

NEOPHOTONICS CORP
Form DEF 14A
April 29, 2011
Table of Contents

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

NeoPhotonics Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(4) Date Filed:

Table of Contents

2911 Zanker Road

San Jose, California 95314 USA

+1-408-232-9200

Dear Stockholder:

I would like to extend an invitation for you to join us at the Annual Meeting of Stockholders (also referred to as the Annual Meeting) of NeoPhotonics Corporation (also referred to as we, us or NeoPhotonics) on June 17, 2011, at 10:00 a.m. Pacific Time at our principal office located at 2911 Zanker Road, San Jose, California 95134 USA.

At this year's meeting, our first as a public company, you will be asked to approve the election of the two nominees for director named in the accompanying proxy statement and to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2011. You will also be asked to approve, on an advisory basis, the compensation of our named executive officers (as defined in the accompanying proxy statement) as well as to vote, on an advisory basis, for your preference as to the frequency of an advisory vote on the compensation of our named executive officers.

I urge you to vote, as the board of directors has recommended:

1. To elect each of our director nominees;
2. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2011;
3. To cast your advisory votes for the compensation of our named executive officers; and
4. To cast your advisory votes to hold an advisory vote on the compensation of our named executive officers every 3 years.

Attached you will find a notice of meeting (which includes a notice of internet availability of our proxy materials) and proxy statement that contains further information about these items, as well as specific details of the meeting.

Only our stockholders of record at the close of business on April 25, 2011 are entitled to vote at the meeting. A list of registered stockholders entitled to vote at the meeting will be available at our office located at 2911 Zanker Road, San Jose, California 95134 USA, for ten days prior to the meeting and at the meeting.

I cordially invite all stockholders to attend the meeting in person. However, to assure your representation at the meeting, we urge you to submit your proxy as promptly as possible.

Your vote is important. Whether or not you expect to attend the meeting, I encourage you to vote. Please use the telephone or internet voting, or sign and return your proxy card prior to the meeting. This will assure that your shares will be represented and voted at the meeting, even if you cannot attend.

Sincerely,

Edgar Filing: NEOPHOTONICS CORP - Form DEF 14A

/s/ Timothy S. Jenks
Timothy S. Jenks

President, Chief Executive Officer and

Chairman of the Board of Directors

San Jose, California

April 29, 2011

Table of Contents

2911 Zanker Road
San Jose, California 95314 USA
+1-408-232-9200

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON JUNE 17, 2011

You are invited to attend the 2011 NeoPhotonics Corporation Annual Meeting of Stockholders:

When June 17, 2011, at 10:00 a.m. Pacific Time.

Where Our principal office located at 2911 Zanker Road, San Jose, California 95134 USA.

Items of Business

Election of the two Class I directors nominated by our board of directors to serve for a three-year term and until their successors are elected (Proposal No. 1);

Ratification of the selection by our Audit Committee of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011 (Proposal No. 2);

Advisory vote regarding the compensation of our named executive officers (Proposal No. 3);

Advisory vote on the frequency of holding an advisory vote regarding the compensation of our named executive officers (Proposal No. 4); and

To conduct such other business as may properly come before the meeting or any adjournment or postponement thereof.

Record Date

Edgar Filing: NEOPHOTONICS CORP - Form DEF 14A

You are entitled to vote if you are a stockholder of record at the close of business on April 25, 2011.

Voting by Proxy

The board of directors is soliciting your proxy to assure that a quorum is present and that your shares are represented and voted at the meeting. Please see the Notice Regarding the Availability of Proxy Materials for information on submitting your proxy over the internet, by telephone, or by mail. If you later decide to vote at the meeting, information on revoking your proxy prior to the meeting is also provided. Please note that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must obtain a proxy issued in your name from that record holder.

Attendance at Meeting

If you plan to attend, please be sure to indicate your attendance when prompted during your internet or telephone submission.

Table of Contents

Recommendations

The board of directors recommends that you vote:

FOR each of our nominees for Class I director (Proposal No. 1);

FOR the ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011 (Proposal No. 2);

FOR the approval, on an advisory basis, of the compensation of our named executive officers (Proposal No. 3); and

Every **3 YEARS** as the preferred frequency with which we are to hold an advisory vote on the compensation of our named executive officers (Proposal No. 4).

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on June 17, 2011 at our principal office located at 2911 Zanker Road, San Jose, California 95314 USA.

The Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, as filed with the Securities and Exchange Commission, are available at <http://IR.neophotonics.com>.

Your vote is important. Whether or not you expect to attend the meeting, please submit your proxy promptly in order to assure that a quorum is present. Thank you for your attention to this important matter.

By order of the board of directors,

/s/ James D. Fay

James D. Fay

Vice President, Chief Financial Officer and

Assistant Secretary

San Jose, California

April 29, 2011

Table of Contents

TABLE OF CONTENTS

	Page
<u>Information About the Meeting</u>	1
<u>Information About These Proxy Materials and Voting</u>	2
<u>Additional Meeting-Related Information</u>	6
<u>Proposal 1 Election of Directors</u>	7
<u>Additional Information About the Board of Directors and Certain Corporate Governance Matters</u>	9
<u>Audit Committee Report</u>	17
<u>Proposal 2 Ratification of Appointment of Independent Registered Public Accounting Firm</u>	18
<u>Proposal 3 Advisory Vote on the Compensation of the Named Executive Officers</u>	20
<u>Proposal 4 Advisory Vote on the Frequency of an Advisory Vote on the Compensation of the Named Executive Officers</u>	21
<u>Management</u>	22
<u>Employee Benefit Plans</u>	24
<u>Security Ownership of Certain Beneficial Owners and Management</u>	25
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	29
<u>Compensation Discussion and Analysis</u>	30
<u>Compensation Committee Report</u>	40
<u>Executive Compensation</u>	41
<u>Director Compensation</u>	54
<u>Compensation Committee Interlocks and Insider Participation</u>	58
<u>Certain Relationships and Related Transactions</u>	59
<u>Other Matters</u>	61
<u>Annex A</u>	A-1

Table of Contents

NEOPHOTONICS CORPORATION

2911 Zanker Road

San Jose, California 95314 USA

+1-408-232-9200

PROXY STATEMENT FOR THE

2011 ANNUAL MEETING OF STOCKHOLDERS

The accompanying proxy is solicited by the board of directors of NeoPhotonics Corporation (also referred to as we, us or NeoPhotonics) for use at the 2011 Annual Meeting of Stockholders (also referred to as the Annual Meeting). **Your vote is very important.** For this reason, the board of directors is requesting that you allow your shares to be represented at the 2011 Annual Meeting of Stockholders by the proxies named on the proxy card. In connection with the solicitation of proxies by the board of directors, we are sending a Notice of Internet Availability of Proxy Materials (the Notice) to our stockholders of record as of April 25, 2011. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the internet or to request a printed copy may be found in the Notice. We intend to mail the Notice to all stockholders of record on or about May 5, 2011.

INFORMATION ABOUT THE MEETING

When and where will the Annual Meeting be held?

The Annual Meeting will be held on June 17, 2011, at 10:00 a.m. Pacific Time at 2911 Zanker Road, San Jose, California 95134 USA. A map and directions are set forth on [Annex A](#) of this proxy statement.

What items will be voted on at the Annual Meeting?

There are four matters scheduled for a vote:

1. Election of two nominees for Class I director named herein to serve until the 2014 Annual Meeting of Stockholders or until their successors have been duly elected and qualified;
2. Ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011;
3. Advisory vote regarding the compensation of our named executive officers; and

Edgar Filing: NEOPHOTONICS CORP - Form DEF 14A

4. Advisory vote on the frequency of holding an advisory vote regarding the compensation of our named executive officers. We will also consider any other business that properly comes before the Annual Meeting. As of April 25, 2011, we are not aware of any other matters to be submitted for consideration at the Annual Meeting. If any other matters are properly brought before the meeting, the persons named in the accompanying proxy card or voting instruction form will vote the shares they represent using their best judgment.

What are the board of directors recommendations?

Our board of directors recommends that you vote:

1. **FOR** the election of each of the two nominees named herein to serve on the board of directors;
2. **FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011;

Table of Contents

3. **FOR** the approval, on an advisory basis, of the compensation of our named executive officers; and
4. Every **3 YEARS** as the preferred frequency with which we are to hold an advisory vote on the compensation of our named executive officers.

Will our directors be in attendance at the Annual Meeting?

NeoPhotonics encourages, but does not require, its directors to attend the annual meetings of stockholders. It is therefore up to each director whether to attend. We will report in the proxy statement for our next annual meeting the number of directors who attended the 2011 Annual Meeting.

INFORMATION ABOUT THESE PROXY MATERIALS AND VOTING

Why did I receive a two-page notice instead of the proxy materials themselves and how can I get the materials?

Pursuant to rules adopted by the Securities and Exchange Commission, we have elected to provide access to our proxy materials over the internet. Accordingly, we are sending a Notice to our stockholders of record as of April 25, 2011. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the internet or to request a printed copy may be found in the Notice. If you choose to receive future proxy materials electronically, you will receive an email next year with instructions containing a link to the proxy materials and a link to the proxy voting site. Your election to receive proxy materials electronically or in printed form by mail will remain in effect until you terminate such election. We believe that this process allows us to provide our stockholders with the information they need in a more timely manner, while reducing the environmental impact and lowering the costs of printing and distributing our proxy materials.

We intend to mail the Notice on or about May 5, 2011 to all stockholders of record entitled to vote at the Annual Meeting.

Will I receive any other proxy materials by mail?

We do not expect to send any proxy materials by mail unless requested.

Who is entitled to vote at the Annual Meeting?

Only stockholders of record at the close of business on the record date, April 25, 2011, are entitled to receive notice of the Annual Meeting and to vote the shares for which they are stockholders of record on that date at the Annual Meeting, or any postponement or adjournment of the Annual Meeting. On the record date, there were 24,651,795 shares of our common stock outstanding. Each share is entitled to one vote.

Stockholders of Record: Shares Registered in Your Name. If on April 25, 2011, your shares were registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, LLC, then you are a stockholder of record. As a stockholder of record, you may vote in person at the Annual Meeting or vote by proxy. Whether or not you plan to attend the Annual Meeting, we urge you to vote by proxy on the internet or over the telephone as instructed below, or fill out and return a proxy card, to ensure your vote is counted.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank. If on April 25, 2011, your shares were held in an account at a brokerage firm, bank, dealer or other similar organization, then you are the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered to be the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker or other agent on how to vote the shares in your account. You are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the Annual Meeting unless you request and obtain a valid proxy from your broker or other agent.

Table of Contents

How can I attend the Annual Meeting?

You will be admitted to the Annual Meeting if you were a NeoPhotonics stockholder or joint holder as of the close of business on April 25, 2011, or you have authority to vote under a valid proxy for the Annual Meeting. You should be prepared to present photo identification for admittance. In addition, if you are a stockholder of record, your name will be verified against the list of stockholders of record prior to admittance to the Annual Meeting. If you are a beneficial owner, you should provide proof of beneficial ownership on the record date, such as your most recent account statement prior to April 25, 2011, a copy of the voting instruction form provided by your broker, trustee, or nominee, or other similar evidence of ownership. If you are a stockholder who is a natural person and not an entity, you and your immediate family members will be admitted to the Annual Meeting, provided you and they comply with the above procedures.

How do I vote?

For Proposal No. 1, you may either vote **FOR** each nominee to the board of directors or you may withhold your vote for any nominee that you specify.

For Proposals Nos. 2 and 3, you may vote **FOR** or **AGAINST**, or abstain from voting.

For Proposal No. 4, you may vote every **3 YEARS**, **2 YEARS** or **1 YEAR**, or abstain from voting.

The procedures for voting are fairly simple:

Stockholder of Record: Shares Registered in Your Name. If you are a stockholder of record, you may vote in person at the Annual Meeting, vote by proxy on the internet, vote by proxy over the telephone or vote by proxy by requesting a proxy card in the mail. Whether or not you plan to attend the Annual Meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the Annual Meeting and vote in person if you have already voted by proxy.

To vote in person, come to the Annual Meeting and we will give you a ballot when you arrive.

To vote via the internet, go to <http://www.proxyvote.com> to complete an electronic proxy card and follow the steps outlined on the secured website. Your vote must be received by 11:59 P.M. Eastern Time on June 16th, 2011 to be counted.

To vote by telephone, dial toll-free +1-800-690-6903 within the United States, Canada and Puerto Rico using a touch-tone phone and follow the instructions provided by the recorded message. Your vote must be received by 11:59 P.M. Eastern Time on June 16th, 2011 to be counted.

To vote by mail, you may do so by first requesting printed copies of the proxy materials by mail and then filling out the proxy card and sending it back in the envelope provided. If you return your signed proxy card to us before the Annual Meeting, we will vote your shares as you direct.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank. If you are a beneficial owner of shares registered in the name of your broker, bank or other nominee, you should have received a Notice containing voting instructions from that organization rather than from NeoPhotonics. Simply follow the voting instructions in the Notice to ensure that your vote is counted. To vote in person at the Annual Meeting, you must obtain a valid proxy from your broker, bank or other nominee. Follow the instructions from your broker or bank, or contact your broker or bank to request a proxy form.

We provide internet proxy voting to allow you to vote your shares on-line, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. However, please be aware that you must bear any costs associated with your internet access, such as usage charges from internet access providers and telephone companies.

Table of Contents

How many votes do I have?

On each matter to be voted upon, you have one vote for each share of common stock you own as of April 25, 2011.

What if I submit a proxy card but do not make specific choices?

Stockholder of Record: Shares Registered in Your Name. If you are a stockholder of record and return a signed and dated proxy card or otherwise vote without marking any voting selections, your shares will be voted as follows:

FOR the election of each of the two nominees named herein to serve on the board of directors;

FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011;

FOR the approval, on an advisory basis, of the compensation of our named executive officers; and

Every **3 YEARS** as the preferred frequency with which we are to hold an advisory vote on the compensation of our named executive officers.

If any other matter is properly presented at the Annual Meeting, your proxy holder (one of the individuals named on your proxy card) will vote your shares as recommended by the board of directors or, if no recommendation is given, will vote your shares using his or her best judgment.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank. If you are a beneficial owner of shares registered in the name of your broker, bank or other nominee, and you do not provide the broker or other nominee that holds your shares with voting instructions, the broker or other nominee will determine if it has the discretionary authority to vote on the particular matter.

Can I change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the Annual Meeting. If you are the record holder of your shares, you may revoke your proxy in any one of four ways:

You may grant a subsequent proxy by telephone or through the internet;

You may submit another properly completed proxy bearing a later date;

You may send a written notice of revocation to our principal executive offices at 2911 Zanker Road, San Jose, California 95134 USA, attention James D. Fay, Chief Financial Officer; or

You may attend the Annual Meeting and notify the election officials at the Annual Meeting that you wish to revoke your proxy and vote in person. Simply attending the Annual Meeting will not, by itself, revoke your proxy.

Your most current proxy card or internet proxy or telephone proxy provided to us is the one that is counted.

If your shares are held by your broker or bank as a nominee or agent, you should follow the instructions provided by your broker or bank.

How are votes counted?

Votes will be counted by the inspector of election appointed for the Annual Meeting, who will separately count FOR, WITHHOLD and broker non-votes with respect to the election of directors, and, with respect to Proposals Nos. 2 and 3, FOR and AGAINST votes, abstentions and broker non-votes. With respect to Proposal No. 4, the inspector of election will separately count 3 YEARS, 2 YEARS and 1 YEAR

Table of Contents

frequency votes, as well as abstentions and broker non-votes. A broker non-vote occurs when a nominee, such as a broker or bank, holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary authority to vote with respect to that proposal and has not received instructions with respect to that proposal from the beneficial owner. In the event that a broker, bank, custodian, nominee or other record holder of our common stock indicates on a proxy that it does not have discretionary authority to vote certain shares on a particular proposal, then those shares will be treated as broker non-votes with respect to that proposal. Accordingly, if you own shares through a nominee, such as a broker or bank, please be sure to instruct your nominee how to vote to ensure that your vote is counted on each of the proposals.

Abstentions and broker non-votes will be treated as shares present for the purpose of determining the presence of a quorum for the transaction of business at the Annual Meeting. Abstentions will be counted towards the tabulation of shares present in person or represented by proxy and entitled to vote and will have the same effect as AGAINST votes on Proposals Nos. 2 and 3. If you abstain from voting on Proposal No. 4, the abstention will not have the effect of an AGAINST vote on each of 3 YEARS, 2 YEARS and 1 YEAR.

How many votes are needed to approve each proposal?

For the election of directors, Proposal No. 1, the two nominees receiving the most FOR votes (from the holders of shares present in person or represented by proxy and entitled to vote on the election of directors) will be elected. Only votes FOR or WITHHOLD will affect the outcome. Broker non-votes will have no effect. Proxies may not be voted for a greater number of persons than the number of nominees named.

To be approved, Proposal No. 2, the ratification of the selection by the Audit Committee of the Board of Directors of PricewaterhouseCoopers LLP as the independent registered public accounting firm of NeoPhotonics for its fiscal year ending December 31, 2011, must receive FOR votes from the holders of a majority of shares present and entitled to vote either in person or by proxy. If you ABSTAIN from voting, it will have the same effect as an AGAINST vote.

To be approved, Proposal No. 3 to approve an advisory resolution regarding the compensation of our named executive officers must receive a FOR vote from the holders of a majority of shares present and entitled to vote either in person or by proxy. If you ABSTAIN from voting, it will have the same effect as an AGAINST vote. Broker non-votes will have no effect.

For Proposal No. 4, the frequency with which NeoPhotonics shall conduct a vote on the compensation of our named executive officers, the selection receiving a majority of the votes present and entitled to vote will be considered the frequency preferred by the stockholders. Votes to ABSTAIN will have the same effect as AGAINST votes for all three alternatives. Broker non-votes will have no effect.

What is a quorum?

We need a quorum of stockholders to hold our Annual Meeting. A quorum exists when at least a majority of the outstanding shares entitled to vote on the record date, April 25, 2011, are represented at the Annual Meeting either in person or by proxy. Your shares will be counted towards the quorum only if you submit a valid proxy or vote at the Annual Meeting. Stockholders who vote ABSTAIN on any proposal and discretionary votes and non-votes by brokers, banks and related agents on routine proposals will be counted towards the quorum requirement.

Where can I find the voting results of the meeting?

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 which we expect to file with the Securities and Exchange Commission by June 23, 2011. If final voting results are not available to us in time to file a Current Report on Form 8-K within four business days after the meeting, we intend to file a Current Report on Form 8-K to publish preliminary results and, within four business days after the final results are known to us, file an amended Current Report on Form 8-K to publish the final results.

Table of Contents

ADDITIONAL MEETING-RELATED INFORMATION

Who is paying for this solicitation?

We will pay for the entire cost of soliciting proxies. In addition to these proxy materials, our directors and employees may also solicit proxies in person, by telephone or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies. We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

How many copies should I receive if I share an address with another stockholder?

The Securities and Exchange Commission has adopted rules that permit companies and intermediaries (for example, brokers) to satisfy the delivery requirements for the Notice and other proxy materials with respect to two or more stockholders sharing the same address by delivering a single Notice or proxy statement addressed to those stockholders. This process, which is commonly referred to as householding, potentially means extra convenience for stockholders and cost savings for NeoPhotonics. If you have received notice from your broker that it will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive the Notice and other proxy materials separately, please notify your broker and our investor relations department in writing at 2911 Zanker Road, San Jose, California 95134 USA, by email at IR@neophotonics.com or by telephone at +1-408-895-6086. If you currently receive multiple copies of the Notice or other proxy materials at your address and would like to request householding of your communications, please contact your broker and our investor relations department as described above.

I also have access to NeoPhotonics Corporation's Annual Report on Form 10-K. Is that a part of the proxy materials?

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, as filed with the Securities and Exchange Commission on March 28, 2011, is available on the internet along with the Notice and other proxy materials at <http://IR.neophotonics.com>. This document constitutes our Annual Report to Stockholders, and is being made available to all stockholders entitled to receive notice of and to vote at the Annual Meeting.

How can I make a proposal to be voted on at next year's annual meeting of stockholders?

To be considered for inclusion in the proxy materials for next year's annual meeting of stockholders, your proposal must be submitted in writing by January 5, 2012, to James D. Fay, Assistant Secretary, c/o NeoPhotonics Corporation, 2911 Zanker Road, San Jose, California 95134 USA, and must comply with all applicable requirements of Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended, or the Exchange Act. If you wish to submit a proposal that is not to be included in next year's proxy materials, but that may be considered at the annual meeting of stockholders to be held in 2012, you must do so in writing following the above instructions not earlier than the close of business on February 18, 2012 and not later than the close of business on March 19, 2012. We advise you to review our bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations, including the different notice submission date requirements in the event our annual meeting for 2012 is held more than 30 days before or after June 17, 2012. The section titled Board selection in this proxy statement provides additional information on the director nomination process.

Who should I contact if I have any questions?

If you have any questions about the Annual Meeting, our proxy materials or your ownership of our common stock, please contact our Investor Relations Department, at 2911 Zanker Road, San Jose, California 95134 USA, telephone +1-408-232-9200.

Table of Contents**MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING****PROPOSAL 1****ELECTION OF DIRECTORS**

Our board of directors is divided into three classes. Our bylaws permit our board of directors to establish by resolution the authorized number of directors, and seven directors are currently authorized. Our directors hold office until their successors have been elected and qualified or appointed, or the earlier of their death, resignation or removal. Vacancies on our board of directors may be filled only by persons elected by a majority of the remaining directors unless the board of directors determines by resolution that any such vacancies shall be filled by the stockholders. A director elected by the board of directors to fill a vacancy in a class shall serve for the remainder of the full term of that class and until the director's successor is duly elected and qualified.

At each annual meeting of stockholders, a class of directors will be elected for a three-year term to succeed the class whose term is then expiring.

On April 26, 2011, after discussion and mutual agreement at a meeting of the board of directors, Stephen T. Jurvetson and Yat Bun (Robert) Peng, who are each current directors of NeoPhotonics, informed the board of directors that they would not stand for re-election to the board of directors at the Annual Meeting. Messrs. Jurvetson's and Peng's decisions were taken in conjunction with the board of directors reducing the authorized number of directors of NeoPhotonics from nine to seven and were not in any way a result of any disagreement between the directors and the board of directors or with NeoPhotonics. In order to keep the director classes of approximately equal size, Björn Olsson was nominated for election as a Class I director and will cease to be a Class III director. As a result, upon the completion of the Annual Meeting, there will be two directors in Class I, three directors in Class II, and two directors in Class III.

Directors are elected by a plurality of the votes present in person or represented by proxy and entitled to vote at the Annual Meeting. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of each of Mr. Jenks and Mr. Olsson. Proxies may not be voted for a greater number of persons than the number of nominees named. In the event that any nominee should be unavailable for election as a result of an unexpected occurrence, shares that would have been voted for that nominee will instead will be voted for the election of such substitute nominee as our Nominating and Corporate Governance Committee may propose. Mr. Jenks and Mr. Olsson have each agreed to serve if elected.

The following table sets forth the names, ages and positions of our directors as of April 25, 2011, the record date:

Name	Age	Position
Timothy S. Jenks	56	President, Chief Executive Officer, Director and Chairman of the Board of Directors
Bandel L. Carano ⁽¹⁾	49	Director
Stephen T. Jurvetson ⁽¹⁾	44	Director
Allan Kwan ⁽²⁾	52	Director
Björn Olsson ⁽¹⁾	54	Director
Yat Bun (Robert) Peng ⁽³⁾	48	Director
Michael J. Sophie ⁽²⁾	53	Director
T. Peter Thomas ⁽¹⁾⁽³⁾	64	Director
Lee Sen Ting ⁽²⁾⁽³⁾	68	Director

(1) Member of the Nominating and Corporate Governance Committee.

Table of Contents

- (2) Member of the Audit Committee.
- (3) Member of the Compensation Committee.

There are no familial relationships among our directors and executive officers.

The following includes a brief biography of each nominee standing for election to the board of directors at the Annual Meeting, with each biography including information regarding the experiences, qualifications, attributes or skills that caused the Nominating and Corporate Governance Committee and the board of directors to determine that the applicable nominee should serve as a member of our board of directors.

Class I director nominees for election for a three-year term expiring at the 2014 Annual Meeting

Timothy S. Jenks has served as our President and Chief Executive Officer and as a member of our board of directors since April 1998. From November 2002 until August 2005, Mr. Jenks also served as Chief Executive Officer of NanoGram Corporation, a nanomaterials applications company that we spun out, and served on its board of directors until July 2010 when it was acquired by Teijin Corporation. From November 2002 until March 2003, Mr. Jenks served as Chief Executive Officer and on the board of directors of NanoGram Devices Corporation, a medical device battery company that we spun out and that was acquired by Greatbatch, Inc. in 2004. Mr. Jenks served as our Chief Executive Officer and as a director at the time we filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code to address certain liabilities, including real estate lease obligations in November 2003. From 1985 until 1998, Mr. Jenks served in several positions of increasing responsibility at Raychem Corporation, a California-based materials engineering company, acquired by Tyco International Ltd. in 1998, including General Manager of its Wire & Cable Division serving the Pacific Rim countries; its Wire & Cable Division in Swindon, United Kingdom serving the Europe and the Middle East, and Vice President and General Manager of its electrical products division, based in Munich, Germany and having operations in locations including the United States, Germany, Russia, Singapore, Saudi Arabia and the United Kingdom. Since March 2010, Mr. Jenks has served as a director of Ignis ASA, an optical technology company based in Norway in which, as of April 25, 2011, we have a minority equity investment of approximately 18.7% of the outstanding equity. Mr. Jenks is a former naval officer, and holds a master of business administration degree from the Stanford Graduate School of Business, a master of science degree in nuclear engineering from the Massachusetts Institute of Technology and a bachelor of science degree in mechanical engineering and marine engineering from the U.S. Naval Academy. Mr. Jenks brings to our board of directors demonstrated leadership and management ability at senior levels. In addition, his years of experience in engineered components industries, as well as his leadership in engineering and manufacturing business operations in several countries around the world, provide a valuable perspective for our board. He also brings continuity to our board and deep historic knowledge of our company through his tenure as Chief Executive Officer.

Björn Olsson has served as a member of our board of directors since February 2009. Since July 2009, Mr. Olsson has been a Founding Partner and board member of EMA Technology AB, a Swedish investment company. In the first half of 2009, Mr. Olsson was engaged in market and business research related to founding EMA Technology AB. Previously, Mr. Olsson was Executive Vice President and a member of the Ericsson Group Management Team from January 2004 until December 2008. He joined Telefonaktiebolaget LM Ericsson in 1981 and held several senior management positions, including head of the Broadband, Cellular Systems (North American Standards), Transmission Networks and Systems business units, and as Chief Information Officer. Mr. Olsson holds a master of science in industrial management and engineering from the Linköping Institute of Technology in Sweden. Mr. Olsson has more than 25 years of experience in telecommunications, information technology, general management and leadership experience in the telecommunications industry and wireless systems development and architecture globally. With his extensive knowledge of our industry and locally in Europe, Mr. Olsson brings a deep understanding of our customers' end markets, providing valuable guidance and direction to our management team and board of directors.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR ALL CLASS I DIRECTOR NOMINEES.

Table of Contents

ADDITIONAL INFORMATION ABOUT THE BOARD OF DIRECTORS

AND CERTAIN CORPORATE GOVERNANCE MATTERS

In addition to the two Class I director nominees, NeoPhotonics has two Class I directors whose term of office expires at the Annual Meeting and five other directors in two other classes who will continue in office after the Annual Meeting with terms expiring in 2012 and 2013. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control. Under Delaware law, our directors may be removed for cause by the affirmative vote of the holders of a majority of our voting stock.

The following includes a brief biography of each other director composing the remainder of the board of directors with terms expiring as shown, with each biography including information regarding the experiences, qualifications, attributes or skills that caused the board of directors to determine that the applicable director should serve as a member of our board of directors.

Class I directors continuing in office until the 2011 Annual Meeting and not standing for re-election

Stephen T. Jurvetson has served as a member of our board of directors since March 2004. Since 1997, Mr. Jurvetson has been a Managing Director of Draper Fisher Jurvetson, a venture capital firm. Mr. Jurvetson is a director of Tesla Motors, Inc., a publicly traded company, and Synthetic Genomics, Inc., Space Exploration Technologies and several other private companies. From June 1990 until September 1993, Mr. Jurvetson served as a Consultant at Bain & Company, Inc. From 1987 to September 1989, Mr. Jurvetson served as a part-time research and development engineer at Hewlett-Packard Company, where he worked on communications chip designs. His prior technical experience also includes programming, materials science research (such as electron microscope imaging of semiconductors), and computer design at Hewlett-Packard's PC Division, the Center for Materials Research, and Mostek Corporation. Mr. Jurvetson holds a master of business administration degree from the Stanford Graduate School of Business, a master of science degree in electrical engineering and a bachelor of science degree in electrical engineering from Stanford University. Mr. Jurvetson has extensive experience in technology development and in assessing technology trends and their impact on markets. His years of venture capital investing, knowledge of semiconductor devices and electronic design, and his creative insights for new technology strategies provide a valuable perspective for our board of directors.

Robert Peng has served as a member of our board of directors since July 2005. Since January 2000, Mr. Peng has served as the Managing Director of China Investments of CEF Holdings Ltd., an investment holding company. Mr. Peng is the Managing Director of Concord Investments Company Ltd., an investment holding company and a director of Changyuan Group Ltd., a heat-shrinkable products manufacturer listed on the Shanghai Stock Exchange. Mr. Peng holds a master of business administration degree from the Chinese University of Hong Kong and a bachelor of arts degree in business administration from the University of Washington. As a China-based venture capitalist working with manufacturing and infrastructure companies, Mr. Peng has provided our management and board of directors with important guidance during the growth of our operations in China.

Class II directors continuing in office until the 2012 Annual Meeting

Bandel L. Carano has served as a member of our board of directors since March 2004. Since 1987, Mr. Carano has been a General Partner of Oak Investment Partners, a venture capital firm he joined in 1985. Mr. Carano is a director of Airspan Networks Inc., Virata, Inc. and Kratos Defense and Security Solutions, Inc. In addition, Mr. Carano has previously invested in and served on the board of directors of public companies including Tele Atlas BV, Synopsys, Inc., FiberTower Corporation and Polycom, Inc. as well as Presidio Network Solutions, a privately held company. Mr. Carano also serves on the Investment Advisory Board of the Stanford Engineering Venture Fund. Mr. Carano holds both a master of science degree and a bachelor of science degree in

Table of Contents

electrical engineering from Stanford University. As a venture capitalist, Mr. Carano has been involved with numerous technology companies in the telecommunications, wireless, rich media and semiconductor industries including 2Wire, Inc., Avici Systems, Qtera Corporation, Sentient Networks, Inc. and Wellfleet Communications, among others. Mr. Carano's years of venture capital investing, his experience as a director of various public companies and his insights in building these businesses provide valuable perspective to the board of directors.

T. Peter Thomas has served as a member of our board of directors since 1996. Since April 2004, Mr. Thomas has been a Founder and Managing Director of ATA Ventures, a venture capital firm. He was previously a General Partner at Institutional Venture Partners, a venture capital firm, from 1985 to 2000. Prior to his venture experience, Mr. Thomas worked in a variety of engineering and management positions in high tech companies. His last role from 1975 to 1982 was with Intel Corporation. In the past five years, he has previously been a board member of public companies, including Transmeta Corporation, Atmel Corporation and @Road, Inc. He is presently a director of several privately-held companies. Mr. Thomas holds a master of science degree in computer science from Santa Clara University and a bachelor of science degree in electrical engineering from Utah State University. Mr. Thomas' years of experience investing in and serving on the board of directors of multiple successful semiconductor and communications-related companies brings significant industry expertise and perspective to the board of directors. His long-standing experience on our board of directors since our founding, as well as his experience on numerous other boards of directors, enables him to provide key insight, historical knowledge and guidance to our management team and board of directors.

Michael J. Sophie has been a member of our board of directors since November 2006. Mr. Sophie has served as a director of Pericom Semiconductor Corporation since August 2008. Mr. Sophie also served as interim President and Chief Executive Officer of Proxim Wireless Corporation, a provider of wireless broadband technologies, from October 2010 to January 2011. Since May 2006, Mr. Sophie has served on the boards of several private companies and provided advisory services. From October 2007 to December 2007, Mr. Sophie served on the board of directors of Marvell Technology Group, a provider of storage, communications and consumer silicon solutions. From March 2003 to January 2007, Mr. Sophie served on the board of directors of McDATA Corporation Ltd., a provider of storage networking solutions. He was previously employed at UTStarcom Inc., a global seller of telecommunications hardware and software products, serving as its Chief Financial Officer from August 1999 through August 2005, and as Chief Operating Officer from June 2005 through May 2006. Previously, Mr. Sophie held executive positions at P-Com, Inc., a developer of network access systems, from August 1993 to August 1999, including Vice President of Finance, Chief Financial Officer and Group President. From 1989 through 1993, Mr. Sophie was Vice President of Finance at Loral Fairchild Corp., a unit of Loral, a defense electronics and communications company. He holds a bachelor of science degree from California State University, Chico and a master of business administration degree from the University of Santa Clara. On May 1, 2008, the Securities and Exchange Commission issued an order in which UTStarcom, its then Chief Executive Officer, and Mr. Sophie, its former Chief Financial Officer, were ordered to cease and desist from causing or committing violations of federal securities laws described in the order. These laws require filing accurate periodic reports with the Securities and Exchange Commission, making and keeping accurate books and records, devising and maintaining adequate internal accounting controls, and accurately providing the officer's certification that must accompany a publicly traded company's periodic reports. The order stated that the two individuals failed to implement and maintain adequate internal controls and falsely certified that UTStarcom's financial statements and books and records were accurate, as more fully set forth in the order. Mr. Sophie agreed to pay a civil fine of \$75,000 and consented to the order without admitting or denying the findings (other than Securities and Exchange Commission jurisdiction). The order did not prevent Mr. Sophie from serving as an officer or director of a publicly traded company. Mr. Sophie brings to our board of directors valuable capabilities in financial understanding, business perspective and U.S.-China cross border experience. Mr. Sophie provides an important role in keeping our board of directors current with audit issues, collaborating with our independent registered public accounting firm and management team and providing guidance and advice on our financial position.

Table of Contents**Class III directors continuing in office until the 2013 Annual Meeting**

Allan Kwan has served as a member of our board of directors since November 2008. Since April 2007, Mr. Kwan has been a Venture Partner of Oak Investment Partners, a venture capital firm. From May 2007 to May 2008, Mr. Kwan served on the board of directors of Linktone Ltd., a China-based wireless content and applications provider. From July 2001 until April 2007, Mr. Kwan served first as Managing Director of North Asia, then as Vice President International of Yahoo! Inc. Mr. Kwan previously served as Chairman and Chief Executive Officer of Asia.com, a provider of web services, and in various senior executive positions at Motorola and Nortel. Mr. Kwan holds a bachelor of applied science degree in mechanical engineering from the University of British Columbia in Canada, a master of business administration degree from the Wharton School, University of Pennsylvania, and a master of arts degree in international studies from the University of Pennsylvania. Mr. Kwan's leadership experience in senior management and corporate development positions in North America and China, as well as his operating experience in wireline and wireless telecommunications businesses, brings significant industry expertise, cross border expertise and an important global perspective to the board of directors.

Lee Sen Ting has served as a member of our board of directors since October 2007. Since May 2009, Mr. Ting has served as a General Partner of two venture capital funds affiliated with W.R. Hambrecht + Co., LLC. From 2003 through April 2009, Mr. Ting served as a Managing Director at W.R. Hambrecht + Co., LLC, a financial services firm. From October 2000 to March 2002, Mr. Ting served as an Advisory Director to W.R. Hambrecht + Co. LLC. From July 1965 to August 2000, Mr. Ting served in various roles at Hewlett-Packard Company, most recently as Corporate Vice President and a Managing Director. Mr. Ting is a director of the Lenovo Group, a Chinese hardware manufacturer, and Microelectronics Technology Inc. Mr. Ting holds a bachelor of science degree in electrical engineering from Oregon State University and is a graduate of the Stanford Executive Program. Mr. Ting has more than 40 years experience in management and banking positions in the United States and internationally. His lengthy operating experience at Hewlett Packard provided him with extensive knowledge about operating in multiple Asian countries as well as dealing with cross-border management issues. This extensive background and international perspective provides valuable insights to our board of directors.

Previous selection of directors

Prior to the initial public offering of our common stock, which occurred at the beginning of February 2011, we had entered into a voting agreement with certain holders of our common stock and preferred stock. Pursuant to this voting agreement, Mr. Carano, Mr. Thomas, Mr. Juvetson, Mr. Peng, Mr. Sophie and Mr. Ting were elected as directors. This voting agreement terminated upon completion of our initial public offering, and there are no further contractual arrangements regarding the election of our directors of which we are aware.

Director independence

Our common stock is listed on the New York Stock Exchange. Under the rules of the New York Stock Exchange, independent directors must comprise a majority of a listed company's board of directors within a specified period following that company's listing date in conjunction with its initial public offering. In addition, the rules of the New York Stock Exchange require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating and corporate governance committees be independent. Audit Committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Securities Exchange Act of 1934. Under the rules of the New York Stock Exchange, a director will only qualify as an independent director if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Our board of directors has previously undertaken a review of the independence of the directors and considered whether any director has a material relationship with us that could compromise his ability to exercise

Table of Contents

independent judgment in carrying out his responsibilities. As a result of this review, our board of directors determined that each of Messrs. Carano, Jurvetson, Kwan, Olsson, Peng, Sophie, Thomas and Ting are independent directors as defined under the rules of the New York Stock Exchange, constituting a majority of independent directors of our board of directors as required by the rules of the New York Stock Exchange. In making these determinations, our board of directors reviewed and discussed information provided by the directors and us with regard to each director's business and personal activities and relationships as they may relate to us and our management.

Board leadership structure

Our board of directors is currently chaired by our President and Chief Executive Officer, Mr. Jenks, and our board of directors has appointed Mr. Sophie as lead independent director effective upon the closing of our initial public offering in February 2011. The board of directors believes that combining the positions of Chief Executive Officer and chairman of the board of directors, or Chairman, helps to ensure that the board of directors and management act with a common purpose. The board of directors further believes that combining the positions of Chief Executive Officer and Chairman provides a single, clear chain of command to execute our strategic initiatives and business plans. In addition, the board of directors believes that a combined Chief Executive Officer and Chairman is better positioned to act as a bridge between management and the board of directors, facilitating the regular flow of information. In light of the Chief Executive Officer's extensive history with and knowledge of NeoPhotonics, and because the board of directors' lead independent director is empowered to play a significant role in the leadership and in reinforcement of the independence of the board of directors, the board of directors believes that it is advantageous for NeoPhotonics to combine the positions of Chief Executive Officer and Chairman.

The board of directors appointed Mr. Sophie as the lead independent director in August 2010 to help reinforce the independence of the board of directors. The board of directors intends to rotate the position of lead independent director on an annual basis. The responsibilities of the lead independent director include: with the Chairman, establishing the agenda for regular board of directors meetings and serving as chairman of such meetings in the absence of the Chairman; establishing the agenda for meetings of the independent directors; coordinating with the committee chairs regarding meeting agendas and informational requirements; presiding over meetings of the independent directors; presiding over any portions of meetings of the board of directors at which the evaluation or compensation of the Chief Executive Officer is presented or discussed; presiding over any portions of meetings of the board of directors at which the performance of the board of directors is presented or discussed; and coordinating the activities of the other independent directors and performing such other duties as may be established or delegated by the Chairman. As a result, the board of directors believes that the lead independent director can help ensure the effective independent functioning of the board of directors in its oversight responsibilities.

Role of the board in risk oversight

One of the key functions of the board of directors is informed oversight of our various processes for managing risk. The board of directors administers this oversight function directly through the board of directors as a whole, as well as through the standing committees of the board of directors that address risks associated with their respective areas of oversight. In particular, our board of directors is responsible for monitoring and assessing risk exposure in our strategic plans, development programs, corporate goals and operating plans. Our Audit Committee has the responsibility to consider and discuss our major exposures to financial risk and the steps our management takes to monitor and control these exposures, including guidelines, policies and processes. The Audit Committee monitors our compliance with various legal and regulatory requirements, our whistleblower system, in addition to oversight of the performance of our internal audit function. Our Nominating and Corporate Governance Committee monitors the effectiveness of our corporate governance guidelines and policies. Our Compensation Committee assesses and monitors whether any of our compensation policies and

Table of Contents

programs has the potential to encourage excessive risk-taking. In addition, the board of directors meets with certain members of our executive team, including the heads of our different organizational functions, who discuss the risks and exposures involved in their respective areas of responsibility as well as any developments that could impact our risk profile or other aspects of our business.

Meetings of the board of directors

The board of directors met eleven times during the fiscal year ended December 31, 2010. All directors attended at least 75 percent of the aggregate of the meetings of the board of directors and the committees on which they served held during the period for which they were a director and committee member, respectively.

As required under applicable NYSE listing standards, our independent directors shall meet in regularly scheduled executive sessions at which only independent directors are present. Mr. Sophie, in his capacity as lead independent director, will preside over the executive sessions.

Board committees

Our board of directors has an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee, each of which has the composition and responsibilities described below.

Audit Committee. Our Audit Committee oversees our corporate accounting and financial reporting processes. For that purpose, our Audit Committee, among other things:

evaluates the qualifications and performance of our independent registered public accounting firm;

determines and approves the scope of engagement and compensation of our independent registered public accounting firm;

confers with management and our independent registered public accounting firm regarding the effectiveness of our internal control over financial reporting; and

establishes procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters.

Our Audit Committee also has certain responsibilities, including without limitation, the following:

selecting and hiring the independent registered public accounting firm;

supervising and evaluating the independent registered public accounting firm;

approving audit and non-audit services and fees;

reviewing and discussing with management and the independent registered public accounting firm our annual audited and quarterly financial statements, the results of the independent audit and the quarterly reviews, and the reports and certifications regarding internal control over financial reporting and disclosure controls; and

Edgar Filing: NEOPHOTONICS CORP - Form DEF 14A

reviewing reports and communications from the independent registered public accounting firm. The Audit Committee met nine times during the fiscal year ended December 31, 2010. The members of our Audit Committee are Messrs. Sophie, Kwan and Ting. Our board of directors has determined that Mr. Sophie is an audit committee financial expert as defined under applicable Securities and Exchange Commission rules. Mr. Sophie has also been appointed to serve as the chairman of our Audit Committee. Our board of directors has considered the independence and other characteristics of each member of our Audit Committee. In determining Mr. Kwan's independence, our board of directors considered Mr. Kwan's position as a venture partner of Oak Investment Partners, including his lack of voting and dispositive power over any of our shares held by Oak Investment Partners.

Table of Contents

The Audit Committee has a written charter, which can be found on our corporate website at <http://IR.neophotonics.com>. The inclusion of our website address in this proxy statement does not include or incorporate by reference the information on our website into this proxy statement.

Compensation Committee. Our Compensation Committee oversees our corporate compensation policies, plans and benefits programs. The functions of this committee include:

reviewing and approving the compensation and other terms of employment of our executive officers and senior members of management and reviewing and approving corporate performance goals and objectives relevant to such compensation;

reviewing and approving the compensation of our directors; and

administering our stock option plans, stock purchase plans, compensation plans and similar programs, including the adoption, amendment and termination of such plans.

See Compensation Discussion and Analysis in this proxy statement for further information regarding our Compensation Committee's processes.

The Compensation Committee met eight times during the fiscal year ended December 31, 2010. Until the Annual Meeting, the members of our Compensation Committee are Messrs. Peng, Thomas and Ting. After the Annual Meeting, the members of our Compensation Committee will be Messrs. Olsson, Thomas and Ting. Mr. Thomas has been appointed to serve as the chairman of our Compensation Committee. We believe that each member of our Compensation Committee meets the requirements for independence under the current requirements of the New York Stock Exchange, is a non-employee director as defined by Rule 16b-3 promulgated under the Exchange Act, and is an outside director as defined pursuant to Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code).

The Compensation Committee has a written charter, which can be found on our corporate website at <http://IR.neophotonics.com>. The inclusion of our website address in this proxy statement does not include or incorporate by reference the information on our website into this proxy statement.

Nominating and Corporate Governance Committee. Our Nominating and Corporate Governance Committee currently consists of Messrs. Carano, Jurvetson, Olsson and Thomas, each of whom is a non-employee member of our board of directors. After the Annual Meeting, the members of our Nominating and Corporate Governance Committee will be Messrs. Carano, Olsson and Thomas. Mr. Carano has been appointed to serve as the chairman of our Nominating and Corporate Governance Committee. Our board of directors has determined that each of the directors serving on our Nominating and Corporate Governance Committee is independent within the meaning of the listing standards of the New York Stock Exchange. The functions of this committee include:

assessing the performance of our management and our board of directors;

identifying, reviewing, and evaluating candidates to serve on our board of directors, including nominations by stockholders of candidates for election to our board of directors;

reviewing and evaluating incumbent directors;

making recommendations to our board of directors regarding the membership of the committees of the board of directors; and

developing a set of corporate governance principles.

Edgar Filing: NEOPHOTONICS CORP - Form DEF 14A

The Nominating and Corporate Governance Committee did not meet during the fiscal year ended December 31, 2010. The Nominating and Corporate Governance Committee has a written charter, which can be found on our corporate website at <http://IR.neophotonics.com>. The inclusion of our website address in this proxy statement does not include or incorporate by reference the information on our website into this proxy statement.

Table of Contents

Board selection

The Nominating and Corporate Governance Committee believes that candidates for director should have certain minimum qualifications, including being able to read and understand basic financial statements, having the highest personal integrity and ethics, possessing relevant expertise, having sufficient time, having the ability to exercise sound business judgment and having the commitment to rigorously represent the long-term interests of our stockholders. The Nominating and Corporate Governance Committee retains the right to modify these qualifications from time to time. Candidates for director nominees, including incumbent directors and candidates for vacancies on the board of directors, are reviewed in the context of the current composition of the board of directors, our operating requirements and the long-term interests of stockholders. In selecting candidates and existing directors for service on the board of directors, the minimum general criteria set forth below will be considered; specific additional criteria may be added with respect to specific searches. An acceptable candidate may not fully satisfy all of the criteria, but is expected to satisfy nearly all of them. Candidates for director should have certain minimum qualifications, including being able to read and understand basic financial statements and having the highest personal integrity and ethics. In considering candidates, the Nominating and Corporate Governance Committee intends to consider such factors as possessing relevant expertise upon which to be able to offer advice and guidance to management, having sufficient time to devote to the affairs of NeoPhotonics, having the ability to exercise sound business judgment and having the commitment to rigorously represent the long-term interests of our stockholders.

Candidates for director nominees are reviewed in the context of the current composition of the board of directors, the operating requirements of NeoPhotonics and the long-term interests of stockholders. In conducting this assessment, the Nominating and Corporate Governance Committee considers diversity, age, skills, and such other factors as it deems appropriate given the current needs of the board of directors and NeoPhotonics, to maintain a balance of knowledge, experience and capability. While the Nominating and Corporate Governance Committee does not have a formal policy with respect to the diversity of the members of the board of directors, diversity is typically one of a number of factors that the Nominating and Corporate Governance Committee takes into account in identifying nominees as it is important that the members of the board of directors represent diverse viewpoints. In the case of incumbent directors whose terms of office are set to expire, the Nominating and Corporate Governance Committee reviews such directors' overall service to NeoPhotonics during their term, including the number of meetings attended, level of participation, quality of performance, and any other relationships and transactions that might impair such directors' independence. In the case of new director candidates, the Nominating and Corporate Governance Committee also determines whether the nominee is independent for New York Stock Exchange purposes. In fiscal 2010, the Nominating and Corporate Governance Committee did not pay a fee to any third party to assist in the process of identifying or evaluating director candidates. To date, the Nominating and Corporate Governance Committee has not rejected a timely director nominee from a stockholder or stockholders holding more than 5 percent of our voting stock.

The Nominating and Corporate Governance Committee will consider director candidates recommended by stockholders. The Nominating and Corporate Governance Committee does not intend to alter the manner in which it evaluates candidates, including the minimum criteria set forth above, based on whether the candidate was recommended by a stockholder or not. Stockholders who wish to recommend individuals for consideration by the Nominating and Corporate Governance Committee to become nominees for election to the board of directors and for inclusion in a proxy statement may do so by delivering a written recommendation to the Nominating and Corporate Governance Committee at the following address: 2911 Zanker Road, San Jose, California 95134 USA at least 120 days prior to the anniversary date of the mailing of our proxy statement for the prior year's annual meeting of stockholders. Submissions must include the full name of the proposed nominee, a description of the proposed nominee's business experience for at least the previous five years, complete biographical information, a description of the proposed nominee's qualifications as a director and a representation that the nominating stockholder is a beneficial or record owner of our stock. Any submission must be accompanied by the written consent of the proposed nominee to be named as a nominee and to serve as a director if elected.

Table of Contents

Stockholder communications with the board of directors

We have not adopted a formal process for stockholder communications with the board of directors. However, every reasonable effort has been made to ensure that the views of stockholders are heard by the board of directors or individual directors, as applicable, and that appropriate responses are provided to stockholders in a timely manner. Our stockholders may direct communications to a particular director or to the independent directors generally, in care of: NeoPhotonics Corporation, 2911 Zanker Road, San Jose, California 95134 USA.

Corporate governance

Our board of directors has adopted Corporate Governance Guidelines (the Guidelines) that outline, among other matters, the role of the board of directors and the responsibilities of various committees of the board of directors. These Guidelines are available, along with other important corporate governance materials, on our website at <http://IR.neophotonics.com>. The inclusion of our website address in this proxy statement does not include or incorporate by reference the information on our website into this proxy statement. The Guidelines assure that the board of directors will have the necessary authority and practices in place to review and evaluate our business operations as needed and to make decisions that are independent of our management. The Guidelines are also intended to align the interests of directors and management with those of our stockholders. The Guidelines set forth the practices the board of directors intends to follow with respect to board composition and selection, the role of the board of directors, director orientation and education, director compensation, board meetings and involvement of senior management, board committees, Chief Executive Officer performance evaluation and succession planning and board assessment.

Code of business conduct and ethics

Our board of directors has adopted a code of business conduct and ethics that applies to all of our employees, officers and directors, including those officers responsible for financial reporting. The code of business conduct and ethics is available on our website at <http://IR.neophotonics.com>. We intend to disclose future amendments to the code of business conduct and ethics, or any waivers of its requirements on our website to the extent permitted by the applicable rules and exchange requirements. The inclusion of our website address in this proxy statement does not include or incorporate by reference the information on our website into this proxy statement.

Table of Contents

AUDIT COMMITTEE REPORT*

Communications with management and independent registered public accounting firm

The Audit Committee has reviewed and discussed our audited financial statements with management. In addition, the Audit Committee has discussed with PricewaterhouseCoopers LLP, our independent registered public accounting firm, the matters required to be discussed by Statement on Auditing Standards No. 61, Communications with Audit Committees, which includes, among other items, matters related to the conduct of the audit of our financial statements. The Audit Committee has also received the written disclosures and letter required by applicable requirements of the Public Company Accounting Oversight Board regarding PricewaterhouseCoopers LLP's communications with the Audit Committee concerning independence. The Audit Committee has reviewed PricewaterhouseCoopers LLP's independence from NeoPhotonics Corporation, including whether PricewaterhouseCoopers LLP's provision of non-audit services was compatible with that independence.

Recommendation regarding financial statements

Based on the review and discussions referred to above, the Audit Committee unanimously recommended to our board of directors that NeoPhotonics Corporation's audited fiscal 2010 financial statements be included in our Annual Report on Form 10-K for fiscal 2010.

From the members of our Audit Committee:

Michael J. Sophie, Chairman

Allan Kwan

Lee Sen Ting

* This report shall not constitute soliciting material, shall not be deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any of our other filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent we specifically incorporate this report by reference therein.

Table of Contents**PROPOSAL 2****RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of our board of directors has selected PricewaterhouseCoopers LLP, our independent registered public accounting firm, to audit our consolidated financial statements for the fiscal year ending December 31, 2011. PricewaterhouseCoopers LLP has audited our consolidated financial statements since fiscal 1997. You are being asked to ratify the Audit Committee's selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal 2011.

We expect that a PricewaterhouseCoopers LLP representative will be present at the Annual Meeting, will have the opportunity to make a statement if he or she desires to do so, and will be available to respond to appropriate questions.

Stockholder ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm is not required by our bylaws or otherwise. Our board of directors is submitting the selection of PricewaterhouseCoopers LLP to our stockholders for ratification as a matter of good corporate governance. However, the Audit Committee is not bound by a vote either for or against this proposal. The Audit Committee will consider a vote against PricewaterhouseCoopers LLP by the stockholders in selecting our independent registered public accounting firm in the future. Even if the stockholders do ratify the appointment, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if it believes that such a change would be in the best interest of NeoPhotonics and our stockholders.

Stockholder approval of this Proposal 2 requires a **FOR** vote from at least a majority of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote. An **ABSTENTION** vote will have the same effect as a vote **AGAINST** this Proposal 2. Discretionary votes by brokers, banks and related agents on this routine proposal will be counted towards the quorum requirement and will affect the outcome of the vote.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE RATIFICATION OF THE SELECTION OF PRICEWATERHOUSECOOPERS LLP TO SERVE AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL 2011.

Principal accountant fees and services

The following table presents fees for services provided by PricewaterhouseCoopers LLP for the years ended December 31, 2009 and 2010. All fees described below were approved by the Audit Committee.

Year	Audit Fees (1)	Audit-Related Fees	Tax Fees (2)	All Other Fees (3)	Total Fees
2009	\$ 713,800		\$ 19,554	\$ 25,600	\$ 758,954
2010	\$ 2,270,500		\$ 50,030	\$ 343,212	\$ 2,663,742

(1) **Audit Fees** consist of fees for professional services provided in connection with the audit of our financial statements and review of our quarterly financial statements, and for 2010 include \$1,397,500 related to services in connection with our initial public offering, including comfort letters, consents and review of documents filed with the Securities and Exchange Commission.

(2) **Tax Fees** consists of fees for assistance with state tax proceedings and international tax compliance services relating to certain foreign subsidiaries.

(3) **All Other Fees** consists of fees for foreign transaction consulting services and other miscellaneous services.

Table of Contents

Pre-approval policies and procedures

Applicable Securities and Exchange Commission rules requiring the Audit Committee to pre-approve all audit and non-audit services to be performed by our independent registered public accounting firm are subject to certain exceptions relating to non-audit services accounting for less than five percent of the total fees paid to our independent registered public accounting firm which are subsequently ratified by the Audit Committee referred to in this Proposal 2 as the De Minimus Exception .

Table of Contents

PROPOSAL 3

ADVISORY VOTE ON THE COMPENSATION OF THE NAMED EXECUTIVE OFFICERS

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, and Section 14A of the Exchange Act, our stockholders are now entitled to vote, on an advisory basis, to approve the compensation of our named executive officers as disclosed in this proxy statement in accordance with the rules of the Securities and Exchange Commission. Accordingly, we are requesting your advisory approval of the compensation of our named executive officers, as disclosed in the compensation discussion and analysis, the compensation tables, and the narrative discussion set forth on pages 30 to 39 of this proxy statement. This non-binding advisory vote is commonly referred to as a say on pay vote.

Our Compensation Committee, which is responsible for designing and administering our executive compensation program, has designed our executive compensation program to provide a competitive and internally equitable compensation and benefits package that reflects company performance, job complexity, and strategic value of the position while ensuring long-term retention and motivation and alignment with the long-term interests of our stockholders. We encourage you to carefully review the section entitled Compensation Discussion and Analysis beginning on page 30 of this proxy statement for additional details on the compensation of our named executive officers, including our compensation philosophy and objectives, as well as the reasons and processes our Compensation Committee used to determine the structure and amounts of the 2010 compensation of our named executive officers.

We are asking you to indicate your support for our named executive officer compensation as described in this proxy statement. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this proxy statement. Accordingly, we are asking you to vote, on an advisory basis, FOR the following resolution at the Annual Meeting:

RESOLVED, that the compensation paid to NeoPhotonics Corporation's named executive officers, as disclosed pursuant to the Securities and Exchange Commission's compensation disclosure rules, including the compensation discussion and analysis, compensation tables and narrative discussion set forth on pages 30 to 39 of the proxy statement, is hereby approved.

Approval of this Proposal will require the affirmative vote of the majority of the shares of common stock represented in person or by proxy at the meeting and entitled to vote. Abstentions will have the same effect as AGAINST votes.

While the results of this advisory vote are not binding, the Compensation Committee will consider the outcome of the vote in deciding whether to take any action as a result of the vote and when making future compensation decisions for named executive officers.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THIS PROXY STATEMENT.

Table of Contents

PROPOSAL 4

**ADVISORY VOTE ON FREQUENCY OF AN ADVISORY VOTE ON THE COMPENSATION OF
THE NAMED EXECUTIVE OFFICERS**

Under the Dodd-Frank Act and Section 14A of the Exchange Act, our stockholders are also enabled to indicate their preference regarding how frequently NeoPhotonics should solicit a non-binding advisory vote on the compensation of our named executive officers as disclosed in the compensation discussion and analysis, the compensation tables and the related narrative disclosure in our proxy statements. Accordingly, we are asking our stockholders to cast an advisory vote on how frequently we should seek an advisory vote on the compensation of our named executive officers, commonly referred to as a "say on pay" vote, as provided in Proposal 3. This advisory vote is referred to herein as the "frequency of say on pay" vote. Under this Proposal, you may vote on whether you would prefer to have a "say on pay" vote once every year, once every two years or once every three years. Alternatively, you may abstain from casting a vote.

After considering the benefits and consequences of each option for the frequency of say on pay vote, our board of directors recommends submitting the advisory vote on the compensation of our named executive officers to our stockholders every three years. Our executive compensation program is designed in large part to create long-term stockholder value. Therefore, our board of directors believes that holding a frequency of say on pay vote every three years is sufficient and appropriate to assess whether these programs are appropriately motivating employees and driving stockholder value. If we were to hold such votes more frequently, we believe the potential for substantial changes in compensation programs as a result of those votes could interfere with the incentives being provided to executive officers to maximize long-term stockholder value. Corporate results could also be impacted because the potential for more frequent changes in approach may result in a lack of focus on aligning compensation with longer-term company strategies.

You may cast your vote on your preferred voting frequency by choosing the option of every 1 YEAR, 2 YEARS or 3 YEARS, or abstain from voting when you vote in response to the resolution set forth below. To be determined as the frequency with which NeoPhotonics shall conduct an advisory vote on the compensation of our named executive officers, the selection receiving a majority of the votes present and entitled to vote will be considered the frequency preferred by our stockholders. Votes to ABSTAIN will have the same effect as AGAINST votes for all three alternatives. Broker non-votes will have no effect. Accordingly, the board of directors is asking stockholders to indicate their preferred voting frequency by voting for once every year, once every two years or once every three years or abstaining from voting on the following resolution:

RESOLVED, that the option of one year, two years, or three years that receives a majority of votes cast for this resolution will be determined to be the preferred frequency with which NeoPhotonics Corporation is to hold an advisory stockholder vote to approve the compensation of the named executive officers, as disclosed pursuant to the Securities and Exchange Commission's compensation disclosure rules (including the compensation discussion and analysis, compensation tables and narrative discussion).

Our board of directors and our Compensation Committee value the opinions of our stockholders in this matter, and our board of directors will give careful consideration to the majority vote of our stockholders and will evaluate any appropriate next steps. However, because this vote is advisory and therefore not binding on the board of directors or NeoPhotonics, our board of directors may decide that it is in the best interests of our stockholders that we hold an advisory vote on executive compensation more or less frequently than the option preferred by a majority of our stockholders. The advisory vote of our stockholders will not be construed to create or imply any change or addition to the fiduciary duties of the board of directors.

***THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR A 3 YEARS FREQUENCY FOR FUTURE
ADVISORY VOTES ON EXECUTIVE COMPENSATION.***

Table of Contents**MANAGEMENT****Executive officers**

The following table sets forth the names, ages and positions of our executive officers as of April 25, 2011, the record date:

Name	Age	Position
Timothy S. Jenks	56	President, Chief Executive Officer, Director and Chairman of the Board of Directors
James D. Fay	38	Vice President and Chief Financial Officer
Benjamin L. Sitler	55	Vice President of Global Sales
Dr. Chi Yue (Raymond) Cheung	43	Vice President and Chief Operating Officer
Dr. G. Ferris Lipscomb	58	Vice President of Marketing
Dr. Wupen Yuen	41	Vice President of Product Development and Engineering

Our executive officers are elected by, and serve at the discretion of, our board of directors. There are no familial relationships among our directors and executive officers. The biographical information of Timothy S. Jenks, our President and Chief Executive Officer, can be found on page 8 of this proxy statement under the section entitled "Class I director nominees for election for a three-year term expiring at the 2014 Annual Meeting." Set forth below is biographical information, including the experiences, qualifications, attributes and skills of our other executive officers.

Executive officers

James D. Fay has served as our Vice President and Chief Financial Officer since January 2009 and previously served as our Vice President of Legal Affairs and General Counsel from May 2007 to January 2009. From March 2007 to May 2007, Mr. Fay was in private practice representing start-up companies. From January 2000 until March 2007, Mr. Fay served as Senior Vice President, Corporate Affairs and General Counsel for @Road, Inc., a mobile resource management service provider acquired by Trimble Navigation Limited in March 2007. From October 1998 until January 2000, Mr. Fay was an attorney for Venture Law Group. Mr. Fay holds a juris doctor degree from Harvard Law School and bachelor of arts degrees in international business and French from North Central College.

Benjamin L. Sitler has served as our Vice President of Worldwide Sales since July 2007 and previously served as our Vice President of Tunable Products from November 2006 to July 2007. From June 2003 until November 2006, Mr. Sitler served as President and Chief Executive Officer of Paxera Corporation, a provider of tunable lasers, which was acquired by us in November 2006. From December 2002 until May 2003, Mr. Sitler served as Vice President of Business Development of JCP Photonics, Inc., a tunable fiber laser company. From November 1999 until September 2002, Mr. Sitler served as Vice President of Worldwide Sales of Lightwave Microsystems Corporation, a communications equipment company that was acquired by us in 2003. From 1984 until 1999, Mr. Sitler served in a variety of positions for Raychem Corporation. Mr. Sitler is a former naval officer, and holds a master of business administration degree from the Anderson School of Business at the University of California, Los Angeles and a bachelor of science degree in mechanical engineering from the U.S. Naval Academy.

Raymond Cheung, Ph.D. has served as our Vice President and Chief Operating Officer since November 2008 and is an employee of NeoPhotonics (China) Co., Ltd. Previously, he served as our Vice President of Research and Development from September 2007 to October 2008 and Vice President of Product Engineering from June 2007 to August 2007. From April 2004 until May 2007, Dr. Cheung served as Director of SAE Magnetics (HK) Ltd., a hard disc drive design and manufacturing company, and was responsible for manufacturing operations in Dongguan, China. Dr. Cheung has also held various senior technical, operations and management positions with Hong Kong Applied Science & Technology Research Institute and Philips Semiconductor. Dr. Cheung holds a doctorate degree in materials and mechanics from Cambridge University (UK) and a bachelor of engineering degree in mechanical engineering from King's College London (UK).

Table of Contents

G. Ferris Lipscomb, Ph.D. has served as our Vice President of Marketing since November 2002. Mr. Lipscomb served as our Vice President of Marketing at the time we filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code to address certain liabilities, including real estate lease obligations in November 2003. From January 1999 until October 2002, Dr. Lipscomb served as Vice President of Marketing of Lightwave Microsystems Corporation, which was acquired by us in 2003. From January 1993 until December 1998, Dr. Lipscomb served in various positions including as General Manager and Executive Vice President at Akzo Nobel Electronic Products, Inc., a division of a multinational materials company. From September 1983 until December 1993, Dr. Lipscomb served in various positions including Chief Scientist for Photonics and Lightwave Technology in the Research and Development Division of Lockheed Missiles & Space Company. From September 1981 until August 1983, Dr. Lipscomb served on the Technical Staff of the TRW Technology Research Center. Dr. Lipscomb holds a doctorate degree in solid state physics from the University of Pennsylvania and a bachelor of science degree from the University of North Carolina, Chapel Hill.

Wupen Yuen, Ph.D. has served as our Vice President of Product Development and Engineering since September 2006 and previously served as our Director of Business Development since joining us in January 2005. From August 2002 until December 2004, Dr. Yuen served as Chief Technology Officer of Bandwidth9, Inc., a telecommunications tunable laser company. Dr. Yuen was Chief Technology Officer of Bandwidth9 when it filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code in August 2004. Dr. Yuen holds a doctorate degree in electrical engineering, a master of science in electrical engineering from Stanford University and a bachelor of science in electrical engineering from National Taiwan University.

Table of Contents**EQUITY BENEFIT PLANS**

The following table provides information as of December 31, 2010 with respect to shares of our common stock that may be issued under existing equity compensation plans.

Equity compensation plan information

Plan Name	Number of Securities to be Issued Upon Exercise of Outstanding Options (a)	Weighted Average Exercise Price of Outstanding Options⁽¹⁾ (b)	Number of Securities Remaining Available For Future Issuance under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	2,012,637	\$ 5.86	1,207,988 ⁽²⁾
Equity compensation plans not approved by security holders ⁽³⁾	10,400	\$ 4.25	

- (1) Our common stock was not publicly traded during 2010, and the exercise price of the options was determined by our board of directors on the grant date based on its determination of the fair market value of our common stock on such grant date.
- (2) As of the consummation of our initial public offering in February 2011, no additional options will be granted under our 2004 Stock Option Plan. However, all outstanding options continue to be governed by their existing terms. Our 2010 Equity Incentive Plan became effective upon the consummation of our initial public offering in February 2011, and the number of shares of our common stock reserved for issuance under the 2010 Equity Incentive Plan will automatically increase on January 1st each year, starting on January 1, 2012 and continuing through January 1, 2020, by 3.5% of the total number of shares of our common stock outstanding on December 31 of the preceding calendar year, or such lesser number of shares of common stock as determined by our board of directors. Our 2010 Employee Stock Purchase Plan became effective upon the consummation of our initial public offering in February 2011 and the number of shares of our common stock reserved for issuance under the 2010 Employee Stock Purchase Plan will automatically increase on January 1st each year, starting on January 1, 2012 and continuing through January 1, 2020, in an amount equal to the lesser of (a) 3.5% of the total number of shares of our common stock outstanding on December 31 of the preceding calendar year, (b) 600,000 shares of our common stock or (c) such lesser number of shares of common stock as determined by our board of directors.
- (3) Consists of non-qualified stock options granted outside of an equity compensation plan as compensation for prior services rendered to NeoPhotonics.

Table of Contents

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding beneficial ownership of our common stock as of March 31, 2011 by:

each person or group of affiliated persons known by us to be the beneficial owner of more than 5% of our common stock;

each of our named executive officers as set forth in the Summary Compensation Table on page 41 of this proxy statement;

each of our directors; and

all executive officers and directors as a group.

The percentage ownership information shown in the table below is based upon 24,647,579 shares of common stock outstanding as of March 31, 2011.

Information with respect to beneficial ownership has been furnished by each director, officer or beneficial owner of more than 5% of our common stock. We have determined beneficial ownership in accordance with the rules of the Securities and Exchange Commission. These rules generally attribute beneficial ownership of shares to persons who possess sole or shared voting or investment power with respect to such shares. The information does not necessarily indicate beneficial ownership for any other purpose. Under these rules, the number of shares of common stock deemed outstanding includes shares issuable upon exercise of options and warrants held by the respective person or group which may be exercised or converted within 60 days after March 31, 2011. These shares are deemed to be outstanding and beneficially owned by the person holding those options for the purpose of computing the percentage ownership of that person or entity, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person or entity.

Table of Contents

Unless otherwise indicated and subject to applicable community property laws, to our knowledge, each stockholder named in the following table possesses sole voting and investment power over the shares listed, except for those jointly owned with that person's spouse. Unless otherwise indicated below, the address of each person listed on the table is c/o NeoPhotonics Corporation, 2911 Zanker Road, San Jose, California 95134, USA.

Name and address of beneficial owner	Beneficial ownership	
	Total shares of common stock	Percent
5% Stockholders:		
Funds affiliated with Oak Investment Partners ⁽¹⁾		
525 University Avenue, Palo Alto, CA 94301	5,295,473	21%
Funds affiliated with Draper Fisher Jurvetson ⁽²⁾		
2882 Sand Hill Road, Suite 150, Menlo Park, CA 94025	1,714,042	7%
International Finance Corporation		
2121 Pennsylvania Avenue, N.W., Washington, D.C. 20433	1,520,000	6%
Named executive officers and directors:		
Timothy S. Jenks ⁽³⁾	421,897	2%
James D. Fay ⁽⁴⁾	109,918	*
Benjamin L. Sitler ⁽⁵⁾	106,762	*
Dr. Raymond Cheung ⁽⁶⁾	71,833	*
Dr. Wupen Yuen ⁽⁷⁾	90,471	*
Bandel L. Carano ⁽⁸⁾	5,298,306	21%
Stephen T. Jurvetson ⁽⁹⁾	1,716,875	7%
Allan Kwan ⁽¹⁰⁾	3,541	*
Björn Olsson ⁽¹¹⁾	4,791	*
Robert Peng ⁽¹²⁾	853,477	3%
Michael J. Sophie ⁽¹³⁾	10,416	*
T. Peter Thomas ⁽¹⁴⁾	768,158	3%
Lee Sen Ting ⁽¹⁵⁾	7,790	*
All executive officers and directors as a group (13 people) ⁽¹⁶⁾	9,464,235	38%

* Represents less than 1%.

(1) Includes 1,622,872 shares of common stock held by Oak Investment Partners IX, LP, 38,947 shares of common stock held by Oak IX Affiliates Fund A, LP, 17,291 shares of common stock held by Oak IX Affiliates Fund, LP, 100,555 shares of common stock held by Oak Investment Partners XI, LP, 3,460,256 shares of common stock held by Oak Investment Partners X, LP, and 55,552 shares of common stock held by Oak X Affiliates Fund, LP. The names of the parties who share power to vote and dispose of the shares held by Oak Investment Partners IX, L.P. are Bandel L. Carano (a member of our board of directors), Edward F. Glassmeyer, Gerald R. Gallagher, Fredric W. Harman and Ann H. Lamont, each of whom is a Managing Member of Oak Associates IX, LLC, the General Partner of Oak Investment Partners IX, L.P. The names of the parties who share power to vote and dispose of the shares held by Oak IX Affiliates Fund, L.P. and Oak IX Affiliates Fund-A, L.P. are Bandel L. Carano, Fredric W. Harman, Edward F. Glassmeyer, Gerald R. Gallagher and Ann H. Lamont, each of whom is a Managing Member of Oak IX Affiliates, LLC, the General Partner of both Oak IX Affiliates Fund, L.P. and Oak IX Affiliates Fund-A, L.P. The names of the parties who share power to vote and dispose of the shares held by Oak Investment Partners X, L.P. are Bandel L. Carano, Edward F. Glassmeyer, Fredric W. Harman and Ann H. Lamont, each of whom is a Managing Member of Oak Associates X, LLC, the General Partner of Oak Investment Partners X, L.P. The names of the parties who share power to vote and dispose of the shares held by Oak X Affiliates Fund, L.P. are Bandel L. Carano, Edward F. Glassmeyer, Fredric W. Harman and Ann H. Lamont, each of whom is a Managing Member of Oak X Affiliates, LLC, the General Partner of Oak X Affiliates Fund, L.P. The names of the parties who share power to vote and dispose of the shares held by

Table of Contents

- Oak Investment Partners XI, L.P. are Bandel L. Carano, Edward F. Glassmeyer, Gerald R. Gallagher, Fredric W. Harman and Ann H. Lamont, each of whom is a Managing Member of Oak Associates XI, LLC, the General Partner of Oak Investment Partners XI, L.P. These individuals disclaim beneficial ownership with respect to such shares except to the extent of their pecuniary interest therein.
- (2) Includes 1,567,305 shares of common stock held by Draper Fisher Jurvetson Fund VII, L.P., 56,796 shares of common stock held by Draper Fisher Associates III Annex Fund, L.P., 42,322 shares of common stock held by Draper Associates, L.P., 22,847 shares of common stock held by Draper Fisher Jurvetson Partners VII, LLC, 5,063 shares of common stock held by Draper Fisher Partners, LLC and 160 shares of common stock held by Draper GC Partners, LLC. Timothy C. Draper, John H.N. Fisher and Steven T. Jurvetson (a member of our board of directors) are Managing Directors of the general partner entities of Draper Fisher Jurvetson Fund VII, L.P. and also Managing Members of Draper Fisher Jurvetson Partners VII, LLC, that directly hold shares and as such, they may be deemed to have voting and investment power with respect to such shares. Timothy C. Draper, John H.N. Fisher and Steven T. Jurvetson are Managing Directors of the general partner entities of Draper Fisher Associates III Annex Fund, L.P., that directly holds shares and as such, they may be deemed to have voting and investment power with respect to such shares. The investing and voting power of the shares held by Draper Associates, L.P. is controlled by its General Partner, Draper Associates, Inc. which is controlled by its President and majority shareholder, Timothy C. Draper. Timothy C. Draper and John H.N. Fisher are Managing Members of Draper Fisher Partners, LLC, that directly holds shares and as such, they may be deemed to have voting and investment power with respect to such shares. Timothy C. Draper is the Managing Member of Draper GC Partners LLC, that directly holds shares and as such, they may be deemed to have voting and investment power with respect to such shares. These individuals disclaim beneficial ownership with respect to such shares except to the extent of their pecuniary interest therein. In addition, 19,549 shares of common stock are held by individuals and trusts affiliated with Draper Fisher Jurvetson.
- (3) Includes 24,674 shares of common stock and 379,925 shares of common stock subject to options that are exercisable within 60 days of March 31, 2011. Also includes 2,798 shares of common stock held by the Timothy S. Jenks and Atsuko K. Jenks Declaration of Trust dated January 7, 1996. Also includes 14,500 shares of common stock held by Mr. Jenks's spouse, Atsuko K. Jenks, as custodian for his minor children.
- (4) Includes 69,999 shares of common stock issuable upon the exercise of options exercisable within 60 days of March 31, 2011 and 39,919 shares of common stock.
- (5) Includes 82,921 shares of common stock issuable upon the exercise of options exercisable within 60 days of March 31, 2011 and 23,841 shares of common stock.
- (6) Consists solely of shares of common stock issuable upon the exercise of options exercisable within 60 days of March 31, 2011.
- (7) Consists solely of shares of common stock issuable upon the exercise of options exercisable within 60 days of March 31, 2011.
- (8) Includes the shares of common stock and preferred stock detailed in Note (1) above held by entities affiliated with Oak Investment Partners. Also includes 2,833 shares of common stock issuable upon the exercise of options exercisable within 60 days of March 31, 2011.
- (9) Includes the shares of common stock detailed in Note (2) above held by entities affiliated with Draper Fisher Jurvetson Funds. Also includes 2,833 shares of common stock issuable upon the exercise of options exercisable within 60 days of March 31, 2011.
- (10) Consists solely of shares of common stock issuable upon the exercise of options exercisable within 60 days of March 31, 2011. Although Mr. Kwan is a venture partner of Oak Investment Partners, he has no voting or dispositive power over any of our shares held by Oak Investment Partners.
- (11) Consists solely of shares of common stock issuable upon the exercise of options exercisable within 60 days of March 31, 2011.
- (12) Includes 646,641 shares of common stock held by Nison Limited, 100,277 shares of common stock held by Wellway International Limited and 103,726 shares of common stock held by Creative China Investment Limited. Concord Investments Co. Ltd. owns 100% of the shares of Nison Limited and Wellway International Limited and 55% of the shares of Creative China Investment Limited. Robert Peng (a member of our board of directors) is a director of each of Nison Limited, Wellway International Limited

Table of Contents

- and Creative China Investment Limited and may be deemed to have voting and investment power with respect to these shares. Mr. Peng disclaims ownership of these shares except to the extent of his proportionate pecuniary interest therein. Also includes 2,833 shares of common stock issuable upon the exercise of options exercisable within 60 days of March 31, 2011.
- (13) Consists solely of shares of common stock issuable upon the exercise of options exercisable within 60 days of March 31, 2011.
- (14) Includes 527,237 shares of common stock held by ATA Ventures I, L.P., 19,957 shares of common stock held by ATA Affiliates Fund I, L.P. and 5,015 shares of common stock held by ATA Investment Fund I L.P., 208,853 shares of common stock held by Institutional Venture Partners VII, L.P., 4,250 shares of common stock held by Institutional Venture Management VII, L.P. and 13 shares of common stock held by IVP Founders Fund I, L.P. T. Peter Thomas is a Managing Director of the general partner entities of ATA Management 1 LLC, and the General Partner of each of ATA Ventures I, L.P., ATA Affiliates Fund I, L.P. and ATA Investment Fund I, L.P., and as such, may be deemed to have beneficial ownership with respect to the shares held by the ATA entities. Institutional Venture Management is the General Partner of Institutional Venture Partners VII, L.P and the General Partners of Institutional Venture Management VII, L.P. include Mr. Thomas. The General Partner of IVP Founders Fund I, L.P. Institutional Venture Management VI, L.P. and the General Partners of Institutional Venture Management VI, L.P. include Mr. Thomas. As such, Mr. Thomas may be deemed to have beneficial ownership with respect to the shares held by the Institutional Venture Partners/IVP entities. Mr. Thomas disclaims beneficial ownership of all of the shares referenced above except to the extent of his proportionate pecuniary interests therein. Also includes 2,833 shares of common stock issuable upon the exercise of options exercisable within 60 days of March 31, 2011.
- (15) Consists solely of shares of common stock issuable upon the exercise of options exercisable within 60 days of March 31, 2011.
- (16) Includes 733,019 shares of our common stock issuable upon exercise of options exercisable within 60 days of March 31, 2011.

Table of Contents

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors, executive officers and greater than ten percent beneficial owners of our common stock to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Directors, executive officers and greater than ten percent stockholders are required by the rules and regulations of the Securities and Exchange Commission to furnish us with copies of all Section 16(a) reports they file.

We did not become subject to Section 16(a) until February 2011 and, consequently, there were no Section 16 filing requirements to be satisfied during fiscal 2010.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS

The following discussion describes and analyzes our executive compensation programs and policies as they applied in 2010 to Timothy S. Jenks, James D. Fay, Benjamin L. Sitler, Dr. Raymond Cheung and Dr. Wupen Yuen, who we also refer to as our named executive officers for 2010.

Compensation philosophy and objectives

Our executive compensation program has four primary components base salary, performance-based cash bonuses, long-term equity incentive awards and severance/change in control benefits. We also provide our executive officers with health and welfare benefits that are available to all salaried employees.

General. The various elements comprising our executive officer compensation program are designed to achieve the following objectives:

provide total compensation packages that attract, motivate, reward and retain exceptional executive-level talent;

establish a direct and meaningful link between corporate, individual and team performance and the compensation payable in respect of such performance;

provide strong incentives for our named executive officers to promote our growth and create stockholder value; and

align the financial interests of the named executive officers with those of our stockholders.

While our Compensation Committee (or our board of directors, as applicable) reviews the total compensation package for each of our named executive officers in connection with the decisions it makes each year regarding each individual element of compensation, the amount of any one element of compensation awarded is generally determined independent of the amount of any other element awarded. Our Compensation Committee (or board of directors, as applicable) determines the appropriate level for each compensation component in a given year based on a number of factors, the importance of any one of which may vary in any given year, including:

corporate and/or individual performance, as we believe this encourages our named executive officers to focus on achieving our business objectives;

the need to motivate executives to address particular business challenges that are unique within any given year;

the experiences and individual knowledge of the members of our board of directors regarding compensation of similarly situated executives at other companies (with reference to third party surveys of compensation paid to such executives at our peer group of companies), as we believe this approach helps us to compete in hiring and retaining the best possible talent while at the same time maintaining a reasonable and responsible cost structure;

internal pay equity of the compensation paid to one named executive officer as compared to another, as we believe this contributes to retention and a spirit of teamwork among our executives;

the potential dilutive effect on our stockholders generally from equity awards granted to named executive officers;

common pay practices and local economic conditions in foreign countries where a named executive officer may work;

Table of Contents

broader economic conditions, in order to ensure that our pay strategies are effective yet responsible, particularly in the face of any unanticipated consequences of the broader economy on our business;

reviewing and approving the compensation of our directors; and

individual negotiations with executives, particularly in connection with their initial compensation package, as these executives may be leaving meaningful compensation opportunities at their prior employer in order to work for us, as well as negotiations upon their departures, as we recognize the benefit to our stockholders of smooth transitions.

Our intent is to perform at least an annual review of our named executive officers' overall compensation packages to determine whether they meet our compensation objectives.

Benchmarking. In setting compensation levels for our named executive officers prior to 2010, we did not create a peer group of companies, rely on any third party survey data or otherwise engage in benchmarking. Like the boards of many private companies, our Compensation Committee (or our board of directors, as applicable) discussed compensation levels in the context of the experiences and individual knowledge of each board member. This approach called for our board members to use their reasonable business judgment in determining compensation levels that would allow us to compete in hiring and retaining the best possible talent, without the cost of engaging a compensation consultant or otherwise obtaining third party survey data (data which, in the private company context, is not as readily available as it is for public companies). As described below under "2010 peer group of companies," starting in 2010, we developed a peer group of companies, and we began to review third party survey data for this peer group of companies in setting compensation (without benchmarking to any specified level of compensation paid by any specific companies).

Role of our Compensation Committee. Our Compensation Committee is generally responsible for:

reviewing and approving the compensation and other terms of employment of our named executive officers and senior members of management and reviewing and approving corporate performance goals and objectives relevant to such compensation; and

administering our stock option plans, stock purchase plans, compensation plans and similar programs, including the adoption, amendment and termination of such plans.

For 2010, our Compensation Committee approved base salary amounts for our named executive officers in July 2010, and determined bonus payouts based on 2010 performance for our named executive officers in March 2011. Our Compensation Committee may, at its discretion and in accordance with the philosophy of making all information available to our board of directors, present executive compensation matters to the entire board of directors for their review and approval. At various board meetings in 2010 (as further described below in the discussions of each element of compensation), our Compensation Committee presented its recommendations on target bonus levels and equity awards for our named executive officers to our board of directors for approval. In each instance, our board of directors (including the non-employee directors) approved these recommendations as presented without material modification.

As part of its deliberations, in any given year, our Compensation Committee may review and consider materials such as our financial reports and projections, operational data, tax and accounting information regarding potential compensation, executive and director stock ownership information, analyses of historical executive compensation levels and current company-wide compensation levels, and the recommendations of our Chief Executive Officer.

Role of our management. For executives other than the Chief Executive Officer, our Compensation Committee (or the non-employee members of our board of directors, as applicable) solicits and considers the performance evaluations and compensation recommendations submitted by the Chief Executive Officer. In the

Table of Contents

case of the Chief Executive Officer, our Compensation Committee (or the non-employee members of our board of directors, as applicable) evaluates his performance and determines whether to make any adjustments to his compensation.

Our human resources and finance departments work with our Chief Executive Officer to propose for approval the design of compensation programs applicable to our named executive officers and other senior executives, to recommend changes to existing compensation programs, to recommend financial and other performance targets to be achieved under those programs, to prepare analyses of financial data and other briefing materials and ultimately, to implement the decisions of our Compensation Committee (or our board of directors, as applicable).

No named executive officer was present or participated directly in the final determinations or deliberations of our Compensation Committee (or our board of directors, as applicable) regarding the amount of any component of his own 2010 compensation package.

Role of our compensation consultant. In March 2010, our Compensation Committee retained Compensia, an independent compensation consultant, to assist the Compensation Committee in its deliberations on compensation payable to our named executive officers. The Compensation Committee also considers input from Compensia on compensation payable to non-executive members of our board of directors. Other than providing limited advice to our management team regarding the design of our newly adopted broad-based equity compensation plans (the cost of such services to management did not, in 2010, exceed \$40,000), Compensia does not provide any other services to management. We pay the cost for the consultant's services.

The nature and scope of services of Compensia's services in 2010 included the following:

working with management to provide recommendations to our Compensation Committee regarding the composition of our peer group of companies;

providing compensation data for similarly situated executive officers at our peer group of companies;

providing advice to our Compensation Committee regarding the compensation levels for similarly situated executive officers at our peer group companies;

providing advice regarding best practices and market trends in executive compensation;

assisting with the design of our broad based equity compensation program, and other executive compensation arrangements, as needed;

preparing for and attending Compensation Committee meetings, as requested by our Compensation Committee; and

working with our named executive officers and human resource personnel to obtain any information needed about us in order to provide its services.

2010 peer group of companies. Our Chief Executive Officer, human resources and finance teams worked with Compensia and the chair of our Compensation Committee to determine a set of peer companies for purposes of making compensation decisions in 2010. The companies selected were comparable to us with respect to industry segment (that is, telecommunications equipment companies), revenue level (that is, between \$75 million and \$400 million), and market conditions (that is, generally with revenue growth despite the challenging global economic environment). In April 2010, based on consultations with Compensia and the recommendations of our management, our Compensation Committee approved the following companies as our peer group of companies for purposes of determining 2010 compensation:

Edgar Filing: NEOPHOTONICS CORP - Form DEF 14A

Aruba Networks Inc.
BigBand Networks, Inc.
Emcore Corporation

IPG Photonics Corporation
Ixia
Mindspeed Technologies, Inc.

Oplink Communications, Inc.
Opnext, Inc.
Vitesse Semiconductor Corporation

Harmonic Inc.

Occam Networks, Inc.

Infinera Corporation

Oclaro, Inc.

Table of Contents**Compensation of our named executive officers**

Elements of compensation. As noted above, our executive compensation program has four primary components: base salary, performance-based cash bonuses, long-term equity incentive awards and severance/change in control benefits. We also provide our named executive officers with health and welfare benefits that are available to all salaried employees. The table below outlines which factors were material to the decisions of our Compensation Committee and our board of directors in 2010 and the reasons such element of compensation is provided.

Compensation element	Material factors considered	Objective
Base salary	Board members' experience and knowledge	Attract and retain experienced executives
	Historical negotiations and salary levels	
	Broader market conditions	
	Compensation paid at peer companies	
Performance-based cash bonuses	Board members' experience and knowledge	Retain exceptional talent
	Level of achievement of corporate objectives, particularly in light of broader market conditions	Motivate executives to achieve company objectives
	Subjective review of each executive's overall individual performance	Link corporate and individual performance with compensation paid
	Internal pay equity	Provide incentives to promote our growth and create stockholder value
Long-term equity incentive awards	Broader market conditions	Align the financial interests of the executive officers with those of our stockholders
	Balance sheet and expected future cash flows	
	Board members' experience and knowledge	Retain exceptional talent

Level of achievement of corporate objectives, particularly in light of broader market conditions

Motivate executives to achieve company objectives

Internal pay equity

Link corporate and individual performance with compensation paid

The potential dilutive effect on our stockholders

Provide incentives to promote our growth and create stockholder value

Compensation paid at peer companies

Align the financial interests of the executive officers with those of our stockholders

Table of Contents

Compensation element	Material factors considered	Objective
Severance/Change in control benefits	Board members' experience and knowledge	Retain exceptional talent
	Internal pay equity	Motivate executives to achieve company objectives, which may in any given year include completion of a strategic transaction
	Historical individual negotiations with executives	Align the financial interests of the executive officers with those of our stockholders—that is, the completion of a desired transaction without regard to executive's own compensation/job security

Base salary. Historically, our board of directors has reviewed and adjusted the annual salaries for each of our named executive officers on an as-needed basis (that is, not at a specific time each year). In July 2010, our Compensation Committee reviewed base salaries for our named executive officers. As part of this review, the committee reviewed and considered a report prepared by Compensia, which included an assessment of our executives' base salaries relative to those of comparable executives at our peer group of companies and a broad group of high technology companies (both public and private). After considering input from Compensia (but without benchmarking to any specific level), as well as the Compensation Committee members' collective knowledge and experience on compensating individuals in positions held by our named executive officers at other companies, the improved state of our industry and changes in the local economies in which we operate, our Compensation Committee approved increases to the base salaries of each of our named executive officers, effective July 1, 2010, as follows:

Named executive officer	New base salary
Timothy S. Jenks	\$ 330,000
James D. Fay	285,000
Benjamin L. Sitler	226,000
Dr. Raymond Cheung	251,306
Dr. Wupen Yuen	215,000

Performance-based cash bonuses. In December 2009, our board of directors approved the terms of the annual discretionary cash bonus opportunity for each of our named executive officers for 2010.

In 2010, our board of directors determined each named executive officer's target bonus opportunity, expressed as a percentage of base salary, as follows: 30% for Mr. Jenks and 25% for each of Messrs. Fay and Sitler and Drs. Cheung and Yuen. These percentages were determined based on our board members' collective knowledge and experiences, the recommendations of our Chief Executive Officer, other than in connection with himself, and considerations for internal pay equity—that is, while our board of directors generally believes compensation for our named executive officers should increase with responsibility, our board of directors also recognized that achievement of the corporate goals underlying the 2010 bonus programs would require a team effort among management, and therefore the target bonus percentages should fall within a narrow range, with the largest percentage awarded to our Chief Executive Officer in light of his responsibilities.

Our board of directors structured the 2010 bonus program so that payouts would be determined based in part on achievement against corporate objectives, including:

U.S. GAAP revenue for the year ended December 31, 2010;

U.S. GAAP gross margin for the year ended December 31, 2010;

Table of Contents

Adjusted EBITDA for the year ended December 31, 2010; and

Confidential metrics related to customer satisfaction for the years ended December 31, 2010.

Our board of directors picked these goals because the board of directors believed they are the best indicators of the achievement of the execution of our operating plan and are factors critical to increasing the value of our common stock. The board of directors believed these goals therefore best aligned the financial interests of the executive officers with those of the stockholders.

Our board of directors established performance goals for each of the corporate objective metrics. While these various performance goals were selected, they were merely non-binding guidelines to be used as one factor in determining the actual bonuses earned. In establishing the bonus program for 2010, our board of directors did not ascribe a specific dollar value in bonus payout to any one of the aforementioned corporate goals or to any individual performance achievements. Instead, our Compensation Committee awarded actual bonuses for 2010 performance based upon a general, subjective conclusion as to the appropriate bonus amounts in light of (1) corporate performance against each of the corporate goals, (2) whether each named executive officer has performed his duties in a satisfactory manner, and (3) our overall budget (that is, the appropriate level of bonuses to pay in light of broader economic conditions and our balance sheet and expected cash flows).

Corporate objective ⁽¹⁾	Goal	Actual 2010 achievement
(all dollar figures in millions)		
U.S. GAAP revenue for 2010	\$ 194	\$ 184.1
U.S. GAAP gross margin for 2010	31%	30%
Adjusted EBITDA for 2010	\$ 21	\$ 20.4

- (1) We are not disclosing the confidential internal performance goals related to customer satisfaction as we believe doing so could cause material competitive harm to us. Specifically, we believe doing so could enable competitors and customers to determine our key strategic and financial goals and pricing strategies, thereby potentially placing us at a significant strategic and competitive disadvantage. When our board of directors established these goals in early 2010, it believed these goals were difficult to achieve. More importantly, we are not disclosing these goals or actual achievement levels because given the expected overall subjective nature of the determination of the actual bonus amounts awarded for 2010 performance, we believe that disclosure of these performance goals and the actual results is not material to our stockholders' understanding of our compensation policies and decisions for 2010.

In making the final decision in the first quarter of 2011 on the amount of 2010 bonuses earned by our named executive officers for performance in 2010, our Compensation Committee considered these corporate results as well as (1) the performance reviews for each named executive officers (other than for himself) given by the Chief Executive Officer, (2) our Compensation Committee's evaluation of the Chief Executive Officer's performance, (3) internal pay equity and (4) our Compensation Committee's evaluation of the appropriateness of the amount of the bonuses in light of our balance sheet, expected cash flows and broader economic considerations, notwithstanding our performance against corporate goals and the material role each named executive officer played in achieving our performance. Our Compensation Committee did not apply any specific weighting or formula for these factors, but considered them as a whole. In considering each named executive officer's individual performance, our Compensation Committee made note of the following:

With respect to Mr. Jenks, his leadership and his vision for NeoPhotonics, which our Compensation Committee believes played a vital part in our success to date.

With respect to Mr. Fay, his development of our finance organization and execution of our initial public offering.

With respect to Mr. Sitler, his performance in generating revenue and development of our sales organization.

Table of Contents

With respect to Dr. Cheung, his performance in managing production and development of our quality organization, as well as his key role in our achievement of the gross margin results for 2010.

With respect to Dr. Yuen, his performance in delivering new products and product designs.

As a result of these deliberations, the Compensation Committee awarded actual 2010 bonuses in the first quarter of 2011 to our named executive officers as follows:

Named executive officer	Target bonus award	Actual bonus award
Timothy S. Jenks	\$ 99,000	\$ 165,000
James D. Fay	71,250	101,000
Benjamin L. Sitler	56,500	71,000
Dr. Raymond Cheung	62,827	75,000
Dr. Wupen Yuen	53,750	72,500

We do not have a formal policy regarding adjustment or recovery of awards or payments if the relevant performance measures upon which they are based are restated or otherwise adjusted in a manner that would reduce the size of the award or payment.

Long-term equity incentive awards. We utilize long-term equity incentive awards in the form of options to purchase our common stock to ensure that our named executive officers have a continuing stake in our long-term success. We award equity compensation because we believe that if our named executive officers own shares of our common stock with values that are significant to them, they will have an incentive to act to maximize longer-term stockholder value instead of short-term gain. We also believe that equity compensation is an integral component of our efforts to attract exceptional executives, senior management and employees.

We believe that properly structured equity compensation works to align the long-term interests of stockholders and employees by creating a strong, direct link between employee compensation and stock price appreciation. Specifically, because we grant stock options with an exercise price equal to the fair market value of our common stock on the date of grant (which prior to our initial public offering had been determined by our board of directors), these options will have value to our named executive officers only if the fair market value of our common stock increases after the date of grant and through the date of vesting. Typically, stock options granted to our named executive officers vest over 48 months with 25% of the options vesting on the first anniversary of the date of grant, and the remainder vesting monthly over the next 36 months. This vesting schedule provides a retention incentive to our named executive officers. In addition, under the terms of our stock plans, the vesting of options is partially accelerated in the event of certain material corporate transactions, as well as in the event of certain involuntary terminations of employment following certain material corporate transactions. We believe these accelerated vesting provisions are appropriate in light of the collective knowledge and experiences of our board members on compensating individuals in the positions held by our named executive officers at other companies (without reference to any specific peer group or any specific benchmark level of compensation), and therefore allow us to attract and retain high quality executives, and, in the case of accelerated vesting upon a change in control, the accelerated vesting allows our named executive officers to focus on closing a transaction that may be in the best interest of our stockholders even though the transaction may otherwise result in a termination of their employment and, absent such accelerated vesting, a forfeiture of their unvested equity awards.

While our board of directors has delegated authority to our Compensation Committee to make stock option grants to executive officers, all stock option grants previously awarded to our executive officers have been granted by our full board of directors. These grants have been made as and when necessary, as determined by our board of directors, rather than at a specific time each year.

In determining the size of stock option grants made in 2010 to our named executive officers, our Compensation Committee made its recommendations based primarily on the members' experience and

Table of Contents

knowledge, internal pay equity (that is, generally similar award sizes as among the named executive officers, with larger awards to our Chief Executive Officer in light of his responsibilities), our performance (that is, the achievement as of the date of grant toward the achievement of the financial metrics described above under the 2010 bonus program), and the potential dilutive effect on our stockholders. These factors were considered as a whole, without any specific weighting or formula.

In January 2010, our Compensation Committee recommended, and our board of directors approved, the following stock option grants under our 2004 Stock Option Plan:

Named executive officer	Number of options
Timothy S. Jenks	16,799
James D. Fay	14,000
Benjamin L. Sitler	8,400
Dr. Raymond Cheung	12,000
Dr. Wupen Yuen	11,200

In determining the size of the stock option grants made in January 2010 to our named executive officers, our Compensation Committee made its recommendations based primarily on the members' experience and knowledge, an assessment of each individual's existing equity ownership and vesting status, our performance (that is, the achievement of certain financial metrics described above under the 2010 bonus program), the potential dilutive effect on our stockholders, and the expected potential dilutive effect of our initial public offering on our named executive officers. These factors were considered as a whole, without any specific weighting or formula.

On November 2, 2010, our board of directors approved the amount of several options to purchase shares of our common stock to be granted to our named executive officers. These options were granted on December 13, 2010 at the fair market value of our common stock on the grant date.

Named executive officer	Number of options
Timothy S. Jenks	18,000
James D. Fay	16,000
Benjamin L. Sitler	12,000
Dr. Raymond Cheung	12,000
Dr. Wupen Yuen	12,000

In determining the size of stock options granted in December 2010 to our named executive officers, our Compensation Committee made its recommendations based primarily on the members' experience and knowledge, an assessment of each individual's existing equity ownership and vesting status, our performance through September 30, 2010, the potential dilutive effect on our stockholders, the expected potential dilutive effect of our initial public offering on our named executive officers, and consideration of equity positions held by similar executives at our peer group of companies (without benchmarking to any specified levels). These factors were considered as a whole, without any specific weighting or formula.

Equity compensation policies. We encourage our named executive officers to hold a significant equity interest in NeoPhotonics, but have not set specific ownership guidelines. Additionally, in April 2010, we adopted a grant timing policy with respect to stock options awarded by our Chief Executive Officer after our initial public offering completed in February 2011 to newly hired non-officer employees. Those grants will be made effective as of the 15th day of the month (or first market trading day thereafter if the 15th is not a market trading day) following the month in which the employee starts work for us. Our board of directors and the Compensation Committee also retain the authority to make stock option awards to newly hired non-officer employees. We have not adopted any other grant timing policy at this time.

Table of Contents

Severance and change in control benefits. The employment of Messrs. Jenks, Fay, and Sitler and Dr. Yuen is at will. Dr. Cheung's employment is for a fixed term through June 30, 2012 as a result of local labor laws in China. Each of Messrs. Jenks, Fay and Sitler, and Dr. Yuen is eligible to receive severance benefits upon certain involuntary terminations of employment under the terms of their respective severance agreements. These agreements (and the amount of benefits offered under each such agreement) reflect the negotiations of each of the applicable named executive officers as well as a desire to have internal parity among our named executive officers with respect to their potential severance benefits. We consider these severance benefits critical to attracting and retaining high caliber executives.

In addition, we believe that change in control severance benefits and partially accelerated vesting (primarily under our stock plans, but also under our 2008 acquisition bonus plan which expired upon the consummation of our initial public offering in February 2011), if structured appropriately, serve to minimize the distractions to an executive and reduce the risk that a named executive officer terminates his employment with us before an acquisition is consummated. For these reasons, in April 2010, we entered into new or amended severance agreements with Messrs. Jenks, Fay, and Sitler and Dr. Yuen to modify or to provide for additional change in control severance benefits. We believe that our existing arrangements allow our named executive officers to focus on continuing normal business operations and, in the case of change in control benefits, on the success of a potential business combination, rather than being distracted by how business decisions that may be in the best interest of our stockholders will impact each named executive officer's own financial security. That is, these existing arrangements help ensure stability among our named executive officers, and we believe will help enable our named executive officers to maintain a balanced perspective in making overall business decisions during periods of uncertainty. In February 2009, we adopted an acquisition bonus plan (called the 2008 acquisition bonus plan) for the reasons stated above. In particular, this bonus plan was structured to provide our named executive officers and certain of our other employees with a financial gain upon a change in control in light of the possibility that the stock options held by these individuals could have little to no value in such a transaction due to the substantial liquidation preferences held by our preferred stockholders. As our preferred stock converted into common stock upon the consummation of our initial public offering in February 2011 (thereby terminating these liquidation preferences), this acquisition bonus plan also terminated in connection with our initial public offering.

A more detailed description of these provisions is set forth below under **Management** Potential payments upon termination or change in control.

Broad based employee benefits. We provide the following benefits to the named executive officers, on the same terms and conditions as provided to all other eligible employees:

health, dental insurance and vision;

basic life insurance;

medical and dependent care flexible spending account;

short-and long-term disability, accidental death and dismemberment; and

401(k) plan.

We believe these benefits are consistent with benefits provided by other companies based on the experiences and individual knowledge of the members of our board of directors regarding compensation of similarly situated executives at other companies (without reliance on third party surveys of compensation paid to such executives at any specific companies or benchmarking to any specified level of compensation paid by any specific companies) and help us to attract and retain high quality executives. In addition, Dr. Cheung's annual salary includes RMB, the legal currency of the People's Republic of China, 58,500 (\$8,643 based on an average exchange rate of RMB 6.76885 per U.S. dollar in 2010) to cover the cost of family health insurance premiums in China.

Table of Contents

Personal benefits. We provide only limited perquisites to our named executive officers. In considering potential perquisites, our Compensation Committee reviews the cost to us as compared to the perceived value of providing such perquisites. In 2010, we purchased life insurance policies providing supplemental life insurance for Messrs. Jenks, Fay and Sitler and Drs. Cheung and Yuen. The face value of these policies is \$1,500,000 for Mr. Jenks, \$400,000 for Mr. Fay and \$250,000 for each of Dr. Yuen, Mr. Sitler and Dr. Cheung, based on negotiations with them. Our Compensation Committee decided that rather than pay our executives these amounts as severance upon death out of our general assets, it is more cost effective to provide for these payments through insurance. Our Compensation Committee believes that this limited perquisite is important for attracting and retaining key talent.

Compensation risk assessment

From time to time, our board of directors and the Compensation Committee review the potential risks associated with the structure and design of our various compensation plans. In 2010, our board of directors and the Compensation Committee undertook a comprehensive review of the material compensation plans and programs for all employees and determined that none of its compensation policies and practices is reasonably likely to have a material adverse effect on NeoPhotonics. Overall, our board of directors believes that our programs generally contain a balance of fixed and variable features, as well as complementary metrics and reasonable goals, all of which operate to mitigate risk and reduce the likelihood of employees engaging in excessive risk-taking behavior with respect to the compensation-related aspects of their jobs. In addition, the material plans and programs operate within the governance and review structure that serves and supports risk mitigation.

Accounting and tax implications

We account for equity compensation paid to our employees under applicable accounting guidance for stock-based compensation arrangements, which requires us to estimate and record an expense over the service period of the award. Our cash compensation is recorded as an expense at the time the obligation is incurred.

Subject to certain rules that exempt pre-existing arrangements approved prior to our initial public offering, as a publicly-traded company we are not permitted a federal income tax deduction for compensation paid to certain executive officers to the extent that compensation exceeds \$1.0 million per covered officer in any year. The limitation applies only to compensation that is not performance based. Non-performance based compensation paid to our executive officers for 2010 did not exceed the \$1.0 million limit per officer.

Our Compensation Committee believes that in establishing the cash and equity incentive compensation programs for our executive officers, the potential deductibility of the compensation payable under those programs should be only one of a number of relevant factors taken into consideration, and not the sole governing factor. For that reason, our Compensation Committee may deem it appropriate to provide one or more executive officers with the opportunity to earn incentive compensation, whether through cash incentive award programs tied to our financial performance or equity incentive grants tied to the executive officer's continued service, which may be in excess of the amount deductible by reason of Section 162(m) or other provisions of the Code. Our Compensation Committee believes it is important to maintain this flexibility in determining cash and equity incentive compensation in order to attract and retain high caliber executive officer candidates, even if all or part of that compensation may not be deductible by reason of the Section 162(m) limitation.

Also, our Compensation Committee takes into account whether components of our compensation program may be subject to the penalty tax associated with Section 409A of the Code, and aims to structure the elements of compensation to be compliant with or exempt from Section 409A to avoid such potential adverse tax consequences.

Table of Contents

COMPENSATION COMMITTEE REPORT*

The Compensation Committee has reviewed and discussed the compensation discussion and analysis contained in this proxy statement with management. Based on the Compensation Committee's review of, and the discussions with management with respect to, the compensation discussion and analysis, the Compensation Committee recommended to the board of directors that the compensation discussion and analysis be included in this proxy statement and incorporated into our Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

From the members of our Compensation Committee:

T. Peter Thomas, Chairman

Yat Bun (Robert) Peng

Lee Sen Ting

* This report shall not constitute soliciting material, shall not be deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any of our other filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent we specifically incorporate this report by reference therein.

Table of Contents**EXECUTIVE COMPENSATION****Summary compensation table**

The following table provides information for the years ended December 31, 2010 and 2009 regarding the compensation of our principal executive officer, principal financial officer, and each of our three other most highly compensated persons serving as executive officers, or our named executive officers for 2010.

Name and principal position	Year	Salary	Bonus ⁽¹⁾	Option awards ⁽²⁾	All Other Compensation	Total
Timothy S. Jenks	2010	\$ 330,000	\$ 165,000	\$ 256,675	\$	\$ 751,675
<i>President and Chief Executive Officer</i>	2009	320,000	130,000	94,405		544,405
James D. Fay	2010	285,000	101,000	218,925		604,925
<i>Vice President and Chief Financial Officer</i>	2009	272,500 ⁽³⁾	135,000	114,450		521,950
<i>Officer</i>						
Benjamin L. Sitler	2010	226,000	71,000	143,404	1,000 ⁽⁴⁾	441,404
<i>Vice President of Global Sales</i>	2009	220,000	128,000	70,623	667 ⁽⁴⁾	419,290
Dr. Raymond Cheung	2010	251,306 ⁽⁵⁾	75,000	179,043	8,643 ⁽⁶⁾	513,992
<i>Vice President and Chief Operating Officer</i>	2009	233,686 ⁽⁵⁾	136,772 ⁽⁷⁾	71,206		
<i>Officer</i>						