

AVID TECHNOLOGY, INC.
Form PRE 14A
September 18, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by 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 Materials Pursuant to sec. 240.14a-12

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.1
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- Fee paid previously with preliminary materials.
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1

PRELIMINARY COPY - SUBJECT TO COMPLETION

September __, 2014

Dear Stockholder,

I am pleased to invite you to attend the 2014 Annual Meeting of Stockholders of Avid Technology, Inc. The annual meeting will be held on October 29, 2014, at 8:00 a.m., local time, at our headquarters at 75 Network Drive, Burlington, Massachusetts, 01803.

You will find information regarding the business to be conducted at the annual meeting in our notice of annual meeting and proxy statement. The proxy materials also contain a notice of Internet availability of the proxy materials which includes instructions for accessing the proxy materials over the Internet. Your vote is important regardless of the number of shares that you own. Whether or not you plan to attend the annual meeting, we encourage you to read the proxy statement and vote by proxy through the Internet or request, sign and return your proxy card by mail as soon as possible, so that your shares may be represented at the meeting. Voting by proxy will not affect your right to attend the annual meeting and vote in person should you so choose.

If your shares are held by a broker, your broker cannot vote your shares for non-routine matters, including the election of directors, the advisory vote on executive compensation and approval of our 2014 Stock Incentive Plan, unless you provide voting instructions. Therefore, if your shares are held by a broker, please instruct your broker regarding how to vote your shares on the election of directors, the advisory vote on executive compensation and on the approval of our 2014 Stock Incentive Plan. This will ensure that your shares are counted with respect to these matters.

On behalf of the board of directors, I would like to express our appreciation for your investment in our company. I look forward to greeting many of you at the annual meeting.

Sincerely,

Louis Hernandez, Jr.
President and Chief Executive Officer

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON OCTOBER 29, 2014:
THIS PROXY STATEMENT AND THE ANNUAL REPORT ARE AVAILABLE AT
www.proxyvote.com

PRELIMINARY COPY - SUBJECT TO COMPLETION

AVID TECHNOLOGY, INC.
75 Network Drive
Burlington, MA 01803

NOTICE OF 2014 ANNUAL MEETING OF STOCKHOLDERS

Meeting Date	October 29, 2014
Time	8:00 a.m., local time
Location	75 Network Drive Burlington, Massachusetts 01803
Proposals	To elect (i) two Class II directors, each to serve until our 2016 annual meeting of Stockholders and, as to each, until a successor is duly elected and qualified, or until (1) earlier death, resignation or removal of the director, and (ii) two Class III directors, each to serve until our 2017 annual meeting of Stockholders and, as to each, until a successor is duly elected and qualified, or until earlier death, resignation or removal of the director. (2) To ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the current fiscal year. (3) To approve, by a non-binding, advisory vote, the compensation paid to the company's named executive officers. (4) To approve our 2014 Stock Incentive Plan. Consideration will also be given to such other business as may properly come before the meeting or any adjournment thereof.
Board Recommendations	Our board of directors recommends that stockholders vote FOR each of the proposals to be considered and acted upon at the annual meeting.
Record Date	Only stockholders as of the close of business on September 2, 2014 are entitled to notice of, and to vote at, the annual meeting.

By Order of our Board of Directors,

Jason A. Duva
Corporate Secretary
Burlington, Massachusetts
September __, 2014

TABLE OF CONTENTS

	Page
Information About Proxy Materials, the Annual Meeting and Voting	7
Proposal 1-Election of Directors	11
Directors	12
Director Compensation	15
Compensation for Outside Directors	15
Stock Ownership Requirements for Outside Directors	16
Non-Qualified Deferred Compensation for Outside Directors	16
Director Compensation Table for Fiscal Years 2013 and 2012	17
Executive Officers	19
Beneficial Ownership Information	20
Security Ownership of Certain Beneficial Owners and Management	20
Section 16(a) Beneficial Ownership Reporting Compliance	21
Corporate Governance Matters	22
Director Independence	22
Board Meetings	22
Board Committees	23
Director Nomination Process	24
Board Leadership Structure	25
The Board's Role in Risk Oversight	26
Compensation Risk Assessment	26
Stockholder Rights Plan	26
Application for Relisting on the NASDAQ Stock Exchange	26
Compensation Committee Interlocks and Insider Participation	26
Related Person Transaction Policy	27
Executive Compensation - Compensation Discussion and Analysis	28
Executive Summary	28
Compensation Philosophy and Objectives	31
How We Determine NEO Compensation	31
Market Data and Peer Group Analysis	32
Elements of Executive Compensation	33
Compensation Elements	33
Compensation Mix	34
Analysis of 2013 and 2012 Executive Compensation Decisions and Actions	34
Base Salaries	34
Annual Performance-Based Cash Awards	35
Long-Term Equity Incentive Compensation	40
Severance and Change in Control Benefits	43
Other Benefits and Perquisites	44
Non-Qualified Deferred Compensation	44
Compensation Tables	45

Summary Compensation Table	45
Grants of Plan Based Awards for Fiscal Years 2013 and 2012	48
Outstanding Equity Awards at 2013 and 2012 Fiscal Year End	50
Option Exercises and Stock Vested in Fiscal Years 2013 and 2012	55
Severance Benefits	57
Employment and Severance Agreements with Our NEOs	58
Employment Agreement and Offer Letters with Current NEOs	58
Severance Agreements with and Severance Benefits Provided to our Former NEOs	62
Equity Compensation Plan Information	63
Stock Ownership Requirements	65
Tax and Accounting Considerations	66
Compensation Committee Report	67
Proposal 2-Ratification of the Selection of Our Independent Registered Public Accounting Firm	68
Principal Accountant Fees and Services	69
Audit Committee Report	70
Proposal 3-Advisory Vote to Approve Compensation Paid to Named Executive Officers	71
Proposal 4-Approval of Our 2014 Stock Incentive Plan	73
Communicating With Our Board of Directors	80

PRELIMINARY COPY - SUBJECT TO COMPLETION

AVID TECHNOLOGY, INC.
75 Network Drive
Burlington, Massachusetts 01803

PROXY STATEMENT

ANNUAL MEETING OCTOBER 29, 2014

INFORMATION ABOUT PROXY MATERIALS, THE ANNUAL MEETING AND VOTING

Why am I receiving these materials?

On or about September __, 2014 we have made these materials available to you on the Internet and have delivered printed versions of these materials to you by mail or electronic copies to you by email, in connection with the solicitation of proxies by our board of directors for use at our 2014 Annual Meeting of Stockholders to be held on October 29, 2014 at 8:00 a.m., and at any postponement(s) or adjournment(s) of the annual meeting. The annual meeting will be held at our headquarters at 75 Network Drive, Burlington, Massachusetts 01803. If you plan on attending the annual meeting in person, please visit our website at www.avid.com to obtain driving directions to our headquarters. However, you do not need to attend the Annual Meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card or submit your proxy through the Internet according to the instructions contained in the enclosed proxy card. References in this proxy statement to “we,” “us,” “the company,” “our company” or “Avid” refer to Avid Technology, Inc. and its consolidated subsidiaries.

What is included in these materials?

These materials include:

- this proxy statement (including the Notice of 2014 Annual Meeting of Stockholders); and
- our Annual Report to Stockholders for the year ended December 31, 2013.

What items will be voted on at the Annual Meeting?

Stockholders will vote on the following items at the annual meeting:

- Proposal One: the election to the board of directors of the two nominees named in this proxy statement as Class II Directors and the two nominees named in this proxy statement as Class III Directors;
- Proposal Two: ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the current fiscal year;
- Proposal Three: an advisory vote on the compensation paid to our named executive officers; and
- Proposal Four: approval of our 2014 Stock Incentive Plan.

We are not aware of any other matters to be presented at our annual meeting. However, if any other matters are properly presented, the persons designated as proxies intend to vote, or otherwise act, on those matters in accordance with their judgment.

What are the voting recommendations of the board of directors?

The board recommends that you vote your shares:

•“FOR” each of the nominees to the board of directors (Proposal No. 1);

•“FOR” ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the current fiscal year (Proposal No. 2);

•“FOR” the advisory vote on the compensation paid to our named executive officers (Proposal No. 3); and

•“FOR” the approval of the 2014 Stock Incentive Plan (Proposal No. 4).

What is the voting requirement to approve each of the proposals?

Election of Directors (Proposal No. 1). To be elected, directors must receive a majority of the votes cast (the number of shares voted “for” a director nominee must exceed the number of votes cast “against” that nominee). Prior to the election, each director nominee currently serving on our board delivered to the board of directors an irrevocable resignation that will become effective if (i) he or she does not receive a majority of the votes cast (with “abstentions” and “broker non-votes” not counted as a vote “for” or “against” such nominee’s election) and (ii) within 90 days following certification of the stockholder vote, the board determines to accept such resignation in accordance with our corporate governance guidelines. We will publicly disclose any such decision by the board of directors with regard to any director’s resignation.

Other Matters. Under our by-laws, the affirmative vote of the holders of a majority of the votes cast will be required for approval of the ratification of the selection of the independent registered public accounting firm (Proposal 2), approval of the advisory vote on compensation paid to our named executive officers (Proposal 3), and approval of our 2014 Stock Incentive Plan (Proposal 4). While the advisory vote on our company’s executive compensation is required by law, it will not be binding on us or our board of directors. However, the compensation committee of our board of directors (the “Compensation Committee”) will take into account the outcome of the vote when considering future executive compensation decisions.

I share an address with another stockholder, and we received only one paper copy of the proxy materials. How may I obtain an additional copy of the proxy materials or a copy of the Annual Report on Form 10-K?

Some brokers or custodians practice “householding” whereby they provide a single copy of proxy materials to multiple stockholders sharing the same household. If you have received proxy materials on a household basis, we will promptly deliver an additional copy of the proxy materials at no charge upon oral or written request to: Avid Technology, Inc., 75 Network Drive, Burlington, Massachusetts 01803, Attn: Director of Investor Relations, telephone: (978) 640-3346. If you are receiving proxy materials on a household basis and wish to discontinue doing so, or if you would like to begin receiving proxy materials on a household basis, you should contact your bank or custodian, or you may contact us as described above.

A copy of our Annual Report on Form 10-K for the year ended December 31, 2013, which also includes results for the fiscal year ended December 31, 2012 and restated results for the fiscal year ended December 31, 2011, as filed with the SEC, including financial statements and schedules, but excluding exhibits, will be furnished without charge to any stockholder upon request to: Avid Technology, Inc., 75 Network Drive, Burlington, Massachusetts 01803, Attn: Director of Investor Relations, telephone: (978) 640-3346. Exhibits will be provided upon written request and payment of an appropriate processing fee.

How can I get electronic access to the proxy materials?

Our proxy materials are available over the Internet. The notice of Internet availability, included in this proxy statement, includes instructions for accessing the proxy materials over the Internet or requesting a printed copy of the proxy materials by mail or an electronic copy by email. It also includes instructions on how stockholders may elect to receive future proxy materials in printed form by mail or electronically by email.

Who may vote at the Annual Meeting?

Only stockholders of record as of the close of business on September 2, 2014, the record date, are entitled to receive notice of, to attend and to vote at the annual meeting. As of the record date, there were 39,125,806 shares of our common stock, \$0.01 par value per share, issued and outstanding. Stockholders are entitled to one vote per share.

What is the difference between a stockholder of record and a beneficial owner of shares held in street name?

In certain sections of this proxy statement, we distinguish between stockholders of record and beneficial owners. Most of our stockholders are beneficial owners of shares held in street name.

Stockholders of Record. If your shares are held in your name with our transfer agent, Computershare Investor Services, you are considered the “stockholder of record” of those shares. As a stockholder of record, you are receiving a printed or electronic copy of the proxy materials directly from us.

Beneficial Owners of Shares Held in Street Name. If your shares are held in a brokerage account or by another custodian, you are considered the “beneficial owner” of those shares and the shares are held in “street name” by the broker or custodian, which is the stockholder of record. As a beneficial owner, your broker or custodian will forward to you a printed or electronic copy of the proxy materials.

How do I vote?

There are three ways to vote your shares:

Over the Internet. You may submit your vote over the Internet any time prior to 11:59 p.m., EDT, on October 28, 2014 by following the instructions on the notice of Internet availability, included in this proxy statement, or proxy card.

By Mail. You may submit your vote by mail by following the instructions on the proxy card you received. Please allow sufficient time for mailing as only proxy cards received by us prior to the annual meeting will be deemed valid and counted.

In Person. All stockholders of record may vote in person at the annual meeting. We will give you a ballot when you arrive. Please note, however, that if you are a beneficial owner of shares held in street name, in order to vote your shares in person at the annual meeting, you must obtain a legal proxy from the stockholder of record (which is your broker or custodian) that authorizes you to do so.

If you receive multiple printed copies of the proxy materials (including multiple proxy cards), in order to vote all of your shares by proxy, you must return each proxy card or separately vote over the Internet all the shares owned by you. You may receive multiple copies of the proxy materials if, for example, you hold shares in more than one brokerage account or you are a stockholder of record and hold shares registered in more than one name.

What is the quorum requirement for the Annual Meeting?

The holders of a majority of the shares of our issued and outstanding common stock entitled to vote at the annual meeting constitute a quorum. Shares of common stock represented in person or by proxy (including shares that abstain or do not vote for any reason with respect to one or more of the proposals presented for stockholder approval) will be counted for purposes of determining whether a quorum is present at the annual meeting. If a quorum is not present, the annual meeting will be adjourned until a quorum is obtained.

How are proxies voted?

All shares represented by valid proxies received prior to the annual meeting will be voted and, where a stockholder specifies a choice with respect to any matter to be acted upon, the shares will be voted in accordance with the stockholder's instructions.

What happens if I do not return my proxy?

Stockholders of Record. If you are a stockholder of record and you do not vote over the Internet, by mailing your proxy card or by delivering your proxy to the annual meeting, your shares will not be voted unless you appear in person (or are legally represented) and vote your shares by ballot at the annual meeting.

Beneficial Owners of Shares Held in Street Name. If you are a beneficial owner of shares held in street name and do not vote over the Internet or by mailing your proxy card, under the rules of various securities exchanges, the broker or custodian that holds your shares may generally vote on routine matters but cannot vote on non-routine matters. If your broker or custodian that holds your shares does not receive instructions from you on how to vote your shares on a non-routine matter, the broker or custodian will inform the inspector of election that it does not have the authority to vote on this matter with respect to your shares; this is referred to as a "broker non-vote." A broker non-vote may also result if your broker or custodian may, but opts not to, vote your shares on a routine matter for which you have not given instructions.

What happens if I submit my vote by proxy but do not give specific voting instructions with respect to a particular proposal?

As a stockholder of record, if you sign and return a proxy card without giving specific voting instructions with respect to a particular proposal, the persons designated by us as proxies will vote your shares as recommended by our board of directors.

Which proposals are considered "routine" or "non-routine"?

Election of Directors (Proposal No. 1). The election of directors is considered a non-routine matter under applicable rules;

Ratification of the Appointment of Deloitte & Touche LLP (Proposal No. 2). The ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the current fiscal year is considered a routine matter under applicable rules;

Advisory Vote to Approve Compensation Paid to Named Executive Officers (Proposal No. 3). The advisory vote to approve our company's executive compensation is considered a non-routine matter under applicable rules; and

Approval of our 2014 Stock Incentive Plan (Proposal No. 4). The approval of our 2014 Stock Incentive Plan is considered a non-routine matter under applicable rules.

Therefore, unless you provide voting instructions to any broker holding shares on your behalf, your broker may not use discretionary authority to vote your shares on Proposals 1, 3 or 4. Proposal 2, regarding the ratification of the appointment of our independent registered public accounting firm, is considered a routine matter, and brokers are therefore permitted to vote shares held by them without instruction from beneficial owners.

How are abstentions and broker non-votes treated?

Abstentions and broker non-votes will not be counted as shares voting on any proposal. Assuming the presence of a quorum, abstentions and broker non-votes will not affect the voting on any of the proposals under consideration by stockholders. Abstentions and broker non-votes will, however, as stated above, be counted as present and entitled to vote for purposes of determining whether a quorum is present at the annual meeting.

Can I change my vote after I have voted?

If you vote your shares by proxy, you may revoke your proxy at any time before its exercise by re-voting over the Internet submitting a subsequently dated proxy card, delivering a written revocation to our Corporate Secretary at our principal offices in Burlington, Massachusetts, or voting in person at the annual meeting. If you submit multiple proxies, the last proxy received by us will be the proxy used for purposes of the annual meeting. Voting by proxy will not affect your right to attend the annual meeting and vote in person should you so choose.

Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to revoke a proxy, you must contact that firm to revoke any prior voting instructions.

Who will serve as the inspector of election?

Our Director of Investor Relations will serve as the inspector of election.

Where can I find the voting results of the Annual Meeting?

The preliminary voting results will be announced at the annual meeting. The final voting results will be tallied by the inspector of election and reported on a Current Report on Form 8-K that we will file with the Securities and Exchange Commission, or SEC, by November 4, 2014.

Who is paying for the cost of this proxy solicitation?

We will bear all costs for this solicitation of proxies. Our directors, officers and certain of our employees may solicit proxies by mail, telephone, email, facsimile or personally without additional compensation. Additionally, we have retained Morrow & Co., LLC to aid in soliciting votes for the annual meeting for a fee of \$15,000 plus reasonable expenses. We are requesting that brokers and custodians forward printed copies of the proxy materials to stockholders for whom they hold shares. We will reimburse these entities for their reasonable out-of-pocket distribution expenses.

Where can I direct any questions regarding the solicitation of votes?

Please direct any questions regarding the solicitation of votes in connection with our 2014 Annual Meeting of Stockholders to Morrow & Co., LLC, 470 West Avenue, 3rd Floor, Stamford, Connecticut 06902. Stockholders, please call (800) 607-0088. Banks and brokerage firms, please call (203) 658-9400.

What is the deadline to propose actions for consideration at the 2015 Annual Meeting of Stockholders?

Our stockholders may submit proposals on matters appropriate for stockholder action at meetings of our stockholders in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, or the Exchange Act. Since we did not hold an annual meeting in 2013, and our 2014 annual meeting is being held later in the calendar year than usual, a proposal that a stockholder would like included in our proxy statement for our 2015 Annual Meeting of Stockholders must satisfy all applicable requirements of Rule 14a-8 and must be received by our Corporate Secretary at our principal offices in Burlington, Massachusetts, by a reasonable time before we begin to print and send our proxy materials for our 2015 Annual Meeting.

If a stockholder intends to present a proposal at our 2015 annual meeting, but not include that proposal in our proxy statement, the proposal must be submitted to our Corporate Secretary at our principal offices in Burlington, Massachusetts, not later than the close of business on the tenth day following the day on which notice of the date of the 2015 annual meeting is mailed or public disclosure of the date of the 2015 annual meeting is made, whichever occurs first.

PROPOSAL 1-ELECTION OF DIRECTORS

Proposal Summary

The first proposal for consideration at our Annual Meeting is the election of the four director nominees named in this Proxy Statement (“director nominees”). Our board of directors is divided into three classes, designated as Class I, Class II and Class III directors, with one class elected each year. Because we did not hold an annual

meeting of stockholders in 2013 due to the restatement of our consolidated financial statements for the fiscal year ended December 31, 2011, both Class II and Class III directors are up for election at this Annual Meeting. For detailed information related to the restatement, please see our Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

Members of each class hold office for a three-year term. Our board of directors currently consists of eight members, three of whom are Class I directors, two of whom are Class II directors and three of whom are Class III directors. Effective upon the adjournment of the 2014 Annual Meeting, the size of the Board will be reduced to seven members, with the number of Class I directors remaining at three, the number of Class II directors remaining at two and the number of Class III directors decreasing to two. Mr. David B. Mullen, who is currently a Class III director, will not stand for re-election at the Annual Meeting.

Class II Director Elections. Our board of directors has, upon the recommendation of our nominating and governance committee, nominated two of our current Class II directors, Robert M. Bakish and Louis Hernandez, Jr., for re-election as Class II directors at our annual meeting. Information about our director nominees can be found beginning on page 12 of this Proxy Statement. If elected, each director nominee for Class II will serve as a director until our 2016 annual meeting of Stockholders and his successor is duly elected and qualified, or until his earlier death, resignation or removal. Each Class II nominee has indicated his willingness to serve if elected, but if any of the nominees should be unable or unwilling to serve, proxies may be voted for substitute nominee(s) designated by our board of directors.

Class III Director Elections. Our board of directors has, upon the recommendation of our nominating and governance Committee, nominated two of our current Class III directors, Elizabeth M. Daley and Youngme E. Moon, for re-election as Class III directors at our annual meeting. Information about our director nominees can be found beginning on page 12 of this Proxy Statement. If elected, each director nominee for Class III will serve as a director until our 2017 annual meeting of Stockholders and her successor is duly elected and qualified, or until her earlier death, resignation or removal. Each Class III nominee has indicated her willingness to serve if elected, but if any of the nominees should be unable or unwilling to serve, proxies may be voted for substitute nominee(s) designated by our board of directors. Mr. David B. Mullen, who is currently a Class III Director, will not stand for re-election at the Annual Meeting.

Under our Amended and Restated By-Laws, directors in non-contested elections are elected by an affirmative majority of votes cast. You can vote “for” or “against” a nominee, or you may “abstain” from voting with respect to a nominee, however, an abstention will not count as a vote cast in the election.

Board Recommendation

Our board of directors recommends that our stockholders vote FOR the election of Mr. Bakish, Mr. Hernandez, Dr. Daley and Dr. Moon.

DIRECTORS

Set forth below is information regarding each director, including his or her age as of September 1, 2014 and information about his or her specific experience, qualifications, attributes or skills that led the board to conclude that he or she should serve as a director of Avid. There are no family relationships among any of our directors and executive officers.

Nominees for Class II Directors for the Three-Year Term That Will Expire at our Annual Meeting in 2016

Robert M. Bakish, 50, became a director in October 2009. Mr. Bakish has served as the President and Chief Executive Officer of Viacom International Media Networks, a division of Viacom Inc., a global entertainment content company, since January 2010. Mr. Bakish is also chairman of the board of Viacom 18 (Viacom's Indian joint venture). From January 2007 to January 2010, Mr. Bakish served as the President of MTV Networks International, another division of Viacom. From July 2004 to January 2007, Mr. Bakish was Executive Vice President, Operations, of Viacom Enterprises, a subsidiary of Viacom. Prior to that, he served as MTV Networks' Executive Vice President and Chief Operating Officer, Advertising Sales and was chairman of the Cable Television Advertising Bureau. Previously, Mr. Bakish was a partner with Booz Allen & Hamilton in its Media and Entertainment practice. The board values the unique insights Mr. Bakish provides to the board and as a member of our strategy committee relative to the challenges, opportunities and operations of the broadcast industry, as well as his expertise in strategic planning and business

development as well as in his role, since 2011, as the chair of our compensation committee.

Louis Hernandez, Jr., 47, was appointed our President and CEO in February 2013. He became a director in February 2008 and served as our lead director from December 2011 until his appointment as our President and CEO. Prior to being appointed our President and CEO, Mr. Hernandez was the chairman and Chief Executive Officer of Open Solutions Inc., a provider of enterprise-wide enabling technologies for the financial services marketplace, which was acquired in January 2013 by Fiserv, Inc. Mr. Hernandez served as chairman of Open Solutions from 2000 to 2013, and as Chief Executive Officer of Open Solutions from 1999 to 2013. Prior to Open Solutions, Mr. Hernandez served as Executive Vice President and Chief Financial Officer of RoweCom Inc., an electronic commerce software vendor. Prior to joining RoweCom, Mr. Hernandez served as the Chief Financial Officer and Corporate Secretary of U.S. Medical Instruments, Inc. and worked in the business and advisory services group of Price Waterhouse LLP. Mr. Hernandez also served as a director and member of the audit and compensation committee of Unica Corporation (UNCA), HSBC North America Holdings Inc., HSBC USA Inc. and HSBC Bank USA, N.A. Mr. Hernandez has a proven track record of driving the operations and growth of technology companies in a variety of industries and has been a principal architect of our Avid Everywhere strategy. The board believes that these qualities are particularly valuable in connection with the next steps for our company. Further, as President and CEO, he brings a unique perspective to the board.

Nominees for Class III Directors for the Three-Year Term That Will Expire at our Annual Meeting in 2017

Elizabeth M. Daley, 71, became a director in February 2005. Dr. Daley has been Dean of the School of Cinematic Arts at the University of Southern California since 1991. Dr. Daley brings a valuable perspective to our business through the experience she has with our customer base, including insights into industry trends gleaned in her capacity as the dean of a major U.S. film school, and is a valued member of our audit committee and compensation committee.

Youngme E. Moon, 50, became a director in September 2005. Dr. Moon has been Senior Associate Dean for Strategy an Innovation and the Donald K. David Professor of Business Administration at Harvard Business School, where she has been on the faculty since 1998. Prior to that, Dr. Moon was a professor at the Massachusetts Institute of Technology. Dr. Moon also serves on the board of directors of Zulily, the Honest Company and Handybook and serves as a member of the audit and nominating and governance committee of Zulily. Dr. Moon's expertise in innovative consumer and other marketing strategies, in addition to her other business insights, adds significant value to board discussions and our strategy committee. She is also a valued member of our nominating and governance committee.

Continuing Directors

Class I Directors (terms to expire at our 2015 annual meeting)

George H. Billings, 64, became a director in March 2004 and was appointed chairman of our board in February 2013. Mr. Billings has been the President of Billings & Co., a management consulting firm focused on the wireless communications and related industries, since 1987. Mr. Billings has also served as Chief Operating Officer and Chief Executive Officer of Silicon Wireless, Ltd.; Chief Operating Officer and Vice Chairman of Radio Movil Digital Americas, Inc.; General Manager of the Washington-Baltimore Cellular Telephone Company Partnership (d/b/a Cellular One); and Vice President of Corporate Development of the Communications Satellite Corporation. Mr. Billings contributes diversified skills to our board through his extensive financial, management and operational experience and is an audit committee financial expert. He has also made extensive contributions as a director and past chair and present member of the audit committee, including through his collaboration with our independent auditors and senior management team, and as chair of our nominating and governance committee and strategy committee.

Nancy Hawthorne, 63, became a director in October 1997 and served as our lead director from January 2008 to December 2011. Ms. Hawthorne has served as Chair and Chief Executive Officer of Clerestory, LLC, a financial advisory and investment firm, since August 2001. Previously, Ms. Hawthorne served as Chief Executive Officer and Managing Partner of Hawthorne, Krauss & Associates, LLC, a provider of consulting services to corporate management; and as Chief Financial Officer and Treasurer of Continental Cablevision. Ms. Hawthorne also serves as a director and member of the audit and nominating and governance committee of the Metropolitan Series Fund, Inc. During her years of service as a director of Avid, Ms. Hawthorne has gained significant knowledge of our business. Ms. Hawthorne's financial management and outside board experience enhance her contributions to our board. Additionally, her financial expertise and experience qualify her as an audit committee financial expert. In addition to

her service as a member of our board and a financial expert of our audit committee, Ms. Hawthorne also brings valuable insight in her role as a member of our nominating and governance committee. Ms. Hawthorne also offers a unique perspective, having served as our interim CEO from July to December 2007.

John H. Park, 47, served as a director of Avid from June 2007 to June 2011 and was reelected to our board in May 2012. Since November 2012, Mr. Park has been a partner at the private equity firms of Jackson Park Capital, LLC and Jackson Park Advisors, LLC. Mr. Park was a partner of Blum Capital Partners, L.P., a private equity firm and an Avid investor, from May 2004 to November 2012. Prior to joining Blum Capital Partners, Mr. Park spent 11 years with Columbia Wanger Asset Management, L.P. where he was a partner and the Portfolio Manager of the Columbia Acorn Select Fund and a Co-Portfolio Manager of the Columbia Acorn Fund. Mr. Park has also in the past served as a director of eResearch Technology, Inc. and GlenRose Instruments, Inc. Our board believes it benefits from Mr. Park's demonstrated business acumen gained through extensive private equity and fund investment experience, experience on other public company boards of directors and participation in corporate turn-around efforts. With this experience, Mr. Park is also a valued member of our strategy committee and nominating and governance committee.

DIRECTOR COMPENSATION

Our company uses a combination of cash and equity-based compensation to attract and retain individuals to serve on our board. We only compensate outside directors for their service on our board. An outside director is a member of our board who is not:

- an employee of our company or any subsidiary of our company;
- a significant stockholder, meaning the beneficial owner of 10% or more of our outstanding common stock; or
- a controlling stockholder, member or partner of a significant stockholder.

During 2012, and until his resignation on February 11, 2013, Gary G. Greenfield served as our chairman, President and CEO and did not qualify as an outside director during that period. Similarly, Mr. Hernandez ceased to qualify as an outside director as of his appointment as our President and CEO on February 11, 2013. Furthermore, from his appointment to the board until November 2012, Mr. Park served as a partner of a significant stockholder of our company, and as such did not qualify as an outside director during that time period. During the time frames that Messrs. Hernandez, Greenfield and Park did not qualify as outside directors, they did not receive any compensation for their service on our board.

Compensation for Outside Directors

Prior to February 2014 and as of July 1, 2011, our outside directors were paid the following cash compensation for their service:

	Lead Director		Chair		Other Members	
	Retainer	Meeting	Retainer	Meeting	Retainer	Meeting
Board of Directors	\$75,000	\$2,000	\$75,000	\$2,000	\$45,000	\$2,000
Audit Committee	—	—	25,000	2,000	7,500	2,000
Compensation Committee	—	—	15,000	2,000	5,000	2,000
Nominating and Governance Committee	—	—	15,000	2,000	5,000	2,000
Strategy Committee	—	—	15,000	2,000	5,000	2,000

In December 2012, our board approved a special retainer of \$15,000 to George H. Billings in recognition of the additional work assumed by him as chair of our strategy committee and \$50,000 to Mr. Hernandez in recognition of the substantial work performed and expected to be performed by him as lead director.

In addition to the cash compensation described above, outside directors are entitled to receive equity compensation. All equity compensation awards to outside directors that remain outstanding have been granted under our Amended and Restated 2005 Stock Incentive Plan. Our board reviews equity compensation for outside directors periodically. Previously, outside directors received equity compensation under our 1993 Director Stock Option Plan, as amended, or our 2005 Stock Incentive Plan, as amended.

Under our Amended and Restated 2005 Stock Incentive Plan, each outside director is entitled to receive equity compensation subject to the following limits:

- upon election to our board, an option for up to 15,000 shares of common stock or a restricted stock award or a restricted stock unit award for up to 7,500 shares of common stock; and
- annually on the date of our annual meeting, if the outside director has served a minimum of six months on our board, an option for up to 15,000 shares of common stock or a restricted stock award or a restricted stock unit award for up to 7,500 shares of common stock.

In each case, an outside director may receive a combination of options and restricted stock or restricted stock units so long as the total number of shares subject to the aggregate award does not exceed 15,000 shares of common stock, with each share of common stock subject to a restricted stock award or a restricted stock unit award considered two shares of common stock for the purpose of this limitation. The exercise price per share for options granted to outside directors is equal to the closing price of our common stock on NASDAQ on the grant date. Equity awards to outside directors upon their initial election to our board vest in full on the first anniversary of the grant date. Annual

equity awards to outside directors vest in full on the earlier of the first anniversary of the grant date or the business day prior to the date of the next annual meeting of stockholders following the grant date. Options granted under our 1993 Director Stock Option Plan, as amended, have a term of six years, those granted under our 2005 Stock Incentive Plan have a term of ten years, and those granted under our Amended and Restated 2005 Stock Incentive Plan have a term of seven years.

On May 15, 2012, in accordance with the terms of our Amended and Restated 2005 Stock Incentive Plan, we granted to each of our directors, who qualified as outside directors as of such date:

6,000 restricted stock units; and
 an option to purchase 3,000 shares of common stock at an exercise price of \$7.22, equal to the closing price of our common stock on NASDAQ on the grant date.

In 2013, no annual meeting of our stockholders was held due to the restatement of our financial statements, described in more detail in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, and our outside directors did not receive any equity compensation. However, Mr. Park, who was designated an outside director effective as of November 15, 2012, was in May 2014 granted an option for 15,000 shares of our common stock as an initial award.

As discussed in greater detail below under Proposal 4 - Approval of Our 2014 Stock Incentive Plan, if stockholders approve Proposal 4 with respect to the 2014 Stock Incentive Plan, no further equity awards will be granted to outside directors under the Amended and Restated 2005 Stock Incentive Plan, and future equity awards to outside directors will be granted under the 2014 Stock Incentive Plan.

In February 2014, our board approved cash compensation, effective January 1, 2014, for our outside directors as set forth below:

	Lead Director		Chair		Other Members	
	Retainer	Meeting	Retainer	Meeting	Retainer	Meeting
Board of Directors	\$80,000	—	\$80,000	—	\$50,000	—
Audit Committee	—	—	26,000	—	12,000	—
Compensation Committee	—	—	18,750	—	9,000	—
Nominating and Governance Committee	—	—	12,500	—	5,250	—
Strategy Committee	—	—	18,750	—	9,000	—

Stock Ownership Requirements for Outside Directors

Our board adopted stock ownership requirements for outside directors, which are intended to further align the interests of our outside directors with those of our stockholders. Under the current requirements, our outside directors are expected to hold at least 18,000 shares of common stock within three years of becoming an outside director.

For purposes of these requirements, stock ownership includes:

- stock owned outright, including stock owned jointly with a spouse or separately by a spouse and/or children;
- shares held in a trust for the economic benefit of the outside director or his or her spouse or children;
- restricted stock and restricted stock units; and
- shares underlying fully-vested options.

All of our outside directors who have served on our board for up to three years have met our stock ownership requirements. See the section of this proxy statement entitled “Beneficial Ownership Information - Security Ownership

of Certain Beneficial Owners and Management” for more detailed information on the beneficial ownership of our directors.

Non-Qualified Deferred Compensation for Outside Directors

For the fiscal years 2012 and 2013, our outside directors were eligible to participate in our non-qualified deferred compensation plan, which was established to provide participants with the opportunity to defer the receipt of

all or a portion of their director fees. None of our directors participated in our plan for the fiscal years 2012 or 2013, and in November 2013, our compensation committee decided not to continue offering this deferral opportunity. See the section of this proxy statement within the “Compensation Discussion and Analysis” entitled “Non-Qualified Deferred Compensation” for a discussion of our non-qualified deferred compensation plan.

DIRECTOR COMPENSATION TABLE FOR FISCAL YEARS 2013 AND 2012

The following table sets forth a summary of the compensation we paid to our directors for service on our board in 2013 and 2012.

Name	Year	Fees Earned or Paid in Cash(1)	Option Awards(2)	Restricted Stock Unit Awards(3)	Total
Robert M. Bakish	2013	\$107,000	—	—	\$107,000
	2012	\$111,000	\$9,375	\$43,260	\$163,635
George H. Billings	2013	\$151,138	—	—	\$151,138
	2012	\$146,043	\$9,375	\$43,260	\$198,678
Elizabeth M. Daley	2013	\$115,500	—	—	\$115,500
	2012	\$127,500	\$9,375	\$43,260	\$180,135
Gary G. Greenfield(4)	2013	\$19,589	—	—	\$19,589
	2012	—	—	—	—
Nancy Hawthorne	2013	\$103,500	—	—	\$103,500
	2012	\$117,353	\$9,375	\$43,260	\$169,988
Louis Hernandez, Jr.(5)	2013	\$18,671	—	—	\$18,671
	2012	\$187,000	\$9,375	\$43,260	\$239,635
Youngme E. Moon	2013	\$87,000	—	—	\$87,000
	2012	\$91,923	\$9,375	\$43,260	\$144,558
David B. Mullen(6)	2013	\$131,000	—	—	\$131,000
	2012	\$138,498	\$9,375	\$43,260	\$191,133
John H. Park(7)	2013	\$89,000	—	—	\$89,000
	2012	\$13,083	—	—	\$13,083

Cash amounts included in the table above represent the portion of the annual board/committee member fees and board/committee chair fees earned during our 2012 and 2013 fiscal years. In December 2012, our board approved a special retainer to be paid to Messrs. Hernandez (\$50,000) and Billings (\$15,000) in recognition of the additional work they assumed as lead director and chair of the strategy committee, respectively.

(2) The amount shown represents the aggregate grant date fair value, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation-Stock Compensation, of options granted to each of our outside directors in 2012. The grant date fair value was determined by using the Black-Scholes option pricing model. The options for our outside directors were granted on May 15, 2012. No stock options were granted to our independent directors in fiscal year 2013, due to the restatement and the fact that we did not hold an annual meeting in 2013. Mr. Hernandez was granted stock options in connection with his appointment as our President and CEO in February 2013. Please see “Executive Compensation - Analysis of 2013 and 2012 Executive Compensation Decisions and Actions - Long-Term Equity Incentive Compensation - Fiscal Year 2013 Equity Incentive Compensation” for a description of these grants. As of December 31, 2013, the outside directors held options for the following numbers of shares: Mr. Bakish, 20,000; Mr. Billings, 37,000; Dr. Daley,

37,000; Ms. Hawthorne, 56,689; Dr. Moon, 47,000; and Mr. Mullen, 20,000. Please see Note M, "Capital Stock," to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2013 regarding the assumptions and methodologies used to value these options.

The amount shown represents the aggregate grant date fair value, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation-Stock Compensation, of restricted stock unit awards granted to each of our outside directors in 2012. The grant date fair value was determined by multiplying the total number of shares of common stock underlying the restricted stock units by \$7.22, the closing price of our common stock on NASDAQ on the grant date, May 15, 2012, and subtracting \$.01 par value per share. No restricted stock units were awarded to our independent directors in fiscal year 2013, due to the restatement and the fact that we did not hold an annual meeting in 2013. Mr. Hernandez was awarded restricted (3) stock units in connection with his appointment as our President and CEO in February 2013. Please see "Executive Compensation - Analysis of 2013 and 2012 Executive Compensation Decisions and Actions - Long-Term Equity Incentive Compensation - Fiscal Year 2013 Equity Incentive Compensation" for a description of these grants. As of December 31, 2013, the outside directors held the following restricted stock units: Mr. Bakish 16,000; Mr. Billings, 17,000; Dr. Daley, 17,000; Ms. Hawthorne, 17,000; Dr. Moon, 17,000; and Mr. Mullen, 16,000. Please see Note M, "Capital Stock," to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2013 regarding the assumptions and methodologies used to value these restricted stock units.

Mr. Greenfield did not receive compensation as a member of our board while serving as our President and CEO.

All of Mr. Greenfield's compensation information for 2012 is reported in the Summary Compensation Table in the (4) Executive Compensation section below. On February 11, 2013, Mr. Greenfield resigned as President and CEO but served as an outside director and was compensated for his services on our board from February 11, 2013 until his resignation on May 15, 2013.

- Following the appointment of Mr. Hernandez as our President and CEO in February 2013, he no longer qualifies as an outside director and as such is not entitled to and did not receive compensation for his service on our board. All
- (5) of Mr. Hernandez's compensation information for 2013 is reported in the Summary Compensation Table in the Executive Compensation section below.
- (6) Mr. Mullen, currently a Class III Director, will not stand for re-election at the 2014 Annual Meeting. From his appointment to our board in November 2012, Mr. Park was not an outside director and did not receive compensation for his service on our board. As of November 15, 2012, Mr. Park was determined to be an
- (7) independent director and entitled to compensation as an outside director. However, due to the restatement, no equity awards were made to him in 2012 in connection with such determination. Subsequently, in May 2014 he was granted an option to purchase 15,000 shares of our common stock, valued at \$50,028.

EXECUTIVE OFFICERS

Our executive officers are elected annually by the board and serve at the discretion of the board. Our current executive officers and their ages are as follows:

Executive Officer	Age	Position(s) with our company
Louis Hernandez, Jr.	47	President and Chief Executive Officer
John W. Frederick	50	Executive Vice President, Chief Financial Officer and Chief Administrative Officer
Christopher C. Gahagan	50	Senior Vice President of Products and Technology
Jeff Rosica	52	Senior Vice President of Worldwide Field Operations
Jason A. Duva	41	Vice President, General Counsel and Corporate Secretary

Louis Hernandez, Jr. is our President and CEO. Please see “Directors” above for Mr. Hernandez’s biography.

John W. Frederick has served as our Chief of Staff from February 2013 to April 2013, and has served as our Executive Vice President, Chief Financial Officer and Chief Administrative Officer since April 2013. From November 2009 until joining Avid, Mr. Frederick was Executive Vice President and Chief Financial Officer of Open Solutions, Inc., a technology provider to financial institutions worldwide, which was acquired in January 2013 by Fiserv, Inc. During the period October 2006 to October 2007, Mr. Frederick served first as interim Chief Financial Officer and then as Chief Financial Officer of SafeNet, Inc., a global encryption security company. After a brief transition in connection with the acquisition of SafeNet, he rejoined SafeNet as Chief Financial Officer in November 2007 and served as such until August 2009. Additionally, he held a variety of senior financial, business planning, and analysis roles at organizations including AlliedSignal, now Honeywell, Time Warner, and Sunbeam Corporation. Early in his career he also served in the audit practice of Coopers & Lybrand, now part of PricewaterhouseCoopers.

Christopher C. Gahagan has served as our Senior Vice President of Products and Technology since July 2009. From March 2002 and until the time he joined us, Mr. Gahagan served in various capacities at EMC Corporation, a provider of storage systems, software and services to support information storage and management strategies, most recently as Senior Vice President and General Manager of the Resource Management Software group. Prior to EMC, he held senior management positions at BMC Software, Inc., Sterling Software, Inc. and Spectra Logic Corporation. Mr. Gahagan began his career as a member of the technical staff at Hewlett Packard Company.

Jeff Rosica has served as our Senior Vice President of Worldwide Field Operations since January 2013. From early 2002 until joining us, Mr. Rosica served in various capacities with Grass Valley, LLC, a broadcast equipment supplier, most recently as Executive Vice President, Chief Sales and Marketing Officer. Prior to that, Mr. Rosica was Vice President and General Manager of Phillips Broadcast from 1996.

Jason A. Duva has served as our Vice President, General Counsel and Corporate Secretary since October 2011. Mr. Duva joined Avid in 2005 as Corporate Counsel and from 2008 to 2011 served as Assistant General Counsel. Prior to joining Avid, Mr. Duva worked at the law firm, Testa, Hurwitz & Thibeault LLP.

BENEFICIAL OWNERSHIP INFORMATION

Security Ownership of Certain Beneficial Owners and Management

The following table provides information with respect to the beneficial ownership of our common stock by:

- each person known by us to beneficially own (or have a right to acquire within 60 days) more than 5% of the outstanding shares of our common stock;
- each of our directors;
- each executive officer for 2013 named in the Summary Compensation Table (each a “named executive officer”, or “NEO”); and
- all of our directors and executive officers as a group.

Percentage ownership calculations are based on 39,132,917 shares of common stock outstanding as of September 12, 2014.

Beneficial Owner	Number of Shares Beneficially Owned(1)	Percentage of Common Stock Outstanding(1)(2)	
Greater than 5% Stockholders			
Blum Capital Partners, L.P.(3) 909 Montgomery Street, Suite 400 San Francisco, CA 94133	7,241,549	18.6	%
Wells Fargo & Company(4) 420 Montgomery Street San Francisco, CA 94104	4,165,402	10.7	%
Dimensional Fund Advisors LP(5) Palisades West, Building One 6300 Bee Cave Road Austin, TX 78746	2,611,800	6.71%	
Indaba Capital Management, L.P.(6) One Letterman Drive, Building D, Suite DM700 San Francisco, California 94129	2,274,388	5.81	%
Directors(7)			
Robert M. Bakish	56,000	*	
George H. Billings	54,000	*	
Elizabeth M. Daley	54,000	*	
Nancy Hawthorne	73,689	*	
Youngme E. Moon	64,000	*	
David B. Mullen	36,000	*	
John H. Park	16,493		
2013 Named Executive Officers(7)			
Louis Hernandez, Jr.	306,619	*	
John F. Frederick	168,230	*	
Christopher C. Gahagan	156,332	*	
Jeff Rosica	88,758	*	
Jason A. Duva	69,298	*	
Gary G. Greenfield (former President and CEO)	137,382	*	
Kenneth A. Sexton (former CFO and Chief Administrative Officer)	134,133	*	

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Glover H. Lawrence (former Vice President of Corporate Development)	14,301	*	
All directors and 2013 executive officers as a group	1,429,235	3.7	%

*Less than 1%

20

The inclusion of any shares of common stock deemed beneficially owned does not constitute an admission of beneficial ownership of those shares. The persons named in the table have, to our knowledge, sole voting and investment power with respect to all shares shown as beneficially owned by them, except as noted in the footnotes below.

(1) Any shares that a person or entity has the right to acquire within 60 days after September 12, 2014 are deemed to be outstanding for the purpose of calculating the percentage of outstanding common stock owned by that person or entity, but not for the purpose of calculating the percentage ownership of any other person or entity. However, this does not include (i) any options granted in 2013 or 2014 the vesting of which is subject to the Company having an effective registration statement in place, or (ii) the vesting of awards based on performance determined based on the Company's financial statements for fiscal years 2012 or 2013, which was determined on September 14, 2014.

(2) Amount and nature of ownership listed is based solely upon information contained in a Schedule 13D/A filed with the SEC by Blum Capital Partners LP and various affiliated entities on October 2, 2012. As of September 28, 2012, Blum Capital Partners LP and various affiliated entities had shared dispositive power over 7,241,549 shares and also shared voting power over such shares.

(3) Amount and nature of ownership listed is based solely upon information contained in a Schedule 13G/A filed with the SEC by Wells Fargo & Company and various affiliated entities on April 10, 2014. As of March 31, 2014, Wells Fargo & Company and various affiliated entities had shared dispositive power over 4,164,901 shares and shared voting power over 3,685,901 shares.

(4) Amount and nature of ownership listed is based solely upon information contained in a Schedule 13G/A filed with the SEC by Dimensional Fund Advisors LP on February 10, 2014. As of December 31, 2013, Dimensional Fund Advisors LP had shared dispositive power over 2,611,800 shares and shared voting power over 2,562,398 shares.

(5) Amount and nature of ownership listed is based solely upon information contained in a Schedule 13G filed with the SEC by Indaba Capital Management, L.P. and various affiliated entities on September 12, 2014. As of September 12, 2014, Indaba Capital Management, L.P. and various affiliated entities had shared dispositive power over 2,274,388 shares and also shared voting power over such shares.

(6) Includes the following shares of Common Stock subject to options exercisable or restricted stock units vesting within 60 days after September 12, 2014: Mr. Bakish - 20,000; Mr. Billings - 37,000; Dr. Daley - 37,000; Ms. Hawthorne - 56,689; Ms. Moon - 47,000; Mr. Mullen - 20,000; Mr. Hernandez - 265,480; Mr. Frederick - 151,319; Mr. Gahagan - 122,623; Mr. Rosica - 86,359; Mr. Duva - 63,750; and all current directors, and executive officers as a group - 909,785.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors, executive officers and the holders of more than 10% of our common stock to file with the SEC initial reports of ownership of our common stock and other equity securities on a Form 3 and reports of changes in ownership on a Form 4 or a Form 5. To our knowledge, based solely on a review of copies of reports filed by the persons required to file these reports and written representations from those persons, we believe that all reports required to be filed pursuant to Section 16(a) were timely filed with respect to the years ended December 31, 2012 and 2013, except for one transaction on a Form 4 that was inadvertently not timely reported on behalf of Mr. Bakish. The error was discovered and the Form 4 was filed eight business days after the due date. The transaction involved the purchase of 10,000 shares of common stock on November 28, 2012. In addition, the Form 3 filed in connection with Mr. Park rejoining our board on May 15, 2012 inadvertently omitted to disclose 16,493 shares owned by him.

CORPORATE GOVERNANCE MATTERS

We are committed to ensuring the highest standards of corporate governance. Some examples of this commitment are set forth below.

Effective upon the adjournment of the 2014 Annual Meeting, our board will consist of seven members, six of whom are independent directors within the meaning of NASDAQ's listing standards;

All members of our board's committees are independent directors;

We have corporate governance guidelines that are published on our website at ir.avid.com and that, among other things, lay out the responsibilities and qualification standards for directors, the criteria for director nominations, the board meeting process, our directors' access to officers and employees and independent advisers, and the duties of our chairman and, if applicable, lead independent director;

Our corporate governance guidelines require that any nominee for director who does not receive a majority vote in an uncontested election must promptly tender his or her resignation to the board, which will consider whether to accept the resignation;

We have stock ownership guidelines for our CEO, our other executive officers and our non-employee directors that are described in this proxy statement under "Stock Ownership Requirements" and "Director Compensation - Stock Ownership Requirements for Outside Directors;"

Our independent directors hold regularly convened meetings without management present;

Our independent directors approve director nominations and executive officer compensation;

Our audit committee reviews and approves all related-party transactions;

Our code of business conduct and ethics is distributed annually to all of our employees; and

Any waiver of our code of business conduct and ethics given to our executive officers or directors must be approved by our board of directors and disclosed publicly.

Director Independence

The board is composed of a majority of "independent" directors, and all of the board's committees are composed entirely of "independent" directors, as such term is defined in the listing standards of NASDAQ. The board has determined that the following directors, all of whom served during 2012 (with Mr. Park being appointed director in May 2012) and 2013, are "independent," according to the above definition: Robert M. Bakish, George H. Billings, Elizabeth M. Daley, Nancy Hawthorne, Youngme Moon, David B. Mullen and John H. Park. Mr. Hernandez was considered independent until his appointment as our CEO and President in February 2013.

In addition, the audit committee is composed entirely of "independent" directors as such term is defined in Rule 10A-3 under the Exchange Act, as no member of the audit committee accepts directly or indirectly any consulting, advisory, or other compensatory fee from the company other than their director compensation, or otherwise has an affiliate relationship with the company. Also, the members of the compensation committee each qualify as independent under NASDAQ standards and Rule 10C-1 under the Exchange Act. Under these standards, the board considered that none of the members of the compensation committee accepts directly or indirectly any consulting, advisory, or other compensatory fee from the company other than their director compensation, and that none have any affiliate relationships with the company or other relationships that would impair the director's judgment as a member of the compensation committee.

The board has adopted a charter for each of the four standing committees that addresses the make-up and functioning of such committee. The board has also adopted corporate governance guidelines to assist it in the exercise of its duties and responsibilities and to serve the best interest of our stockholders, and a code of business conduct and ethics that applies to all of our employees, officers and directors. Our corporate governance guidelines address, among others, the responsibilities and qualification standards for directors (including a policy for holdover directors), the criteria for

director nominations, the board meeting process, our directors' access to officers and employees and independent advisers, and the duties of our chairman and if applicable lead independent director. The charters for the audit committee, compensation committee and nominating and governance committee, the corporate governance guidelines, and the code of business conduct and ethics, are all publicly available on our website at <http://ir.avid.com/documents.cfm>.

Board Meetings

Our board met 16 times in 2013 and 11 times in 2012. The board and certain committees also engaged in other discussions and actions during 2013 and 2012 apart from these meetings. The non-management directors, all of whom are independent, met in an executive session chaired by either the chairman of the board or the lead director at the conclusion of every regularly scheduled board meeting and at such other board and committee meetings as the independent directors elected. During 2013 and 2012, each of our directors attended at least 75 percent of the total number of meetings of the board of directors and all committees of the board of directors on which he or she served.

While we encourage our directors to attend our annual meetings of stockholders, we do not have a policy requiring their attendance. All of our then-serving directors attended our 2012 annual meeting of stockholders.

Board Committees

Our board has a standing audit committee, compensation committee, nominating and governance committee and strategy committee. Each committee operates under a charter that has been approved by our board. Each committee reviews its charter periodically and recommends any proposed revisions to our board for approval. The charters of the audit committee, the compensation committee and the nominating and governance committee can be accessed from the corporate governance page in the investor relations section of our website at <http://ir.avid.com>. Members of each committee are generally elected by our board upon recommendation from our nominating and governance committee. Committee meetings may be called by the chair of a committee, our chairman, and if applicable, our lead director. Each of the committees is authorized to retain independent legal, accounting and other advisors, and to approve compensation for their services.

The table below provides current membership information regarding the board and board committees as of the date of this proxy statement. Each of the committees is comprised solely of independent directors, as defined by NASDAQ listing standards.

Independent Director(1)	Audit	Compensation	Nominating and Governance	Strategy
Robert M. Bakish		Chair		x
George H. Billings(2)	x		Chair	Chair
Elizabeth M. Daley	x	x		
Nancy Hawthorne	x		x	
Youngme E. Moon			x	x
David B. Mullen(3)	Chair	x		
John H. Park			x	x

(1) In connection with Mr. Hernandez's appointment as our President and CEO in February 2013, he stepped down from his service as the lead director and member of our compensation committee and our nominating and governance committee. Mr. Hernandez continues to serve on our board.

(2) Mr. Billings was appointed chairman of our board in connection with Mr. Hernandez's appointment as President and CEO.

(3) Mr. Mullen, currently a Class III Director, will not stand for re-election at the 2014 Annual Meeting.

Audit Committee

Our board has determined that each of Messrs. Mullen and Billings and Ms. Hawthorne qualifies as an "audit committee financial expert" as defined in Item 407(d)(5) of Regulation S-K. In addition, our board has determined that the members of our audit committee meet the additional independence criteria required for audit committee membership under Rule 10A-3 under the Exchange Act.

The audit committee's responsibilities include:

- appointing, as well as approving the compensation and assessing the independence of, our independent registered public accounting firm;
- overseeing the work of our independent registered public accounting firm, including reviewing certain reports required to be made to the audit committee by the independent registered public accounting firm;
- overseeing the work of our internal audit function, including approving the internal audit annual plan submitted by the internal auditing staff;

23

- reviewing and discussing with management and the independent registered public accounting firm our annual and quarterly financial statements and related disclosures;
- reviewing, approving and ratifying related person transactions;
- monitoring our internal controls over financial reporting, disclosure controls and procedures; and
- meeting independently with our internal auditing staff, our independent registered public accounting firm and management.

Our audit committee met six times in 2013 and 11 times in 2012.

Compensation Committee

Our compensation committee oversees the design and development of our executive compensation programs and determines CEO compensation consistent with the overall objectives of the program, as described below. The compensation committee also approves compensation for the other NEOs. In addition, all members of the compensation committee were independent directors under Rule 10C-1 under the Exchange Act.

The compensation committee's responsibilities include:

- administering our executive officer compensation programs;
- annually reviewing and approving an appropriate peer group against which executive compensation is compared;
- annually reviewing and approving corporate financial performance goals and individual performance goals relevant to the compensation of our executive officers;
- overseeing performance evaluations of our executive officers;
- administering our equity incentive plans and other equity based plans;
- reviewing and discussing the Compensation Discussion and Analysis;
- evaluating compensation policies and practices in relation to risk management; and
- reviewing and making recommendations to our board with respect to director compensation.

Our compensation committee met seven times in 2013 and eight times in 2012.

Nominating and Governance Committee

The nominating and governance committee's responsibilities include:

- identifying individuals qualified to become members of our board;
- recommending to our board persons to be nominated for election as directors and to each of the committees of our board;
 - developing and recommending to our board corporate governance principles; and
- overseeing an evaluation of our board.

Our nominating and governance committee met twice in 2013 and twice in 2012.

Strategy Committee

The strategy committee's responsibilities include reviewing, evaluating and making recommendations to our board with regard to potential strategic opportunities. Our strategy committee did not meet formally in 2013. In 2012, our strategy committee met five times.

Director Nomination Process

The process followed by our nominating and governance committee to identify and evaluate director candidates consists of reviewing recommendations from members of our board, search firms that we engage from time to time, and others (including stockholders) and evaluating biographical and background information relating to potential candidates.

In considering whether to recommend a particular candidate for inclusion on our board's slate of recommended director nominees, our nominating and governance committee considers the criteria set forth in our

corporate governance guidelines. These criteria include the candidate's integrity, business acumen, knowledge of our business and industry, age, experience, and commitment to participate as a director, as well as the diversity of our board and conflicts of interest that would impair the candidate's ability to act in the interests of all stockholders. Our nominating and governance committee does not assign specific weights to particular criteria and no particular criterion is a prerequisite for all prospective nominees. Our corporate governance guidelines also provide that the nominating and governance committee will review with the board the requisite skills and criteria for new board members as well as the composition of the board as a whole, including the consideration of diversity, age, skills, experience, geographic representation, gender, race and national origin, and other experience in the context of the needs of the board. Our nominating and governance committee has not adopted any formal or informal diversity policy and treats diversity as one of the criteria to be considered by the committee. Our nominating and governance committee believes that the backgrounds and qualifications of our directors, considered as a group, should provide a composite mix of experience, knowledge and abilities that will allow our board to fulfill its responsibilities.

Our by-laws require stockholders to provide notice to Avid of the nomination of directors not less than 90 days nor more than 120 days prior to the anniversary date of our prior annual meeting. However, if our annual meeting is called for a date that is not within 25 days before or after the anniversary date of the prior year's annual meeting, notice by the stockholder must be received no later than the close of business on the tenth day following the earlier of either the day on which the notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made.

Our by-laws require a stockholder proposing a director nomination to accompany the request with certain additional information concerning the stockholder and the nominee(s) proposed, including, among other things, (i) biographical and stock ownership information (including derivative and hedging interests as to our common stock) of the proponent stockholder and the nominee(s) (and certain affiliates or associates of each of the proponent stockholder and the nominee(s)), (ii) arrangements and understandings (including financial arrangements and compensation) between the proponent stockholder (and certain affiliates or associates of the proponent stockholder) and any other person, including the nominee(s), with respect to our common stock, and (iii) any other information relating to the proponent stockholder or the nominee(s) that would be required to be disclosed in a proxy statement pursuant to Section 14 of the Exchange Act.

Stockholders may recommend an individual to our nominating and governance committee for consideration as a potential director candidate by submitting the individual's name, together with the information referred to above, to the Nominating and Governance Committee, Avid Technology, Inc., c/o Corporate Secretary, 75 Network Drive, Burlington, Massachusetts 01803, or by email to Avid.Secretary@avid.com.

Assuming that appropriate biographical and background material has been provided on a timely basis, our nominating and governance committee evaluates stockholder-recommended candidates by substantially following the same process, and considering the same criteria, as it follows for candidates submitted by others. If our board decides to nominate a stockholder-recommended candidate and recommends his or her election, then his or her name will be included in our proxy materials for the next annual meeting.

Board Leadership Structure

The board oversees our CEO and other senior management in the competent and ethical operation of the company and assures that the long-term interests of the stockholders are being served.

The board periodically reviews its leadership structure to determine whether the roles of chairman and chief executive officer should be separated or combined based on its judgment as to the structure that best serves the interests of our company and our stockholders. In February 2013 in connection with Mr. Hernandez being newly appointed as

President and CEO, Mr. Billings, an independent director, was appointed as the chairman of our board. The board believes that the current separation of the chairman and chief executive officer roles allowed Mr. Hernandez, who was new in the role, to focus his time and energy on operating and managing the company. Our board continues to evaluate our leadership structure and may make appropriate changes in the future. Our corporate governance guidelines provide that if our chairman is not an independent director, a lead director may be appointed, and in 2012 Mr. Greenfield, our former President and CEO, served as our chairman and Mr. Hernandez served as lead director.

The chairman of the board chairs and presides over meetings of the board and serves as a liaison between the independent directors and management. The current chairman of the board also serves as chairman of our nominating and governance committee and strategy committee and as a member of our audit committee.

The Board's Role in Risk Oversight

Risk is an integral part of board deliberations throughout the year. Management is responsible for the day-to-day management of risks our company faces, while the board, as a whole and through its committees, has responsibility for the oversight of risk management. A fundamental part of risk oversight is to understand the risks that we face, the steps management is taking to manage those risks and to assess our appetite for risk. Risk management systems, including our internal auditing procedures, internal controls over financial reporting and corporate compliance programs, are designed in part to inform management about our material risks. The board believes that full and open communication between management and the board are essential for effective risk management and oversight. The board receives regular presentations from senior management on strategic matters involving our operations and discusses strategies, financial performance, legal developments, key challenges and risks and opportunities for our company. The involvement of the board in the oversight of our strategic planning process is a key part of its assessment of the risks inherent in our corporate strategy.

While the board oversees the risk management process, our board's committees assist the board in fulfilling its oversight responsibilities in certain areas of risk. The audit committee focuses on financial risk, including the areas of financial reporting, internal controls, and compliance with legal and regulatory requirements. The compensation committee assists the board in fulfilling its oversight responsibilities with respect to the management of risks arising from our compensation policies and programs. The nominating and governance committee manages risks associated with corporate governance, board organization, membership and structure.

Compensation Risk Assessment

At the compensation committee's direction, our Senior Vice President, Human Resources and other members of the human resources and finance department, in conjunction with our inside legal counsel, assisted in a risk assessment of our compensation programs for 2012 and 2013, including our executive compensation programs. Based on this assessment, we believe that our compensation programs' design promotes the creation of long-term value and discourages behavior that leads to excessive risk. The compensation committee reviewed and discussed the assessment, and the compensation committee concurred with management's assessment that our compensation programs do not create risks that are reasonably likely to have a material adverse effect on our business.

Stockholder Rights Plan

In January 2014, after considering the significant time anticipated to be needed to complete the restatement process, as well as the possible delisting of our stock (which subsequently occurred when our stock was suspended from trading on NASDAQ on February 25, 2014 and delisted from NASDAQ on May 2, 2014) our board adopted a stockholder rights plan (the "Rights Plan") and declared a dividend of one preferred share purchase right for each outstanding share of our common stock. The Rights Plan was adopted by the board following careful evaluation and in consultation with our outside advisors. The plan is similar to plans adopted by numerous publicly traded companies. For a more complete description of the Rights Plan, which will expire at the 2014 Annual Meeting of Stockholders, please see our Current Report on Form 8-K dated January 7, 2014.

Application for Relisting on the NASDAQ Stock Exchange

Following the filing of our first quarter 2014 Form 10-Q, we plan to apply for relisting on the NASDAQ stock exchange. We hope to be relisted on the NASDAQ stock exchange sometime after becoming current with our reporting obligations. For more information related to our plan on becoming current in our reporting obligations, please see our Current Report on Form 8-K dated September 12, 2014.