

Main Street Capital CORP  
Form 8-K  
May 13, 2013

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of Earliest Event Reported): **May 13, 2013**

**Main Street Capital Corporation**

(Exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction of incorporation)

**001-33723**  
(Commission File Number)

**41-2230745**  
(I.R.S. Employer Identification No.)

**1300 Post Oak Boulevard, Suite 800,**

**Houston, Texas**  
(Address of principal executive offices)

**77056**  
(Zip Code)

Registrant's telephone number, including area code: **(713) 350-6000**

**Not Applicable**

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Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 8.01 Other Events.**

On May 13, 2013, the Registrant issued a press release. A copy of such press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information disclosed under Item 8.01, including Exhibit 99.1 hereto, shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934 and shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933, except as expressly set forth by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

99.1 Press release dated May 13, 2013

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**Main Street Capital Corporation**

Date: May 13, 2013

By: */s/ Dwayne L. Hyzak*  
Name: Dwayne L. Hyzak  
Title: Chief Financial Officer

**Exhibit Index**

<b>Exhibit No.</b>	<b>Description</b>
99.1	Press release dated May 13, 2013

April 30, 2019

TO THE STOCKHOLDERS OF IMMERSION CORPORATION

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders (the “Annual Meeting”) of Immersion Corporation, which will be held at our corporate offices, 50 Rio Robles, San Jose, California 95134, on June 14, 2019, at 9:30 a.m. Pacific Time.

At the Annual Meeting, stockholders will be asked to vote on each of the four proposals set forth in the Notice of Annual Meeting of Stockholders and the Proxy Statement, which describe the formal business to be conducted at the Annual Meeting and follow this letter.

It is important that your shares be represented and voted at the Annual Meeting regardless of the size of your holdings. please complete, sign, date and return the accompanying proxy card in the enclosed postage-paid envelope. Voting electronically, by telephone, or by returning your proxy card in advance of the Annual Meeting does not deprive you of your right to attend the Annual Meeting.

On behalf of the Board of Directors, I would like to express our appreciation for your continued support for and interest in the affairs of our company. We look forward to seeing you at the Annual Meeting.

Sincerely,

RAMZI HAIDAMUS

Director

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held June 14, 2019

The Annual Meeting of Stockholders (the “Annual Meeting”) of Immersion Corporation will be held at our corporate headquarters, 50 Rio Robles, San Jose, California 95134, on June 14, 2019, at 9:30 a.m. Pacific Time for the following purposes:

1. To elect five (5) directors to hold office for the applicable term and until their successor is elected and qualified;
2. To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019;
3. To hold an advisory vote to approve the compensation of our named executive officers;
4. To approve an amendment to the 2011 Equity Incentive Plan; and
5. To transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

Only stockholders of record at the close of business on April 10, 2019 are entitled to notice of, and to vote at, the Annual Meeting and at any adjournments or postponements thereof.

The vote of each eligible stockholder is important. Please vote as soon as possible to ensure that your vote is recorded promptly even if you plan to attend the Annual Meeting.

BY ORDER OF THE BOARD OF DIRECTORS,

RAMZI HAIDAMUS

Director

San Jose, California

April 30, 2019

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON JUNE 14, 2019: THIS PROXY STATEMENT AND THE ANNUAL REPORT ARE AVAILABLE AT

<https://ir.immersion.com/annual-proxy.cfm>



IMMERSION CORPORATION

2019 ANNUAL MEETING OF STOCKHOLDERS

NOTICE OF ANNUAL MEETING AND PROXY STATEMENT

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## PROXY STATEMENT

We are providing you with these proxy materials in connection with the solicitation by the Board of Directors of Immersion Corporation, of proxies to be used at our 2019 Annual Meeting of Stockholders (“Annual Meeting”). The Annual Meeting will be held at our corporate headquarters, 50 Rio Robles, San Jose, California 95134 on June 14, 2019 at 9:30 a.m. Pacific Time. This proxy statement contains important information regarding our Annual Meeting, the proposals on which you are being asked to vote, information you may find useful in determining how to vote, and information about voting procedures.

This proxy statement, any accompanying proxy card or voting instruction form, and our 2018 Annual Report to Stockholders (the “2018 Annual Report”) will be mailed to or otherwise made available to our stockholders on or about April 30, 2019.

## QUESTIONS AND ANSWERS

What is included in the proxy materials?

The proxy materials for our Annual Meeting include this proxy statement and our 2018 Annual Report. If you received a paper copy of these materials, the proxy materials also include a proxy card or voting instruction form.

Who is soliciting my vote?

The Board of Directors of Immersion Corporation is soliciting your vote at our Annual Meeting.

Who is entitled to vote?

You may vote if you were the record owner of Immersion Corporation common stock as of the close of business on April 10, 2019. Each share of common stock is entitled to one vote. As of April 10, 2019, we had 31,552,886 shares of common stock outstanding and entitled to vote. There is no cumulative voting.

Who can attend the Annual Meeting?

Stockholders of record at the close of business on April 10, 2019 may attend the Annual Meeting. You must bring with you a form of government-issued photo identification, such as a driver’s license, state-issued ID card, or passport to gain entry to the Annual Meeting. If you are a beneficial owner of our common stock, you must also bring with you to the Annual Meeting a legal proxy from the organization that holds your shares or a brokerage statement showing your ownership of shares as of the close of business on the record date. If you are a representative of an institutional stockholder, you must also bring a legal proxy or other proof that you are a representative of a firm that held shares as of the close of business on the record date and that you are authorized to vote on behalf of the institution.



How many votes must be present to hold the Annual Meeting?

Your shares are counted as present at the Annual Meeting if you attend the meeting and vote in person or if you properly return a proxy by Internet, telephone or mail. For us to hold our Annual Meeting, holders of a majority of our outstanding shares of common stock as of April 10, 2019, must be present in person or by proxy at the meeting. This is referred to as a quorum. Abstentions and broker non-votes will be counted for purposes of establishing a quorum at the meeting.

What is the difference between holding shares as a stockholder of record and as a beneficial stockholder?

If your shares are registered directly in your name with our registrar and transfer agent, Computershare Trust Company, N.A. (“Computershare”), you are considered a stockholder of record with respect to those shares. If your shares are held in a brokerage account or bank, you are considered the “beneficial owner” or “street name” holder of those shares.

What is a broker non-vote?

Applicable rules permit brokers to vote shares held in street name on routine matters when the brokers have not received voting instructions from the beneficial owner on how to vote those shares. Brokers may not vote shares held in street name on non-routine matters unless they have received voting instructions from the beneficial owners on how to vote those shares. Shares that are not voted on non-routine matters are called broker non-votes. Broker non-votes will have no effect on the vote for any matter properly introduced at the meeting.

What routine and non-routine matters will be voted on at the Annual Meeting?

The ratification of Deloitte & Touche LLP as our independent registered public accounting firm for 2019 is the only routine matter to be presented at the Annual Meeting on which brokers may vote in their discretion on behalf of beneficial owners who have not provided voting instructions. The non-routine matters that will be voted on at the Annual Meeting include the election of five (5) directors, the advisory vote to approve compensation of our named executive officers, and the amendment to our 2011 Equity Incentive Plan.

How are abstentions and broker non-votes counted?

Abstentions and broker non-votes are included in determining whether a quorum is present, but are not considered votes cast. Accordingly, broker non-votes and abstentions will have no effect on the vote for any matter properly introduced at the Annual Meeting.

What are my voting choices for each of the proposals to be voted on at the Annual Meeting and how does the Board recommend that I vote my shares?

	More	
	Information	Voting Choices and Board Recommendation
<p>PROPOSAL Election of five Directors 1</p>	<p>Page 8</p>	<ul style="list-style-type: none"> <li>• vote FOR the nominees; or</li> <li>• withhold your vote for the nominees.</li> </ul> <p>The Board recommends a vote FOR the nominees.</p>
<p>PROPOSAL Ratification of Independent 2 Registered Public Accounting Firm</p>	<p>Page 49</p>	<ul style="list-style-type: none"> <li>• vote FOR the ratification;</li> <li>• vote against the ratification; or</li> <li>• abstain from voting on the ratification.</li> </ul> <p>The Board recommends a vote FOR the ratification.</p>
<p>PROPOSAL Advisory vote on the compensation 3 of our named executive officers</p>	<p>Page 51</p>	<ul style="list-style-type: none"> <li>• vote FOR, the advisory proposal;</li> <li>• vote against the advisory proposal; or</li> <li>• abstain from voting on the advisory proposal.</li> </ul> <p>The Board recommends an advisory vote FOR the compensation of our named executive officers.</p>
<p>PROPOSAL Approval of the amendments to the 4 2011 Equity Incentive Plan</p>	<p>Page 52</p>	<ul style="list-style-type: none"> <li>• vote FOR, the amendments to the 2011 Equity Incentive Plan;</li> <li>• vote against the amendments to the 2011 Equity Incentive Plan; or</li> <li>• abstain from voting on the amendments to the 2011 Equity Incentive Plan.</li> </ul> <p>The Board recommends a vote FOR the approval of the amendments to the 2011 Equity Incentive Plan.</p>

How many votes are needed to approve each proposal?

The director nominees shall be elected by a plurality of the votes cast (meaning that the five director nominees who receive the highest number of votes cast “FOR” their election will be elected as directors). There is no cumulative voting with respect to the election of directors. All other proposals submitted require the affirmative “FOR” vote of a majority of the votes cast. As an advisory vote, the proposal to approve the compensation of our named executive officers is not binding upon us. However, the Compensation Committee, which is responsible for designing and administering our executive compensation programs, values the opinions expressed by stockholders and will consider the outcome of the vote when making future compensation decisions.

How do I vote?

Stockholders of Record: You can vote either in person at the Annual Meeting or by proxy. Persons who vote by proxy need not, but are entitled to, attend the Annual Meeting. Even if you plan to attend the Annual Meeting, we encourage you to vote your shares by proxy.

This proxy statement, the accompanying proxy card and the 2018 Annual Report are being made available to our stockholders on the Internet at [www.envisionreports.com/IMMR](http://www.envisionreports.com/IMMR).

You may vote your shares as follows – in all cases, have your proxy card in hand:

Vote over the Internet 24/7 at  
[www.envisionreports.com/IMMR](http://www.envisionreports.com/IMMR)

Dial toll-free 24/7 (800) 652-VOTE within the USA, US territories & Canada

Vote using your tablet or smartphone

If you elected to receive a hard copy of your proxy materials, fill out the enclosed proxy card, date and sign it, and return it in the enclosed postage-paid envelope.

Beneficial Stockholders: If you hold your shares of Immersion Corporation common stock in a brokerage account (that is, in “street name”), your ability to vote by telephone or over the Internet depends on your broker’s voting process. Please follow the directions on your proxy card or voting instruction card carefully. Please note that brokers may not vote your shares on Proposal 1 (Election of Directors), Proposal 3 (Advisory vote on executive compensation) or Proposal 4 (Amendment to the 2011 Equity Incentive Plan). Please provide your voting instructions so your vote can be counted on these matters.

If you plan to vote in person at the Annual Meeting and you hold your shares of Immersion Corporation common stock in street name, you must obtain a proxy from your broker and bring that proxy to the Annual Meeting.

How can I revoke my proxy?

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You can revoke your proxy by sending written notice of revocation of your proxy to our Corporate Secretary at Immersion Corporation, 50 Rio Robles, San Jose, California 95134 so that it is received prior to the close of business on June 13, 2019.

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Can I change my vote?

Yes. You can change your vote at any time before the polls close at the Annual Meeting. You can do this by:

- voting again by telephone or over the Internet prior to 11:59 p.m. Eastern Time on June 13, 2019;
- signing another proxy card with a later date and returning it to us prior to the Annual Meeting; or
- voting again at the Annual Meeting.

Who counts the votes?

We have hired Computershare to count the votes represented by proxies and cast by ballot, and our General Counsel and Corporate Secretary, or other individual as appointed by the Board of Directors, will act as Inspector of Election.

When will we announce the voting results?

We will announce the preliminary voting results at the Annual Meeting. Within four business days of the Annual Meeting, we will report the final results on our website and in a Current Report on Form 8-K filed with the SEC.

Will my shares be voted if I don't provide my proxy and don't attend the Annual Meeting?

If you do not provide a proxy or vote your shares held in your name, your shares will not be voted. If you hold your shares in street name, your broker has the authority to vote your shares for "routine" matters even if you do not provide the broker with voting instructions

Without instructions from you, the broker may not vote on any proposals other than the ratification of Deloitte & Touche LLP as our independent registered public accounting firm for 2019, which is a routine matter.

What if I am a stockholder of record and return my proxy but don't vote for some of the matters listed on my proxy card?

If you return a signed proxy card without indicating your vote, your shares will be voted "FOR" the director nominees listed on the card, (Proposal 1), "FOR" the ratification of Deloitte & Touche LLP as our independent registered public accounting firm (Proposal 2), "FOR" the advisory vote to approve the compensation of our named executive officers, (Proposal 3), and "FOR" the amendment to the 2011 Equity Incentive Plan (Proposal 4).

What if I am a beneficial owner and do not give voting instructions to my broker?

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As a beneficial owner, in order to ensure your shares are voted in the way you would like, you must provide voting instructions to your bank or broker by the deadline provided in the materials you receive from your bank or broker. If you do not provide voting instructions to your bank or broker, whether your shares can be voted by such person depends on the type of item being considered for vote. Brokers may not vote shares held in street name on non-routine matters unless they have received voting instructions from the beneficial owners on how to vote those shares. The ratification of Deloitte & Touche LLP as our independent registered public accounting firm for 2019 is the only routine matter to be presented at the Annual Meeting on which brokers may vote in their discretion on behalf of beneficial owners who have not provided voting instructions. All other matters are considered “non-routine”.

Could other matters be decided at the Annual Meeting?

We are not aware of any other matters to be presented at the Annual Meeting. If any matters are properly brought before the Annual Meeting, the persons named in your proxies will vote in accordance with their best judgment. Discretionary authority to vote on other matters is included in the proxy.

Do we have a policy about directors' attendance at the Annual Meeting?

Pursuant to the Corporate Governance Principles, directors are strongly encouraged to attend the Annual Meeting. Five of our directors attended the 2018 Annual Meeting of Stockholders.

How can I access Immersion Corporation's proxy materials and annual report electronically?

This proxy statement, the accompanying proxy card and the 2018 Annual Report are being made available to our stockholders on the Internet at [www.envisionreports.com/IMMR](http://www.envisionreports.com/IMMR). Most stockholders can elect to view future proxy statements and annual reports over the Internet instead of receiving paper copies in the mail.

If you own Immersion Corporation common stock in your name, you can choose this option and reduce the cost of producing and mailing these documents and help the environment by checking the box for electronic delivery on your proxy card, or by following the instructions provided when you vote by telephone or over the Internet. If you hold your Immersion Corporation common stock through a bank, broker or other holder of record, please refer to the information provided by that entity for instructions on how to elect to view future proxy statements and annual reports over the Internet.

If you choose to view future proxy statements and annual reports over the Internet, you will receive a Notice of Internet Availability next year in the mail containing the Internet address to use to access our proxy statement and annual report. Your choice will remain in effect unless you change your election following the receipt of a Notice of Internet Availability. You do not have to elect Internet access each year. If you later change your mind and would like to receive paper copies of our proxy statements and annual reports, you can request both by following the directions set forth on the Notice of Internet Availability.

Who bears the cost of this proxy solicitation?

Our Board of Directors has sent you this proxy statement. Our directors, officers and employees may solicit proxies by mail, by email, by telephone or in person. Those persons will receive no additional compensation for any solicitation activities. We will request banking institutions, brokerage firms, custodians, trustees, nominees and fiduciaries to forward solicitation materials to the beneficial owners of Immersion Corporation common stock held of record by those entities, and we will, upon the request of those record holders, reimburse reasonable forwarding expenses. We will pay the costs of preparing, printing, assembling and mailing the proxy materials used in the solicitation of proxies.

How do I submit a proposal for action at the 2020 Annual Meeting of Stockholders?

A proposal for action to be presented by any stockholder at the 2020 Annual Meeting of Stockholders will be acted upon only:

if the proposal is to be included in the proxy statement, pursuant to Rule 14a-8 under the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), the proposal is received by our Corporate Secretary on or before January 2, 2020;

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if the proposal or a director nomination is not to be included in the proxy statement, pursuant to our Bylaws, the proposal is submitted in writing to our Corporate Secretary on or before January 2, 2020 and such proposal is, under Delaware General Corporation Law (“Delaware Law”), an appropriate subject for stockholder action and is submitted in accordance with our Bylaws; or

also in the case of nominating directors, if we increase the number of directors to be elected at our 2020 Annual Meeting of Stockholders and there is no public announcement by us naming all of the nominees for director or specifying the size of the increased Board by December 23, 2019, we must receive nominations (but only from a stockholder who had previously submitted in proper form a timely director nomination notice by January 2, 2020) for any new positions created by such increase no later than the close of business on the 10<sup>th</sup> day following the day on which such public announcement is made.

In addition, the stockholder proponent, or a representative who is qualified under state law, must appear in person at the 2020 Annual Meeting of Stockholders to present such proposal. Our Bylaws, which are publicly available as an exhibit to our Annual Report on Form 10-K for the year ended December 31, 2018, provide detailed information on how to properly submit stockholder proposals and director nominations, and should be read carefully.

Proposals should be sent to our Corporate Secretary, Immersion Corporation, 50 Rio Robles, San Jose, California 95134.

How can I view or request copies of our corporate documents and SEC filings?

Our website contains our Certificate of Incorporation, Bylaws, Corporate Governance Principles, Stock Ownership Policy, Board Committee Charters, the Code of Business Conduct and Ethics, Immersion Environmental and Social Policy and our SEC filings. To view these documents, go to [www.immersion.com](http://www.immersion.com), click on “Investor Relations” and click on “Governance.” To view our SEC filings and Forms 3, 4 and 5 filed by our directors and executive officers, go to [www.immersion.com](http://www.immersion.com), click on “Investor Relations” and click on “Financial Info.”

We will promptly deliver free of charge a copy of our 2018 Annual Report to any stockholder requesting a copy. Requests should be directed to our Corporate Secretary, Immersion Corporation, 50 Rio Robles, San Jose, California 95134.

What is householding?

As permitted by the Exchange Act, only one copy of this proxy statement is being delivered to stockholders residing at the same address, unless the stockholders have notified us of their desire to receive multiple copies of the proxy statement. This is known as householding.

We will promptly deliver, upon oral or written request, a separate copy of the proxy statement to any stockholder residing at an address to which only one copy was mailed. Requests for additional copies for the current year or future years should be directed to our Corporate Secretary, Immersion Corporation, 50 Rio Robles, San Jose, California 95134.

Stockholders of record residing at the same address and currently receiving multiple copies of the proxy statement may contact our registrar and transfer agent, Computershare, to request that only a single copy of the proxy statement

be mailed in the future.

Contact Computershare by phone at (888) 265-3747 or by mail at 250 Royall Street, Canton, Massachusetts 02021.

Beneficial owners should contact their broker or bank.

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## ELECTION OF DIRECTORS (PROPOSAL 1)

The Board of Directors of Immersion Corporation (the “Board of Directors” or the “Board”) is elected by the stockholders to oversee their interest in the long-term health and the overall success of our business and its financial strength. The Board serves as our ultimate decision-making body, except for those matters reserved to or shared with the stockholders. The Board selects and oversees the members of senior management, who are charged by the Board with conducting our business.

### Election Process

Pursuant to our previous Amended and Restated Certificate of Incorporation, our Board membership was divided into three classes — Class I, II, and III directors. Beginning in 2018, each director nominated for election is elected for a one-year term of office. The Board will become declassified as of the date of the 2020 Annual Meeting. Each director holds office until his or her successor is elected and qualified or until his or her earlier death, resignation, or removal. In accordance with our Amended and Restated Certificate of Incorporation, the Class I and the Class II directors will be elected at this 2019 Annual Meeting, the Class I, Class II and Class III directors will be elected at the annual meeting of stockholders in 2020. If a quorum is present and voting, the nominees for Class I and Class II directors receiving the greatest number of votes will be elected as director. Any votes withheld and broker non-votes have no effect on the vote.

### Nomination of Directors

The entire Board of Directors is responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur between annual meetings of stockholders, upon the recommendation of the Nominating and Corporate Governance Committee or the independent members of the Board. The Nominating and Corporate Governance Committee is responsible for identifying, screening, and recommending candidates to the entire Board for Board membership. The Nominating and Corporate Governance Committee works with the Board to determine the appropriate characteristics, skills, and experience for the Board as a whole and its individual members. In evaluating the suitability of individual Board members, the Board takes into account many factors, which are described in further detail below. The Board evaluates each individual in the context of the Board as a whole with the objective of retaining a group of directors with diverse and relevant experience that can best perpetuate our success and represent stockholder interests through sound judgment.

The Nominating and Corporate Governance Committee may seek the input of other members of the Board or management in identifying candidates who meet the criteria outlined above. In addition, the Nominating and Corporate Governance Committee may use the services of consultants or a search firm. The Nominating and Corporate Governance Committee will consider recommendations by our stockholders of qualified director candidates for possible nomination by the Board. Stockholders may recommend qualified director candidates by writing to our Corporate Secretary at Immersion Corporation, 50 Rio Robles, San Jose, California 95134. Submissions should include information regarding a candidate’s background, qualifications, experience, and willingness to serve as a director. Based on a preliminary assessment of a candidate’s qualifications, the Nominating and Corporate Governance Committee may conduct interviews with the candidate or request additional information from the candidate. The Nominating and Corporate Governance Committee uses the same process for evaluating all candidates for nomination by the Board, including those recommended by stockholders. Our Bylaws permit persons to be nominated as directors directly by stockholders if certain timing, information and other requirements are met.

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In order for a stockholder to nominate a director or directors, the stockholder must submit the proposal to nominate in writing to our Corporate Secretary on or before January 2, 2020. If we increase the number of directors to be elected at our 2020 Annual Meeting of Stockholders and there is no public announcement by us naming all of the nominees for director or specifying the size of the increased Board by December 23, 2019, we must receive nominations (but only from a stockholder who had previously submitted in proper form a timely director nomination notice by January 2, 2020 for any new positions created by such increase no later than the close of business on the 10<sup>th</sup> day following the day on which such public announcement is made. Nominations must be submitted in accordance with our Bylaws and should be sent to our Corporate Secretary, Immersion Corporation, 50 Rio Robles, San Jose, California 95134.



Qualifications of Directors and Nominees

When evaluating potential director nominees, the Nominating and Corporate Governance Committee considers each individual’s professional expertise and educational background in addition to the individual’s general qualifications. The Nominating and Corporate Governance Committee works with the Board to determine the appropriate mix of backgrounds and experiences in order to establish and maintain a Board that is strong in its collective knowledge and that can fulfill its responsibilities and oversee our business consistent with its fiduciary duty to stockholders.

The Nominating and Corporate Governance Committee communicates with the Board to identify backgrounds, qualifications, professional experiences, and areas of expertise that impact our business that are particularly desirable for our directors to possess in order to help meet specific Board needs, including:

- Public company board and corporate governance experience, which provides directors a solid understanding of their extensive and complex oversight responsibilities and furthers our goals of greater transparency, accountability for management and the Board;
- Shareholder alignment, which helps to ensure the Board protects the best interests of our shareholders;
- Operating experience as current or former executives, which gives directors specific insight, and expertise that will foster active participation in the development of our business strategy and provide the appropriate tools for overseeing the implementation of our operating plan;
- Industry knowledge, especially in our key markets of mobile devices, gaming, VR/AR and automotive, which is vital in understanding and reviewing our strategy;
- Executive leadership experience, which gives directors who have served in significant leadership positions strong abilities to motivate and manage others and to identify and develop leadership qualities in others;
- Accounting and financial expertise, which enables directors to analyze our financial statements and oversee our accounting and financial reporting processes; and
  - Technology licensing and IP monetization experience, which is an important component of our business plans.

The following table highlights each director’s or director nominee’s specific skills, knowledge and experience. A particular director may possess other skills, knowledge or experience even though they are not indicated below.

Director	Industry	Operating	Leadership	Financial	Public Company Board/ Corporate Governance	Technology Licensing and IP Monetization
Sumit Agarwal				Accounting and		
Sid Ganis						
Ramzi Haidamus						
Sharon Holt						
David Sugishita						
Jonathan Visbal						

The Board does not have a specific diversity policy, but considers diversity of race, ethnicity, gender, age, cultural background and professional experience in evaluating candidates for Board membership. Diversity is important because a variety of points of view contribute to a more effective decision-making process.

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## 2019 Nominees for Director

Our Board's nominees for election at the Annual Meeting are Sumit Agarwal, Sid Ganis, Ramzi Haidamus, David Sugishita, and Jonathan Visbal. If elected, these nominees will hold office until the 2020 Annual Meeting of Stockholders and until his successor is elected and qualified. Mr. Lacey and Mr. Traub who have served as directors since 2018, and Mr. Veschi, who has served as a director since 2014, will not stand for re-election.

We have no reason to believe that the nominees listed above will be unable or unwilling to serve if elected. However, if any of these nominees should become unable for any reason or unwilling for good cause to serve, proxies may be voted for another person nominated as a substitute by the Board, or the Board may reduce the number of directors. Given the recent departure of our Chief Financial Officer, and given Mr. Sugishita's long experience and familiarity with our finance operations, Mr. Sugishita has informed the Board of his willingness to stand for re-election and is willing to serve his full term or to resign if he is elected and the Board has appointed another independent director with requisite financial expertise before the end of his full term. The Board believes that the nominees' qualifications, skills and experiences would contribute to an effective and well-functioning Board.

Included in each nominee's biography below is an assessment of his specific qualifications, attributes, skills, and experience based on the qualifications described above.

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

## Nominees for Directors – To Be Elected for a Term Expiring in 2020

### Sumit Agarwal

Age: 43

Education: BS in Chemical Engineering from Massachusetts Institute of Technology; Masters from Air Force Academy (Air University)

Professional Experience: Mr. Agarwal has served since 2011 as Co-Founder and Chief Operating Officer of Shape Security, a security company defending consumer brands in the Fortune 500 from internet fraud and cyber-attacks. From 2010 to 2011 Mr. Agarwal was with the US Department of Defense where he served as Deputy Assistant to the Secretary of Defense as well as Senior Advisor for Cyber Innovation. From 2003 to 2009 Mr. Agarwal was at Google LLC where he held several product management roles including Head of Mobile Product Management, North America.

Director Qualifications: Mr. Agarwal brings to the Board many years of experience in product management which will be invaluable as we begin to focus more of our efforts on delivering technological solutions to our customers.

### Sid Ganis

Age: 79

Education: Brooklyn College

Professional Experience: Mr. Ganis is the owner of the independent production company Out of the Blue Entertainment, which he founded in 1996. Mr. Ganis is also the Co-Founder and Chairman of Jiaflix Enterprises, a U.S. company that works with entertainment owners to monetize their assets in Asia. He served on the board of directors of Marvel Entertainment, an entertainment company, until its sale to The Walt Disney Company in 2009. In addition, Mr. Ganis has previously held various global corporate and strategic positions at Sony Pictures Entertainment, including as President of Worldwide Marketing for Columbia TriStar, Vice Chairman of Columbia Pictures, and President of Marketing and Distribution for Columbia Pictures, as well as key posts at Lucasfilm, Warner Bros., Paramount, and Twentieth Century Fox. Currently Mr. Ganis is Vice President of the Academy of Motion Picture Arts and Sciences where he previously served as President and is the Honorary Chairman at Wuxi Studios near Shanghai.

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Director Qualifications: Mr. Ganis brings to the Board decades of valuable marketing and branding experience which will be critical to our strategy going forward as we look to rebrand as a technology deliverer.

Ramzi Haidamus

Director and Chief Executive Officer since 2019

Age: 55

Board Committee: None

Education: B.S. and M.S. in Electrical Engineering from the University of the Pacific

Professional Experience: Mr. Haidamus has substantial leadership, strategic planning and business development experience in technology and IP monetization. Previously, he was president of Nokia Technologies group from September 2014 to October 2016, where he led the growth of the existing patent licensing division and the formation of its digital media, digital health and brand licensing divisions. From 1996 to March 2014, Mr. Haidamus held numerous positions at Dolby Laboratories, Inc. (NYSE: DLB), an audio, visual and voice technologies company, including serving as Executive Vice President, Marketing and Business Development and Executive Vice President, Sales and Marketing. From 2002 to 2006, he was also the founder, CEO, and President of Via Licensing Corp., a patent pool licensor. From October 2017 to January 2019, he served as Chairman of the Advisory Board of UKL Tech Hub Accelerator, and since August 2018, he served as a member of the Advisory Board of Keyssa, a secure high-speed data transfer developer.

Director Qualifications: Mr. Haidamus is our Chief Executive Officer and brings more than 20 years of experience in the technology and IP monetization space, including and executive positions at Nokia Technologies and Via Licensing Corp.

David Sugishita

Director since 2010

Age: 71

Board Committees: Audit (Chair), Compensation

Education: B.S. in Finance from San Jose State University and an M.B.A from Santa Clara University

Professional Experience: Mr. Sugishita served as the non-executive Chairman of the Board of Atmel Corporation from August 2006 to April 2016, and served as a director of Atmel from February 2004 to April 2016. In addition, Mr. Sugishita was Chairman of the Audit Committee of Atmel. Previously he served on the board of directors of Micro Component Technology, Inc. from 1994 to 2009, Magma Design Automation from 2010 to 2011, and Ditech Networks, Inc. from 2003 to 2012. Mr. Sugishita is retired and previously held various senior financial management positions with SONICblue Inc. (EVP/CFO), RightWorks (EVP/CFO), Synopsys (SVP/CFO), Actel (SVP/CFO), Micro Component Technology (SVP/CFO), Applied Materials (VP/ Corporate Controller) National Semiconductor (VP/Finance), Fairchild Camera & Instrument (Controller) and Intersil (Controller) during the past 40 years.

Director Qualifications: Mr. Sugishita brings to the Board over two decades of experience as a financial executive officer and member of the boards of directors of public high technology companies, specifically in the semiconductor

industry, which is an important vertical market for our company. Additionally, Mr. Sugishita brings many years of service on public company boards, including as chairman, and service on audit and nomination and corporate governance committees. Mr. Sugishita's experience is invaluable in helping us to continue to provide strong financial oversight at the Board level.

Jonathan Visbal

Age: 61

Education: MBA, Stanford Graduate School of Business; BA, University of Colorado

Professional Experience: Since January, 2018, Mr. Visbal has served as Chairman of the Board of Trustees for World Affairs Council in San Francisco, California. From 1999 to September 2018 he served as a leadership advisor and executive recruiter at Spencer Stuart where he specialized in senior-level assignments in the technology and communications arena, with a concentration on the globalization of businesses via new technologies. His assignments spanned the functions of board director, CEO, and senior executive management. He has served as a member of Spencer Stuart's board of directors and as the leader of the firm's global Technology, Communications, & Media Practice as well as the Silicon Valley, San Francisco, and Seattle offices

Prior to joining Spencer Stuart, he held the role of vice president of international business development at Lucent Technologies. Jonathan also worked at Octel Communications for 10 years in a variety of sales and marketing positions, including as vice president of marketing, director of European telecom sales, and group product manager. He was one of the founders of the company's Europe, Middle East and Africa operations in London. He began his career in telecommunications with AT&T and Pacific Telesis International.

Director Qualifications: Mr. Visbal brings to the Board years of experience in recruiting which will be critical to our success going forward as well as broad industry, leadership and operational skills.

The Board of Directors recommends a vote FOR the election of Messrs. Agarwal, Ganis, Haidamus, Sugishita, and Visbal, as directors.

Director Serving for a Term Expiring at the 2020 Annual Meeting of Stockholders (Class III Director)

Sharon Holt

Director since 2016 and Chairman of the Board since 2018

Age: 54

Board Committee: Compensation (Chair), Audit

Education: BSEE from Virginia Polytechnic Institute and State University

Professional Experience: Since 2016, Ms. Holt has served as a Principal at Fraser Stuart Ventures, LLC, a private investment and advisory firm. Since 2012 she has served as an advisor to several technology companies, including Analogix Semiconductor, a semiconductor designer and manufacturer, Lumileds, a developer and manufacturer of LED solutions, Kandou Bus., S.A., a technology development and licensing company, and Mgestyk Technologies, a developer and licensor of gesture control technology. Ms. Holt was a senior executive at Rambus Inc., a leading technology development and licensing company, from 2004 to 2012 where she served as Senior Vice President of Sales, Licensing and Marketing, and Senior Vice President and General Manager of the Semiconductor Business

Group. From 1999 to 2004, Ms. Holt was an executive at Agilent Technologies (“Agilent”) in the Semiconductor Products Group (now Broadcom), where her last position was Vice President & General Manager of Americas Field Operations, overseeing sales and technical support operations for the semiconductor business, including ASICs, ASSPs, optical and wireless ICs. Prior to that, she ran sales operations focused on Agilent’s largest global customers. From 1986 to 1999, Ms. Holt worked at HP in Applications Engineering, Sales, and Distribution Channel Management for the Semiconductor Products Group.



Director Qualifications: Ms. Holt brings more than 30 years of experience in the semiconductor industry and has a proven track record of developing business and partnerships with market-leading technology companies. Her experience advising technology companies looking to optimize their intellectual property and licensing business strategy, customer engagements, and strategic partnerships makes her an ideal advisor to Immersion in putting its business and licensing strategies into practice.

## DIRECTOR COMPENSATION

The Compensation Committee is responsible for reviewing and making recommendations to the Board regarding all matters pertaining to compensation paid to directors for Board, committee and committee chair services. Under the Compensation Committee charter, the Compensation Committee is authorized to engage consultants or advisors in connection with its review and analysis of director compensation. In 2018 the Compensation Committee engaged Compensia in its review and analysis. Directors who also serve as our employees do not receive payment for services as directors.

### 2018 Annual Compensation

#### Cash Compensation

In 2018, non-employee directors each received an annual retainer fee of \$25,000, typically paid in quarterly installments on the date of each quarterly Board meeting. In addition, the Chairman of our Board received an additional retainer fee of \$20,000. The Chairman of our Audit Committee received a \$10,000 annual committee fee, the Chairman of our Compensation Committee received an \$8,000 annual committee fee, and the Chairman of our Nominating and Corporate Governance Committee received a \$3,000 annual committee fee. The other members of our Audit and Compensation Committees each received a \$3,000 annual committee fee and the other members of our Nominating and Corporate Governance Committee each received a \$2,000 annual committee fee. These annual committee fees are typically paid in quarterly installments on the date of the quarterly Board meetings. Fees for partial year service are pro-rated. Directors are entitled to reimbursement of reasonable travel expenses they incur in connection with attending Board and committee meetings.

In 2019, the Board revised the annual committee fee for the Chairman of our Audit Committee from \$10,000 to \$14,000.

#### Equity Compensation

At the beginning of 2018 our policy was to grant non-employee directors an option to purchase 40,000 shares of our common stock upon joining the Board. This initial option was granted with an effective date of the 10<sup>th</sup> business day of the month following the month the director joins the Board; the exercise price per share for such option equaled the closing price per share of our common stock on The Nasdaq Global Market on such effective date. Subject to continued service, such option vested as to 1/4<sup>th</sup> of the shares subject to the grant on the first anniversary of the date of commencement of service and 1/48<sup>th</sup> monthly thereafter.

In addition, on an annual basis, non-employee directors received a grant of restricted stock awards (“RSAs”) or a stock option having a value equal to \$125,000 on the date of the annual shareholder meeting, 100% of which vested on the first anniversary of the grant date.

In August 2018, the Board of Directors changed the director equity program such that the initial equity grant made to non-employee directors is the same as the RSA annual grant made to non-employee directors.

In 2019, the Board revised the stock compensation for non-employee directors to eliminate the choice between a stock option and an RSA for annual grants such that all annual director grants are now RSAs that vest at our next annual stockholder meeting. If a director commences service on the date of the annual stockholder meeting, the director will receive only the initial equity grant and will not be eligible for annual equity grant until the following stockholder

meeting. If a director commences service between the annual stockholder meetings, the director shall receive a prorated initial equity grant based on the number of days before the next annual stockholder meeting.

## 2018 Director Compensation Table

The following table sets forth information concerning the compensation earned during 2018 by each person who served as a director during the year ended December 31, 2018, except for Mr. Schlachte who did not receive any compensation for serving as director during 2018:

Director <sup>(1)</sup>	Fees Earned or Paid in			Total (\$)
	Cash <sup>(2)</sup> (\$)	Stock Awards <sup>(3)(4)</sup> (\$)	Option Awards <sup>(3)(5)</sup> (\$)	
Sharon Holt <sup>(6)</sup>	45,000	121,806	—	166,806
Tom Lacey <sup>(7)</sup>	—	536,470	—	536,470
Daniel McCurdy <sup>(8)</sup>	27,223	—	—	27,223
Jack Saltich <sup>(9)</sup>	25,500	—	—	25,500
David Sugishita	38,000	121,806	—	159,806
Kenneth Traub <sup>(10)</sup>	14,000	—	290,520	304,520
John Veschi	31,000	121,806	—	152,806

<sup>(1)</sup>In 2018, Mr. Lacey and Mr. Schlachte both served as interim CEO while they were serving as directors.

<sup>(2)</sup>Consists of meeting fees for service as a member of our Board. Fees earned by directors vary depending on the number of committees on which the director served and whether the director was Chairman of our Board or served as chair of certain committees. See “2018 Annual Compensation” above for more information.

<sup>(3)</sup>Represents the grant date fair value of each stock option, restricted stock unit or restricted stock award, as applicable, granted in 2018 in accordance with Financial Accounting Standard Board’s Accounting Standards Codification Topic 718 (FASB ASC Topic 718), disregarding for this purpose the estimate of forfeitures related to service-based vesting conditions. For a discussion of assumptions used to calculate the FASB ASC Topic 718 grant date fair value, refer to Note 6 (Stock-based Compensation) to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2018. See “2018 Annual Compensation” above for more information.

<sup>(4)</sup>For each director, other than Mr. Lacey, the aggregate number of shares subject to RSAs outstanding on December 31, 2018 that were granted in 2018. For Mr. Lacey the aggregate number of RSUs outstanding on December 31, 2018 that were granted in 2018.

<sup>(5)</sup>Amount represents the aggregate number of stock options outstanding on December 31, 2018.

<sup>(6)</sup>Ms. Holt was appointed as Chairman of the Board on August 20, 2018.

<sup>(7)</sup>Mr. Lacey was appointed as Interim Chief Executive Officer and as director in August 2018. Upon appointment, Mr. Lacey received an RSU award for 31,000 shares which represented 11,478 shares for service as a member of the Board and 19,522 shares for service as Interim Chief Executive Officer. In October 2018, Mr. Lacey received an additional RSU award for 20,000 shares, 10,000 shares of which would vest a year from grant should Mr. Lacey still be serving as Interim Chief Executive Officer and 10,000 shares of which would vest a year from date of grant should Mr. Lacey still be serving as a member of the Board. Mr. Lacey also received compensation for service as

the Interim Chief Executive Officer as described in the Summary Compensation Table below.

(8) Mr. McCurdy served as a director until September 2018.

(9) Mr. Saltich served as a director until our 2018 annual stockholder meeting.

(10) At Mr. Traub's request, his annual cash retainer was paid directly to Raging Capital Management, LLC. Mr. Traub received an option to purchase 40,000 shares upon joining the company with an exercise price of \$15.25 and the option award value is calculated as described in Footnote 3 above.

For each director, below is the aggregate number of shares subject to Restricted Stock Awards, Restricted Stock Units, and Stock Options outstanding on December 31, 2018:

Director	Restricted	Restricted	Option
	Stock	Stock	Awards
	Awards	Units	Outstanding
	Outstanding at	Outstanding at	Outstanding at
	December 31,	December 31,	December 31,
	2018	2018	2018
	(#)	(#)	(#)
Sharon Holt	7,889	—	40,000
Tom Lacey	—	51,000	—
Daniel McCurdy	—	—	—
Jack Saltich	—	—	—
Carl Schlachte	—	—	—
David Sugishita	7,889	—	1,895
Kenneth Traub	—	—	40,000
John Veschi	7,889	—	92,574

## CORPORATE GOVERNANCE

We are committed to good corporate governance, which promotes the long-term interests of stockholders, strengthens Board and management accountability and helps build public trust. The Board of Directors has established Corporate Governance Principles which provide a framework for our effective governance. The principles address matters such as the director responsibilities, director qualifications, determination of director independence, Board committee structure, Chief Executive Officer performance evaluation and management succession. The Board regularly reviews developments in corporate governance and updates the Corporate Governance Principles and other governance materials as it deems necessary and appropriate.

The corporate governance section of our website makes available our corporate governance materials, including the Corporate Governance Principles, our Stock Ownership Policy, the charters for each Board committee and our Code of Business Conduct and Ethics. To access these documents on our website, [www.immersion.com](http://www.immersion.com), click on “Investor Relations” and then “Governance.”

### Board Leadership Structure

Our Board has determined that having an independent director serve as Chairman of our Board is in our best interests and those of our stockholders. This Board structure enhances the independence of our Board from our management by ensuring a greater role for the independent directors in our oversight and active participation of the independent directors in setting agendas and establishing priorities and procedures for our Board. In addition, separating these roles allows our Chief Executive Officer to focus his efforts on running our business and managing our day-to-day operations, while allowing our Board to benefit from our Chairman’s experience in leadership roles at public companies and advising technology companies looking to optimize their intellectual property and licensing business strategy, customer engagements, and strategic partnerships. Every regular meeting of our Board includes a meeting of our independent non-executive directors without management present.

### Board Leadership Structure

- Chairman of the Board: Sharon Holt
- Chief Executive Officer: Ramzi Haidamus
- All of our non-employee directors are independent

### Independence of Directors

In accordance with the standards for independence set forth in the rules of The Nasdaq Stock Market, our Board has determined that, except for Mr. Haidamus, our Chief Executive Officer, each of the members of our Board has no relationship that would interfere with the exercise of independent judgment in carrying out his responsibilities as a director and is otherwise “independent” in accordance with the applicable rules of The Nasdaq Stock Market as currently in effect.



## Risk Management

Our Board recognizes the importance of effective risk oversight in running a successful business and in fulfilling its fiduciary responsibilities for us and our stockholders. Consistent with our Board leadership structure, our Chief Executive Officer and other members of our executive team are responsible for the day-to-day management of risk, while our Board is responsible for ensuring that we have an appropriate culture of risk management, set the right “tone at the top,” oversee our aggregate risk profile and assist management in addressing specific risks.

Our Board exercises its oversight responsibility for risk both directly and through its standing committees. Strategic, operational and competitive risks also are presented and discussed at our Board’s quarterly meetings, and more often as needed. On at least an annual basis, our Board conducts a review of our long-term strategic plans and members of our executive team report on our top risks and the steps management has taken or will take to mitigate these risks. On a regular basis between Board meetings, our Chief Executive Officer provides updates to the Board on the critical issues we face and recent developments in our principal markets.

## Risk Management

- Our Board oversees risk management.
- Our Board and standing committees spend a portion of their time reviewing and discussing specific risk topics.
- Company management is charged with managing risk through internal processes and controls.

Our Audit Committee is responsible for reviewing our risk management framework and programs, as well as the framework by which management discusses our risk profile and risk exposures with our full Board and its committees. Our Audit Committee meets regularly with our Chief Financial Officer, our independent auditor, our General Counsel, and other members of senior management to discuss our major financial risk exposures, financial reporting, internal controls, credit and liquidity risk, compliance risk, key operational risks, and our risk management framework and programs. Other responsibilities include at least annually reviewing the implementation and effectiveness of our compliance and ethics program and our business continuity plan and test results. Our Audit Committee meets regularly in separate executive sessions with the independent auditor, as well as with Audit Committee members only, to facilitate a full and candid discussion of risk and other issues.

Our Compensation Committee is responsible for overseeing human capital and compensation risks, including evaluating and assessing risks arising from our compensation policies and practices for all employees and ensuring executive compensation is aligned with performance. Our Compensation Committee also is charged with monitoring

our incentive and equity-based compensation plans, including employee benefit plans. For additional information regarding the Compensation Committee's review of compensation-related risk, please see the section of this proxy statement entitled "Compensation Discussion and Analysis—Risk Assessment of Compensation Programs."

Our Nominating and Corporate Governance Committee oversees risks related to our overall corporate governance, including Board and committee composition, Board size and structure, director independence, and our corporate governance profile and ratings. Our Nominating and Corporate Governance Committee also is actively engaged in overseeing risks associated with succession planning for our Board and management.

Our Board believes that one of its primary responsibilities is to oversee the development and retention of executive talent and to ensure that an appropriate succession plan is in place for our Chief Executive Officer and other members of management. Each year, the Nominating and Corporate Governance Committee meets with our Vice President, Human Resources and other executives to discuss management succession planning and to address potential vacancies in senior leadership. The Nominating and Corporate Governance Committee also annually reviews with the Board succession planning for our Chief Executive Officer. In addition to executive and management succession, the Nominating and Corporate Governance Committee regularly oversees and plans for director succession and refreshment of the Board to ensure a mix of skills, experience, tenure, and diversity that promote and support our long-term strategy. In doing so, the Nominating and Corporate Governance Committee takes into consideration the overall needs, composition and size of the Board, as well as the criteria adopted by the Board regarding director candidate qualifications. Individuals identified by the Nominating and Corporate Governance Committee as qualified to become directors are then recommended to the Board for nomination or election.

#### Board and Committee Self-Evaluations

Each year, the Nominating and Corporate Governance Committee oversees the self-evaluation process of the Board, committees and Chairman. The process is conducted using a detailed questionnaire which (a) provides for quantitative ratings in key area and (b) seeks subjective comment in each of these areas.

#### Company Policies

Our Board has adopted several policies governing directors, employees, and/or officers: i) Code of Business Conduct and Ethics that outlines the principles of legal and ethical business conduct; ii) Stock Ownership Policy, which requires our executives and non-employee directors to have a direct ownership in Immersion's common stock; iii) Insider Trading Policy, which outlines the procedures and guidelines governing securities trades by our employees; and iv) Immersion Environmental and Social Policy.

The Code of Business Conduct and Ethics is applicable to all of our directors, employees, and officers and is available on our website at <https://ir.immersion.com/corporate-governance>. Any substantive amendment or waiver of this policy may be made only by our Board upon a recommendation of the Audit Committee and, as required by applicable SEC rules, we intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K by disclosing such information on our website.

The Stock Ownership Policy is applicable to our executives and non-employee directors and is available on our website at <https://ir.immersion.com/corporate-governance>. This policy requires that these individuals hold stock equal in value to, in the case of our CEO and non-employee directors, three times, and our other executives, one times, the amount of their annual cash retainer/base salary. This is calculated once a year and there is a five-year period in which to comply. If it is determined that a particular person does not comply with the policy, the individual will be notified and will be required to retain 50% of the net shares received as a result of any exercise, vesting or payment of any equity awards until he or she becomes compliant.

The Insider Trading Policy applies to all of our current and former employees, directors, independent contractors, agents and consultants. The Insider Trading Policy prohibits short sales, hedging or pledging of stock by employees, officers or directors.

In addition, the Board recently adopted the Immersion Environmental and Social Policy which can be found on our website at <https://ir.immersion.com/corporate-governance/environmental-and-social-policy>.

## Communications by Stockholders with Directors

Stockholders may communicate with any and all directors by transmitting correspondence by mail, facsimile, or e-mail, addressed as follows: Board or individual director, c/o Corporate Secretary, Immersion Corporation, 50 Rio Robles, San Jose, California 95134; Fax: (408) 350-7994; E-mail Address: corporate.secretary@immersion.com. Our Corporate Secretary will maintain a log of such communications and transmit as soon as practicable such communications to the identified director addressee(s). The acceptance and forwarding of a communication to any director does not imply that the director owes or assumes any fiduciary duty to the person submitting the communication, all such duties being only as prescribed by applicable law.

## Board Meetings and Committees of the Board

### Attendance at Board, Committee and Annual Stockholder Meetings

Our Board and its committees meet throughout the year on a set schedule, hold special meetings as needed, and act by written consent from time to time. The Board met twenty-seven times during 2018. Each director attended at least 75% of the meetings of the Board and of any committees of the Board on which he serves. The total number of meetings held by each committee is set forth below under “Committees of the Board.”

We make every effort to schedule our annual meeting of stockholders at a time and date to accommodate attendance by directors, taking into account the directors’ schedules. All directors are encouraged to attend the annual meeting of stockholders. Five of our directors attended our 2018 annual meeting of stockholders.

### Executive Sessions of the Board

The non-executive members of our Board and all committees of our Board meet in executive session without management present at each regularly scheduled in-person Board and committee meeting.

### Committees of the Board

The Board has a separately-designated standing Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee.

The Board has also adopted a written charter for each of the Board committees. Each charter is available on our website at <https://ir.immersion.com/corporate-governance>.

In each case, our Board has delegated the responsibilities set forth below to the respective committee; however, our Board may from time to time, perform the duties itself.

The table below provides current membership (M) and chairmanship (C) information for each standing committee.

Name	Audit	Compensation	Nominating and
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Corporate Governance

Sharon Holt	M	C	
Ramzi Haidamus			
Tom Lacey			M
David Sugishita	C	M	
John Veschi	M		M
Kenneth Traub		M	C

Audit Committee and Audit Committee Financial Expert

Members:	David Sugishita (Chairman)	
	Sharon Holt	
	John Veschi	
Number of Meetings in Fiscal Year 2018:	8	
Independence:	Our Board has determined that each member of the Audit Committee meets the independence criteria set forth in the applicable rules of The Nasdaq Stock Market and the SEC for Audit Committee membership.	
Financial Expert:	Our Board has determined that all members of the Audit Committee possess the level of financial literacy required by applicable Nasdaq Stock Market and SEC rules and that in accordance with section 407 of the Sarbanes-Oxley Act of 2002, at least one member of the Audit Committee, Mr. Sugishita, is an “audit committee financial expert,” as defined in the rules of the SEC.	
Responsibilities:		—
		—
		12,304
November 30, 2013		316,661
		\$1,933,953
		\$ 66,811
		\$(1,599,619)
		\$ 64,504
		\$ —
		\$ 465,649
Net loss		—
		—
		—
		(10,691)

	—
	—
	(10,691)
Other comprehensive loss	—
	—
	—
	—
	(16,768)
	—
	(16,768)
Share-based compensation and related share issuances	636
	2,383
	1,628
	—
	—
	—
	4,011
February 28, 2014	317,297
	\$1,936,336
	\$ 68,439
	\$(1,610,310)
	\$ 47,736
	\$ —
	\$ 442,201

The accompanying notes are an integral part of these condensed consolidated interim financial statements.





NOVAGOLD RESOURCES INC.

(An Exploration Stage Company)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited, US dollars in thousands except per share amounts)

NOTE 1 – NATURE OF OPERATIONS AND BASIS OF PRESENTATION

NOVAGOLD RESOURCES INC. and its affiliates and subsidiaries (collectively, “NOVAGOLD” or the “Company”) operates in the mining industry, focused on the exploration for and development of gold and copper mineral properties. The Company has no operations or realized revenues from its planned principal business purpose, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 915 “Development Stage Entities” and SEC Industry Guide 7, presents its financial information as an Exploration Stage Company. The Company’s principal assets include a 50% interest in the Donlin Gold Project in Alaska, U.S.A. and a 50% interest in the Galore Creek Project in British Columbia, Canada.

The Condensed Consolidated Interim Financial Statements of NOVAGOLD are unaudited. In the opinion of management, all adjustments and disclosures necessary for a fair presentation of these interim statements have been included. The results reported in these interim statements are not necessarily indicative of the results that may be reported for the entire year. These interim statements should be read in conjunction with NOVAGOLD’s Consolidated Financial Statements for the year ended November 30, 2013. The year-end balance sheet data was derived from the audited financial statements and certain information and footnote disclosures required by accounting principles generally accepted in the United States (“U.S. GAAP”) have been condensed or omitted.

The functional currency for the Company’s Canadian operations is the Canadian dollar and the functional currency for the Company’s U.S. operations is the U.S. dollar. References to “\$” refer to United States currency and “C\$” to Canadian currency.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Recently adopted accounting pronouncements

Reporting of Amounts reclassified out of Accumulated Other Comprehensive Income

In February 2013, ASC guidance was issued related to items reclassified from accumulated other comprehensive income. The new standard requires either in a single note or parenthetically on the face of the financial statements: (i) the effect of significant amounts reclassified from each component of accumulated other comprehensive income based on its source and (ii) the income statement line items affected by the reclassification. Adoption of the new guidance, effective for the fiscal year beginning December 1, 2013, had no impact on the consolidated financial position, results of operations or cash flows.

Disclosures about Offsetting Assets and Liabilities

In November 2011, ASC guidance was issued related to disclosures about offsetting assets and liabilities. The new standard requires disclosures to allow investors to better compare financial statements prepared under U.S. GAAP with financial statements prepared under IFRS. In January 2013, an update was issued to further clarify that the disclosure requirements are limited to derivatives, repurchase agreements, and securities lending transactions to the extent that they are (i) offset in the financial statements or (ii) subject to an enforceable master netting arrangement or similar agreement. Adoption of the new guidance, effective for the fiscal year beginning December 1, 2013, had no impact on the consolidated financial position, results of operations or cash flows.

Recently issued accounting pronouncements

Presentation of an Unrecognized Tax Benefit

In July 2013, ASC guidance was issued related to the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss or a tax credit carryforward exists. The updated guidance requires an entity to net its unrecognized tax benefits against the deferred tax assets for all same jurisdiction net operating loss carryforward, a similar tax loss, or tax credit carryforwards. A gross presentation will be required only if such carryforwards are not available or would not be used by the entity to settle any additional income taxes resulting from disallowance of the uncertain tax position. The update is effective prospectively for the Company's fiscal year beginning December 1, 2014. The Company does not expect the updated guidance to have an impact on the consolidated financial position, results of operations or cash flows.

## NOVAGOLD RESOURCES INC.

(An Exploration Stage Company)

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited, US dollars in thousands except per share amounts)

## Foreign Currency Matters

In March 2013, ASC guidance was issued related to Foreign Currency Matters to clarify the treatment of cumulative translation adjustments when a parent sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets that is a business within a foreign entity. The updated guidance also resolves the diversity in practice for the treatment of business combinations achieved in stages in a foreign entity. The update is effective prospectively for the Company's fiscal year beginning December 1, 2014. The Company does not expect the updated guidance to have an impact on the consolidated financial position, results of operations or cash flows.

## NOTE 3 – SEGMENTED INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Company's Chief Executive Officer. The Company has one operating segment in exploration and development of mineral properties. The Chief Executive Officer considers the business from a geographic perspective considering the performance of our investments in affiliates. Segment information is provided on each of the material projects individually in Note 5.

## NOTE 4 – INVESTMENTS

	At February 28, 2014				
	Cost Basis	Gain	Unrealized Loss		Fair Value Basis
Current:					
Term deposits	\$ 110,000	\$—	\$—		\$ 110,000
Long-term:					
Marketable equity securities	\$ 1,023	\$ 582	\$—		\$ 1,605
	At November 30, 2013				
	Cost Basis	Gain	Unrealized Loss		Fair Value Basis
Current:					
Term deposits	\$ 110,000	\$—	\$—		\$ 110,000
Long-term:					
Marketable equity securities	\$ 1,067	\$ 213	\$—		\$ 1,280

Term deposits are held at two large Canadian financial institutions with original maturities of less than 12 months. Marketable equity securities include available-for-sale investments in mineral exploration companies. At February 28, 2014 all unrealized losses were in a continuous loss position for less than 12 months.

## NOTE 5 – INVESTMENT IN AFFILIATES

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	At February 28, 2014	At November 30, 2013
Donlin Gold LLC, Alaska, U.S.A	\$1,588	\$1,720
Galore Creek Partnership, British Columbia, Canada	293,332	305,735
	\$294,920	\$307,455

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## Donlin Gold LLC

On December 1, 2007, together with Barrick Gold US Inc. (“Barrick”), the Company formed a limited liability company (“Donlin Gold LLC”) to advance the Donlin Gold project in Alaska. Donlin Gold LLC has a board of four directors, with two directors selected by Barrick and two directors selected by the Company. All significant decisions related to Donlin Gold LLC require the approval of Barrick and the Company. The Company has a 50% interest in Donlin Gold LLC.

Changes in the Company’s 50% investment in Donlin Gold LLC are summarized as follows:

	Three months ended February 28,	
	2014	2013
Balance – beginning of period	\$1,720	\$4,185
Funding	2,723	2,387
Share of losses	(2,855)	(2,994)
Balance – end of period	\$1,588	\$3,578

The following amounts represent the Company’s 50% share of the assets and liabilities of Donlin Gold LLC. Donlin Gold LLC has capitalized the initial contribution of the Donlin Gold property with a carrying value of \$64,000. The 50% share of Donlin Gold LLC’s assets and liabilities is shown on this basis below. Therefore, the Company’s investment in Donlin Gold does not equal 50% of the net assets recorded by Donlin Gold LLC:

	At February 28, 2014	At November 30, 2013
Current assets: Cash, prepaid expenses and other receivables	\$2,950	\$3,390
Non-current assets: Property and equipment	531	541
Non-current assets: Mineral property	32,692	32,692
Current liabilities: Accounts payable and accrued liabilities	(1,893)	(2,211)
Non-current liabilities: Reclamation obligation	(692)	(692)
Net assets	\$33,588	\$33,720

## Galore Creek Partnership

The Galore Creek project is owned by the Galore Creek Partnership (“Partnership”) a partnership in which wholly owned subsidiaries of NOVAGOLD and Teck Resources Limited (“Teck”) each own a 50% interest. The Partnership was formed in May 2007. Teck earned its 50% interest in the Partnership upon completion of its funding commitment of C\$373,300 in June 2011. Commencing June 2011, the partners have funded the project costs on a 50/50 basis.

Under ASC guidance, upon a reconsideration event, an entity is required to reassess whether an entity is a Variable Interest Entity (VIE) when the holders of the entity lose power to direct the activities that most significantly impact the entity’s economic performance and whether a variable interest holder is a primary beneficiary. The reconsideration event resulted in a loss of the Company’s primary beneficiary status upon Teck completing their earn-in obligations under the partnership agreement. Prior to the completion of the earn-in, if Teck had failed to meet their obligations, the Company would have had the power to exercise control. Following the reconsideration event, the Company and Teck share joint control of the Partnership. All future costs are funded equally between the partners.

The Company determined the fair value of the Partnership at the date of the reconsideration event, recorded a gain on deconsolidation of the Partnership and commenced equity accounting for its share of the investment.

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Changes in the Company's 50% investment in the Partnership are summarized as follows:

	Three months ended February 28,	
	2014	2013
Balance – beginning of period	\$305,735	\$335,086
Funding	899	706
Share of losses	(766)	(2,489)
Foreign currency translation	(12,536)	(12,220)
Balance – end of period	\$293,332	\$321,083

The following amounts represent the Company's 50% share of the assets and liabilities of the Partnership. As a result of recording the Company's investment in the Partnership at fair value in June 2011, the carrying value of the Company's 50% interest in the Partnership is higher than 50% of the book value of the Partnership. Therefore, the Company's investment in the Partnership does not equal 50% of the net assets recorded by the Partnership:

	At February 28, 2014	At November 30, 2013
Current assets: Cash, prepaid expenses and other receivables	\$330	\$377
Non-current assets: Property and equipment	263,150	263,797
Current liabilities: Accounts payable and accrued liabilities	(301)	(483)
Non-current liabilities: payables and reclamation obligation	(8,542)	(8,533)
Net assets	\$254,637	\$255,158

## Equity losses of affiliates

	Three months ended February 28,	
	2014	2013
Donlin Gold LLC:		
Mineral property expenditures	\$2,810	\$2,940
Depreciation	46	54
	2,856	2,994
Galore Creek Partnership:		
Mineral property expenditures	281	354
Care and maintenance expense	484	510
Depreciation	—	1,625
	765	2,489
	\$3,621	\$5,483

## NOTE 6 – DEBT

	At February 28, 2014	At November 30, 2013
Convertible notes	\$13,935	\$13,570
Promissory note	73,200	71,728
	\$87,135	\$85,298



Scheduled minimum debt repayments are \$nil for the remainder of 2014, \$15,829 in 2015, \$nil in 2016 through 2018, and \$73,200 thereafter. The carrying value of the debt approximates fair value.

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## Convertible notes

Changes in the carrying value of the Convertible notes (“Notes”) are summarized as follows:

	Three months ended February 28,	
	2014	2013
Balance – beginning of period	\$13,570	\$73,606
Accretion expense	365	1,852
Balance – end of period	\$13,935	\$75,458

The following table provides the net amounts recognized in the Condensed Consolidated Interim Balance Sheets related to the Notes:

	At February 28, 2014	At November 30, 2013
Principal amount	\$15,829	\$15,829
Unamortized debt discount	(1,894)	(2,259)
	13,935	13,570
Embedded derivative	198	83
Net carrying amount	\$14,133	\$13,653

## Promissory note

As part of the Donlin Gold LLC agreement, the Company agreed to reimburse Barrick for a portion of their expenditures incurred from April 1, 2006 to November 30, 2007 out of the Company’s share of future mine production cash flow. The Company has a promissory note payable to Barrick for \$51,600, plus interest at a rate of US prime plus 2%, amounting to \$21,600 in accrued interest since the inception of the promissory note.

## NOTE 7 – DERIVATIVE LIABILITIES

## Convertible notes – Embedded derivative

The conversion price of the Notes is denominated in U.S. dollars, a currency different from the functional currency of the Company. Therefore, an embedded derivative liability is recorded at fair value and re-measured each period with the movement being recorded as a gain or loss in Net income (loss). Pursuant to the terms and indenture governing the Notes, holders had the opportunity to require the Company to purchase for cash all or a portion of their Notes (“Put Option”) on May 1, 2013. The fair value of the embedded derivative prior to the expiry of the Put Option was composed of the conversion feature of the Note and the Put option. The conversion feature is valued using the Black-Scholes pricing model and is considered a Level 3 financial instrument in the fair value hierarchy as the value model has significant unobservable inputs. The Put option was assessed as the difference between the fair value of the Note on February 28, 2013 and the discounted value of the cash flows resulting from the potential exercise of the put option of \$95,000 on February 28, 2013 at the effective interest rate of 18.06%.

Three months ended February 28,	
2014	2013

Balance – beginning of period	\$83	\$17,934
Loss on embedded derivative liabilities for the period	115	815
Balance – end of period	\$198	\$18,749

## Warrants – Derivative

The Company's functional currency is the Canadian dollar and it had issued and outstanding warrants with an exercise price denominated in U.S. dollars. The Company determined that such warrants with an exercise price denominated in a currency that is different from the entity's functional currency were classified as a derivative liability based on the evaluation of the warrants' settlement provisions, and carried at their fair value. Any changes in the fair value from period to period have been recorded as a gain or loss in net income (loss).

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In the first quarter of 2013, all of NOVAGOLD's remaining warrants were exercised and the Company realized a loss on derivative liability of \$2,461 for the year ended November 30, 2013.

## NOTE 8 – FAIR VALUE ACCOUNTING

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the significance of the inputs used in making the measurement. The three levels of the fair value hierarchy are as follows:

Level 1 — Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 — Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 — Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

	Total	Fair value at February 28, 2014		
		Level 1	Level 2	Level 3
Assets:				
Cash equivalents	\$72,322	\$—	\$72,322	\$—
Term deposits	110,000	—	110,000	—
Marketable equity securities	1,605	1,605	—	—
Liabilities:				
Embedded derivative liabilities (note 7)	198	—	—	198

	Total	Fair value at November 30, 2013		
		Level 1	Level 2	Level 3
Assets:				
Cash equivalents	\$81,262	\$—	\$81,262	\$—
Term deposits	110,000	—	110,000	—
Marketable equity securities	1,280	1,280	—	—
Liabilities:				
Embedded derivative liabilities (note 7)	83	—	—	83

The Company's cash equivalents and term deposits are held with two Chartered Canadian banks, each with an S&P rating of AA-. The cash equivalents and term deposits are classified as Level 2 of the fair value hierarchy as they are owed to the Company by the Canadian banks and are not traded in an active market.

The Company's marketable equity securities are valued using quoted market prices in active markets and as such are classified within Level 1 of the fair value hierarchy. The fair value of the marketable equity securities is calculated as the quoted market price of the marketable equity security multiplied by the quantity of shares held by the Company.

The derivative and embedded derivative are valued using Black-Scholes pricing models and are considered Level 3 financial instruments in the fair value hierarchy because the valuation models have significant unobservable inputs.

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## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited, US dollars in thousands except per share amounts)

## NOTE 9 – GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended February 28,	
	2014	2013
Salaries	\$1,633	\$1,369
Share-based compensation	4,658	5,542
Office expense	662	964
Professional fees	394	829
Corporate development	355	312
	\$7,702	\$9,016

## NOTE 10 – SHARE-BASED COMPENSATION

	Three months ended February 28,	
	2014	2013
Stock options	\$3,736	\$4,339
Performance share unit plan	868	1,140
Deferred share unit plan	54	63
	\$4,658	\$5,542

## NOTE 11 – CHANGE IN OPERATING ASSETS AND LIABILITIES

	Three months ended February 28,	
	2014	2013
Decrease in receivables, deposits and prepaid amounts	\$(45	) \$145
Decrease in accounts payable and accrued liabilities	(1,322	) (2,164
	\$ (1,367	) \$ (2,019

## NOTE 12 – ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	February 28, 2014	November 30, 2013
Unrealized loss on marketable securities, net of \$79 and \$29 tax expense, respectively	\$532	\$184
Foreign currency translation adjustments	47,204	64,320
	\$47,736	\$64,504

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## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited, US dollars in thousands except per share amounts)

## NOTE 13 – RELATED PARTY TRANSACTIONS

In the first three months of 2014, the Company provided management services to Donlin Gold LLC for \$58 (\$88 in the first three months of 2013); office rental and services to Galore Creek Partnership for \$100 (\$112 in the first three months of 2013); and management and office administration services to NovaCopper for \$nil (\$113 in the first three months of 2013).

The Company has the following amounts receivable from related parties:

	February 28, 2014	November 30, 2013
Current:		
Donlin Gold LLC	\$1,789	\$1,750
Galore Creek Partnership	1,622	1,690
	\$3,411	\$3,440
Long-term:		
Galore Creek Partnership	\$3,963	\$4,132

## NOTE 14 – COMMITMENTS AND CONTINGENCIES

## General

The Company follows ASC guidance in determining its accruals and disclosures with respect to loss contingencies. Accordingly, estimated losses from loss contingencies are accrued by a charge to income when information available prior to issuance of the financial statements indicates that it is probable that a liability could be incurred and the amount of the loss can be reasonably estimated. Legal expenses associated with the contingency are expensed as incurred. If a loss contingency is not probable or reasonably estimable, disclosure of the loss contingency is made in the financial statements when it is at least reasonably possible that a material loss could be incurred.

## Obligations under operating leases

The Company leases certain assets, such as office equipment and office facilities, under operating leases expiring at various dates through 2020. Future minimum annual lease payments are \$354 in the remainder of 2014, \$429 in 2015, \$389 in 2016 and \$328 in 2017, totaling \$1,500.

## NOTE 15 – SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended February 28,	
	2014	2013
Interest received	\$253	\$131
Income taxes paid	\$(295)	