

MICROTUNE INC
Form DEF 14A
April 09, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

MICROTUNE, INC.

(Name of Registrant as Specified In Its Charter)

N/A

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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

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

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No:

(3) Filing party:

(4) Date filed:

2201 10th Street

Plano, Texas 75074

Dear Stockholder:

You are cordially invited to attend the 2010 Annual Meeting of Stockholders of Microtune, Inc., which will be held on Thursday, May 20, 2010 at 2:00 p.m. (Central Daylight Time) at the Homewood Suites by Hilton, 2601 E. George Bush, Plano, TX 75074.

Details of the business to be conducted at the Annual Meeting are given in the attached Notice of Annual Meeting of Stockholders and Proxy Statement.

We are complying with the U.S. Securities and Exchange Commission rule that allows companies to furnish their proxy materials over the Internet. As a result, we are mailing to our stockholders a notice regarding the Internet availability of the proxy materials, instead of a paper copy of this Proxy Statement and our 2009 Annual Report. The notice contains instructions regarding how to access this Proxy Statement and our 2009 Annual Report over the Internet. The notice also contains instructions regarding how each stockholder can receive a paper copy of our proxy materials, including this Proxy Statement, our 2009 Annual Report and a form of proxy card or voting instruction card. This process reduces the printing and postage costs of distributing paper copies of our proxy materials.

After careful consideration, our Board of Directors has approved the proposals set forth in the Proxy Statement and recommends that you vote for each proposal.

Whether or not you plan to attend the Annual Meeting, it is important that your shares be represented and voted at the meeting. Therefore, we urge you to vote promptly. You may vote electronically over the Internet or by telephone, or, if you requested and received paper copies of the proxy materials by mail, you may also vote by mail by following the instructions on the proxy card or voting instruction card. Timely voting by any of these methods will ensure your representation at the Annual Meeting.

We look forward to seeing you at the 2010 Annual Meeting of Stockholders of Microtune, Inc.

Sincerely,
James A. Fontaine
Chief Executive Officer and President

Plano, Texas

April 9, 2010

YOUR VOTE IS IMPORTANT

In order to ensure your representation at the meeting, you are requested to vote electronically over the Internet or by telephone as promptly as possible. If you requested and received paper copies of the proxy materials by mail, you may also vote by mail by following the instructions on the proxy card or voting instruction card.

STOCKHOLDERS WHO HAVE E-MAIL ACCOUNTS CAN ELECT TO RECEIVE MICROTUNE'S ANNUAL REPORTS AND PROXY MATERIALS THROUGH OUR ONLINE DELIVERY SERVICE. TO ENROLL IN OUR ONLINE DELIVERY SERVICE, PLEASE FOLLOW THE INSTRUCTIONS AT WWW.ICSDelivery.COM/MICROTUNE.

MICROTUNE, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD THURSDAY, MAY 20, 2010

DEAR STOCKHOLDERS:

The 2010 Annual Meeting of Stockholders of Microtune, Inc. will be held on Thursday, May 20, 2010 at 2:00 p.m. (Central Daylight Time) at the Homewood Suites by Hilton, 2601 E. George Bush, Plano, TX 75074. Only stockholders of record at the close of business on March 24, 2010 will be entitled to vote. At our Annual Meeting, we will ask our stockholders to act on the following matters:

1. Elect nominees to our Board of Directors to serve until the 2011 Annual Meeting of Stockholders. The nominees are (i) incumbent members James H. Clardy, Steven Craddock, James A. Fontaine, Anthony J. LeVecchio, Bernard T. Marren and A. Travis White and (ii) Robert Rast, Raghavendra (Raghu) Rau and Drew Peck;
2. Approve the Microtune, Inc. 2010 Stock Plan;
3. Approve the Microtune, Inc. 2010 Director Stock Plan;
4. Approve the Microtune, Inc. 2010 Employee Stock Purchase Plan;
5. Ratify the appointment of KPMG LLP as our independent auditor for the fiscal year ending December 31, 2010; and
6. Transact any other business that is properly presented at our Annual Meeting, or any adjournment or postponement of our Annual Meeting.

We have described each of these matters in more detail in the enclosed Proxy Statement that accompanies this Notice.

All stockholders are cordially invited to attend the meeting in person. Any stockholder attending the meeting may vote in person even if such stockholder has previously voted electronically over the Internet, by telephone or by returning a proxy card, provided that he has a valid proxy card in his possession.

Sincerely,
James A. Fontaine
Chief Executive Officer and President

Plano, Texas

April 9, 2010

IMPORTANT: REGARDLESS OF THE NUMBER OF SHARES YOU OWN OR WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE VOTE ELECTRONICALLY OVER THE INTERNET OR BY TELEPHONE IN ORDER TO ENSURE REPRESENTATION OF YOUR SHARES. IF YOU REQUESTED AND RECEIVED PAPER COPIES OF THE PROXY MATERIALS BY MAIL, YOU MAY ALSO VOTE BY MAIL BY FOLLOWING THE INSTRUCTIONS ON THE PROXY CARD OR VOTING INSTRUCTION CARD. FOR SPECIFIC INSTRUCTIONS ON HOW TO VOTE YOUR SHARES, PLEASE REFER TO PAGES 5-6 OF THIS PROXY STATEMENT.

MICROTUNE, INC.

**PROXY STATEMENT FOR
2010 ANNUAL MEETING OF STOCKHOLDERS**

May 20, 2010

General

The Board of Directors of Microtune, Inc. is asking for your proxy for use at our 2010 Annual Meeting of Stockholders, and at any adjournment or postponement of our Annual Meeting. We are holding the Annual Meeting on Thursday, May 20, 2010 at 2:00 p.m. (Central Daylight Time) at the Homewood Suites by Hilton, 2601 E. George Bush, Plano, TX 75074. We are initially mailing a notice regarding the Internet availability of the proxy materials on or about April 9, 2010 to our stockholders entitled to vote at the Annual Meeting. Directions to attend our Annual Meeting can be found on our website at www.microtune.com.

INFORMATION ABOUT THE MICROTUNE ANNUAL MEETING

Q: Why am I receiving these materials?

A: Our Board of Directors is providing these proxy materials to you in connection with our Annual Meeting of Stockholders, which will take place on May 20, 2010. Our stockholders are invited to attend the Annual Meeting and are requested to vote on the proposals described in this Proxy Statement.

Q: What is included in the proxy materials?

A: The proxy materials include:

Our Proxy Statement for the 2010 Annual Meeting of Stockholders; and

Our 2009 Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

If you requested and received a paper copy of these materials by mail, the proxy materials also include a proxy card or a voting instruction card for the Annual Meeting.

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

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- A. We are complying with the U.S. Securities and Exchange Commission (the SEC) rule that allows companies to furnish their proxy materials over the Internet. As a result, we are mailing to our stockholders a notice about the Internet availability of the proxy materials instead of a paper copy of the proxy materials. All stockholders receiving the notice will have the ability to access the proxy materials over the Internet and request to receive a paper copy of the proxy materials by mail. Instructions regarding how to access the proxy materials over the Internet or to request a paper copy can be found on the notice. In addition, the notice contains instructions regarding how stockholders may request to receive proxy materials electronically by e-mail on an ongoing basis.

Q. How can I access the proxy materials over the Internet?

- A. Your notice about the Internet availability of the proxy materials contains instructions regarding how to:

View our proxy materials for the Annual Meeting on the Internet;

Request a paper copy of our proxy materials for the Annual Meeting; and

Instruct us to send our future proxy materials to you electronically by e-mail.

If you choose to receive future proxy materials by e-mail, you will receive an e-mail with instructions containing a link to the website where those materials are available and a link to the proxy voting website. Your election to receive proxy materials by e-mail will remain in effect until you terminate it.

Q: How may I obtain a paper copy of the proxy materials?

A: Stockholders receiving a notice about the Internet availability of the proxy materials will find instructions regarding how to obtain a paper copy of the proxy materials in their notice.

Q: What should I do if I receive more than one notice about the Internet availability of the proxy materials or more than one paper copy of the proxy materials?

A: You may receive more than one notice. For example, if you hold your shares in more than one brokerage account, you may receive a separate notice for each brokerage account in which you hold shares. If you are a stockholder of record and your shares are registered in more than one name, you may receive more than one notice. To vote all of your shares by proxy, you must vote over the Internet or by telephone the shares represented by each notice that you receive (unless you have requested and received a proxy card or voting instruction card for the shares represented by one or more of those notices).

Q: What proposals will be voted on at the Annual Meeting?

A: The following five proposals are scheduled to be voted on at the Annual Meeting:

Proposal No. 1: Elect nominees to our Board of Directors to serve until the 2011 Annual Meeting of Stockholders. The nominees are (i) incumbent members James H. Clardy, Steven Craddock, James A. Fontaine, Anthony J. LeVecchio, Bernard T. Marren and A. Travis White and (ii) Robert Rast, Raghavendra (Raghu) Rau and Drew Peck;

Proposal No. 2: Approve the Microtune, Inc. 2010 Stock Plan;

Proposal No. 3: Approve the Microtune, Inc. 2010 Director Stock Plan;

Proposal No. 4: Approve the Microtune, Inc. 2010 Employee Stock Purchase Plan; and

Proposal No. 5: Ratify the appointment of KPMG LLP as our independent auditor for the fiscal year ending December 31, 2010.

Also, the Annual Meeting may involve the consideration of such other business as may properly come before the meeting or any adjournments or postponements thereof.

Q: What is Microtune's voting recommendation?

A: Our Board of Directors recommends that you vote your shares as follows:

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FOR all nominees for election as directors under Proposal No. 1;

FOR Proposal No. 2;

FOR Proposal No. 3;

FOR Proposal No. 4; and

FOR Proposal No. 5.

Q: How many shares represented does Microtune need to hold the Annual Meeting?

A: We need a quorum to take action at our Annual Meeting. We will have a quorum at our Annual Meeting if a majority of the shares issued and outstanding on the record date and entitled to vote are present, either in person or by proxy. If by the date of our Annual Meeting we do not have sufficient shares represented to constitute a quorum or to approve one or more of the proposals, the Chairperson of our Annual Meeting, or the persons named as proxies, may propose one or more adjournments of our Annual Meeting to permit further solicitation of proxies. The persons named as proxies would generally exercise their authority to vote in favor of adjournment. Your shares will be counted as present at the Annual Meeting if you:

are present and vote in person at the Annual Meeting; or

have properly voted by proxy, electronically, or by telephone.

Both abstentions and broker non-votes are counted as present for the purpose of determining the presence of a quorum. Broker non-votes occur when shares held by a broker on behalf of a beneficial owner are not voted with respect to a particular proposal, which generally occurs when the broker has not received voting instructions from the beneficial owner and lacks the discretionary authority to vote the shares itself.

Q: Who can vote at the Annual Meeting?

A: Our Board of Directors has set March 24, 2010 as the record date for the Annual Meeting. All stockholders who owned shares of our common stock on March 24, 2010 may attend and vote at the Annual Meeting. Each of these stockholders is entitled to one vote on all matters to be voted on for each share of common stock held as of such date. On March 24, 2010, 54,002,294 shares of our common stock were outstanding. For information regarding security ownership by management and more than 5% stockholders, see Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters beginning on page 41.

Q: Which shares that I own can be voted?

A: All shares owned by you as of the close of business on March 24, 2010, the record date, may be voted by you if either (1) you held these shares directly in your name as the stockholder of record, or (2) these shares were held for you as the beneficial owner through a broker, bank or other nominee.

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

A: Most stockholders of Microtune hold their shares through a broker, bank or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Stockholder of Record:

If your shares are registered directly in your name with our transfer agent, Computershare Shareholder Services, you are considered the stockholder of record with respect to those shares. As the stockholder of record, you have the right to grant your voting proxy directly to us by following the instructions on the notice regarding Internet availability of the proxy materials or to vote in person at the Annual Meeting.

Beneficial Owner:

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name, and your broker, banker or nominee is considered the stockholder of record with respect to those shares. As the beneficial owner, you have the right to direct your broker, bank or nominee regarding how to vote your shares and are also invited to attend the Annual

Meeting. However, since you are not the stockholder of record, you may not vote these shares in person at the Annual Meeting, unless you request, complete and deliver a legal proxy from your broker, bank or nominee. You may also vote by following the instructions on the notice regarding Internet availability of the proxy materials.

Q: What vote is required for each item?

A: **Proposal No. 1: Election of Directors.** A plurality of the votes cast at the Annual Meeting is required to elect each nominee. Accordingly, abstentions and broker non-votes will have no effect on the election of directors. Shares represented by proxies will be voted for the election of the nominees named below unless authority to do so is specifically withheld. If any nominee declines to serve or becomes unavailable for any reason, or if a vacancy occurs before the election (although we know of no reason to anticipate that this will occur), the proxies may be voted for such substitute nominees as the Board of Directors may designate.

If you hold your shares through a broker, bank or other nominee, it is critical that you cast your vote if you want it to count in the election of directors (Proposal 1). In the past, if you held your shares through a broker, bank or other nominee and you did not indicate how you wanted your shares voted in the election of directors, your bank, broker or other nominee was allowed to vote those shares on your behalf in the election of directors as they felt appropriate.

Recent changes in the regulations were made to take away the ability of your bank, broker or other nominee to vote your uninstructed shares in the election of directors on a discretionary basis. Thus, if you hold your shares through a bank, broker or other nominee and you do not instruct your bank, broker or other nominee how to vote in the election of directors, no votes will be cast on your behalf. Your bank, broker or other nominee will, however, continue to have discretion to vote any uninstructed shares on the ratification of our independent auditor (Proposal 5). If you are a stockholder of record and you do not cast your vote, no votes will be cast on your behalf on any of the items of business at the Annual Meeting.

Proposal No. 2: Approval of the Microtune, Inc. 2010 Stock Plan. The affirmative vote of the holders of a majority of the shares of our common stock present in person or represented by proxy and entitled to vote is required to approve the Microtune, Inc. 2010 Stock Plan. An abstention will be counted as a vote against approval since it is one less vote for approval of the shares present. Broker non-votes will not affect the outcome since they are not considered shares present for voting purposes. Brokers do not have discretionary authority to vote shares they hold on the behalf of a beneficial holder in favor of or against this proposal if they have not been instructed to do so by such beneficial holder. Shares represented by proxies will be voted for the approval of the Microtune, Inc. 2010 Stock Plan, unless authority to do so is specifically withheld.

Proposal No. 3: Approval of the Microtune, Inc. 2010 Director Stock Plan. The affirmative vote of the holders of a majority of the shares of our common stock present in person or represented by proxy and entitled to vote is required to approve the Microtune, Inc. 2010 Director Stock Plan. An abstention will be counted as a vote against approval since it is one less vote for approval of the shares present. Broker non-votes will not affect the outcome since they are not considered shares present for voting purposes. Brokers do not have discretionary authority to vote shares they hold on the behalf of a beneficial holder in favor of or against this proposal if they have not been instructed to do so by such beneficial holder. Shares represented by proxies will be voted for the approval of the Microtune, Inc. 2010 Director Stock Plan, unless authority to do so is specifically withheld.

Proposal No. 4: Approval of the Microtune, Inc. 2010 Employee Stock Purchase Plan. The affirmative vote of the holders of a majority of the shares of our common stock present in person or represented by proxy and entitled to vote is required to approve the Microtune, Inc. 2010 Employee Stock Purchase Plan. An abstention will be counted as a vote against approval since it is one less vote for approval of the shares

present. Broker non-votes will not affect the outcome since they are not considered shares present for voting purposes. Brokers do not have discretionary authority to vote shares they hold on the behalf of a beneficial holder in favor of or against this proposal if they have not been instructed to do so by such beneficial holder. Shares represented by proxies will be voted for the approval of the Microtune, Inc. 2010 Employee Stock Purchase Plan, unless authority to do so is specifically withheld.

Proposal No. 5: Ratification of Appointment of Our Independent Auditor. Ratification of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2010 requires the affirmative vote of the holders of a majority of the shares of common stock present in person or represented by proxy and entitled to vote. An abstention will be counted as a vote against approval since it is one less vote for approval of the shares present. Broker non-votes will not affect the outcome since they are not considered shares present for voting purposes; however, brokers will have authority to vote shares they hold on the behalf of beneficial holders in favor of approval if they have not been instructed otherwise. Shares represented by proxies will be voted for the ratification of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2010, unless authority to do so is specifically withheld.

Q: How are votes counted?

A: You may vote either FOR each nominee for election to our Board of Directors under Proposal No. 1 or to WITHHOLD your vote for that nominee. You may vote FOR, AGAINST or ABSTAIN on the other proposals. If you vote your proxy with no further instructions, your shares will be counted as a vote:

FOR each of the nominees for election as directors under Proposal No. 1;

FOR Proposal No. 2;

FOR Proposal No. 3;

FOR Proposal No. 4; and

FOR Proposal No. 5.

A plurality of the votes cast at the Annual Meeting is required to elect each nominee under Proposal No. 1. Proposal No. 2, Proposal No. 3, Proposal No. 4 and Proposal No. 5 require the affirmative vote of the holders of a majority of the shares of common stock present in person or represented by proxy and entitled to vote.

Q: Who will count the vote?

A: A representative of Broadridge Financial Solutions, Inc. will tabulate the votes and act as the inspector of election at the Annual Meeting.

Q: How can I vote my shares in person at the Annual Meeting?

A: Shares held directly in your name as the stockholder of record may be voted in person at the Annual Meeting. *If you choose to do so, please bring your notice of Internet availability of the proxy materials (or, your proxy card, if you requested and received paper copies*

of the proxy materials by mail) and proof of identification to the Annual Meeting.

If you hold your shares in street name, you must request a legal proxy card from your broker, bank or nominee in order to vote in person at the Annual Meeting. ***Please note that if you hold your shares in street name, you will NOT be able to vote in person if you bring only your notice of Internet availability of the proxy materials (or, your voter instruction card, if you requested and received paper copies of the proxy materials by mail) to the Annual Meeting. You must have a legal proxy card to vote your shares in person at the Annual Meeting.***

Q: How can I vote my shares without attending the Annual Meeting?

A: Whether you hold your shares directly as the stockholder of record or through a broker, bank or other nominee as the beneficial owner, you may direct how your shares are voted without attending the Annual Meeting. There are three ways to vote by proxy:

By Internet Stockholders may vote over the Internet by following the instructions on their notice of Internet availability of the proxy materials. Stockholders who have requested and received a paper copy of a proxy card or voting instruction card by mail may also vote over the Internet by following the instructions on the proxy card or voting instruction card.

By Telephone Stockholders of record may vote by telephone by calling 1 (800) 690-6903 and following the instructions. Stockholders of record will need to have the control number that appears on their notice of Internet availability of the proxy materials available when voting. Stockholders of record who have requested and received a proxy card by mail may also use the control number that appears on their proxy card when voting. Stockholders who are beneficial owners of their shares should check their notice of Internet availability of the proxy materials for telephone voting availability and instructions.

By Mail Stockholders who have requested and received a paper copy of a proxy card or voting instruction card by mail may submit proxies by completing, signing and dating their proxy card or voting instruction card and mailing it in the accompanying pre-addressed envelope.

Q: How can I change my vote after I return my proxy?

A: You may change your vote at any time prior to the vote at the Annual Meeting. If you are a stockholder of record, you may change your vote by granting a new proxy bearing a later date (which automatically revokes any earlier proxy), by providing a written notice of revocation to our Corporate Secretary, Phillip D. Peterson, prior to the time your shares are voted, or by attending the Annual Meeting and voting in person. Attendance at the meeting will not cause your previously granted proxy to be revoked unless you specifically so request.

For shares you hold beneficially in street name, you may change your vote by submitting new voting instructions to your broker, bank or nominee, or, if you have obtained a legal proxy card from your broker, bank or nominee giving you the right to vote your shares, by attending the meeting and voting in person.

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

A: The preliminary voting results will be announced at the Annual Meeting. The final results will be published in a Current Report on Form 8-K, filed as soon as practicable after the Annual Meeting.

Q: What happens if additional proposals are presented at the Annual Meeting?

A: Other than the five proposals described in this Proxy Statement, we do not expect any matters to be presented for a vote at the Annual Meeting. If you grant a proxy, the persons named as proxy holders, James A. Fontaine, our Chief Executive Officer and President, and Phillip D. Peterson, our General Counsel and Corporate Secretary, will have discretion to vote your shares on any additional matters properly presented for a vote at the Annual Meeting.

Q: May I propose actions for consideration at next year's Annual Meeting of Stockholders?

A: You may submit proposals for consideration at future annual stockholder meetings in accordance with the procedures set forth below:

Proposals of our stockholders that are intended for inclusion in our proxy materials relating to the 2011 Annual Meeting of Stockholders must be received by us at our principal executive offices no later than 120 days prior to the anniversary of the date of this year's mailing, or December 9, 2010, and must satisfy the conditions established by the SEC, including, but not limited to, Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended, and in our bylaws for stockholder proposals in order to be included in our proxy materials for that meeting.

Proposals of our stockholders that are not intended to be included in our proxy materials for the 2011 Annual Meeting of Stockholders but that are intended to be presented by the stockholder at such meeting must be delivered to or mailed and received at our principal executive offices no later than 120 calendar days prior to the anniversary of the date of the 2010 Annual Meeting of Stockholders; provided, however, if the date of the 2011 Annual Meeting of Stockholders has been changed by more than 30 days from the date contemplated at the time of this year's Annual Meeting, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the later of the day 120 days prior to such meeting or the day 10 days after public announcement of the date of the meeting is first made.

Q: Who bears the costs of soliciting proxies?

A: Microtune will pay all expenses of soliciting proxies to be voted at our Annual Meeting. After the proxies are initially distributed, Microtune and/or its agents may also solicit proxies by mail, telephone or in person. We have not engaged a proxy solicitor and therefore do not expect to incur any proxy solicitation fees. After the notices regarding Internet availability of the proxy materials are initially distributed, we will ask brokers, custodians, nominees and other record holders to forward copies of the proxy materials to people for whom they hold shares of our common stock that request a paper copy of the proxy materials. We will reimburse record holders for reasonable expenses they incur in forwarding paper copies of the proxy materials to beneficial holders. We expect to incur approximately \$25,000 for services provided by Broadridge Financial Solutions, Inc. for distribution of notices, proxies, Internet and telephone voting, voting tabulation and voting reports.

Q: How can I sign up to access future stockholder communications electronically?

A: All stockholders who have e-mail accounts can elect to access Microtune's annual reports and proxy materials online through our online delivery service.

To enroll in our online program, simply go to www.icsdelivery.com/microtune and follow the instructions.

MICROTUNE CORPORATE GOVERNANCE

Corporate Governance

Our Board of Directors and members of management are committed to following high standards of corporate governance to ensure that the long term interests of our stockholders are served. We have in place a variety of policies and practices to promote high standards of corporate governance. Our Board of Directors has determined that, with the exception of James A. Fontaine, all of our current directors, and all director nominees, with the exception of Drew Peck, are independent in accordance with the rules of The NASDAQ Stock Market, and all of the members of our Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee also meet the guidelines of The NASDAQ Stock Market for independence. Compensation of our Chief Executive Officer is approved by our Board of Directors, upon the recommendation of our Compensation Committee, which evaluates our CEO's performance in light of preset corporate goals and objectives. In addition, we have established:

disclosure control policies and procedures in accordance with the requirements of the Sarbanes-Oxley Act of 2002 (the Sarbanes-Oxley Act);

an Equity Compensation Award Policy to help ensure that grants of equity awards will comply with applicable legal and accounting guidance;

a procedure for receipt, retention and treatment of anonymous and confidential complaints or concerns regarding accounting, internal controls and auditing matters; and

a Code of Ethics and Business Conduct applicable to our directors, officers and employees.

Copies of our Code of Ethics and Business Conduct and the current charters for the Audit, Compensation and Nominating and Corporate Governance Committees can be found in the Investors' Corporate Governance section of our website at www.microtune.com.

Corporate Governance Provisions Adopted as a Result of the Settlement of Stockholder Derivative Litigation in 2005. On January 11, 2005, we announced that we had reached an agreement to settle the consolidated stockholder derivative litigation, pending in the U.S. District Court for the Eastern District of Texas, against a number of our current and former officers and directors and Microtune as a nominal defendant. The court approved the terms of the derivative litigation settlement and issued a final judgment and order dismissing the action with prejudice on March 31, 2005. Pursuant to paragraph 4(a) of the Stipulation and Agreement of Settlement, dated January 10, 2005, we have adopted certain corporate governance provisions. Some of the more notable provisions are as follows:

we recommended and presented a proposal to our stockholders at the 2005 Annual Meeting to amend our Second Amended and Restated Certificate of Incorporation and our Second Amended and Restated Bylaws to declassify our Board of Directors such that each director now serves a one-year term and stands for election or reelection every year;

we adopted a variety of compensation principles for our executive officers and directors, including linking compensation to performance, requiring full board approval of any discretionary bonuses and implementing restrictions on stock sales following the exercise of options;

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our Board of Directors, as a whole, evaluates each member of the Board on a periodic basis and a consideration in such evaluation is whether each individual director has personally attended at least 50% of Board and committee meetings;

we designated a trading compliance officer who is responsible for overseeing a comprehensive insider trading compliance program designed to ensure compliance with our trading policies;

we vest equity awards granted to any director or executive officer over a minimum of a three-year period;

we have designated a corporate ethics officer who is responsible for devising, implementing and improving our ethical standards and for providing a vehicle for corporate employees to confidentially report suspected wrongdoing or non-compliance with our corporate policies and procedures;

all stockholder proposals that are properly submitted will be evaluated by the Nominating and Corporate Governance Committee; and our full Board of Directors will include a recommendation for or against such stockholder proposals and the reasons for such recommendation in the proxy statement;

our Board of Directors established a procedure for stockholder-nominated director elections and allowed stockholders, in accordance with this procedure, to nominate two directors to our Board who were both subsequently elected; and

we rotated our independent auditor by selecting KPMG LLP to perform the audit of our financial statements for the fiscal years ending December 31, 2008 and December 31, 2009.

These provisions must remain in effect for five years from the date of adoption, which was May 25, 2005, and will continue to be in effect thereafter until modified by the Board of Directors.

In addition to the foregoing, by majority vote of our independent directors, our Board of Directors elected A. Travis White as Lead Independent Director, who works with our Chief Executive Officer to perform a variety of functions related to our corporate governance, including coordinating the Board's activities, scheduling meetings of the full Board, scheduling executive sessions of the non-employee directors, setting relevant items on the agenda (in consultation with the Chief Executive Officer as necessary or appropriate) and ensuring adequate communication between the Board and management. The Board believes this leadership structure ensures the Board's oversight of, and independence from, our management, the ability of the Board to carry out its roles and responsibilities on behalf of our stockholders, and our overall corporate governance. Furthermore, this structure permits the Chief Executive Officer to focus on the management of the company's day-to-day operations.

Equity Award Policy. In connection with our Audit Committee's review of our internal stock option granting practices, we adopted an Equity Compensation Award Policy to enact certain improvements to our equity award granting procedures and our control environment, including our controls over the administration of and accounting for our equity compensation awards, which are described below in Compensation Discussion and Analysis-Long-Term Equity Incentive Compensation-Equity Awards and Practices. Among other things, the policy provides that any deviation from the policy must receive prior approval from our Board. Such Board approval may only be given after full consideration of the market timing issues and legal risks associated with any such deviation. The policy generally provides that concerns regarding the timing of any grant should be communicated to our General Counsel and Chief Financial Officer by the Chairperson of the Compensation Committee. Finally, the policy provides for documentation of any such deviation.

Board of Directors

Our Board of Directors is currently comprised of nine members, of which Messrs. Clardy, Craddock, Fontaine, LeVecchio, Marren and White will stand for election at our 2010 Annual Meeting of Stockholders. Messrs. Ciciora, Schueppert and Tai previously notified the Board of Directors that they will not stand for re-election at the 2010 Annual Meeting. Our Board of Directors currently has no vacancies.

Director Independence

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Our Board of Directors has determined that eight of our current Board members, Messrs. Ciciora, Clardy, Craddock, LeVecchio, Marren, Schueppert, Tai and White (excluding Mr. Fontaine), and two of our new nominees for director, Messrs. Rast and Rau (excluding Mr. Peck), are independent directors as defined under the current listing standards of The NASDAQ Stock Market. Mr. White was appointed Lead Independent Director of our Board of Directors on January 18, 2005, and has been reappointed every year thereafter.

Board Meetings and Committees; Annual Meeting Attendance

Our Board and its committees have the authority to conduct investigations and to retain outside advisors of their choosing, at Microtune's expense. During fiscal year 2009, our Board of Directors met 13 times. Each director attended at least 75% of the aggregate of these Board meetings and of the meetings of the committees on which he served, except that Mr. Tai attended eight of the 13 Board meetings. Members of our Board of Directors are encouraged to attend our Annual Meeting. Last year, three members of our Board of Directors attended our Annual Meeting.

Our Board of Directors currently has four standing committees: an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee and a Technical Advisory Committee.

Audit Committee. The Audit Committee's principal function is to assist the Board of Directors in fulfilling its responsibilities for oversight of:

- the integrity of our financial statements;
- the adequacy of our system of internal controls;
- our compliance with legal and regulatory requirements;
- the qualifications and independence of our independent auditor; and
- the performance of our independent auditor and internal audit function.

In accordance with its charter, our Audit Committee is responsible for:

Financial Reporting

- reviewing with management and our independent auditor the significant judgments and estimates used in developing our financial reports and the major issues addressed;
- reviewing the accounting and reporting treatment of significant transactions outside our ordinary operations;
- reviewing with management and our independent auditor significant changes to our accounting principles or their application as reflected in our financial reports;
- meeting periodically with our independent auditor (outside of the presence of management, as appropriate):

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to review its reasoning in accepting or questioning significant decisions made by management in preparing our financial reports;

to review any audit problems or difficulties and management's response;

to review any outstanding disagreements with management that would cause it to issue a non-standard report on our financial statements;

to examine the appropriateness of our accounting principles (including the quality, not just the acceptability, of accounting principles) and the clarity of disclosure practices used or proposed;

to determine if any restrictions have been placed by management on the scope of its audit; and

to discuss any other matters the Audit Committee deems appropriate;

reviewing and discussing our earnings press releases with management and our independent auditor, including the use of non-GAAP financial information;

reviewing (by the Audit Committee or its Chairperson) earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies;

reviewing quarterly and annual financial statements and discussing their appropriateness with management and our independent auditor and, in the case of our annual financial statements, recommending to the Board of Directors whether the audited financial statements should be included in our Annual Report on Form 10-K; and

in connection with each quarterly and annual report, reviewing:

management's disclosure to the Audit Committee and our independent auditor under Section 302 of the Sarbanes-Oxley Act, including identified changes in internal control over financial reporting; and

the contents of the Chief Executive Officer and Chief Financial Officer certificates to be filed under Sections 302 and 906 of the Sarbanes-Oxley Act and the process conducted to support the certifications;

Relationship with Independent Auditor

bearing primary responsibility for overseeing our relationship with our independent auditor. In carrying out this responsibility, the Audit Committee shall:

have sole authority to appoint, determine funding for and oversee our outside auditor;

be directly responsible for the compensation and oversight of the work of the independent auditor for the purpose of preparing or issuing an audit report or related work;

review the scope and plan for our independent auditor's annual audit and review and annually pre-approve, in advance, the fees to be charged by our independent auditor for its audit services;

review with our independent auditor the extent of non-audit services provided and related fees, and approve any internal control-related services and permitted non-audit services or other non-audit relationships;

at least annually, obtain and review a report from the independent auditor delineating all relationships between the independent auditor and Microtune, consistent with the applicable requirements of the Public Company Accounting Oversight Board for independent auditor communications with Audit Committees concerning independence;

determine whether the Audit Committee believes the outside auditor is independent;

at least annually, obtain and review a report by Microtune's independent auditor describing the independent auditor firm's internal quality-control procedures; material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent auditor and Microtune;

inquire of management, internal auditors and the independent auditor concerning any deficiencies in the policies and procedures that could adversely affect the adequacy of internal controls and the financial reporting process and reviewing the timeliness and reasonableness of proposed corrective actions and the adequacy of disclosure about changes in internal control over financial reporting;

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review significant management audit findings and recommendations, and management's responses thereto; and

inquire of our independent auditor annually as to whether any illegal act has been detected or has otherwise come to its attention in the course of its audit, unless the illegal act is clearly inconsequential;

Complaint Procedures and General Oversight by Audit Committee

establishing procedures for the receipt, retention and treatment of complaints received by Microtune regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;

recommending to Microtune, as necessary, appropriate remedial measures or actions with respect to the complaints or concerns described immediately above;

discussing with management, Microtune's internal audit personnel and our independent auditor whether Microtune and its subsidiaries are in conformity with applicable legal requirements and Microtune's Code of Ethics and Business Conduct and advise the Board of Directors with respect to its policies and procedures regarding compliance with applicable laws and regulations and with the Code of Ethics and Business Conduct;

reviewing management's responses to recommendations for improving internal controls in the independent auditor's management letters;

reviewing Microtune's policies and practices with respect to risk assessment and risk management;

reviewing Microtune's policies and practices related to compliance with laws, ethical conduct and conflicts of interest;

reviewing all related party transactions for potential conflict of interest situations on an ongoing basis and approving any such transactions (the term related party transaction refers to transactions required to be disclosed pursuant to Item 404 of Regulation S-K); provided, any such transaction may be alternatively approved by another independent body of our Board;

reviewing material cases of conflicts of interest, misconduct or fraud;

reviewing material issues between Microtune and regulatory agencies; and

reviewing as appropriate material litigation involving Microtune;

Approval of Reports

preparing and approving the Audit Committee's report required by the rules of the SEC to be included in the proxy statement for our annual meeting of stockholders, and such other reports as may from time to time be necessary or appropriate;

Annual Performance Review

conducting an annual evaluation of the Audit Committee's performance in carrying out its responsibilities; and

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reviewing and reassessing the adequacy of the Audit Committee's charter annually and recommending any proposed changes to the Board of Directors for approval.

Mr. LeVecchio, Mr. Craddock and Mr. White are the current members of the Audit Committee. Mr. LeVecchio became a member of the Audit Committee in August 2003. Mr. Craddock and Mr. White became members of the Audit Committee in January 2004. The Audit Committee discusses general financial and accounting-related matters at its regular quarterly meetings that coincide with full Board meetings, and it discusses our quarterly financial performance and associated press releases describing our quarterly and annual financial results at such meetings. The Audit Committee met five times during fiscal year 2009. For more information about our Audit Committee, see the Report of the Audit Committee of the Board of Directors on page 65.

Our Board of Directors has determined that each of the members of the Audit Committee who served during fiscal year 2009 is independent as defined under NASDAQ Listing Rule 5605(a)(2), and met the independence requirements of Rule 10A-3(b)(1) of the Securities Exchange Act of 1934, as amended (Exchange

Act), as well as the requirements of NASDAQ Listing Rule 5605(c)(2). Mr. LeVecchio serves as Chairperson of the Audit Committee, and our Board of Directors has determined that Mr. LeVecchio qualifies as a financial expert as defined by the rules of the SEC. Mr. LeVecchio currently serves on the audit committees of three other public companies. However, our Board has noted the significant time expended by Mr. LeVecchio managing the Audit Committee's responsibilities and that his responsibilities to other boards have not impaired his ability to contribute extraordinary time and efforts to our Audit Committee. Our Board has therefore determined that Mr. LeVecchio's simultaneous service on three other audit committees in addition to our Audit Committee does not impair, and will not impair, the ability of Mr. LeVecchio to effectively serve as Chairperson of our Audit Committee.

Compensation Committee. The Compensation Committee reviews and makes recommendations to the Board of Directors regarding all forms of compensation to be provided to our executive officers and directors. In addition to addressing executive compensation, the Compensation Committee provides guidance to management on general compensation and organizational development issues and also administers our equity compensation plans. The philosophy of the Compensation Committee is to provide compensation to our officers and directors in such a manner as to attract and retain the best available personnel for positions of substantial responsibility, to provide incentives for such persons to perform to the best of their abilities, and to promote the success of our business. The Compensation Committee may retain or employ professional firms and experts to assist it in the discharge of its duties. Further, the Compensation Committee has the authority to appoint and delegate any of its duties to a sub-committee comprised of one or more Compensation Committee members, as it deems necessary and appropriate.

In accordance with its charter, the Compensation Committee is also responsible for:

determining our overall compensation philosophy;

reviewing and making determinations regarding the corporate goals and objectives relevant to the Chief Executive Officer's compensation, evaluating our Chief Executive Officer's performance in light of those goals and objectives, and recommending appropriate compensation to our Board of Directors based on the evaluation;

reviewing and making recommendations to the Board of Directors regarding our compensation policy for officers and directors;

reviewing and making recommendations to the Board of Directors regarding all forms of compensation to be provided to our officers;

reviewing all components of compensation for non-employee directors;

working with the Chief Executive Officer to review and make recommendations to the Board of Directors regarding general compensation goals for non-officer employees and the criteria by which bonuses are awarded to non-officer employees;

administering our equity compensation plans and making recommendations to the Board of Directors regarding any amendments to our equity compensation plans;

reviewing and approving any agreement to be entered into between Microtune and any employee that provides for a fixed term of employment or for severance or other termination benefits;

producing an annual report of executive compensation to be provided in the Annual Report on Form 10-K or proxy statement, as applicable;

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reviewing and discussing the Compensation Discussion and Analysis disclosure prepared by management for inclusion in our Annual Report on Form 10-K and, as applicable, Proxy Statement, and once satisfied with the disclosure, recommending its inclusion in the Annual Report on Form 10-K and, as applicable, the Proxy Statement to our Board of Directors;

reviewing and evaluating its performance annually;

reviewing and reassessing the Compensation Committee charter and our Equity Compensation Award Policy; and

consulting with management regarding regulatory compliance with respect to compensation matters.

As part of our settlement of the consolidated derivative litigation in 2005, our Board of Directors agreed to give the Compensation Committee the following additional responsibilities:

evaluating our Chief Executive Officer's performance against annual and long-term performance goals and the Philadelphia Semiconductor Index;

coordinating evaluation of our Chief Executive Officer's and Chief Financial Officer's performance with our Lead Independent Director;

recommending Chief Executive Officer and executive officer bonus compensation for the last fiscal year to the Board of Directors, which is based on the achievement of goals set in advance (discretionary awards can be made only if beneficial to Microtune and approved by the Board of Directors);

annually reviewing current compensation packages with consideration given to performance goals and incentive awards and overall compensation packages; and

reviewing director compensation annually.

Our Board of Directors has determined that each of the members of the Compensation Committee is a *non-employee director*, as defined in Rule 16b-3 promulgated under the Exchange Act, and an *outside director*, as defined pursuant to Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code). Our Board of Directors has also determined that the members of the Compensation Committee who served during fiscal year 2009 are independent as defined under NASDAQ Listing Rule 5605(a)(2). Messrs. Clardy, Marren and Schueppert are the current members of the Compensation Committee and all served on the committee throughout fiscal 2009. Mr. Clardy is the chairperson of the Compensation Committee. The Compensation Committee met 12 times during fiscal 2009. For more information on our Compensation Committee, see our Compensation Committee Report on page 56.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is appointed by the Board of Directors to fulfill the following general responsibilities:

identifying individuals qualified to become directors;

recommending to the Board of Directors a slate of director nominees to be elected by the stockholders at the next annual meeting of stockholders and, when appropriate, director appointees to take office between annual meetings;

developing, reviewing and recommending to the Board of Directors the corporate governance guidelines applicable to Microtune;

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leading the Board of Directors in its annual evaluation of the performance and independence of the Board and the performance of executive management; and

recommending to the Board of Directors membership on our standing board committees.

In accordance with its charter, the Nominating and Corporate Governance Committee is responsible for the following:

identifying and evaluating potential new Board members, providing information about potential nominees for the full Board of Directors to consider;

recommending the slate of qualified director nominees for the Board of Directors (based upon the Nominating and Corporate Governance Committee's assessment of their personal and professional integrity, experience, skills, independence, ability and willingness to devote the time and effort

necessary to be an effective board member and commitment to acting in the best interests of Microtune and our stockholders) in connection with each annual meeting and any directors to be elected by the Board to fill vacancies between annual meetings;

recommending committee assignments for directors;

evaluating the composition, organization and performance of the Board of Directors and its committees;

evaluating and making recommendations to the Board of Directors as to the determination of each director's independence;

reviewing and reporting to the Board of Directors regarding succession planning with respect to the Chief Executive Officer;

developing, recommending to the Board of Directors, and annually reviewing the corporate governance guidelines applicable to Microtune;

developing and recommending to the Board of Directors a self-evaluation process for the Board of Directors and its committees;

overseeing the Board of Directors and committee self-evaluation process and reporting its findings to the Board of Directors following the end of each fiscal year; and

conducting a preliminary review of the independence of each Board member and providing its findings and making recommendations to the full Board regarding the independence of each Board member.

Messrs. Ciciora, Clardy and White are the current members of the Nominating and Corporate Governance Committee and served on the committee throughout fiscal year 2009. Mr. White is the Chairperson of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee met two times during fiscal year 2009.

Technical Advisory Committee. The Technical Advisory Committee was established by the Board of Directors on May 17, 2004. The Technical Advisory Committee is responsible for assisting management in the strategic development of new technology and the commercialization and marketing of existing technology. Messrs. Ciciora, Craddock and Tai are the current members of the Technical Advisory Committee and all served on the committee throughout fiscal year 2009. Messrs. Craddock and Ciciora are the Co-Chairpersons of the Technical Advisory Committee. The Technical Advisory Committee did not meet during fiscal year 2009. The Technical Advisory Committee does not have a formal written charter.

Director Qualifications

When evaluating director nominees, our Nominating and Corporate Governance Committee generally seeks to identify individuals with diverse, yet complementary backgrounds. Although we have no formal policy regarding diversity, our Nominating and Corporate Governance Committee considers both the personal characteristics and experience of director nominees, including each nominee's independence, diversity, age, skills, expertise, time availability, and industry backgrounds in the context of the needs of the Board and the company. The committee believes that director nominees should exhibit proven leadership capabilities and experience at a high level of responsibility within their chosen fields, and have the experience and ability to analyze complex business issues facing Microtune, specifically, those issues that are inherent in the fabless semiconductor industry. In addition to business expertise, the committee requires that director nominees have the highest personal and professional ethics, integrity and values and, above all, are committed to representing the long-term interests of our stockholders and other

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stakeholders. In general, candidates who hold or who have held an executive-level position in an established high technology company are preferred.

When considering a candidate for director, the Nominating and Corporate Governance Committee takes into account a number of factors, including the following:

independence;

depth of understanding of technology, manufacturing, sales and marketing, finance and/or other elements directly relevant to our business;

education and professional experience;

judgment, integrity and reputation;

existing commitments to other businesses as a director, executive or owner;

personal conflicts of interest, if any; and

the size, composition and skills of the existing Board of Directors.

Prior to nominating a sitting director for re-election at an annual meeting of stockholders, the Nominating and Corporate Governance Committee will consider the director's past attendance at, and participation in, meetings of the Board of Directors and its committees and the director's formal and informal contributions to the work of the Board of Directors and its committees.

When seeking candidates for director, the Nominating and Corporate Governance Committee may solicit suggestions from incumbent directors, management, stockholders and others. Additionally, the committee may in the future use the services of third party search firms to assist in the identification of appropriate candidates. After conducting an initial evaluation of a prospective candidate, the committee will interview that candidate if it believes the candidate might be suitable to be a director. The committee may also ask the candidate to meet with management. If the committee believes a candidate would be a valuable addition to the Board of Directors, it may recommend to the Board that candidate's appointment or election.

Stockholder Recommendations for Nominations to the Board of Directors

In connection with the settlement of our consolidated stockholder derivative litigation in 2005, we agreed to establish a procedure for stockholders to nominate two directors for election to our Board of Directors. The committee evaluated such recommendations by applying its regular nominee criteria described above and the additional procedures described below.

In 2005 and 2006, a corporate governance consultant selected by lead plaintiffs' counsel, working in conjunction with us, identified potential directors by contacting stockholders who had held 1% or more of our common stock for at least nine months to solicit names of candidates for election to our Board of Directors. Our Nominating and Corporate Governance Committee then reviewed the candidate's qualifications and selected the stockholders' nominee. This procedure resulted in the appointment of Bernard T. Marren on August 30, 2005 and the appointment of Michael T. Schueppert on August 21, 2006, all in accordance with the derivative litigation settlement and our Third Amended and Restated

Bylaws.

Communications with Directors

Stockholders may communicate with any and all members of the Board of Directors by transmitting correspondence by mail or facsimile addressed to one or more directors by name (or to the Lead Independent Director, for a communication addressed to the entire Board of Directors) at the following address and fax number:

Name of Director(s)

c/o Corporate Secretary

Microtune, Inc.

2201 10th Street

Plano, Texas 75074

Fax: (972) 673-1815

Communications from our stockholders to one or more directors will be collected and organized by our Corporate Secretary under procedures approved by our independent directors. The Corporate Secretary will forward all communications to the Board or to the identified director(s) as soon as practicable, although communications that are abusive, in bad taste or that present safety or security concerns may be handled differently. If multiple communications are received on a similar topic, the Corporate Secretary may, in his or her discretion, forward only representative correspondence.

The Lead Independent Director will determine whether any communication addressed to the entire Board should be properly addressed by the entire Board or a committee thereof. If a communication is sent to the Board or a committee, the Board of Directors or the chairperson of that committee, as the case may be, will determine whether a response to the communication is warranted. If a response to the communication is warranted, the content and method of the response will be coordinated with our General Counsel.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

The following table lists all of Microtune's current directors and nominees for director. The information set forth in the table is as of April 9, 2010. All of Microtune's current directors, with the exception of Messrs. Ciciora, Schueppert and Tai, will stand for re-election at the 2010 Annual Meeting. In addition, Messrs. Peck, Rast and Rau, none of whom previously served as a director of Microtune, are nominees standing for election at the 2010 Annual Meeting. Each nominee, if elected, will serve until the 2011 Annual Meeting of Stockholders or until a qualified successor is elected, unless the nominee resigns or is removed from the Board before then. In the event any such nominee, who has expressed an intention to serve if elected, fails to stand for election, the persons named in the proxy presently intend to vote for a substitute nominee designated by the Board of Directors.

Name	Age	Principal Occupation	Director Since	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee	Technical Advisory Committee
Walter S. Ciciora ⁽⁴⁾	67	Independent Consultant	1996			X	C ⁽¹⁾
James H. Clardy	75	Retired Venture Partner, Austin Ventures ⁽³⁾	1996		C	X	
Steven Craddock	61	Independent Consultant	2002	X			C ⁽¹⁾
James A. Fontaine	52	President and Chief Executive Officer, Microtune, Inc.	2003				
Anthony J. LeVecchio	63	President and Owner, The James Group	2003	C			
Bernard T. Marren	74	President and Chief Executive Officer, OPTi, Inc.	2005		X		
Drew Peck ⁽⁵⁾	53	Co-Founder and Partner, Steel Horse Advisors					
Robert Rast ⁽⁵⁾	68	Principal, Tsar Digital					
Raghavendra (Raghu) Rau ⁽⁵⁾	60	Member of Marketing Advisory Board, Cleversafe, Inc., and Strategic Advisory Board, IOCOM Integrated Communications					
Michael T. Schueppert ⁽⁴⁾	44	Chief Executive Officer, FluteRadio, LLC	2006		X		
William P. Tai ⁽⁴⁾	47	General Partner, Charles River Ventures	1998				X
A. Travis White ⁽²⁾	65	Independent Consultant	2004	X		C	

X Member of the committee.

C Chairperson of the committee.

(1) Co-Chairperson of the Technical Advisory Committee.

(2) Lead Independent Director.

(3) Retired from Austin Ventures on December 31, 2008.

(4) Will not stand for re-election to the Board of Directors at the 2010 Annual Meeting.

(5) Nominee standing for election to the Board of Directors at the 2010 Annual Meeting.

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The following is a brief description of the business experience and educational background of each current director and each of the nominees for director, including the capacities in which each has served during the past five years:

Walter S. Ciciora became a director of Microtune in November 1996. Mr. Ciciora has been an independent consultant for companies in the cable, television, consumer electronics and telecommunications industries since October 1993. Mr. Ciciora holds a B.S., M.S. and Ph.D. in electrical engineering from the Illinois Institute of

Technology and a M.B.A. from the University of Chicago. We believe that Mr. Ciciora's financial and business expertise, including a diversified background in the cable television industry gave him the qualifications and skills to serve as a director. Mr. Ciciora is not standing for re-election at the 2010 Annual Meeting.

James H. Clardy became a director of Microtune in August 1996 and served as a member of the Office of the President from June 2003 to August 2003. Mr. Clardy was a venture partner of Austin Ventures, a venture capital firm, from January 1998 to December 2008. Mr. Clardy assumed the role of interim Chief Executive Officer of D2 Audio in August 2004 and left in 2005. Additionally, he served as President and Chief Executive Officer of nanoCoolers from July 2005 until November 2007. Mr. Clardy holds a B.S. in electrical engineering from the University of Tennessee. We believe that Mr. Clardy's financial and business expertise, including a diversified background in the semiconductor industry give him the qualifications and skills to serve as a director.

Steven Craddock became a director of Microtune in April 2002. Mr. Craddock has been an independent consultant for companies in the cable television and telecommunications industries since retiring from Comcast Corporation in July 2008. Previously, he was the Senior Vice President Technology for Comcast Corp. from June 1994, where he was responsible for the evaluation and development of new technologies for voice, data and video and their integration into the Comcast infrastructure. He also served as Comcast's representative to CableLabs, a research and development consortium sponsoring industry initiatives such as the DOCSIS, PacketCable and CableHome standards. He currently serves on a number of technical advisory boards for high technology companies and also serves as a director on the boards of several privately-held companies. Mr. Craddock is a licensed professional engineer (PE) and holds a B.S. in civil engineering and electrical engineering from the Virginia Military Institute. We believe that Mr. Craddock's financial and business expertise, including a diversified background in the cable television and telecommunications industries give him the qualifications and skills to serve as a director.

James A. Fontaine became a director, Chief Executive Officer and President of Microtune in August 2003. Mr. Fontaine was retired from May 2002 until his return to Microtune in August 2003. Mr. Fontaine previously served as Microtune's Chief Strategy Officer from October 2001 until May 2002, Office of the President from August 2001 until September 2001, President from February 1999 until August 2001, and Executive Vice President of Sales and Marketing from August 1998 until February 1999. Mr. Fontaine holds a B.S. in electrical engineering from Marquette University. We believe that Mr. Fontaine's financial and business expertise, including a diversified background in the semiconductor industry give him the qualifications and skills to serve as a director.

Anthony J. LeVecchio became a director of Microtune in August 2003. Mr. LeVecchio has been the President and Owner of The James Group, Inc., a general business consulting firm, since 1988. He currently serves as a director and as chairperson of the audit committees of DG Fast Channel Inc. (NASDAQ: DGIT), Ascendant Solutions (OTC: ASDS.PK) and ViewPoint Financial Group (NASDAQ: VPFG) and serves as a member of the board of directors of several privately-held companies. In March 2010, Mr. LeVecchio participated in the West Coast Peer Exchange Conference for audit committee chairmen sponsored by Corporate Board Member Magazine. In addition, he is a Director in Residence and Advisor to the University of Texas at Dallas's Institute for Corporate Governance. He also is a guest lecturer in the UTD MBA program. Mr. LeVecchio holds a Bachelor of Economics and a M.B.A. in Finance from Rollins College. We believe that Mr. LeVecchio's financial and business expertise, including a diversified background in finance and accounting give him the qualifications and skills to serve as a director.

Bernard T. Marren became a director of Microtune in August 2005. Mr. Marren is currently the President and CEO of OPTi, Inc. (OTC BB: OPTI.OB), a company that licenses intellectual property for logic chips. He currently serves as a director of UniPixel Displays, Inc. (OTC BB: UNXL.OB), a company that develops new display panel technologies. From April 2007 until its acquisition in May 2009, Mr. Marren served on the board of InFocus Corporation (NASDAQ: INFS), a company that manufactured digital projectors. Mr. Marren was the founder and first president of the Semiconductor Industry Association (SIA). Mr. Marren holds a B.S. in electrical engineering from Illinois Institute of Technology (IIT). We believe that Mr. Marren's financial and business expertise, including a diversified background in management and knowledge of intellectual property matters related to the semiconductor industry, give him the qualifications and skills to serve as a director.

Drew Peck is a nominee standing for election to the Board of Directors at the 2010 Annual Meeting. Mr. Peck has not previously served as a director of Microtune. Mr. Peck is a semiconductor analyst and consultant. He is a partner and co-founder of Steel Horse Advisors, founded in 2007, a firm that provides strategic consulting and advises on mergers/acquisitions and capital raising. Mr. Peck is a 25-year veteran of Wall Street with more than 20 years as an equity research analyst. Previously, Mr. Peck was a partner with Crimson Investment, a venture capital and private equity firm, where he focused on Asian technology investments. Prior to Crimson, Mr. Peck was with Cowen & Company, leading its Electronics Research Team. At Cowen, Mr. Peck conducted, managed and directed research coverage of semiconductor companies. Prior to Cowen, he was with DLJ, as a senior semiconductor research analyst and with Gartner Securities, as a semiconductor industry analyst. Before entering into the financial services industry, Mr. Peck was a member of MIT's Lincoln Laboratory's research staff, where he published numerous papers in the fields of quantum electronics and submillimeter physics. Mr. Peck graduated from Brandeis University with a BA in Physics and received a MS in Management and a MSEE from the Massachusetts Institute of Technology. We believe that Mr. Peck's financial and business expertise, including a diversified background as a financial analyst of the semiconductor industry, give him the qualifications and skills to serve as a director.

Robert Rast is a nominee standing for election to the Board of Directors at the 2010 Annual Meeting. Mr. Rast has not previously served as a director of Microtune. Mr. Rast is currently a principal at Tsar Digital. He recently served as Chairman of the Board of the Advanced Television Systems Committee, where he both revitalized the ATSC standard and led the development of the ATSC strategic plan (2006). As senior executive, Mr. Rast led the DTV technical and business initiatives at multiple companies, including Micronas, LINX Electronics, DemoGraFX, Dolby Laboratories, and General Instruments. He has served on a number of industry and technical committees, including the Digital Cinema Advisory Committee, the EIA and NCTA. Mr. Rast has a BSEE from the University of Maryland with additional study for a MSEE at the University of Pennsylvania. We believe that Mr. Rast's financial and business expertise, including a diversified background in the television and telecommunications industries, give him the qualifications and skills to serve as a director.

Raghavendra (Raghu) Rau is a nominee standing for election to the Board of Directors at the 2010 Annual Meeting. Mr. Rau has not previously served as a director of Microtune. Mr. Rau is a strategic advisor specializing in global marketing and business strategy and venture capital and market development for high-technology, early revenue companies. Mr. Rau currently serves on the Marketing Advisory Board of Cleversafe, Inc., a provider of dispersed data storage technologies and on the Strategic Advisory Board of IOCOM Integrated Communications, a provider of software and related services to companies, research labs, and government institutions. Mr. Rau served as Senior Vice President of the Mobile TV Solutions Business of Motorola, Inc. (Motorola), a provider of technologies, products and services in the communications industry, from May 2007 until January 2008, and as Senior Vice President of Strategy and Business Development, Networks & Enterprise of Motorola from March 2006 until May 2007. Mr. Rau served as Corporate Vice President of Global Marketing and Strategy for Motorola from 2005 until 2006 and as Corporate Vice President, Marketing and Professional Services, from 2001 until 2005. From October 1992 until 2001, Mr. Rau served in various positions within Motorola, including as Vice President of Strategic Business Planning and Vice President of Sales and Operations and held positions in Asia and Europe. Mr. Rau is a former Chairman of the QuEST Forum, a collaboration of service providers and suppliers dedicated to telecom supply chain quality and performance, and was a Director of the Center for Telecom management at the University of Southern California. Mr. Rau also served on the Motorola Partnership Board of France Telecom. Mr. Rau holds a Bachelor degree in Engineering from the University of Mysore, India and an MBA from the Indian Institute of Management in Ahmedabad. We believe that Mr. Rau's financial and business expertise, including a diversified background in global marketing and business strategy and venture capital and market development for high-technology companies, give him the qualifications and skills to serve as a director.

Michael T. Schueppert became a director of Microtune in August 2006. Mr. Schueppert is the founder and CEO of FluteRadio, LLC. From January 2005 to December 2006, Mr. Schueppert was President of Modeo™ LLC and from 1997 to 2006, he served as Senior Vice President, Business Development, of Crown Castle International Corp. From 1994 to 1997, Mr. Schueppert served in a variety of international sales and marketing roles for Cable & Wireless plc. Mr. Schueppert is a graduate of Cambridge University, UK, and holds a M.B.A.

with distinction from INSEAD, France. We believe that Mr. Schueppert's financial and business expertise, including a diversified background in the telecommunications industry gave him the qualifications and skills to serve as a director. Mr. Schueppert is not standing for re-election at the 2010 Annual Meeting.

William P. Tai became a director of Microtune in June 1998. Mr. Tai has been a general partner of Charles River Ventures since June 2002. He also has been a general partner/managing director of Institutional Venture Partners, a venture capital firm, since July 1997. From 1995 to 2008, Mr. Tai served on the board of Transmeta Corp. (NASDAQ: TMTA), a provider of microprocessors. Mr. Tai also serves on the boards of directors of several privately-held companies. Mr. Tai holds a B.S. in electrical engineering from the University of Illinois and a M.B.A. from Harvard Business School. We believe that Mr. Tai's financial and business expertise, including a diversified background in venture capital and market development for high-technology companies gave him the qualifications and skills to serve as a director. Mr. Tai is not standing for re-election at the 2010 Annual Meeting.

A. Travis White became a director of Microtune in January 2004. Mr. White has been semi-retired since January 2000. Prior to his retirement, Mr. White was President and Chief Executive Officer of Centillum Communications, Inc. from April 1998 through January 2000. Prior to April 1998, he was President of Sony Semiconductor Company of America and also Senior Vice President of Sony Corporation, Japan. He currently serves on the board of one other public company, Entorian Technologies, Inc. (NASDAQ: ENTN) (formerly Staktek Holdings, Inc.), where he serves as chairperson of the audit committee, and as a director on two non-profit organizations and two privately-held companies. In addition, Mr. White is involved in a number of chief executive officer coaching assignments. Mr. White holds a B.S. in biological sciences and chemistry from the University of Texas, El Paso. We believe that Mr. White's financial and business expertise, including a diversified background in management and the semiconductor industry give him the qualifications and skills to serve as a director.

Agreement with Certain Entities and Individuals Associated with Ramius LLC

On March 23, 2010, Microtune entered into an agreement (the "Ramius Agreement") with certain entities and individuals associated with Ramius LLC (collectively, "Ramius"), as further described in the Form 8-K filed by Microtune with the Securities and Exchange Commission on March 24, 2010.

Pursuant to the Ramius Agreement, Microtune agreed, among other things, to nominate three new directors, who include Robert Rast, Raghavendra (Raghu) Rau and Drew Peck, for election to the Board of Directors at the 2010 Annual Meeting and grant Ramius certain rights with regard to director nominations for the 2011 Annual Meeting.

Ramius agreed to withdraw the letter previously submitted to Microtune nominating members to the Board of Directors and to support Microtune's director nominations at the 2010 Annual Meeting and not to submit any nominations for directors at the 2011 Annual Meeting other than in accordance with the terms of the Ramius Agreement. Additionally, Ramius agreed to certain limited standstill restrictions which, subject to certain exceptions relating to the 2011 Annual Meeting, will expire prior to the deadline for nominations of directors for election or submission of proposals to be considered at the 2012 Annual Meeting, but in any event no later than October 31, 2011.

In connection with entering into the Ramius Agreement, Messrs. Ciciora and Tai agreed that they would not stand for re-election at the 2010 Annual Meeting. In addition, Mr. Schueppert will not stand for re-election at the 2010 Annual Meeting. Messrs. Ciciora, Tai and Schueppert will continue to serve as directors until the 2010 Annual Meeting.

Required Vote

A plurality of the votes cast at the Annual Meeting is required to elect each nominee. Accordingly, abstentions and broker non-votes will have no effect on the election of directors. Shares represented by proxies will be voted for the election of the nominees named above unless authority to do so is specifically withheld. If any nominee declines to serve or becomes unavailable for any reason, or if a vacancy occurs before the election, the proxies may be voted for such substitute nominees as the Board of Directors may designate.

If you hold your shares through a broker, bank or other nominee, it is critical that you cast your vote if you want it to count in the election of directors. In the past, if you held your shares through a broker, bank or other nominee and you did not indicate how you wanted your shares voted in the election of directors, your bank, broker or other nominee was allowed to vote those shares on your behalf in the election of directors as they felt appropriate.

Recent changes in the regulations were made to take away the ability of your bank, broker or other nominee to vote your uninstructed shares in the election of directors on a discretionary basis. Thus, if you hold your shares through a bank, broker or other nominee and you do not instruct your bank, broker or other nominee how to vote in the election of directors, no votes will be cast on your behalf. If you are a stockholder of record and you do not cast your vote, no votes will be cast on your behalf on any of the items of business at the Annual Meeting.

Recommendation of the Board of Directors

The Board of Directors unanimously recommends a vote FOR the election of each of the nine nominees listed above. Unless otherwise instructed, the proxy holders named in each proxy will vote the shares represented thereby FOR the election of the nine nominees named in Proposal No. 1.

PROPOSAL No. 2

APPROVAL OF THE MICROTUNE, INC. 2010 STOCK PLAN

The Board of Directors has adopted, and recommends to our stockholders for approval, the Microtune, Inc. 2010 Stock Plan (the 2010 Stock Plan).

On April 9, 2010, our Board adopted, subject to stockholder approval, the 2010 Stock Plan. The 2010 Stock Plan is intended to replace our Amended and Restated 2000 Stock Plan (the Prior Stock Plan) and to serve the same purpose of enabling us to deliver a portion of our employee, director and consultant compensation in the form of grants of stock and cash-based incentive awards. The Board believes that an effective and stockholder-friendly compensation program should include long-term incentive compensation, the ultimate value of which is tied to our financial performance. Approval of the 2010 Stock Plan will allow us to continue to attract, motivate and retain qualified employees, directors and consultants and provide them with the incentive to maximize long-term stockholder returns and achieve long-term objectives that will inure to the benefit of our stockholders.

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We are proposing the adoption of the 2010 Stock Plan to (i) add to the number of shares currently available for equity grants to our employees, directors and consultants, (ii) provide greater flexibility in the terms and conditions of awards and (iii) conform our stock incentive plan to current best practices and changes in federal tax law. As of March 31, 2010, there was an aggregate total of 2,593,477 shares remaining under the Prior Stock Plan. Since such time, none of these shares have been awarded through our annual equity compensation process, leaving 2,593,477 shares available for grants under the Prior Stock Plan. We intend, however, to make our regular annual equity awards effective May 15, 2010 under the Prior Stock Plan. The shares remaining under the Prior Stock Plan will not be made available for grants under the 2010 Stock Plan and are not included in the aggregate 3,000,000 shares that would be available under the 2010 Stock Plan. If the 2010 Stock Plan is approved by our stockholders, the Board will take such steps as are necessary to terminate the Prior Stock Plan as soon as practicable following such approval.

The 2010 Stock Plan also is intended to enable us to deliver a portion of our employee and director compensation in the form of grants of stock and cash-based incentive awards, which awards, in the discretion of the Compensation Committee, may be designed to satisfy the performance-based compensation exception to the \$1 million limit on deductible compensation under Section 162(m) of the Code.

The primary features of the 2010 Stock Plan are summarized below. The summary is qualified by, and subject to, the provisions of the 2010 Stock Plan, a copy of which is attached as **APPENDIX A**, and should be referred to for a complete statement of the terms of the 2010 Stock Plan. The meaning of capitalized terms not defined in this summary can be found in the **Definitions** section of the 2010 Stock Plan.

Any stockholder of Microtune who wishes to obtain a copy of the original plan document may do so upon written request to us at: Microtune, Inc., 2201 10th Street, Plano, Texas 75074.

Summary of the 2010 Stock Plan

Shares Available Under the 2010 Stock Plan. Upon approval of the 2010 Stock Plan by our stockholders, there will be an aggregate of 3,000,000 shares of our common stock, par value \$0.001 per share, available for issuance pursuant to awards under the 2010 Stock Plan. Each share issued to settle awards will reduce the number of shares available for issuance on a 1-for-1 basis. The aggregate number of shares that may be issued to settle awards that are intended to satisfy the performance-based compensation exception of Section 162(m) of the Code will not exceed certain amounts as described below under **Section 162(m) Conditions**. Upon approval of the 2010 Stock Plan by our stockholders, the shares will be subsequently registered with the Securities and Exchange Commission on a Form S-8.

Administration of the 2010 Stock Plan. In general, the 2010 Stock Plan is administered by the Compensation Committee, which is composed entirely of independent directors. The administrative responsibilities of the Compensation Committee include selecting the individuals eligible to participate in the 2010 Stock Plan, the types of awards that may be granted, the time(s) at which awards may be granted and the number of shares to be covered by each award granted. The Compensation Committee also has the authority to interpret and administer the 2010 Stock Plan, to determine the terms and conditions of awards and to make all other determinations relating to the 2010 Stock Plan that it deems necessary or desirable for the administration of the plan. In addition, the Compensation Committee may appoint a plan administrator who will have the responsibility to administer the 2010 Stock Plan on a daily basis.

Term of Plan. The 2010 Stock Plan will terminate on May 20, 2020, the tenth anniversary of the date it was approved by our stockholders (if such approval occurs) except with respect to awards then outstanding.

Eligibility. Eligible participants under the 2010 Stock Plan include all of our employees, directors and consultants as selected by the Compensation Committee. Approximately 222 persons currently participate in our Prior Stock Plan and are considered to be eligible to participate in the 2010 Stock Plan.

Awards. Awards include options, stock appreciation rights, restricted stock, restricted stock units, performance awards and other share-based awards and any other right, interest or option relating to shares or cash granted pursuant to the 2010 Stock Plan. Each award granted under the 2010 Stock Plan will be evidenced by a written or electronic award agreement in a form, and containing such terms and conditions, as the Compensation Committee determines. The Compensation Committee may grant awards to any eligible participant at any time. The Compensation Committee may delegate to one or more executive officers the authority to grant awards to employees, who are not directors or executive officers, and consultants.

Terms and Conditions of Options. Options may be granted alone or in addition to other awards. Options may be nonqualified stock options or incentive stock options within the meaning of Section 422 of the Code; provided, that incentive stock options may only be granted to employees and are subject to the requirements of Section 422 of the Code as explained in the 2010 Stock Plan.

The exercise price for shares purchasable under an option will not be less than 100% of the fair market value of the shares on the date of grant. Options will vest and be exercisable as determined by the Compensation Committee and may be exercised during a term not to exceed 10 years from the date of grant. The Committee may permit participants to use shares they own in order to pay the exercise price and may provide that the shares to be issued upon an option's exercise will be in the form of restricted stock or other similar securities.

Terms and Conditions of Stock Appreciation Rights. A stock appreciation right may be granted in connection with, or without relationship to, all or part of any award, either at the time of grant or at any time during the term of the award. A stock appreciation right will have (i) a grant price not less than fair market value on the date of grant (subject to the requirements of Section 409A of the Code with respect to stock appreciation rights granted in conjunction with, but subsequent to, an option), and (ii) a term not greater than 10 years. The Compensation Committee may impose such other conditions or restrictions on the terms of the exercise and the grant price of any stock appreciation right as it deems appropriate.

Upon the exercise of a stock appreciation right, the holder will have the right to receive the excess of (i) the fair market value of the shares on the date of exercise (or such amount less than the fair market value as the Compensation Committee determines at any time during a specified period before the date of exercise) over (ii) the grant price of the stock appreciation right on the date of grant, which, except as provided in the 2010 Stock Plan with respect to substitute awards or share adjustments, will not be less than the fair market value of the shares on such date of grant of the stock appreciation right. The Compensation Committee may determine, in its sole discretion, whether payment of a stock appreciation right will be made in cash, in whole shares, or any combination thereof.

Terms and Conditions of Restricted Stock and Restricted Stock Units. Restricted stock and restricted stock units may be granted either alone or in addition to other awards and as a form of payment of performance awards and other earned cash-based incentive compensation. The Compensation Committee will determine the vesting period, which may provide for pro rata vesting over such time (which may be accelerated under certain limited circumstances such as death, disability, retirement or a change in control).

Unless otherwise provided in the applicable award agreement, beginning on the date of the grant of restricted stock, the participant will become a stockholder of the company with respect to all shares subject to the award agreement and will have all of the rights of a stockholder, including the right to vote such shares and the right to receive distributions made with respect to such shares. A participant receiving restricted stock units will not possess voting rights with respect to such award. Generally, shares or any other property (other than cash) distributed as a dividend or otherwise with respect to any unvested awards of restricted stock or restricted stock units will be subject to the same restrictions as the award itself. The shares representing a grant of restricted stock will remain in the physical custody of the company until such restricted stock has vested and any other restrictions are removed or expire.

Terms and Conditions of Performance Awards. Performance awards may be granted for no consideration or for such minimum consideration as may be required by applicable law, either alone or in addition to other awards. The amount subject to the performance award, the performance goals to be achieved during any performance period and the length of the performance period will be determined by the Compensation Committee. Except as provided otherwise in an award agreement or in the event of a change in control, performance awards will be distributed only after the end of the relevant performance period. Performance awards may be paid in cash, shares, or any combination thereof, as determined in the sole discretion of the Compensation Committee. Performance awards may also be paid in lump sum or in installments following the close of the performance period, or, in accordance with procedures established by the Compensation Committee, on a deferred basis subject to Section 409A of the Code.

Terms and Conditions of Other Share-Based Awards. Other share-based awards may be granted to participants either alone or in addition to other awards. Other share-based awards are also available as a form of payment of other awards and other earned cash-based compensation. The same vesting conditions noted for

restricted stock and restricted stock units above generally apply with respect to other share-based awards. Other share-based awards may be paid in cash, shares, or any combination thereof, as determined by the Compensation Committee in its sole discretion. Payments with respect to other share-based awards may be made in a lump sum, in installments or on a deferred basis subject to Section 409A of the Code.

Effect of Termination of Employment or Services. The Compensation Committee will determine and set forth in each award agreement whether any awards will, as applicable, continue to be exercisable and the terms of such exercise, or cease to be subject to restrictions and the timing of when such restrictions will lapse, on and after the date that a participant ceases to be employed by or to provide services to us (including as a director or consultant), whether by reason of death, disability, voluntary or involuntary termination of employment or services, or otherwise. The date of termination of a participant's employment or services will be determined by the Compensation Committee, which determination will be final.

Section 162(m) Conditions. If the Compensation Committee determines that at the time an award is granted to a participant who is, or is likely to be a covered employee (as of the end of the tax year in which the company would claim a tax deduction in connection with such award), then the Compensation Committee may provide that the provisions of the 2010 Stock Plan relating to Section 162(m) of the Code will be applicable to such award (such award is referred to herein as a "162(m) Award"). In such case, (i) the vesting of an option or stock appreciation right may be subject to objective performance criteria (as described below) established by the Compensation Committee within the time required by Section 162(m), (ii) the vesting of an award (other than an option or stock appreciation right) and the distribution of cash, shares or other property pursuant thereto, as applicable, will be subject to the achievement of one or more objective performance criteria (as described below) established by the Compensation Committee within the time required by Section 162(m), and (iii) certain limitations with respect to awards will apply. Specifically, during any consecutive five-year period, no participant may with respect to 162(m) Awards (i) be granted options or stock appreciation rights with respect to more than an average of 700,000 shares per year, or (ii) earn more than an average of (A) 700,000 shares per year under other awards or (B) \$5,000,000 per year with respect to performance awards. If a 162(m) Award is cancelled, the cancelled award will continue to be counted toward the foregoing limitations as applicable.

The performance criteria for 162(m) Awards are limited to the following performance measures, taken alone or in conjunction with each other, each of which may be adjusted by the Compensation Committee to exclude the before-tax or after-tax effects of any significant acquisitions or dispositions not included in the calculations made in connection with setting the performance criteria for the relevant award:

(i) Basic or diluted earnings per share, which may be calculated (A) as income calculated in accordance with (iv) below, divided by (1) the weighted average number of shares, in the case of basic earnings per share, and (2) the weighted average number of shares and shares equivalents of common stock, in the case of diluted earnings per share, or (B) using such other method as may be specified by the Compensation Committee;

(ii) Cash flow, which may be calculated or measured in any manner specified by the Compensation Committee;

(iii) Economic value added, which is after-tax operating profit less the annual total cost of capital;

(iv) Income, which may include, without limitation, net income, operating income, volume measures and expense control measures, and which may be calculated or measured (A) before or after income taxes, including or excluding interest, depreciation and amortization, minority interests, extraordinary items and other material non-recurring items, discontinued operations, the cumulative effect of changes in accounting policies and the effects of any tax law changes; or (B) using such other method as may be specified by the Compensation Committee;

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(v) Business performance or return measures (including, but not limited to, market share, debt reduction, return on assets, capital, equity, or sales), which may be calculated or measured in any manner specified by the Compensation Committee;

(vi) The price of the company's common stock (including, but not limited to, growth measures and total stockholder return), which may be calculated or measured in any manner specified by the Compensation Committee; or

(vii) Any of the above performance criteria, determined on an absolute or relative basis or as compared to the performance of a published or special index deemed applicable by the Compensation Committee including, but not limited to, the Russell 2000 or the Russell 3000 Index, as applicable, or a group of companies deemed by the Compensation Committee to be comparable to the company.

All determinations regarding the achievement of performance goals are made by the Compensation Committee. The Compensation Committee may adjust downwards, but not upwards, the amount payable pursuant to a 162(m) Award; provided, however, that no such adjustment shall be made if it would cause the 2010 Stock Plan or an award to fail to comply with or be exempt from the requirements of Section 409A of the Code. The Compensation Committee may not waive the achievement of the applicable performance goals, except in the case of the death or disability of the participant or as otherwise determined by the Compensation Committee in special circumstances, subject to the requirements of Section 162(m) of the Code.

Adjustment Provisions. Awards may be adjusted in the event of unusual events such as distributions in connection with a merger, reorganization or stock split. In addition, in the event of a change in control, the treatment of outstanding awards granted to employees, directors or consultants generally depends on whether: (i) the successor company assumes or substitutes the applicable award, in which case such awards will continue pursuant to their terms; and/or (ii) the participant incurs a qualifying termination (subject to the terms and conditions in the participant's award agreements), in which case such outstanding awards will become immediately vested and exercisable or transferable, depending on the type of award. If the successor company does not assume or substitute the applicable award, such award will become fully vested and exercisable, depending on the type of award, immediately prior to the change in control irrespective of whether the participant incurs a qualifying termination.

In addition, the Compensation Committee may make other determinations, as described in the 2010 Stock Plan, regarding the effect of a change in control on awards.

Transferability of Awards. Generally, awards granted under the 2010 Stock Plan are not transferable other than (i) by will or the laws of descent and distribution, or (ii) pursuant to a qualified domestic relations order. The Compensation Committee in its discretion may permit other transfers of awards pursuant to the terms of the 2010 Stock Plan.

Amendment and Termination of the 2010 Stock Plan. The Compensation Committee and the Board have the authority to amend the 2010 Stock Plan at any time, and the company may, by action of the Board, terminate the 2010 Stock Plan at any time and for any reason. The 2010 Stock Plan, however, may not be amended in any respect that materially increases the benefits available under the 2010 Stock Plan without the approval of our stockholders, including, (i) increasing the number of shares that may be the subject of awards under the 2010 Stock Plan (ii) expanding the types of awards available under the 2010 Stock Plan, (iii) materially expanding the class of persons eligible to participate in the 2010 Stock Plan, (iv) amending any provision of the 2010 Stock Plan regarding changes in the exercise price of options and stock appreciation rights, (v) increasing the maximum permissible term of any option or the maximum permissible term of a stock appreciation right, or (vi) increasing the limitations set forth above under Section 162(m) Conditions .

Certain Federal Income Tax Consequences

The following is a general description of the U.S. federal income tax consequences to participants and the company relating to awards. This discussion does not purport to cover all tax consequences relating to the awards, and assumes, with respect to deductibility of compensation by the company, that to the extent applicable, the requirements of Section 162 and Section 162(m) of the Code, as applicable, have been satisfied. Also, our ability to obtain a deduction for future payments under the 2010 Stock Plan could be limited by the golden parachute rules of Section 280G of the Code, which prevent the deductibility of certain excess parachute payments made in connection with a change of control of the employer corporation. The tax treatment may also vary depending on the participant's particular situation and may, therefore, be subject to special rules not discussed below.

A participant who receives options or stock appreciation rights generally will not recognize any income, nor will the company be entitled to any tax deduction, at the time of the grant. At the time that a nonqualified stock option or stock appreciation right is exercised, the participant will recognize ordinary income in an amount equal to the excess of (i) the fair market value of the shares purchased (or subject to a stock appreciation right) over (ii) the exercise price of the option for such shares (or the grant price of a stock appreciation right). We generally will be entitled to a tax deduction in an amount equal to the amount includible in the income of the participant in the taxable year in which the participant is required to recognize the income. A participant who disposes of shares received upon the exercise of a nonqualified stock option will recognize capital gain or loss in an amount equal to the difference between (i) the amount realized on the disposition of the shares, and (ii) the fair market value of the shares on the date on which the option was exercised. The capital gain or loss will be considered long-term if the shares received upon exercise of the nonqualified stock option are held for more than one year after the option was exercised. We are not entitled to any deduction for federal income tax purposes upon a participant's disposition of stock received upon the exercise of an option (other than, in the circumstances described below, an incentive stock option).

A participant will recognize no income for federal income tax purposes upon the grant or the exercise of an incentive stock option, provided that the exercise occurs during employment or within three months after termination, other than in the case of death or disability. If the shares acquired upon the exercise are held for a minimum of both (i) two years from the date of grant and (ii) one year from the date of exercise, then any gain or loss recognized by the participant on the sale of such shares will be treated as a long-term capital gain or loss, and the company will not be entitled to any deduction for federal income tax purposes. If the shares acquired are not held for these minimum periods, then the participant will be required to recognize ordinary income in the year of the disposition to the extent that the fair market value of the shares on the date of exercise or the sale price, whichever is less, exceeds the exercise price for the shares. We generally will be entitled to a deduction for federal income tax purposes equal to the amount the participant is required to recognize as ordinary income.

A participant who receives awards payable in cash or restricted stock, restricted stock units or performance awards, will not recognize income for federal income tax purposes until the awards are settled. At that time, the participant will recognize ordinary income on the amount of cash received, if any, or for awards delivered in shares, the excess of (i) the fair market value of the shares on the settlement date over (ii) the amount, if any, paid for the shares. We will be entitled to take a tax deduction in an amount equal to the ordinary income recognized by the participant.

The 2010 Stock Plan allows the Compensation Committee to permit the transfer of awards in limited circumstances. See *Transferability of Awards* above. For income and gift tax purposes, certain transfers of nonqualified stock options and stock appreciation rights generally should be treated as completed gifts, subject to gift taxation.

An employee participant will be subject to withholding for federal and, if applicable, state and local, income taxes at the time the participant recognizes income under the rules described above with respect to shares or cash received. As such, we will have the right to make all payments or distributions to a participant net of any taxes required to be paid at such time. We will have the right to withhold from wages or other amounts otherwise payable such withholding taxes as may be required by law, to otherwise require the participant to pay such withholding taxes or to take such other action as may be necessary to satisfy such withholding obligations. Non-employee

directors and consultants are not subject to withholding by us and must make their own arrangements for satisfying any tax obligations they may have in connection with the grant or exercise of an award under the 2010 Stock Plan.

Section 409A of the Code imposes an additional 20% tax and interest on an individual receiving nonqualified deferred compensation, as defined in Section 409A, under an arrangement that fails to satisfy certain requirements. Awards made pursuant to the 2010 Stock Plan are designed to comply with the requirements of Section 409A to the extent such awards are not otherwise exempt from coverage. However, if the 2010 Stock Plan fails to comply with Section 409A in operation, a participant could be subject to the additional taxes and interest.

New Plan Benefits

Future benefits that may be awarded under the 2010 Stock Plan will be subject to the discretion of the Compensation Committee and, therefore, are not currently determinable. The following table sets forth (i) the aggregate number of shares subject to restricted stock units awarded under the Prior Stock Plan during the last fiscal year and (ii) the dollar value of such shares based on a closing price of our common stock on the applicable date of grant.

Name of Individual or Group	Number of Restricted Stock Units (#)	Dollar Value of Restricted Stock Units (\$)
James A. Fontaine, Chief Executive Officer and President	80,000	172,000
Robert S. Kirk, Vice President of Worldwide Sales	28,000	60,200
Barry F. Koch, Executive Vice President and Managing Director, Microtune GmbH & Co. KG*	24,000	51,600
Justin M. Chapman, Chief Financial Officer and Former Interim Chief Financial Officer**	5,900	12,685
Phillip D. Peterson, General Counsel	16,000	34,400
All Executive Officers as a Group	153,900	330,885
Non-Executive Directors as a Group		
Non-Executive Officer Employees as a Group	562,110	1,172,387

* Mr. Koch was promoted to the position of Executive Vice President effective June 10, 2009. Mr. Koch continues to serve as Managing Director of Microtune GmbH & Co. KG.

** Mr. Chapman was appointed to the position of Interim Chief Financial Officer effective December 4, 2009. Mr. Chapman was appointed to the position of Chief Financial Officer effective February 11, 2010.

Required Vote

The affirmative vote of the holders of a majority of the shares of common stock present in person or represented by proxy and entitled to vote is required to approve the 2010 Stock Plan. An abstention will be counted as a vote against approval since it is one less vote for approval. Broker non-votes will not affect the outcome since they are not considered shares present for voting purposes.

Recommendation of the Board of Directors

The Board of Directors unanimously recommends a vote FOR the approval of the Microtune, Inc. 2010 Stock Plan. Unless otherwise instructed, the proxy holders named in each proxy will vote the shares represented thereby FOR the ratification and approval of the Microtune, Inc. 2010 Stock Plan as provided in Proposal No. 2.

PROPOSAL No. 3

APPROVAL OF THE MICROTUNE, INC. 2010 DIRECTOR STOCK PLAN

The Board of Directors has adopted, and recommends to our stockholders for approval, the Microtune, Inc. 2010 Director Stock Plan (the 2010 Director Plan).

On April 9, 2010, our Board adopted, subject to stockholder approval, the 2010 Director Plan. The 2010 Director Plan is intended to replace our Amended and Restated 2000 Director Stock Plan (the Prior Director Plan) and to serve the same purpose of enabling us to attract and retain the best available personnel for service as non-employee directors, to provide additional incentive to non-employee directors to serve as directors and to encourage their continued service on our Board. The 2010 Director Plan is intended to enable us to deliver a portion of non-employee director compensation in the form of grants of stock pursuant to restricted stock unit awards. The Board believes that an effective and stockholder-friendly compensation program should include long-term incentive compensation, the ultimate value of which is tied to our financial performance. Approval of the 2010 Director Plan will allow us to continue to attract, motivate and retain non-employee directors and provide them with the incentive to maximize long-term stockholder returns and achieve long-term objectives that will inure to the benefit of our stockholders.

We are proposing the adoption of the 2010 Director Plan to (i) add to the number of shares currently available for equity grants to our non-employee directors, and (ii) conform our non-employee director plan to current best practices and changes in federal tax law. As of March 31, 2010, there was an aggregate total of 226,800 shares remaining under the Prior Director Plan. Since such time, none of these shares have been awarded under the Prior Director Plan, leaving 226,800 shares available for grant under the Prior Director Plan. We intend, however, to make our regular annual director equity awards effective May 20, 2010 under the Prior Director Plan. The shares remaining under our Prior Director Plan will not be made available for grants under the 2010 Director Plan and are not included in the aggregate 250,000 shares that would be available under the 2010 Director Plan. If the 2010 Director Plan is approved by our stockholders, the Board will take such steps as are necessary to terminate the Prior Director Plan as soon as practicable following such approval.

The primary features of the 2010 Director Plan are summarized below. The summary is qualified by, and subject to, the provisions of the 2010 Director Plan, a copy of which is attached as **APPENDIX B**, and should be referred to for a complete statement of the terms of the 2010 Director Plan. The meaning of capitalized terms not defined in this summary can be found in the Definitions section of the 2010 Director Plan.

Any stockholder of Microtune who wishes to obtain a copy of the original plan document may do so upon written request to us at: Microtune, Inc., 2201 10th Street, Plano, Texas 75074.

Summary of the 2010 Director Plan

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Shares Available Under the 2010 Director Plan. Upon approval of the 2010 Director Plan by our stockholders, there will be an aggregate of 250,000 shares of our common stock, par value \$0.001 per share, available for issuance pursuant to awards under the 2010 Director Plan. Each share issued to settle awards will reduce the number of shares on a 1-for-1 basis. Upon approval of the 2010 Director Plan by our stockholders, the shares will be subsequently registered with the Securities and Exchange Commission on a Form S-8.

Administration of the 2010 Director Plan. In general, the 2010 Director Plan is administered by the Compensation Committee of the Board. The Compensation Committee has limited administrative powers mainly involving the authority to interpret and administer the 2010 Director Plan and to make all other determinations relating to the 2010 Director Plan that it deems necessary or desirable for the administration of the plan. Grants of awards under the 2010 Director Plan are generally intended to be automatic and nondiscretionary. Accordingly, the Compensation Committee has no authority to select the individuals eligible to participate in the 2010 Director Plan, the types of awards granted, the time(s) at which awards may be granted, the time(s) at which awards become vested, and the number of shares to be covered by each award granted (subject to the adjustment provisions in the 2010 Director Plan).

Term of Plan. The 2010 Director Plan will terminate on May 20, 2020, the tenth anniversary of the date it was approved by our stockholders (if such approval occurs) except with respect to awards then outstanding.

Eligibility. Eligible participants under the 2010 Director Plan include non-employee directors. After our 2010 Annual Meeting of Stockholders, eight persons are considered to be eligible to participate in the 2010 Director Plan, pending stockholder approval.

Awards. Awards that may be granted under the 2010 Director Plan only include restricted stock units, and no other form of award may be granted under the 2010 Director Plan. Each award granted under the 2010 Director Plan will be evidenced by a written or electronic award agreement in a standardized form for all participants, and containing such terms and conditions that are consistent with the provisions of the 2010 Director Plan.

Timing of Awards and Number of Underlying Restricted Stock Units. Effective for periods commencing after May 20, 2010, a non-employee director shall receive an award with respect to 5,250 restricted stock units on the date he or she first becomes a non-employee director. Similarly, after May 20, 2010, each non-employee director will also receive an award with respect to 8,400 restricted stock units on the date of our annual stockholders' meeting of each year thereafter; provided, that he or she is a non-employee director on such date and he or she has served as a director for at least the preceding six months.

Vesting and Forfeiture of Awards. Each award becomes vested as to 33 1/3% of the restricted stock units subject to such award on each anniversary of its date of grant, provided that the participant continues to serve as a director on such dates. Except as otherwise provided in the 2010 Director Plan, an award agreement or in any other agreement between the participant and the Company, if the termination of the participant's continuous status as a director occurs for any reason (including death or disability) or there is a liquidation or dissolution of the company, all unvested restricted stock units shall be forfeited as of the termination, liquidation or dissolution date (as applicable) and returned to the 2010 Director Plan.

Settlement of Awards. Except as otherwise provided in the 2010 Director Plan or an award agreement, to the extent restricted stock units become vested, the company will settle such vested restricted stock units, and as a result thereof issue and deliver RSU shares to the participant (i.e., one share for each such vested restricted stock unit). Shares of common stock representing the number of RSU shares will be issued to the participant as soon as practicable after settlement of the vested restricted stock units, but in no event later than seventy-five (75) days after such settlement.

Rights of Holders of Restricted Stock Units. A participant receiving restricted stock units will not possess voting rights with respect to such award. Until the issuance of the RSU shares and the stock certificate evidencing such shares, no right to vote or receive dividends or any other rights as a stockholder exist with respect to any restricted stock units, even if the time or event that gives rise to the settlement of such restricted stock units has occurred.

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Adjustment Provisions. Awards may be adjusted in the event of unusual events such as distributions in connection with a merger, reorganization or stock split. In addition, in the event of a change in control, the treatment of outstanding awards granted to non-employee directors generally depends on whether: (i) the

successor company assumes or substitutes the applicable award, in which case such awards will continue pursuant to their terms to the extent the participant continues his or her status as a director with the successor company. In the event the participant's status as a director with the successor company ceases for any reason other than voluntary resignation, or the participant is not offered a director-level position with the successor company, then all unvested restricted stock units will become fully vested as of the date of termination or immediately prior to the change in control (as applicable). If the successor company does not assume or substitute the applicable award, such award will become fully vested immediately prior to the change in control irrespective of whether the participant continues his or her status as a director with the successor company. The Compensation Committee is authorized to make certain determinations, as described in the 2010 Director Plan, regarding the effect of a change in control on awards.

Transferability of Awards. Generally, awards granted under the 2010 Director Plan are not transferable other than (i) by will or the laws of descent and distribution, or (ii) pursuant to a qualified domestic relations order. The Compensation Committee in its discretion may permit other transfers of awards pursuant to the terms of the 2010 Director Plan.

Amendment and Termination of the 2010 Director Plan. The Compensation Committee and the Board have the authority to amend the 2010 Director Plan at any time, and the company may, by action of the Board, terminate the 2010 Director Plan at any time and for any reason. The 2010 Director Plan, however, may not be amended in any respect that materially increases the benefits available under the 2010 Director Plan without the approval of our stockholders, including, (i) increasing the number of restricted stock units (subject to the plan's adjustment provisions), (ii) expanding the types of awards available under the 2010 Director Plan or (iii) expanding the class of persons eligible to participate in the 2010 Director Plan.

Certain Federal Income Tax Consequences

The following is a general description of the U.S. federal income tax consequences to participants and the company relating to awards. This discussion does not purport to cover all tax consequences relating to the awards, and assumes, with respect to deductibility of compensation by the company, that to the extent applicable, the requirements of Section 162 of the Code have been satisfied. Also, our ability to obtain a deduction for future payments under the 2010 Director Plan could be limited by the "golden parachute rules" of Section 280G of the Code, which prevent the deductibility of certain "excess parachute payments" made in connection with a change of control of the company. The tax treatment may also vary depending on the participant's particular situation and may, therefore, be subject to special rules not discussed below.

A participant who receives awards comprised of restricted stock units will not recognize income for federal income tax purposes until the awards are settled. At that time, the participant will recognize ordinary income on the amount of cash received, if any, or for awards delivered in shares, the excess of (i) the fair market value of the shares on the settlement date over (ii) the amount, if any, paid for the shares. We will be entitled to take a tax deduction in an amount equal to the ordinary income recognized by the participant.

A participant who becomes an employee will be subject to withholding for federal and, if applicable, state and local, income taxes at the time the participant recognizes income under the rules described above with respect to shares or cash received. As such, we will have the right to make all payments or distributions to an employee participant net of any taxes required to be paid at such time. We will have the right to withhold from wages or other amounts otherwise payable such withholding taxes as may be required by law, to otherwise require the employee participant to pay such withholding taxes or to take such other action as may be necessary to satisfy such withholding obligations. Non-employee directors are not subject to withholding by us and must make their own arrangements for satisfying any tax obligations they may have in connection with the settlement of an award under the 2010 Director Plan.

Section 409A of the Code imposes an additional 20% tax and interest on an individual receiving nonqualified deferred compensation, as defined in Section 409A, under an arrangement that fails to satisfy certain requirements. Awards made pursuant to the 2010 Director Plan are designed to comply with the requirements of Section 409A to the extent such awards are not exempt from coverage. However, if the 2010 Director Plan fails to comply with Section 409A in operation, a participant could be subject to the additional taxes and interest.

New Plan Benefits

The company currently anticipates that it will grant 8,400 RSU awards to each non-employee director on the date of each annual meeting, pursuant to the 2010 Director Plan, however, the value of such benefits is not currently determinable. Only non-employee directors are eligible to participate in the 2010 Director Plan. The following table sets forth (i) the aggregate number of shares issued pursuant to awards of restricted stock units under the Prior Director Plan during the last fiscal year and (ii) the dollar value of such shares based on a closing price of \$1.95 per share on April 24, 2009.

Name of Individual or Group	Number of Restricted Stock Units (#)	Dollar Value of Restricted Stock Units (\$)
All Executive Officers as a Group		
Non-Executive Directors as a Group	67,200	131,040
Non-Executive Officer Employees as a Group		

Required Vote

The affirmative vote of the holders of a majority of the shares of common stock present in person or represented by proxy and entitled to vote is required to approve the 2010 Director Plan. An abstention will be counted as a vote against approval since it is one less vote for approval. Broker non-votes will not affect the outcome since they are not considered shares present for voting purposes.

Recommendation of the Board of Directors

The Board of Directors unanimously recommends a vote FOR the approval of the Microtune, Inc. 2010 Director Stock Plan. Unless otherwise instructed, the proxy holders named in each proxy will vote the shares represented thereby FOR the ratification and approval of the Microtune, Inc. 2010 Director Stock Plan as provided in Proposal No. 3.

PROPOSAL No. 4

APPROVAL OF THE MICROTUNE, INC.

2010 EMPLOYEE STOCK PURCHASE PLAN

The Board of Directors has adopted, and recommends to our stockholders for approval, the Microtune, Inc. 2010 Employee Stock Purchase Plan (the 2010 Stock Purchase Plan).

Effective as of April 30, 2010, our Board adopted, subject to stockholder approval, the 2010 Stock Purchase Plan. The 2010 Stock Purchase Plan is intended to replace our Amended and Restated 2000 Employee Stock Purchase Plan (the Prior Stock Purchase Plan) and will serve the same purpose of enhancing stockholder value and promoting the attainment of our significant business objectives by allowing our employees to purchase the company's common stock at a discount, thereby giving employees an interest in common with that of our stockholders. Approval of the 2010 Stock Purchase Plan will allow us to continue to attract, motivate and retain qualified employees and to encourage them to enhance stockholder value.

We are proposing the adoption of the 2010 Stock Purchase Plan to (i) add to the number of shares currently available for purchase under our employee stock purchase program, and (ii) conform our employee stock purchase program to current best practices and changes in federal tax law. If stockholder approval is not obtained by October 29, 2010, the provisions of the 2010 Stock Purchase Plan will be null and void and any contributions made by participants to purchase shares thereunder will be refunded to such participants as provided in the 2010 Stock Purchase Plan. As of March 31, 2010, there was an aggregate total of 105,140 shares remaining available for purchase under the Prior Stock Purchase Plan. None of the remaining shares under the Prior Stock Purchase Plan will be made available for purchase under the 2010 Stock Purchase Plan and such shares are not included in the aggregate 1,000,000 shares available for purchase under the 2010 Stock Purchase Plan. The Prior Stock Purchase Plan will terminate on August 4, 2010 unless terminated earlier after the approval of the 2010 Stock Purchase Plan. If the 2010 Stock Purchase Plan is approved by our stockholders, the Board will take such steps as are necessary to terminate the Prior Stock Purchase Plan as soon as practicable following such approval.

The primary features of the 2010 Stock Purchase Plan are summarized below. The summary is qualified by, and subject to, the provisions of the 2010 Stock Purchase Plan, a copy of which is attached as **APPENDIX C** and should be referred to for a complete statement of the terms of the 2010 Stock Purchase Plan. The meaning of capitalized terms not defined in this summary can be found in the Definitions section of the 2010 Stock Purchase Plan.

Any stockholder of Microtune who wishes to obtain a copy of the original plan document may do so upon written request to us at: Microtune, Inc., 2201 10th Street, Plano, Texas 75074.

Summary of the 2010 Stock Purchase Plan

Number of Shares Available. Upon approval of the 2010 Stock Purchase Plan, there will be an aggregate of 1,000,000 shares of our common stock, par value \$0.001 per share, available for issuance under the 2010 Stock Purchase Plan. Each share purchased under the 2010 Stock Purchase Plan will reduce the number of shares on a 1-for-1 basis. Upon approval of the 2010 Stock Purchase Plan by our stockholders, the shares will be subsequently registered with the Securities and Exchange Commission on a Form S-8.

Administration of the 2010 Stock Purchase Plan. The 2010 Stock Purchase Plan is generally administered by the Compensation Committee of the Board, which is composed solely of independent directors who are not eligible to participate in the 2010 Stock Purchase Plan. However, the Compensation Committee may delegate certain of its administrative functions including the day-to-day administration of the 2010 Stock Purchase Plan to a plan administrator. We will bear the costs of administration of the 2010 Stock Purchase Plan.

Term of Plan. The 2010 Stock Purchase Plan will terminate on April 30, 2020, the tenth anniversary of its effective date pending stockholder approval.

Eligibility. Any employee who customarily works at least 20 hours per week and more than five months per calendar year is eligible to participate in the 2010 Stock Purchase Plan with respect to a particular offering period if he or she works for us as of the commencement of such offering period. Our non-employee directors and consultants are not eligible to participate in the 2010 Stock Purchase Plan. Employees participating in the Prior Stock Purchase Plan as of April 30, 2010 may continue participating in the 2010 Stock Purchase Plan without filing new participation forms with the plan administrator. Approximately 193 persons currently are eligible to participate in our Prior Stock Purchase Plan (and approximately 83 persons are currently participating in the Prior Stock Purchase Plan) and are considered to be eligible to participate in the 2010 Stock Purchase Plan.

Operation of the 2010 Stock Purchase Plan. Each employee eligible to participate in the 2010 Stock Purchase Plan may contribute up to 15% of the employee's covered compensation towards the purchase of shares at a purchase price for each offering period (a period of approximately six months) equal to 85% of the fair market value of the shares at the beginning or the close of the offering period, whichever is lower. Employees may increase or decrease the contribution rate for the next offering period, and except when a participant withdraws from the 2010 Stock Purchase Plan (as discussed below), changes in the contribution rate for the current offering period are not permitted.

A participant's contribution percentage will remain in effect for subsequent offering periods until such time as the participant withdraws from the 2010 Stock Purchase Plan or changes the contribution percentage for a subsequent offering period by providing written instructions to the plan administrator. Subject to applicable law, participants, who choose to withdraw from the 2010 Stock Purchase Plan, must wait until a subsequent offering period before they may resume participating in the plan.

The amount contributed by a participant will be (i) deducted from each paycheck on an after-tax basis and (ii) applied towards the purchase of shares at the close of the offering period. These contributions will not bear interest. If a participant terminates employment for any reason (including death or retirement), the participant's contributions for the offering period will cease, and the accumulated amount of such contributions will be refunded to the participant (or the participant's estate or beneficiary, as applicable).

Restrictions on Purchase. No employee may purchase shares under the 2010 Stock Purchase Plan if (i) the employee owns 5% or more of the total combined voting power or value of our stock or (ii) the purchase would permit the employee to acquire shares with a value in excess of \$25,000 (fair market value) in a single year. Additionally, participants may purchase no more than 5,000 shares during each offering period.

Purchased Shares. As promptly as practicable following the purchase date, shares purchased by a participant under the 2010 Stock Purchase Plan will be provided to the participant in his or her designated brokerage account (or as otherwise designated pursuant to the plan). No fractional shares will be purchased under the 2010 Stock Purchase Plan and amounts that otherwise would have been applied to the purchase of fractional shares will be refunded to the participant.

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Amendment or Termination of the 2010 Stock Purchase Plan. The Compensation Committee and the Board at any time may amend the 2010 Stock Purchase Plan, in whole or in part, and the company may, by action of the Board, terminate the 2010 Stock Purchase Plan at any time for any reason.

Certain Federal Income Tax Consequences

The following is a general description of the U.S. federal income tax consequences relating to the 2010 Stock Purchase Plan. These tax consequences may vary depending on the personal circumstances of the individual participants.

The 2010 Stock Purchase Plan is intended to qualify as an employee stock purchase plan under Section 423 of the Code. A participant's payroll contributions are made on an after-tax basis, but the enrollment in the plan for a particular offering period and the purchase of shares on the purchase date are not taxable events for the participant. All tax consequences are deferred until the participant disposes of the shares and such tax consequences will depend on how long a participant has held the shares prior to the disposition.

If a participant disposes of the shares in a qualifying disposition—a disposition of the shares that occurs (i) at least two years after the beginning of the offering period (the Commencement Date) and (ii) at least one year after the date such shares are purchased under the 2010 Stock Purchase Plan (or if the participant dies while owning the shares) the participant will have the following tax consequences. In the year of the disposition, the participant will include in his or her taxable ordinary income the lesser of: (i) the excess of fair market value of the shares at the Commencement Date over the shares' purchase price (i.e., the 85% discounted price), or (ii) the excess of the fair market value of the shares at the time of the disposition (or death) over the shares' purchase price (i.e., the 85% discounted price). Any further gain on the disposition will generally be taxed as long-term capital gain. If the shares are sold at a price that is less than the shares' purchase price (i.e., the 85% discounted price), the difference would be a long-term capital loss for the participant. No deduction is allowed to the company in a qualifying disposition.

When shares are disposed of prior to the expiration of either the two-year or one-year holding period described above, the disposition is a disqualifying disposition. In the year of the disqualifying disposition, the participant will include in his or her taxable ordinary income the amount by which the fair market value of the shares on the purchase date exceeds the shares' purchase price (i.e., the 85% discounted price). This excess amount is taxable to the participant even if no gain is realized on the disposition and even if the shares are disposed of for less than the fair market value on the purchase date. The participant will have capital gain if there is any gain above the ordinary income amount, and he or she will have capital loss if the shares are sold for an amount that is less than the fair market value on the purchase date. The capital gain or capital loss will be short-term or long-term capital gain or loss depending on the period of time which the participant held the shares. In the event of a disqualifying disposition, the company will be allowed a deduction for federal income tax purposes equal to the ordinary income realized by the participant disposing of the shares.

Currently, the company is not required to withhold employment or income taxes upon the purchase of shares under the 2010 Stock Purchase Plan. However, the Internal Revenue Service may issue guidance in the future requiring the company to withhold employment and income taxes upon the purchase of shares granted under plans that qualify under Section 423 of the Code.

New Plan Benefits

Future benefits that may be awarded under the 2010 Stock Purchase Plan are not currently determinable, because participation in the 2010 Stock Purchase Plan will be voluntary, and the benefit of participating will depend on the terms of the offerings, including the fair market value of the shares on the purchase date. Non-employee directors are not eligible to participate in the 2010 Stock Purchase Plan. No purchases have been made under the 2010 Stock Purchase Plan since its adoption by the Board. For illustrative purposes, the following table sets forth (i) the number of shares of our common stock that were purchased during the last fiscal year under the Prior Stock Purchase Plan, (ii) the average price per share paid for such shares, and (iii) the fair market value at the date of purchase.

Name of Individual or Group	Number of Shares Purchased (#)	Average Per Share Purchase Price (\$)	Fair Market Value at Date of Purchase (\$)
James A. Fontaine, Chief Executive Officer and President			
Albert H. Taddiken, Former Chief Operating Officer*			
Jeffrey A. Kupp, Former Chief Financial Officer**			
Robert S. Kirk, Vice President of Worldwide Sales			
Barry F. Koch, Executive Vice President and Managing Director, Microtune GmbH & Co. KG***	4,043	1.59	7,541
Justin M. Chapman, Chief Financial Officer and Former Interim Chief Financial Officer****			
Phillip D. Peterson, General Counsel			
All Executive Officers as a Group	4,043	1.59	7,541
Non-Executive Directors as a Group			
Non-Executive Officer Employees as a Group	534,847	1.62	1,017,371

* Mr. Taddiken resigned from the position of Chief Operating Officer effective June 10, 2009.

** Mr. Kupp resigned from the position of Chief Financial Officer effective December 4, 2009.

*** Mr. Koch was promoted to the position of Executive Vice President effective June 10, 2009. Mr. Koch continues to serve as Managing Director of Microtune GmbH & Co. KG.

**** Mr. Chapman was appointed to the position of Interim Chief Financial Officer effective December 4, 2009. Mr. Chapman was appointed to the position of Chief Financial Officer effective February 11, 2010.

Required Vote

The affirmative vote of the holders of a majority of the shares of common stock present in person or represented by proxy and entitled to vote is required to approve the 2010 Stock Purchase Plan. An abstention will be counted as a vote against approval since it is one less vote for approval. Broker non-votes will not affect the outcome since they are not considered shares present for voting purposes.

The Board of Directors unanimously recommends a vote FOR the approval of the Microtune, Inc. 2010 Employee Stock Purchase Plan. Unless otherwise instructed, the proxy holders named in each proxy will vote the shares represented thereby FOR the ratification and approval of the Microtune, Inc. 2010 Employee Stock Purchase Plan as provided in Proposal No. 4.

PROPOSAL NO. 5

RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITOR

The Board of Directors, upon recommendation of the Audit Committee, has selected KPMG LLP as our independent auditor to perform the audit of our financial statements for the fiscal year ending December 31, 2010, and we are asking stockholders to ratify this selection. Representatives of KPMG LLP are expected to be present at our Annual Meeting. They will have the opportunity to make a statement at our Annual Meeting if they wish to do so, and they will be available to respond to appropriate questions from stockholders.

In connection with the settlement of consolidated stockholder derivative litigation in January 2005, we adopted certain corporate governance provisions, including, among others, our agreement to rotate our independent auditor. As a result, on March 13, 2008, the Audit Committee appointed KPMG LLP to serve as Microtune's independent auditor for the fiscal year ended December 31, 2008. This appointment followed a solicitation and review process conducted by us pursuant to the Audit Committee's determination to solicit competitive proposals for audit services from independent accounting firms. During the fiscal years ended December 31, 2006 and 2007, and prior to its engagement, (i) KPMG LLP was not engaged as our principal accountant to audit our financial statements, or as an independent accountant to audit a significant subsidiary, and (ii) we did not consult with KPMG LLP regarding (a) the application of accounting principles to any completed or proposed transaction, (b) the type of audit opinion that might be rendered on our financial statements for such periods, or (c) any other accounting, auditing or financial reporting matter described in Items 304(a)(2)(i) and (ii) of Regulation S-K.

Change in Independent Registered Public Accounting Firm

Effective March 13, 2008 following the solicitation process described above, we replaced Ernst & Young LLP as our independent auditor. Ernst & Young LLP completed its procedures regarding our financial statements for the fiscal year ended December 31, 2007 and the 2007 Annual Report on Form 10-K (in which such financial statements are included) on February 28, 2008, coincident with the filing of our 2007 Annual Report on Form 10-K.

Ernst & Young LLP's reports on our financial statements for the fiscal years ended December 31, 2006 and 2007 did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principle, except for an explanatory paragraph relating to a change in the method of accounting in 2007 for uncertain tax positions. During the fiscal years ended December 31, 2006 and 2007, and through March 13, 2008, (i) there were no disagreements with Ernst & Young LLP on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to the satisfaction of Ernst & Young LLP, would have caused Ernst & Young LLP to make reference thereto in its reports on our financial statements for such years, and (ii) there have been no reportable events as defined in Item 304(a)(1)(v) of Regulation S-K.

Principal Accounting Fees and Services

In connection with the audit of our financial statements for the fiscal year ended December 31, 2008, we entered into an engagement agreement with KPMG LLP which sets forth the terms by which KPMG LLP performed audit services for Microtune.

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The following table sets forth the amount of audit fees, audit-related fees, tax fees and all other fees billed or expected to be billed by KPMG LLP for the years ended December 31, 2008 and December 31, 2009.

	2008	2009
Audit fees ⁽¹⁾	\$ 417,522	\$ 475,882 ⁽³⁾
Audit-related fees		
Tax fees ⁽²⁾		
All other fees		
Total Fees	\$ 417,522	\$ 475,882

KPMG LLP did not render professional services relating to financial information systems design and implementation for the years ended December 31, 2008 and 2009.

- (1) Audit fees are generated from services consisting of the annual audits of our consolidated financial statements included in our Annual Reports on Form 10-K, the annual audit on effectiveness of internal control over financial reporting, quarterly reviews of our consolidated financial statements included in our Quarterly Reports on Form 10-Q, as well as any required statutory audits of our foreign subsidiaries, services related to filings made with the SEC and accounting advisory services related to financial accounting matters.
- (2) Tax fees are generated from services, including but not limited to, assistance with certain tax compliance matters.
- (3) Includes fees for the 2009 integrated audit, 2009 quarterly reviews and procedures performed in Plano, Texas, Ingolstadt, Germany and China.

The Audit Committee has determined that the services provided to Microtune are compatible with maintaining KPMG LLP's independence. For more information about KPMG LLP, see the Report of the Audit Committee of the Board of Directors on page 65.

The Audit Committee has adopted policies and procedures for the pre-approval of audit and non-audit services by KPMG LLP. In general, all services must be pre-approved at duly convened meetings of the Audit Committee or by the Chairperson of the Audit Committee. Any services approved by the Audit Committee Chairperson are required to be discussed at the following regular meeting of the Audit Committee. All fees paid in 2009 were approved in accordance with these procedures.

Required Vote

Ratification of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2010 requires the affirmative vote of the holders of a majority of the shares of common stock present in person or represented by proxy and entitled to vote. An abstention will be counted as a vote against approval since it is one less vote for approval of the shares present. Broker non-votes will not affect the outcome as they are not considered shares present for voting purposes, however, brokers will have authority to vote shares they hold on the behalf of beneficial holders in favor of approval if they have not been instructed otherwise.

If our stockholders do not ratify the selection of KPMG LLP, the appointment of the independent registered public accounting firm will be reconsidered by our Audit Committee. Even if the selection is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent accounting firm at any time during the year if the Audit Committee believes that such a change would be in the best interests of Microtune and its stockholders.

Recommendation of the Board of Directors

The Board of Directors and, more specifically, the Audit Committee, unanimously recommends a vote FOR the ratification of the appointment of KPMG LLP to serve as our independent auditor for the year ending December 31, 2010. Unless otherwise instructed, the proxy holders named in each proxy will vote the shares represented thereby FOR the ratification of the appointment of KPMG LLP.

DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information regarding our Corporate Governance can be found beginning on page 8 and information regarding our Board of Directors can be found beginning on page 9.

The following table sets forth certain information with respect to our executive officers as of April 9, 2010:

Name	Age	Position
James A. Fontaine	52	Chief Executive Officer and President
Justin M. Chapman	35	Chief Financial Officer
Robert S. Kirk	49	Vice President of Worldwide Sales
Barry F. Koch	44	Executive Vice President
Phillip D. Peterson	40	General Counsel and Corporate Secretary

Biographical information concerning Mr. Fontaine is set forth under "Election of Directors" on page 19.

Justin M. Chapman was named Vice President and Chief Financial Officer in February 2010. Mr. Chapman served as the Company's Vice President and Interim Chief Financial Officer from December 2009 to February 2010. He served as Vice President of Accounting of the Company from November 2004 to December 2009 (and was the Principal Financial and Accounting Officer from November 2004 to May 2005). From August 2004 to November 2004, he served as Director of Accounting. From August 2003 to August 2004, he served as Manager of Accounting. From August 2001 to August 2003, he served as Manager of Financial Planning. He is a Certified Public Accountant and holds a BBA degree in Accounting from the University of Oklahoma.

Robert S. Kirk was named Vice President of Worldwide Sales in October 2003. Mr. Kirk served as Vice President of Sales, North America from March 2003 to October 2003. Mr. Kirk was Vice President of Sales, Northern Europe for Avnet from August 2001 to March 2003, and Vice President of Sales, North America for ON Semiconductor from May 1982 to August 2001. Mr. Kirk holds a B.S.E.E. from Purdue University.

Barry F. Koch was named Executive Vice President in June 2009. Mr. Koch also serves as Managing Director of Microtune GmbH & Co. KG, a wholly-owned German subsidiary of Microtune, since May 2000. Mr. Koch joined Microtune GmbH & Co. KG as Director of Advanced Development in January 2000 at the time of Microtune's combination with Temic. Mr. Koch had been with Temic and its predecessors since June 1995. In addition, Mr. Koch has held a number of positions at Microtune concurrently with his positions at Microtune GmbH & Co. KG. Mr. Koch was named Vice President and Co-General Manager of Microtune's Broadband Business Unit in January 2004. Additionally, Mr. Koch has served as Vice President and General Manager of Microtune's Automotive Business Unit since December 2001, and served as Vice President of Systems Engineering from May 2000 until December 2001. Mr. Koch holds a B.S.E.E. from the University of Missouri-Rolla and a M.S.E.E. from Purdue University.

Phillip D. Peterson was named General Counsel in April 2004. Mr. Peterson was an attorney with Cox Smith Matthews Incorporated (formerly Cox & Smith Incorporated) from September 2002 to October 2003 and with DLA Piper (formerly Gray Cary Ware & Freidenrich, LLP) from March 2000 to January 2002. Prior to that, he was an attorney with King & Spalding LLP and Fulbright & Jaworski L.L.P. Mr. Peterson holds a B.A. from Trinity University and a J.D. from the University of Texas School of Law.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS
Security Ownership of Certain Beneficial Owners and Management

The following table shows shares of our common stock that we believe are beneficially owned as of March 1, 2010 by:

each person who we know beneficially owns more than 5% of our common stock;

each of our current directors and director nominees;

each current executive officer named in the Summary Compensation Table; and

all of our current directors, director nominees and current executive officers as a group.

Under the rules of the SEC, beneficial ownership includes voting or investment power with respect to securities and includes the shares issuable under stock options that are exercisable within 60 days of the date set forth above. Accordingly, we have included any options held by each stockholder that are exercisable within 60 days of March 1, 2010 (i.e., April 30, 2010). No RSU awards are currently scheduled to vest within such time period. Shares issuable under stock options are deemed outstanding for purposes of computing the percentage ownership of the person holding options but are not deemed outstanding for purposes of computing the percentage ownership of any other person. As of March 1, 2010, there were 53,998,794 shares of our common stock outstanding.

Name of Beneficial Owner	Shares	Percentage Beneficially Owned
Institutional Venture Partners VII ⁽¹⁾	2,738,668	5.1%
FMR LLC ⁽²⁾	6,222,540	11.5%
Simon J. Michael ⁽³⁾	5,079,296	9.4%
Ramius LLC ⁽⁴⁾	4,950,000	9.2%
Justin M. Chapman ⁽⁵⁾	120,678	*
Walter S. Ciciora ⁽⁶⁾	254,138	*
James H. Clardy ⁽⁷⁾	215,738	*
Steven Craddock ⁽⁸⁾	140,738	*
James A. Fontaine ⁽⁹⁾	777,690	1.4%
Robert S. Kirk ⁽¹⁰⁾	462,296	*
Barry F. Koch ⁽¹¹⁾	423,642	*
Anthony J. LeVecchio ⁽¹²⁾	152,738	*
Bernard T. Marren ⁽¹³⁾	581,800	*
Phillip D. Peterson ⁽¹⁴⁾	248,929	*
Michael T. Schueppert ⁽¹⁵⁾	107,800	*
William P. Tai ⁽¹⁶⁾	2,827,228	5.2%
A. Travis White ⁽¹⁷⁾	130,738	*
Robert Rast	0	
Raghavendra (Raghu) Rau ⁽¹⁸⁾	3,300	*
Drew Peck	0	
All current directors, director nominees and current executive officers as a group (16 persons) ⁽¹⁹⁾	6,447,453	11.4%

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- * Less than 1% of the outstanding shares of common stock.
- (1) Based upon Amendment No. 1 to the Schedule 13G filed with the SEC on February 16, 2010. Includes 54,773 shares held by Institutional Venture Management VII, L.P., 2,597,061 shares held by Institutional Venture Partners VII, L.P. and 86,834 shares held by IVP Founders Fund I, L.P. The address for these funds is 3000 Sandhill Road, Suite 290, Menlo Park, CA 94025.

- (2) Based upon Amendment No. 1 to the Schedule 13G filed with the SEC on February 16, 2010. The address for FMR LLC is 82 Devonshire Street, Boston, MA 02109.
- (3) Based upon Amendment No. 9 to Schedule 13G filed with the SEC on February 10, 2010 by Simon J. Michael, Balch Hill Capital, LLC and Balch Hill Partners, L.P., all whose address is 2778 Green Street, San Francisco, CA 94123. The 13G states that:
 - (i) Simon J. Michael has sole voting power and sole dispositive power with respect to 735,470 shares and shared voting power and shared dispositive power with respect to 4,343,826 shares;
 - (ii) Balch Hill Capital, LLC has shared voting power and shared dispositive power with respect to 4,343,826 shares; and
 - (iii) Balch Hill Partners, L.P. has shared voting power and shared dispositive power with respect to 4,153,826 shares.
- (4) Based upon Amendment No. 3 to the Schedule 13D filed with the SEC on March 26, 2010. The address for Ramius LLC is 599 Lexington Avenue, 20th Floor, New York, NY 10022.
- (5) Includes 98,783 shares for options which are currently exercisable or become exercisable within 60 days.
- (6) Mr. Ciciora has sole voting power and sole dispositive power with respect to 80,400 shares and shared voting power and shared dispositive power with respect to 38,000 shares. Includes 135,738 shares for options which are currently exercisable or become exercisable within 60 days.
- (7) Includes 25,000 shares of common stock held by trusts, of which Mr. Clardy acts as co-trustee, for the benefit of Mr. Clardy's children, none of whom are dependents of Mr. Clardy. Mr. Clardy has sole voting power and sole dispositive power with respect to 55,000 shares and shared voting power and shared dispositive power with respect to 25,000 shares. Also includes 135,738 shares for options which are currently exercisable or become exercisable within 60 days.
- (8) Includes 140,738 shares for options which are currently exercisable or become exercisable within 60 days.
- (9) Includes 15,653 shares of common stock outstanding held by JSCJ Ventures, Ltd., of which Mr. Fontaine is the general partner. Mr. Fontaine has sole voting power and sole dispositive power with respect to 101,363 shares. Also includes 676,327 shares for options which are currently exercisable or become exercisable within 60 days.
- (10) Mr. Kirk has sole voting power and sole dispositive power with respect to 41,624 shares. Also includes 420,672 shares for options which are currently exercisable or become exercisable within 60 days.
- (11) Mr. Koch has sole voting power and sole dispositive power with respect to 28,240 shares. Also includes 395,402 shares for options which are currently exercisable or become exercisable within 60 days.
- (12) Mr. LeVecchio has sole voting power and sole dispositive power with respect to 23,250 shares. Also includes 129,488 shares for options which are currently exercisable or become exercisable within 60 days.
- (13) Mr. Marren has sole voting power and sole dispositive power with respect to 500,000 shares. Also includes 81,800 shares for options which are currently exercisable or become exercisable within 60 days.
- (14) Mr. Peterson has sole voting power and sole dispositive power with respect to 58,072 shares. Also includes 190,857 shares for options which are currently exercisable or become exercisable within 60 days.
- (15) Mr. Schueppert has sole voting power and sole dispositive power with respect to 50,000 shares. Includes 57,800 shares for options which are currently exercisable or become exercisable within 60 days.
- (16) Includes 54,773 shares held by Institutional Venture Management VII, L.P. and 2,597,061 shares held by Institutional Venture Partners VII, L.P. Mr. Tai is a general partner of each of these partnerships, shares voting and dispositive power with respect to the shares held by each of these entities and disclaims beneficial ownership of the shares held by these entities, except to the extent of his pecuniary interest. Mr. Tai has sole voting power and sole dispositive power with respect to 39,656 shares. Mr. Tai has shared voting power and shared dispositive power with respect to 2,651,834 shares. Also includes 135,738 shares for options which are currently exercisable or become exercisable within 60 days.
- (17) Includes 130,738 shares for options which are currently exercisable or become exercisable within 60 days.
- (18) Mr. Rau has shared voting power and shared dispositive power with respect to 3,300 shares.
- (19) Includes 2,729,819 shares for options which are currently exercisable or become exercisable within 60 days.

Equity Compensation Plan Information

Information regarding stock-based compensation awards outstanding and available for future grants as of December 31, 2009, segregated between stock-based compensation plans approved by stockholders and stock-based compensation plans not approved by stockholders, is presented in the table below:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights and Vesting of RSU Awards	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans
Equity compensation plans approved by security holders	11,042,113	\$ 3.546	3,632,326
Equity compensation plans not approved by security holders			
Total	11,042,113	\$ 3.546	3,632,326

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our officers, directors and persons who own more than 10% of our common stock to file certain reports regarding ownership of, and transactions in, our securities with the SEC. Such officers, directors and 10% stockholders are also required by SEC rules to furnish us with copies of all Section 16(a) forms that they file.

Based solely on our review of such forms furnished to us and written representations from certain reporting persons, we believe that all Section 16(a) filing requirements applicable to our executive officers, directors and more than 10% stockholders were complied with during the fiscal year ended December 31, 2009.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis is intended to provide investors with an understanding of our compensation policies and decisions regarding our named executive officers for 2009. Our named executive officers are our Chief Executive Officer, Chief Financial Officer and our three other most highly compensated executive officers. The following will be discussed and analyzed in this Compensation Discussion and Analysis section:

Microtune Compensation Philosophy;

Executive Compensation Objectives and Policies;

Executive Compensation Components;

Setting Executive Compensation;

Role of Executive Officers in Compensation Decisions;

Base Salary Compensation;

2009 Salary Adjustments;

Annual Incentive Compensation;

Suspension of Annual Incentive Compensation Program in 2009;

2010 Incentive Compensation Program;

Long-Term Equity Incentive Compensation;

Equity Awards and Practices;

Annual RSU Awards;

New Hire RSU Awards;

Retirement Benefits;

Other Compensation;

Severance Benefits;

Severance and Change of Control Agreements;

Potential Payments Upon Termination or Change of Control;

Executive Compensation During 2009;

Suspension of Annual Incentive Compensation Program and Base Salary Increases;

Stock Ownership Guidelines and Policy Against Hedging;

Tax Deduction for Executive Compensation; and

Compensation Committee Report.

Microtune Compensation Philosophy

Key to establishing long-term and short-term compensation plans is the establishment of a compensation philosophy, and annually reviewing and adapting that philosophy to match the evolving industry environment and Microtune's place in that industry.

Over the past few years, we believe Microtune has evolved from the emerging growth company stage of its development and is in the process of transitioning to a more mature stage of its development. In 2006, 2007, and 2008, our Compensation Committee spent considerable time discussing and updating our compensation philosophy for our executives to reflect the current evolution of Microtune and to take into account the impact of Financial Accounting Standards Board Accounting Standards Codification Topic 718 Stock Compensation (FASB ASC Topic 718) and our heavy historical reliance on long-term equity incentive compensation. Our current executive compensation philosophy is characterized by the following:

base salaries at market;

annual incentive compensation programs based primarily on the achievement of a combination of revenue and profit goals with annual incentive bonuses comprised of the performance vesting of RSUs; and

long-term equity incentive compensation with the historical use of stock options transitioning to the use of a combination of stock options and RSU awards in 2007, at a reduced rate from historical levels, and further transitioning to 100% RSU awards for executive officers in 2008 and 2009.

Our Compensation Committee has also developed our non-executive compensation philosophy to a more traditional, larger company model in order to better attract and retain professional employees. This new compensation philosophy for our non-executive employees is characterized by the following:

at or above market base salary compensation;

annual incentive compensation programs for key professional employees based primarily on the achievement of a combination of revenue and profit goals;

long-term equity incentive compensation with the historical use of stock options transitioning to the use of a combination of stock options and RSU awards in 2007, at a reduced rate from historical levels, and further transitioning to 100% RSU awards for all employees in 2008 and 2009; and

addition of a 401(k) matching program to encourage employees to fund their own retirement programs.

We believe that any risks arising from our compensation policies and practices for any of our employees are not reasonably likely to have a material adverse effect on the company.

Executive Compensation Objectives and Policies

The Compensation Committee is responsible for setting, administering and reviewing our compensation programs and the policies governing the annual compensation of our named executive officers and the other officers appointed by our Board of Directors. The role of the Compensation Committee is to establish and recommend salaries and other compensation paid to the Chief Executive Officer and the other executive officers

and to administer our stock and benefit plans. For executive officers, the Board approves all base salaries, annual incentive compensation and long-term equity incentive compensation. Our Chief Executive Officer abstains from all voting actions of the Board regarding executive compensation. Any discretionary bonus payments are also approved by our full Board. Our Compensation Committee, which met 12 times during 2009, is composed entirely of independent directors. See Microtune Corporate Governance Board Meetings and Committees; Annual Meeting Attendance Compensation Committee on page 13. Our Board, upon the recommendation of our Nominating and Corporate Governance Committee, designates the members and the Chairperson of our Compensation Committee. Our primary compensation goals are to:

attract and retain highly qualified people;

motivate existing employees who are critical to the achievement of our objectives and reward them for meeting or exceeding our goals;

more closely align the interests of our employees with those of our stockholders; and

simultaneously maximize stockholder value.

Accordingly, our executive compensation philosophy is to tightly link compensation with Microtune's performance and the creation of stockholder value. We also structure compensation programs so that individuals are held accountable for their performance and our results. Our compensation programs are designed to:

reward executives for long-term strategic performance and enhancement of stockholder value;

support a performance-oriented environment that rewards achievement of our financial and non-financial goals;

promote ownership of Microtune stock by our executives to better align the interests of management and our stockholders;

attract and retain executives whose abilities are considered essential to our long-term success and competitiveness; and

align the long-term financial interests of our executives with those of our stockholders by placing a significant percentage of executive compensation at risk through the use of equity-based compensation components.

Executive Compensation Components. To meet the objectives described above, executive compensation for Microtune's officers is comprised of three main components: (1) base salary; (2) annual incentive compensation and (3) long-term equity incentive compensation. Each of these compensation components is discussed below. The overall compensation package for our executives is variable with actual executive compensation related to and contingent upon Microtune's performance and stock price through the use of annual incentive compensation and long-term equity incentive compensation, respectively. The equity incentive plans, pursuant to which such awards are made, have been approved by our stockholders and are designed to comply with the requirements of United States federal tax laws on deductibility under Section 162(m) of the Code.

Setting Executive Compensation. Our fiscal year aligns with the calendar year and as such, we develop and finalize our annual and long-term goals in the fourth quarter of the prior year or the first quarter of each year. We review Microtune's performance for the prior fiscal year during the first quarter of each year. As part of this review of Microtune's performance, we assess whether any annual incentive compensation has been

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earned. We also review progress towards our performance goals each quarter during the year. In determining overall compensation for a specific officer, we consider many factors, including the responsibilities and scope of the officer's particular position, his or her experience and performance in that position, the recent compensation history of the officer (including special or unusual compensation payments), the period of time since his or her last increase in total compensation, the expected value of the officer's contribution to our future success and growth, the compensation levels of all employees within Microtune to ensure internal pay equity is preserved,

executive compensation at certain other companies to ensure that our compensation levels are competitive and our recent overall financial and business performance. We review and consider the compensation of all levels of employees within Microtune to provide an appropriate context for executive compensation decisions and to help ensure that there is internal pay equity within the organization.

We use, among other things, the AON Consulting Radford Executive Survey (the Radford Survey) to set base salary and annual incentive compensation. Base salary adjustments, if any, are discretionary and typically occur in the second quarter of each year. The companies currently comprising our Radford Peer Group are technology companies with annual revenue from \$50M to under \$200M:

Advanced Analogic Technologies	Exar	Rambus
Aeroflex Colorado Springs	JSR Micro	Sematech
Cirrus Logic	Magnum Semiconductor	TowerJazz
Cortina Systems	Mindspeed Technologies	Trident Microsystems
DPIX	Netlogic Microsystems	Volterra
Ebara Technologies	Pericom Semiconductor	
Entropic Communications	PLX Technology	

The Compensation Committee sets annual and long-term performance goals for our Chief Executive Officer and evaluates our Chief Executive Officer's performance against such goals and reviews Microtune's stock performance against the performance of the Philadelphia Semiconductor Index. The Compensation Committee meets at least once each calendar year in executive session without our Chief Executive Officer, and he is not present for the portion of any meeting of the Compensation Committee during which his compensation is considered. The aggregate amount of compensation (base salary, annual incentive compensation and long-term equity incentive compensation) of Mr. Fontaine for fiscal 2009 falls below the median of the Radford Peer Group.

The Compensation Committee does not formally retain any consultants to assist it in assessing and determining appropriate and competitive compensation for our executives.

Role of Executive Officers in Compensation Decisions. Our Chief Executive Officer makes a recommendation to the Compensation Committee each year on the appropriate compensation to be paid to our executive officers based on his review of companies with revenue between \$50 million and \$200 million, including a peer group of semiconductor companies, included in the Radford Survey. Although our Chief Executive Officer does not provide recommendations for his base salary compensation, he does provide annual incentive compensation and long-term equity incentive compensation recommendations for all of our executive officers, including himself. Our Board makes the final determination of the amount of compensation to be awarded to each executive officer, including our Chief Executive Officer, based on the Compensation Committee's recommendations and determination of how that compensation achieves the objectives of our compensation policies.

Base Salary Compensation

We target the base salary for each executive officer position to be competitive with the base salaries of executive officers of semiconductor companies of similar size and complexity based on our review of companies included in the Radford Survey. Our Compensation Committee annually reviews salaries recommended by the Chief Executive Officer for each of our executive officers (other than himself) and makes a recommendation to the Board regarding the appropriate salary of each executive officer on a case-by-case basis. Final decisions on base salary adjustments of executive officers other than the Chief Executive Officer are made with the Chief Executive Officer's involvement, however he abstains from all voting actions. In addition, our Compensation Committee annually reviews the salary of our Chief Executive Officer in executive session without management

present and makes a recommendation to the Board. Our Chief Executive Officer is not present during Board discussions or voting regarding his compensation. In determining the appropriate salary levels for our executive officers, we consider, among other factors:

responsibilities and scope of the position held and the officer's experience and performance in that position;

recent compensation history of the officer (including special or unusual compensation payments);

period of time since the last base salary increase;

expected value of the officer's contribution to our future success and growth;

compensation of all levels of employees within Microtune to ensure internal pay equity is preserved;

executive compensation at certain other companies to ensure that our compensation levels are competitive based on our review of companies included in the Radford Survey; and

our recent overall financial and business performance.

In addition, executives and other employees may receive an additional increase in base salary if warranted because of promotions, retention concerns and market conditions. The base salaries paid to our named executive officers in 2009 can be found below in the Summary Compensation Table.

2008 Salary Adjustments

On April 29, 2008, the Board of Directors, upon the recommendation of the Compensation Committee, approved increases in the annual base salaries for the company's named executive officers and officers subject to Section 16 of the Securities and Exchange Act of 1934, as amended, effective May 1, 2008 as set forth in the table below:

Executive Officer	Position	Adjusted Base Salary
James A. Fontaine	Chief Executive Officer and President	\$ 350,000
Jeffrey A. Kupp ⁽¹⁾	Former Chief Financial Officer	\$ 256,025
Albert Taddiken ⁽²⁾	Former Chief Operating Officer	\$ 256,025
Robert S. Kirk	Vice President of Worldwide Sales	\$ 166,002
Barry F. Koch ⁽³⁾	Executive Vice President and Managing Director of Microtune GmbH & Co. KG	147,624 ⁽⁴⁾
Phillip D. Peterson	General Counsel	\$ 210,000

(1) Mr. Kupp resigned from the position of Chief Financial Officer effective December 4, 2009.

(2) Mr. Taddiken resigned from the position of Chief Operating Officer effective June 10, 2009.

(3) Mr. Koch was promoted to the position of Executive Vice President effective June 10, 2009. Mr. Koch continues to serve as Managing Director of Microtune GmbH & Co. KG.

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(4) Mr. Koch is compensated in Euros.

In considering the proposed changes, the Compensation Committee considered each officer's performance measured in accordance with the factors listed above. The Compensation Committee increased the base salaries of the four named executive officers, other than the Chief Executive Officer, an average of 4.5% over their 2007 base salaries.

2009 Salary Adjustments

In 2009, in light of the macroeconomic environment and the associated challenges facing the company, the Board of Directors, upon the recommendations of management and the Compensation Committee, determined not to increase the annual base salaries of our management and to maintain the 2008 base salaries reflected above. As a result, we did not consult the Radford Survey. However, during 2009, we promoted Justin M. Chapman to Chief Financial Officer and, in

connection with such promotion, we consulted the Radford Survey and again reviewed our Radford Peer Group to target his base salary compensation at approximately the 5th percentile or \$190,000, because our compensation philosophy is to gradually adjust base salary compensation of newly promoted named executive officers up to the 50th percentile range incrementally over a several year period.

On October 13, 2009, the Company's Board of Directors, upon the recommendation of the Compensation Committee and as part of the restructuring plan disclosed on a Current Report on Form 8-K filed on October 16, 2009, approved a five percent (5%) reduction in the base salary of the following officers of the Company:

Executive Officer	Position	Adjusted Base Salary
James A. Fontaine	Chief Executive Officer and President	\$ 332,500
Jeffrey A. Kupp ⁽¹⁾	Former Chief Financial Officer	\$ 243,224
Robert S. Kirk	Vice President of Worldwide Sales	\$ 157,702
Barry F. Koch ⁽²⁾	Executive Vice President and Managing Director of Microtune GmbH & Co. KG	154,267 ⁽³⁾
Peter Birch	Vice President and General Manager, DTV Business	\$ 215,000

- (1) Mr. Kupp resigned from the position of Chief Financial Officer effective December 4, 2009.
- (2) Mr. Koch was promoted to the position of Executive Vice President effective June 10, 2009 and received a base salary increase upon this promotion. Mr. Koch continues to serve as Managing Director of Microtune GmbH & Co. KG.
- (3) Mr. Koch is compensated in Euros.

The reductions in base salary became effective on October 16, 2009 and were to continue for a period of eighteen (18) months, unless the Board of Directors determined in its discretion to otherwise modify such base salary compensation. The Board of Directors subsequently determined that if the Company is profitable on a Non-GAAP basis in the first quarter of 2010 that the original salaries would be restored.

Annual Incentive Compensation

Prior to 2006, we had not implemented a formal annual incentive compensation program for our executive officers. However, with the approval of our full Board, we had previously awarded discretionary bonus compensation to certain executives for significant accomplishments that contributed to our results. Consistent with our objective to support a pay for performance compensation philosophy, any annual incentive compensation plans for senior executives must link pay to the achievement of financial goals set in advance by the Compensation Committee, which further the interests of Microtune. In determining each individual executive officer's bonus opportunity, the Compensation Committee considers the input that each individual executive officer can have on the profit and revenue scores in a given year. The Compensation Committee reviews the Company's financial performance and considers whether established targets of an annual incentive compensation program have been met in deciding whether to recommend to the Board to award annual incentive compensation and in what amounts.

Suspension of Annual Incentive Compensation Program for 2009

Upon the recommendations of management and the Compensation Committee, the Board of Directors determined not to adopt an annual incentive compensation program for fiscal year 2009 based on the following factors:

The challenges of forecasting future financial performance in the current macroeconomic environment;

The desirability of limiting compensation expense, limiting stockholder dilution, and preserving cash in the current economic environment; and

The compensation philosophy that establishing annual incentive compensation where year over year financial growth is not likely and where the Company faces potential macroeconomic challenges is not appropriate.

2010 Incentive Compensation Program

On February 10, 2010, the Compensation Committee and the Board, upon the Compensation Committee's recommendation, approved a new incentive compensation program for fiscal 2010 (the 2010 Program). The 2010 Program covers executive officers, key managers, and other key employees and provides for incentive compensation to be paid (to the extent any such compensation is earned) 100% through the performance vesting of restricted stock unit awards.

All payments and awards under the 2010 Program are conditioned on Microtune meeting the revenue and profitability goals described in the 2010 Program for fiscal 2010. The restricted stock unit awards to be made under the 2010 Program are designed to provide an additional alignment of the interests of our executive management and key employees with the interests of stockholders. In accordance with the terms of the 2010 Program and pursuant to the 2000 Stock Plan, the Board approved the terms of the restricted stock unit awards made to our executive officers and key employees covered by the 2010 Program. Under the 2010 Program, the number of the total restricted stock unit awards that will actually vest and result in the issuance of underlying shares is calculated as described below.

Profitability. We have established targets for profitability under the 2010 Program, measured by 2010 Non-GAAP operating income, which is 2010 GAAP operating income, excluding: (1) FASB ASC Topic 718 stock-based compensation expense, amortization of intangibles, restructuring charges, litigation related expenses, and the cost of the 2010 Program itself. We established a series of Non-GAAP operating income levels with corresponding profit scores. The profit scores range from 0% to 70% based upon Microtune's achievement of Non-GAAP operating income goals.

Revenue. In addition, we established a series of revenue levels with corresponding revenue scores under the 2010 Program. The revenue scores vary from 0% to 30% based upon Microtune's achievement of these revenue goals.

To determine the total bonus score, the Compensation Committee will add the profit score (i.e. a range from 0% to 70%) to the revenue score (i.e. a range from 0% to 30%). The total bonus score (i.e. 0% to 100%) will then be used to determine the award of each of the participants in the 2010 Program based on predetermined individual bonus percentiles of base salary.

The maximum total bonus score under the 2010 Program requires both: (i) 2010 Non-GAAP operating income of at least \$6.6 million and (ii) 2010 net revenue of approximately \$102 million.

An aggregate number of 1,405,282 restricted stock unit awards were made under the 2010 Program to our executive officers and other key employees in differing amounts based on their respective responsibilities and each individual's unique ability to impact Microtune's financial performance and business objectives. The projected restricted stock unit award vesting at Plan and Maximum for named executive officers are described below:

Executive Officer	Position	RSU Award Shares	
		At Plan	Maximum
James A. Fontaine	Chief Executive Officer	22,167	147,778
Justin M. Chapman	Chief Financial Officer	9,491	63,270
Barry F. Koch	Executive VP and Managing Director (Microtune GmbH & Co. KG)	14,557	97,044
Robert S. Kirk	Vice President of Worldwide Sales	10,513	70,089

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Phillip D. Peterson

General Counsel

9,800

65,333

Plan describes Microtune's expectations regarding fiscal year 2010 financial performance at the time of the adoption of the 2010 Program.

In addition, we granted restricted stock unit awards under the 2010 Program to other key managers and key employees (who are not named executive officers) totaling 961,768 restricted stock units. Approximately 1,451,000 shares were returned to the 2000 Stock Plan as a result of the recent departure of two senior executives.

The number of restricted stock units granted under the 2010 Program that shall vest will be determined based on a review and evaluation by the Compensation Committee of our performance in fiscal 2010 based upon the terms and conditions of the 2010 Program. Any portion of an executive or key employee's restricted stock unit bonus award that does not vest upon the Compensation Committee's determination shall be forfeited. A participant in the 2010 Program must be an employee of Microtune on the date of the bonus payment to receive his bonus compensation under the 2010 Program. The 2010 Program will terminate according to its terms after the vesting and award determination is made by the Compensation Committee. We may adopt other incentive compensation programs in the future.

Long-Term Equity Incentive Compensation

Microtune currently awards long-term equity incentive compensation to executive officers as part of its overall compensation package. These awards differ from annual incentive compensation by rewarding executives for long-term stockholder value creation, rather than short-term annual financial performance. These awards are consistent with Microtune's policies of offering competitive overall compensation packages, while furthering Microtune's pay for performance compensation philosophy. Long-term equity incentive compensation awards are an important and significant element of the total compensation package for Microtune executives and serve to align the financial interests of our executives with the financial interests of our stockholders and to supplement base salaries which we have historically set at or below market base salaries. The number of shares of our common stock underlying an award and any subsequent awards are based in part on the competitive environment of the technology industry, while also maintaining an overall sense of fairness in the compensation distributed to Microtune employees. When granting long-term equity incentive compensation awards, we consider the current rate and amount of annual vesting of equity-based awards for each individual and whether we believe that such vesting rates and amounts are competitive.

Beginning in 2006, we began to consider the use of RSU awards as long-term equity incentive compensation for key executives in place of traditional incentive stock option grants, initially by using performance-based RSU awards in conjunction with our annual incentive compensation program. We believe RSU awards have certain advantages over stock option grants. Generally, fewer shares of RSUs are awarded as compared to comparable stock option grants, resulting in less dilution to our current stockholders. In addition, depending on our future equity-based incentive award practices, RSU awards could potentially have a lesser impact on Microtune's reported financial results as compared to stock option grants.

In April 2008, our Board of Directors, upon the recommendations of management and the Compensation Committee, determined to make 100% of all future long-term equity incentive compensation awards exclusively in the form of RSU awards, rather than a mix of stock option awards and RSU awards. These RSU awards were made in May 2008 and May 2009 and vest in full in May 2012 and 2013, respectively.

Methodology for Setting Long-Term Equity Incentive Compensation Awards. Originally, the annual stock option grant of 200,000 option shares for the Chief Executive Officer was based on the assumption of a 15% return per year on the common stock of the Company, and a return of 100% to 200% of the annual base salary of the Chief Executive Officer four years from the date of the grant. The annual option grant vested over four years and was based on the stock price at the time of the grant. Once this run rate was established, subsequent annual stock option awards were made in the same manner.

As discussed above, we gradually transitioned from granting stock options to granting RSU s at a reduced quantity but with the same compensation philosophy. The annual stock option or RSU awards for the other named executive officers were then determined using a percentage of the annual award made to the Chief Executive Officer. Generally, the other named executive officers receive annual long-term equity incentive compensation awards in the range of 30% to 60% of the annual long-term equity incentive compensation award that the Chief Executive Officer receives, based on such officer s seniority, performance and responsibility.

In May 2009, we made annual RSU awards to our named executive officers and certain other officers pursuant to the 2000 Stock Plan that vest in May 2013. See the Summary Compensation Table and the Grants of Plan-Based Awards in 2009 table on pages 57 and 59, respectively.

Equity Awards and Practices. Our equity award granting procedures were substantially modified in June 2006 and then again in the first quarter of 2007 as a result of the remediation of deficiencies discovered by management and by the Audit Committee in its investigation of our stock option granting practices, and the desire to further strengthen our internal controls. Our Equity Compensation Award Policy was adopted by our Board of Directors on December 28, 2006 to address these deficiencies and to formalize our equity award granting procedures. This policy was substantially modified in July 2008 to reflect our complete transition from stock option awards to RSU awards and remains in effect. This policy has specific procedures governing the granting of equity awards and new hire equity awards, including:

We have designated an employee highly trained in the legal and accounting implications of equity awards (the Equity Plan Administrator) to be responsible for administering and monitoring equity awards. This employee reports to, and his work is reviewed by, our Chief Financial Officer and General Counsel. His responsibilities include, among other things, (1) reviewing all proposed awards before such awards are submitted to the Board or Compensation Committee to ensure that such awards are being made in accordance with applicable law and corporate authority and to ensure that such awards are complete and accurate in all respects; and (2) ensuring that the exercise price established for any stock option grant is equal to or higher than the fair market value of the underlying common stock on the grant date by comparing such exercise price to the closing price of our common stock on the same date that the grant has occurred;

Except in unusual circumstances, we ensure that all equity awards are reflected in resolutions set forth in the minutes of a meeting of the Board or Compensation Committee. Such minutes are prepared promptly following the action taken at the meeting. If stock option grants are awarded pursuant to a unanimous written consent, we take care to document the circumstances requiring the use of a unanimous written consent. Additionally, the unanimous written consent is signed by the appropriate persons and returned to us for inclusion in our records by the date specified as the grant date;

Except under unusual circumstances, all equity awards to new hires in connection with their offers of employment are awarded once a quarter with an effective grant date of either February 15, May 15, August 15, or November 15 and are approved in a meeting that occurs on or prior to such grant date;

Annual grants to employees for performance or retention are made during the same time periods each year and are awarded with an effective grant date of either May 15 or August 15 and are approved in a meeting that occurs on or prior to such grant date;

No annual stock option grants are made during any period designated as a quarterly blackout period under our insider trading policy;

Our equity award procedures are in writing and are reviewed by our Chief Financial Officer, General Counsel and outside counsel annually to ensure compliance with all applicable laws and regulations; and

In no case are awards made to employees prior to the actual first day of employment.

Our Equity Compensation Award Policy provides that any deviation from the policy must receive prior approval from our Compensation Committee or Board. Such approval may only be given after full consideration of the market timing issues and legal risks associated with any such deviation. The policy generally provides that concerns regarding the timing of any grant should be communicated to our General Counsel or outside counsel by the Chairperson of the Compensation Committee. Finally, the policy provides for documentation of any such deviation.

Annual RSU Awards. We intend to present proposed annual RSU awards to our Compensation Committee and Board of Directors at our upcoming Compensation Committee and Board of Directors meetings in April 2010. Although the proposed annual awards will be approved in April 2010, they will not actually be granted under our 2000 Stock Plan until May 15, 2010, in accordance with the terms of our Equity Compensation Award Policy. We intend to make annual awards for future years, if any, according to a schedule that is substantially similar to that described above. See *Equity Awards and Practices* above for more information regarding our Equity Compensation Award Policy and procedures put into place with respect to our grants of equity compensation.

The Compensation Committee administers our 2000 Stock Plan, 2000 Director Stock Plan and 2000 Employee Stock Purchase Plan.

New Hire RSU Awards. Beginning in the second quarter of 2008 with the implementation of our new RSU award procedures, if an offer to a prospective employee is accepted, the proposed RSU award for the new employee will be submitted to the Compensation Committee for consideration and approval at its next quarterly meeting.

Prior to the quarterly Compensation Committee meeting, the supporting information, including the offer approval form, offer letter and schedule of proposed RSU awards are reviewed by our Equity Plan Administrator. Our General Counsel also prepares form resolutions with an attached schedule (the *RSU Schedule*) describing all of the material terms of the RSU awards to be considered for approval by the Compensation Committee.

Our Equity Plan Administrator reviews the *RSU Schedule* prior to its circulation to the Compensation Committee. Prior to the Compensation Committee meeting, the form resolutions and *RSU Schedule* to be approved are circulated to the members of the Compensation Committee for their review.

The grant date for new hire RSU awards is one of the following dates immediately after the date that the Compensation Committee or the Board of Directors approves the subject RSU awards: February 15, May 15, August 15, or November 15.

After the RSU awards are approved by our Compensation Committee (or Board of Directors), our General Counsel (or outside counsel) prepares minutes reflecting the RSU awards approved in the meeting. These minutes are then sent to the Equity Plan Administrator for his further review. The Equity Plan Administrator reviews all of the terms of the RSU awards and verifies compliance with the Equity Compensation Award Policy. Once the minutes are approved by the Compensation Committee at its subsequent meeting, they are included in the corporate minute books of the Company by our General Counsel.

Although we are currently using RSU awards rather than stock option grants for both new hire equity awards and annual equity awards, our Compensation Committee and Board of Directors may determine in the future to recommend or to make future awards of stock option grants from time to time in their discretion.

Retirement Benefits

We offer our named executive officers the ability to defer compensation pursuant to a 401(k) plan, which is available to all of our U.S. employees. Our Board of Directors, upon the recommendation of our Compensation Committee, approved a 401(k) matching program for all U.S. employees, effective January 1, 2007. In 2010, we reduced the amount of the Company match from \$2,000 to \$500.

Other Compensation

Other non-cash benefits that are offered to the other employees are provided to the executive officers in accordance with our established programs. Other elements of executive compensation include medical and life insurance benefits and the ability to defer compensation pursuant to a 401(k) plan as described above. No other special plans or benefits are offered to our executive officers which are not generally made available to all other employees.

Severance Benefits

We are party to severance and change of control agreements with our executive officers that provide for severance benefits under certain circumstances. These agreements are described below under *Severance and Change of Control Agreements*. The Compensation Committee believes that the benefits provided by these agreements are in the best interests of the Company's stockholders as these agreements ensure management continuity both before and in the event of a change of control transaction, thereby preventing the potential for lost transaction value due to the loss of key management personnel during the pendency of a transaction. Additionally, the Compensation Committee believes that these agreements are important for attracting and retaining executives who are critical to our long-term success and competitiveness.

Severance and Change of Control Agreements. On March 4, 2010, Microtune entered into Amended and Restated Severance and Change of Control Agreements with Messrs. Fontaine, Koch, Chapman, Peterson and Kirk. Pursuant to these agreements, if any of the foregoing officers are terminated without cause or are terminated without cause within six months after a change of control transaction (as defined in such agreements), such officer is entitled to a lump sum payment equal to his base annual compensation plus the maximum bonus (and sales commission in the case of Mr. Kirk) available to him under any bonus program offered by Microtune during the year in which the termination occurs, or if the officer is not eligible for a bonus in the year in which the termination occurs, the maximum bonus available to him under any bonus program offered by Microtune in the most recent prior year for which a bonus was available. In addition, all unvested equity awards held by such officer that would have vested over the twelve month period following such officer's termination will immediately vest. If such officer's employment is terminated more than six months but less than twelve months following a change of control, he is entitled to a lump sum payment equal to 50% of his base annual compensation plus 50% of the maximum bonus available to him under any bonus or commission program offered by Microtune during the year in which the termination occurs, or if such officer is not eligible for a bonus or commission in the year in which the termination occurs, the maximum bonus available to him under any bonus program offered by Microtune in the most recent prior year for which a bonus was available. In addition, all unvested equity awards held by such officer that would have vested over the six month period following such officer's termination will immediately vest.

None of our named executive officers (other than Mr. Barry F. Koch, as is customary in Germany) has any employment agreement with us, other than the Severance and Change of Control Agreements described above. The terms and conditions of the Severance and Change of Control Agreements were determined unilaterally by the Compensation Committee and the Board of Directors and were not the subject of arms-length negotiations between the Company and the executive officers covered under such agreements.

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Potential Payments Upon Termination or Change of Control. The table below reflects the amount of compensation to be paid to each of our named executive officers upon termination or upon termination after a change of control. If any of our named executive officers with whom we have entered into a severance and

change of control agreement were to have been terminated by us on December 31, 2009 as the result of a Constructive Termination, as defined in the agreements, or for any reason other than cause, assuming such termination occurred, in the case of Messrs. Fontaine, Chapman, Kirk, Koch, and Peterson either in the absence of a change of control or within six months following a change of control, each such named executive officer would have been entitled to the following:

a lump sum payment representing the named executive officer's annual base salary;

a lump sum payment representing the maximum bonus available to the named executive officer under any annual bonus program applicable to such named executive officer;

the immediate vesting of all equity awards held by the named executive officer on the date of termination as if such officer had been employed for an additional twelve months from the date of termination; and