annual Meeting is a majority of the votes eligible to be cast by holders of shares of our Common Stock issued and outstanding on the Record Date. Shares that are voted "FOR," "AGAINST" or "ABSTAIN" are treated as being present at the Annual Meeting for the purposes of establishing a quorum and are tallied to determine the shareholders' decision with respect to the matter voted upon (the "Votes Cast"). Abstentions will have the same effect as voting against a proposal. Broker non-votes will be considered present and entitled to vote for purposes of determining the presence or absence of a quorum for the transaction of business, but such non-votes are not deemed to be Votes Cast and, therefore, will not be included in the tabulation of the voting results with respect to voting results for the election of directors or issues requiring the approval of a majority of Votes Cast.

Shares held in a brokerage account or by another nominee are considered held in "street name" by the shareholder or "beneficial owner." A broker or nominee holding shares for a beneficial owner may not vote on matters relating to the election of directors or advisory votes unless the broker or nominee receives specific voting instructions from the beneficial owner of the shares. As a result, absent specific instructions, brokers or nominees may not vote a beneficial owner's shares on Proposals 1, 2, 3, 5 and 6 and such shares will be considered "broker non-votes" for such proposals.

Directors will be elected if the number of votes "FOR" a particular director exceeds the number of votes "AGAINST" that same director. With respect to all other items of business, the "FOR" vote of a majority of the Votes Cast is required in order for such matter to be considered approved by the shareholders.

## Voting of Proxies

The shares of Common Stock represented by all properly executed proxies received in time for the meeting will be voted in accordance with the directions given by the shareholders. If no instructions are given with respect to a properly executed proxy timely received by us, the shares of Common Stock represented thereby will be voted (i) FOR each of the nominees named herein as directors, or their respective substitutes as may be appointed by the Board of Directors, (ii) FOR the approval of our Amended and Restated 2007 Equity Incentive Plan and increase the shares reserved thereunder by 30,000,000; (iii) FOR the ratification of the adoption of our Section 382 Rights Agreement; (iv) FOR ratification of the appointment of PricewaterhouseCoopers LLP as our Independent Registered Public Accounting Firm for the fiscal year ending August 31, 2017, (v) FOR approval of a non-binding resolution to

approve the compensation of our Named Executive Officers as described in the proxy statement; and (vi) in the discretion of the proxy holders for such business which may properly come before the Annual Meeting.

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## PROPOSAL 1 – ELECTION OF DIRECTORS

## Nominees

A board of seven directors is to be elected at the Annual Meeting, all of whom have been recommended for nomination by a majority of the independent directors of the Board of Directors and all of whom are currently serving as directors. Unless otherwise instructed, the proxy holders will vote the proxies received by them for the seven management nominees named below. If any management nominee is unable or declines to serve as a director at the time of the Annual Meeting, the proxies will be voted for any nominee who shall be designated by the present Board of Directors to fill the vacancy. It is not expected that any nominee listed below will be unable or will decline to serve as a director. The term of office of each person elected as a director will continue until the next Annual Meeting of Shareholders or until such person's successor has been elected and qualified, except in the case of earlier resignation or removal. Executive officers are appointed annually by the Board of Directors and serve until their successors are duly appointed and qualified, except in the case of earlier resignation or removal. The names of the nominees and certain information about them are set forth below:

Name of Nominee	Age	Principal Occupation	Served as a Director Since	Board Committees(1)			
				A	C	F	G
Robert L. Bailey	59	Former Chairman of PMC-Sierra, Inc.	2007	X			X
Richard M. Beyer	68	Former Chairman and Chief Executive Officer of Freescale Semiconductor, Inc.	2013		X		X
Patrick J. Byrne	56	Senior Vice President of Fortive Corporation	2011		X		X
D. Mark Durcan	55	Chief Executive Officer of Micron Technology, Inc.	2012			X	
Mercedes Johnson	62	Former Chief Financial Officer of Avago Technologies Limited	2005	X		X	X
Lawrence N. Mondry	56	President and Chief Executive Officer of Stream Gas & Electric, Ltd.	2005		X	X	X
Robert E. Switz	70	Chairman of the Board of Micron Technology, Inc.	2006	X			X

(1) A = Audit Committee, C = Compensation Committee, F = Finance Committee, G = Governance Committee

Set forth below are the principal occupations of the nominees for at least the past five years:

Robert L. Bailey was the Chairman of the Board of Directors of PMC-Sierra, Inc. ("PMC") from 2005 until May 2011 and also served as PMC's Chairman from February 2000 until February 2003. Mr. Bailey served as a director of PMC from October 1996 to May 2011. He also served as the Chief Executive Officer of PMC from July 1997 until May 2008. PMC was a leading provider of broadband communication and semiconductor storage solutions for the next-generation Internet. Since March 2015, Mr. Bailey has served as the Chairman of the Board of Blue Willow Systems, Inc. Within the past five years, Mr. Bailey also served on the Board of Directors of Entropic Communications. Mr. Bailey holds a BS in Electrical Engineering from the University of Bridgeport and an MBA from the University of Dallas.

Mr. Bailey's experience as Chief Executive Officer and Chairman of a leading technology company has given him expertise in the technology industry as well business operations, finance, corporate development, corporate governance and management.

Richard M. Beyer was Chairman and Chief Executive Officer of Freescale Semiconductor, Inc. ("Freescale") from 2008 through June 2012 and served as a director with Freescale until April 2013. Prior to Freescale, Mr. Beyer was President, Chief Executive Officer and a Director of Intersil Corporation from 2002 to 2008. He has also previously served in executive management roles at FVC.com, VLSI Technology, and National Semiconductor Corporation. Within the past five years, Mr. Beyer served on the Board of Directors of Freescale. He currently serves on the Board of Directors of Dialog Semiconductor and Analog Devices, Inc. Mr. Beyer served three years as an officer in the United States Marine Corps. He holds a BA and an MA in Russian from Georgetown University and an MBA in Marketing and International Business from Columbia University Graduate School of Business.

Mr. Beyer's experience as the Chief Executive Officer and a director at leading technology companies has given him expertise in the technology industry as well business operations, finance, corporate development, corporate governance and management.

Patrick J. Byrne has served as Senior Vice President of Fortive Corporation since July 2016 when Danaher Corporation ("Danaher") completed the separation of its Test & Measurement and Industrial Technologies segments. Mr. Byrne was President of Tektronix, a subsidiary of Danaher, from July 2014 to July 2016. Previously, he was Vice President of Strategy and Business Development and Chief Technical Officer of Danaher from November 2012 to July 2014. Danaher designs, manufactures, and markets innovative products and services to professional, medical, industrial and commercial customers. Prior to that, Mr. Byrne served as Director, President and Chief Executive Officer of Intermec, Inc. from 2007 to May 2012. Within the past five years, Mr. Byrne served on the Board of Directors of Flow International and Intermec, Inc. Mr. Byrne holds a BS in Electrical Engineering from the University of California, Berkeley, and an MS in Electrical Engineering from Stanford University.

Mr. Byrne's experience in executive management at public companies has given him expertise in the technology industry as well as business operations, finance, corporate development, corporate governance and management.

D. Mark Durcan joined us in June 1984 and has served in various positions since that time. Mr. Durcan was appointed our Chief Operating Officer in February 2006, President in June 2007, and Director and Chief Executive Officer in February 2012. Mr. Durcan has been an officer since 1996. Within the past five years, Mr. Durcan served on the Board of Directors of Freescale Semiconductor, Inc. and MWI Veterinary Supply, Inc. Mr. Durcan is currently a member of the Board of Directors of AmerisourceBergen Corporation. Mr. Durcan holds a BS and MChE in Chemical Engineering from Rice University.

Mr. Durcan has been with us for over 30 years and his experiences have given him extensive expertise in our business and operations. He has developed expertise in the areas of finance, corporate development, corporate governance, business strategy and management.

Mercedes Johnson was the Senior Vice President and Chief Financial Officer of Avago Technologies Limited, a supplier of analog interface components for communications, industrial and consumer applications, from December 2005 to August 2008. She also served as the Senior Vice President, Finance, of Lam Research Corporation ("Lam") from June 2004 to January 2005 and as Lam's Chief Financial Officer from May 1997 to May 2004. Ms. Johnson holds a degree in Accounting from the University of Buenos Aires and currently serves on the Board of Directors for Intersil Corporation, Juniper Networks, Inc., and Teradyne, Inc. Ms. Johnson is the Chairman of the Board of Directors' Audit Committee and Finance Committee.

Ms. Johnson's experience as the Chief Financial Officer of several technology companies has given her expertise in finance, corporate development, corporate governance, management and operations.

Lawrence N. Mondry is the President and Chief Executive Officer of Stream Gas & Electric, Ltd. a provider of energy, mobile and protective services, a role he began February 2016. Mr. Mondry was the Chief Executive Officer of Apollo Brands, a consumer products portfolio company, from February 2014 to February 2015. Mr. Mondry was the Chief Executive Officer of Flexi Compras Corporation, a rent-to-own retailer, from June 2013 to February 2014. Mr. Mondry was the President and Chief Executive Officer of CSK Auto Corporation ("CSK"), a specialty retailer of automotive aftermarket parts, from August 2007 to July 2008. Prior to his appointment at CSK, Mr. Mondry served as the Chief Executive Officer of CompUSA Inc. from November 2003 to May 2006. Mr. Mondry is the Chairman of the Board of Directors' Compensation Committee and Governance Committee.

Mr. Mondry's experience as the Chief Executive Officer of various retailers has given him expertise in operations, management, finance and corporate development. Mr. Mondry's retail expertise is especially relevant to our Lexar and Crucial businesses.

Robert E. Switz was the Chairman, President and Chief Executive Officer of ADC Telecommunications, Inc. ("ADC"), a supplier of network infrastructure products and services from August 2003 until December 2010, when Tyco Electronics Ltd. acquired ADC. Mr. Switz joined ADC in 1994 and throughout his career there held numerous leadership positions. Within the past five years, Mr. Switz served on the Board of Directors of GT Advanced Technologies Inc., Broadcom Corporation, Cyan, Inc., Pulse Electronics Corporation, and Leap Wireless International, Inc. Mr. Switz currently serves on the Board of Directors for Marvell Technology Group Ltd. and Gigamon, Inc. Mr. Switz holds an MBA from the University of Bridgeport and a BS in Business Administration from Quinnipiac University. Mr. Switz was appointed Chairman of the Board of Directors in 2012.

Mr. Switz's experience as Chief Executive Officer and Chairman of a leading technology company has given him expertise in the technology industry as well business operations, finance, corporate development, corporate governance and management.

There are no family relationships between any of our directors or executive officers.

The Board of Directors recommends voting "FOR" approval of the nominees listed above.

## CORPORATE GOVERNANCE

### Code of Business Conduct and Ethics

The Board of Directors has adopted a Code of Business Conduct and Ethics that is applicable to all our directors, officers and employees. A copy of the Micron Code of Business Conduct and Ethics is available at [www.micron.com](http://www.micron.com) and is also available in print upon request. Any amendments or waivers of the Code of Business Conduct and Ethics will also be posted on our website within four business days of the amendment or waiver as required by applicable rules and regulations of the Securities and Exchange Commission ("SEC") and the Listing Rules of NASDAQ.

### Director Independence

The Board of Directors has determined that directors Bailey, Beyer, Byrne, Johnson, Mondry and Switz qualify as independent directors. In determining the independence of our directors, the Board of Directors has adopted independence standards that mirror the criteria specified by applicable laws and regulations of the SEC and the Listing Rules of NASDAQ. None of these directors have a relationship with us, other than any relationship that is categorically not material under the guidelines referenced above. See "Certain Relationships and Related Transactions."

### Board of Directors Leadership Structure

Mr. Switz has served as our Chairman of the Board of Directors since February 2012. We do not have a fixed policy on whether the roles of chairman and Chief Executive Officer should be separate or combined. The decision is based on our and our shareholders' best interests under the circumstances existing at the time. In his role as Chairman, Mr. Switz oversees meetings of the independent directors and acts as a liaison between the independent directors and Chief Executive Officer.

### Risk Assessment Role

The Board of Directors is responsible for overseeing the major risks we face and reviewing management's proposals for their mitigation. In addition, the Board of Directors has delegated oversight of certain categories of risk to the Audit, Compensation, Finance and Governance Committees. The Audit Committee reviews and discusses with management significant financial and nonfinancial risk exposures, including cyber security, and the steps management has taken to monitor, control, and report such exposures. The Compensation Committee oversees management of risks relating to our compensation plans and programs. The Finance Committee oversees the Company's strategies for management of significant financial risks and contingent liabilities. The Governance Committee manages risks associated with board of directors' governance and director independence. The Audit, Compensation, Finance and Governance Committees report to the Board of Directors regularly on matters relating to the specific areas of risk the committees oversee.

### Compensation Risks

We have assessed our compensation programs and have concluded that our compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on us. We assessed our compensation programs to determine if the programs' provisions and operations create undesired or unintentional risk of a material nature. We also reviewed the results of our findings with Mercer, our outside compensation consultant. This risk assessment process included a review of program policies and practices; program analysis to identify risk and risk-control related to the programs; and determinations as to the sufficiency of risk identification, the balance of potential risk-to-potential-reward and risk-control. Although we reviewed all compensation programs, we focused on the programs with variability of payout, with the ability of a participant to directly affect payout and the controls on participant action and payout. In most cases, our compensation policies and practices are centrally designed and administered and are substantially the same for each business unit. Certain internal groups have different or supplemental compensation programs tailored to their specific operations and goals, and programs may differ by country due to variations in local laws and customs.

## Compensation Consultant

The Compensation Committee annually engages a compensation consultant, currently Mercer, to provide a comprehensive review of executive compensation matters. Mercer provides the Compensation Committee with information for all of our officers on cash and non-cash compensation elements and historical and trend payment data.

The Compensation Committee has established procedures that it considers adequate to ensure that Mercer's advice to the Compensation Committee remains objective and is not influenced by our management. These procedures include: a direct reporting relationship to the Compensation Committee; a provision in the Compensation Committee's engagement letter with Mercer specifying what information, data, and recommendations can be shared with management; and an annual update to the Compensation Committee on Mercer's relationship with us, including a summary of the work performed for us during the preceding 12 months. The specific activities that Mercer undertakes for us include:

- review non-employee director compensation;
- review the Compensation Peer Group (as defined in the Compensation Discussion and Analysis) and recommend any changes to its members;
- benchmark total direct compensation and its components (salary, short-term incentives and long-term incentives) of our officers using several data sources;
- evaluate our historical pay-for-performance relationship;
- review the metrics and targets associated with the annual short-term incentives and long-term incentive plans;
- review the proposed equity grants for executives, along with vesting recommendations;
- assist with a risk assessment of our compensation practices;
- review a draft of the compensation discussion and analysis component of proxy disclosure; and
- attend the Compensation Committee meetings in which executive compensation matters are discussed.

We paid Mercer a total of \$599,229 in fiscal 2016 for services provided. Of this amount, \$145,304 was paid as a result of the executive and non-employee director compensation consulting work Mercer performed for the Compensation Committee and Governance Committee and \$453,925 was paid as a result of the work Mercer performed related to our 401(k) Plan and other human resource functions. The decision to use Mercer for services other than those provided to the Compensation Committee and Governance Committee was made by our management and not the Compensation Committee. Mercer is a wholly-owned subsidiary of Marsh & McLennan Companies Inc. ("MMC"). The Company paid MMC \$2,443,240 in fiscal 2016 for insurance services.

In addition, the Compensation Committee considered the independence of Mercer in light of SEC rules and the Listing Rules of NASDAQ. The Compensation Committee received a letter from Mercer addressing its independence, including the following factors: (i) other services provided to us by Mercer; (ii) fees paid by us as a percentage of Mercer's total revenue; (iii) policies or procedures maintained by Mercer that are designed to prevent a conflict of interest; (iv) any business or personal relationships between the individual consultants involved in the engagement and any member of the Compensation Committee; (v) any of our stock owned by the individual consultants involved in the engagement; and (vi) any business or personal relationships between our executive officers and Mercer or the

individual consultants involved in the engagement. The Compensation Committee concluded that there were no conflicts of interest with Mercer.

#### Board of Directors Meetings and Committees

Our Board of Directors held six meetings during fiscal 2016. The Board of Directors met in Executive Session (meetings in which only non-employee directors are present) six times during fiscal 2016. In fiscal 2016, the Board of Directors had a standing Audit Committee, Compensation Committee, Finance Committee and Governance Committee. During fiscal 2016, the Audit Committee met ten times, the Compensation Committee met six times, the Finance Committee met six times, and the Governance Committee met four times. In addition to formal committee meetings, the chairmen of each committee engaged in regular discussions with management regarding various issues relevant to their respective committees. All incumbent directors attended 75% or more of the total number of meetings of the Board of Directors during



fiscal 2016. All incumbent directors who served on the Audit, Compensation, Finance and Governance Committees attended 75% or more of the total number of committee meetings during fiscal 2016. With the exception of Mr. Byrne, all members of our Board of Directors were present at the Fiscal 2015 Annual Meeting of Shareholders. We encourage director attendance at the Annual Meeting of Shareholders.

The Audit Committee, the Compensation Committee, the Finance Committee and the Governance Committee each have written charters that comply with SEC and NASDAQ rules relating to corporate governance matters. Copies of the committee charters as well as our Corporate Governance Guidelines are available at [www.micron.com](http://www.micron.com) and are also available in print upon request to [corporatesecretary@micron.com](mailto:corporatesecretary@micron.com). The Board of Directors has determined that all the members of the Audit Committee, the Compensation Committee, the Finance Committee and the Governance Committee satisfy the independence requirements of applicable SEC laws and the Listing Rules of NASDAQ for such committees.

Our Corporate Governance Guidelines specify a mandatory retirement age of 75 for members of our Board of Directors and provide that committee chairman serve for no more than five years, but give the Board of Directors the discretion in each case to waive the requirement on an annual basis. The Board of Directors has waived the five-year chair limit for Ms. Johnson on the Audit Committee and Mr. Mondry on the Governance Committee.

#### Audit Committee

Ms. Johnson and Messrs. Bailey and Switz currently serve on the Audit Committee. Ms. Johnson has served as the Chairman of the Audit Committee since October 2010. The Board of Directors has determined that Ms. Johnson and Messrs. Bailey and Switz each qualify as an "audit committee financial expert" for purposes of the rules and regulations of the SEC and that each of these members are sufficiently proficient in reading and understanding our financial statements to serve on the Audit Committee. The purpose of the Audit Committee is to assist the Board of Directors in overseeing and monitoring:

- the integrity of our financial statements;
- the performance of our internal audit function;
- the performance of our Independent Registered Public Accounting Firm;
- the qualifications and independence of our Independent Registered Public Accounting Firm; and
- our compliance with legal and regulatory requirements.

The Audit Committee is also responsible for preparing the Audit Committee report that is included in our annual Proxy Statement. See "Report of the Audit Committee of the Board of Directors." The complete duties and responsibilities of the Audit Committee are set forth in its written charter, which is available at [www.micron.com](http://www.micron.com) and is also available in print upon request to [corporatesecretary@micron.com](mailto:corporatesecretary@micron.com).

#### Compensation Committee

Messrs. Beyer, Byrne and Mondry currently serve on the Compensation Committee of the Board of Directors. Mr. Warren East, who resigned from the Board of Directors following the expiration of his term, served as a member of the Compensation Committee for a portion of fiscal 2016. Mr. Mondry has served as the Chairman of the Compensation Committee since January 2012. The Compensation Committee is responsible for reviewing and approving the compensation of our executive officers. See the "Compensation Discussion and Analysis" and the

"Compensation Committee Report" for information regarding how the Compensation Committee sets executive compensation levels. The Compensation Committee has authority to delegate any of its responsibilities to a subcommittee as it may deem appropriate in its judgment. The complete duties of the Compensation Committee are set forth in its written charter, which is available at [www.micron.com](http://www.micron.com) and is also available in print upon request to [corporatesecretary@micron.com](mailto:corporatesecretary@micron.com).

#### Finance Committee

In fiscal 2016, we established a standing Finance Committee of the Board of Directors. Ms. Johnson and Messrs. Durcan and Mondry currently serve on the Finance Committee. Ms. Johnson serves as the Chairman of the Finance Committee. The Finance Committee represents and assists the Board of Directors in discharging its responsibilities with respect to our financial policies, financial strategies and capital structure. The complete duties of the Finance Committee are

set forth in its written charter, which is available at [www.micron.com](http://www.micron.com) and is also available in print upon request to [corporatesecretary@micron.com](mailto:corporatesecretary@micron.com).

#### Governance Committee

Ms. Johnson and Messrs. Bailey, Beyer, Byrne, Mondry and Switz currently serve on the Governance Committee. Mr. Mondry has served as Chairman of the Governance Committee since October 2009. The responsibilities of the Governance Committee include assisting the Board of Directors in discharging its duties with respect to the following:

- the identification and selection of nominees to our Board of Directors;
- director compensation;
- the development of our Corporate Governance Guidelines; and
- the annual evaluations of the Board of Directors and its committees.

The complete duties and responsibilities of the Governance Committee are set forth in its written charter, which is available at [www.micron.com](http://www.micron.com) and is also available in print upon request to [corporatesecretary@micron.com](mailto:corporatesecretary@micron.com).

The Governance Committee is responsible for identifying nominees for our Board of Directors. While we do not have a list of minimum qualifications that nominees must possess or a specific policy regarding diversity, the following factors are strongly considered by the Governance Committee in making its recommendations:

- substantial experience in the semiconductor industry or related industries;
- strong business acumen and judgment;
- excellent interpersonal skills;
- business relationships with key individuals in industry, government and education that may be of significant assistance to us and our operations;
- familiarity with accounting rules and practices; and
- "independence" as defined and required by the Listing Rules of NASDAQ and relevant rules and regulations of the SEC.

In the event the Board of Directors has determined that it would be advisable to add additional members to the Board of Directors, the Governance Committee works with a third party executive search firm to assist them in the identification and evaluation of potential candidates to our Board of Directors.

The Governance Committee will consider director nominee recommendations from shareholders. Shareholder recommendations for directors are subject to the same criteria used to evaluate other candidates. Shareholders wishing to recommend a prospective nominee should submit the candidate's name and qualifications to our Corporate Secretary at [corporatesecretary@micron.com](mailto:corporatesecretary@micron.com). Our Bylaws contain the provisions that address the process by which a shareholder may nominate an individual to stand for election to our Board of Directors. A copy of our Bylaws can be found on the Corporate Governance page of our website at [www.micron.com](http://www.micron.com) and is available in print upon request to [corporatesecretary@micron.com](mailto:corporatesecretary@micron.com).

Executive Sessions and Communications with the Board of Directors

Mr. Switz has been the Chairman of our Board of Directors since February 2012. As part of his duties as Chairman, Mr. Switz chairs Executive Session meetings of our Board of Directors. Shareholders and interested parties wishing to communicate with our Board of Directors may contact Mr. Switz at [chairman@micron.com](mailto:chairman@micron.com).

## COMPENSATION OF DIRECTORS

The Governance Committee of the Board of Directors oversees the setting of compensation for our non-employee members of the Board of Directors. At the end of fiscal 2015, the Governance Committee engaged Mercer to review and evaluate director compensation for fiscal 2016, in light of prevailing market conditions. Mercer gathered and reviewed market data for non-employee directors from the same Compensation Peer Group used to evaluate officer compensation. For a discussion of peer group companies please see "Executive Compensation and Related Information – Compensation Discussion and Analysis." Upon completion of its review and evaluation, the Governance Committee recommended that the Board of Directors make no changes to the director's compensation.

### Elements of Director Compensation

#### Annual Retainer

Non-employee directors are entitled to receive an annual retainer of \$100,000. Pursuant to our 2008 Director's Compensation Plan (the "DCP"), which operates as a sub-plan of the Amended and Restated 2007 Equity Incentive Plan (the 2007 Plan"), non-employee directors may elect to take some or their entire annual retainer in the form of cash, shares of Common Stock or deferred rights to receive Common Stock upon termination as a director. Employee directors receive no additional or special remuneration for their service as directors.

Set forth below are the amounts received by directors for their service as committee chair or Chairman of the Board of Directors:

	2016
Audit Committee Chair	\$30,000
Compensation Committee Chair	20,000
Finance Committee Chair	15,000
Governance Committee Chair	15,000
Chairman of the Board of Directors	150,000

Except for the foregoing, directors do not receive any additional or special cash remuneration for their service on any of the committees established by the Board of Directors. We reimburse directors for travel and lodging expenses, if any, incurred in connection with attendance at Board of Directors' meetings.

#### Equity Award

Non-employee directors receive an annual equity award. Since fiscal 2007, the equity award has been exclusively in the form of restricted stock. The "targeted value" for the annual non-employee director equity award is established each year by the Board of Directors following discussions with Mercer and has been set at \$250,000 since fiscal 2015. The number of restricted shares awarded to each non-employee director is determined by dividing the applicable targeted value by the Fair Market Value of a share of our Common Stock, as defined under our equity plans. For purposes of our equity plans, "Fair Market Value" is the closing price of our Common Stock on the last market-trading day prior to the date of grant. The restrictions on the shares awarded in fiscal 2016 lapse for 100% of such shares on the first anniversary of the date of grant (the "Vesting Period"). Notwithstanding the foregoing, the restrictions will lapse for 100% of such shares in the event a director either reaches the mandatory retirement age or retires from the Board of Directors during the Vesting Period having achieved a minimum of three years of service with the Board of Directors prior to the effective date of his or her retirement.

As part of our commitment to sound corporate governance practices, at the Annual Meeting we are seeking shareholder approval of an amendment to our 2007 Plan, to set a limit of \$750,000 on the value of shares that may be granted to any non-employee director in a single fiscal year. See Proposal 2 for additional information related to our 2007 Plan.

## Fiscal 2016 Director Compensation

The following table details the total compensation earned by our non-employee directors in fiscal 2016.

Name	Fees		Total
	Earned or Paid in Cash	Stock Awards(1)	
Robert L. Bailey	\$100,000	\$250,011	\$350,011
Richard M. Beyer	100,000	250,011	350,011
Patrick J. Byrne	100,000	250,011	350,011
D. Warren A. East(2)	40,591	250,011	290,602
Mercedes Johnson	143,185	250,011	393,196
Lawrence N. Mondry	135,000	250,011	385,011
Robert E. Switz	250,000	250,011	500,011

(1) On October 14, 2015, each director who was not an employee was granted 13,752 shares of restricted stock with a grant date fair value of \$250,011 (\$18.18 per share). The shares received by Mr. East were forfeited upon his resignation from the Board of Directors as the restrictions related to the shares had not lapsed. For information on the restrictions associated with these awards, see "Elements of Director Compensation – Equity Award" above. Any dividends payable with respect to our Common Stock will be payable with respect to all awards of restricted stock. As of September 1, 2016, each serving non-employee director held 13,752 shares of restricted stock.

(2) Mr. East served as a member of our Board of Directors through January 27, 2016.

## Stock Ownership Guidelines

We have established stock ownership guidelines for our directors. The minimum ownership guideline for directors is to hold shares with a value equal to five times their \$100,000 annual retainer. The minimum ownership guideline for our CEO is to hold shares with a value equal to five times his base salary. Directors are given five years to meet the ownership guidelines. The Governance Committee reviews the Ownership Guidelines annually and monitors each persons progress toward, and continued compliance with, the guidelines. In October 2016, the Governance Committee increased the stock ownership requirement for directors from four times the amount of the annual retainer to five times. Stock sales restrictions may be imposed upon directors if the stock ownership guidelines are not met. All our directors are in compliance with the guidelines.

The following table shows non-employee director compliance with the guidelines as of the Record Date (November 21, 2016):

Director	Guideline Multiplier	Guideline Amount	Compliance with Guideline
Robert L. Bailey	5	\$500,000	
Richard M. Beyer	5	500,000	
Patrick J. Byrne	5	500,000	
Mercedes Johnson	5	500,000	
Lawrence N. Mondry	5	500,000	
Robert E. Switz	5	500,000	

Please refer to page 24 for information on the stock ownership guidelines for our Named Executive Offices, including Mr. Durcan.





## PRINCIPAL SHAREHOLDERS

## Security Ownership of Certain Beneficial Owners and Management

The following table sets forth security beneficial ownership information of our Common Stock as of the Record Date (November 21, 2016), based on the most current information provided to us by the beneficial owners, available to us from our own records or provided in SEC filings made by the beneficial owners, for (i) persons known by us to own beneficially more than 5% of our Common Stock, (ii) each director, (iii) each Named Executive Officer listed in the "Summary Compensation Table" set forth herein and (iv) all directors and executive officers as a group:

Name of Beneficial Owner	Number of Shares Owned(1)	Right to Acquire(2)	Total Beneficial Ownership Class(3)	Percent of
Robert L. Bailey			—	
Richard M. Beyer			—	
Patrick J. Byrne			—	
Scott J. DeBoer			—	
D. Mark Durcan(4)			—	
Mercedes Johnson			—	
Ernest E. Maddock			—	
Lawrence N. Mondry			—	
Brian M. Shirley			—	
Robert E. Switz			—	
Steven L. Thorsen, Jr.			—	
Mark W. Adams			—	
All directors and executive officers as a group (14 persons)			—	—%

\*Represents less than 1% of shares outstanding

(1) Excludes shares that may be acquired through the exercise of outstanding stock options.

(2) Represents shares that an individual has a right to acquire within 60 days of the Record Date.

(3) For purposes of calculating the Percent of Class, shares that the person or entity had a Right to Acquire are deemed to be outstanding when calculating the Percent of Class of such person or entity.

(4) Includes \_\_\_\_\_ shares beneficially owned by C&E Partners L.P. and \_\_\_\_\_ shares beneficially owned by Mr. Durcan's spouse.

## EXECUTIVE COMPENSATION AND RELATED INFORMATION

### COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis presents material information helpful or necessary to understand the objectives and policies of our compensation program for executive officers and the compensation reported in the tables that follow. This discussion focuses on the compensation awarded to, earned by, and paid to the following individuals:

• Scott J. DeBoer, our Vice President, Technology Development;

• D. Mark Durcan, our Chief Executive Officer;

• Ernest E. Maddock, our Chief Financial Officer and Vice President, Finance;

• Brian M. Shirley, our Vice President, Memory Solutions; and

• Steven L. Thorsen, Jr., our Vice President, Worldwide Sales.

In addition, we have included information related to Mark W. Adams, who served as our President for a portion of fiscal 2016 until his resignation effective February 1, 2016.

Throughout this discussion, the foregoing individuals who are also named in the "Fiscal 2016 Summary Compensation Table," are referred to as our "Named Executive Officers" and the Compensation Committee of the Board of Directors is referred to as the "Committee."

#### Executive Summary

#### Fiscal 2016 Highlights

• We generated \$12.4 billion in revenue and \$3.2 billion in operating cash flow.

- We entered into agreements to acquire the remaining 67% interest in our Inotera Memories, Inc. joint venture for approximately \$4.1 billion. We expect the Inotera acquisition to close on December 6, 2016.

• We began production of 3D XPoint memory products and continue to work on enabling the technology in the market.

• In the third quarter of fiscal 2016, we achieved 20nm DRAM crossover; i.e., 20nm DRAM represented a majority of our DRAM bit output.

• We continued our ramp of 3D NAND, and at the end of fiscal 2016, we were ahead of our original ramp schedule and now expect 3D NAND bit output to exceed 2D NAND bit output in the first quarter of fiscal 2017.

• We completed key mobile customer qualifications on 20nm DRAM and 3D NAND.

• We implemented a Company-wide restructuring plan, which we believe will save more than \$300 million in fiscal 2017 as compared to our previously planned spending levels.



## Total Shareholder Return ("TSR")

The following chart shows our relative TSR data as compared to the median of our Compensation Peer Group.

The information presented is based on closing prices on or nearest September 1 for each period presented above and represents annualized rates of return reflecting price appreciation plus reinvestment of dividends and the compounding effect of dividends paid, if any, on reinvested dividends. This table does not include our peer, Broadcom Corporation, as it merged with Avago Technologies in 2016.

## Objective of our Executive Compensation Program

Our primary long-term corporate objective is to create superior value for our shareholders. The objective of the executive compensation program is to attract, motivate, reward, and retain highly qualified executive officers who are able to achieve the corporate objective of superior value for our shareholders. The executive compensation program is designed to provide a foundation of fixed compensation (base salary and time-based restricted shares) and a significant portion of performance-based compensation (short-term and long-term incentive opportunities, such as cash bonuses and performance-based restricted stock units), that align the interests of executives with those of our shareholders. We also use time-based stock options, the value of which is directly tied to stock price performance.

## Compensation Highlights

### CEO Compensation

In fiscal 2016 Mr. Durcan requested a voluntary and temporary pay reduction to align his salary with the Company's expense reduction initiatives. As a result of Mr. Durcan's request, the Compensation Committee reduced his annual base salary by 50% to \$525,000 and his long-term incentive opportunity from \$8,000,000 to \$5,000,000. Mr. Durcan's short-term incentive target percentage did not change.

For fiscal 2016, Mr. Durcan's base salary, short-term incentive target, and long-term incentive opportunity were at or below the market median.