

ANSYS INC
Form DEF 14A
April 08, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

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 Section 240.14a-12

ANSYS, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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ANSYS, Inc.

Southpointe

275 Technology Drive

Canonsburg, PA 15317

April 8, 2013

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of ANSYS, Inc. (the "Company") to be held on Wednesday, May 22, 2013, at 2:00 p.m. Eastern Time, at the Southpointe Club located at Southpointe, 360 Southpointe Boulevard in Canonsburg, Pennsylvania (the "Annual Meeting").

The Annual Meeting has been called for the purposes of (i) electing three Class II Directors for three-year terms; (ii) considering a non-binding advisory vote on the compensation of our named executive officers; (iii) ratifying the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm; and (iv) considering and voting upon such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

The Board of Directors has fixed the close of business on March 25, 2013 as the record date for determining stockholders entitled to notice of, and to vote at, the Annual Meeting and any adjournments or postponements thereof.

The Board of Directors of the Company recommends that you vote FOR the election of the nominees of the Company's Board of Directors as Class II Directors of the Company; FOR the approval of the compensation of the Company's named executive officers; and FOR the ratification of Deloitte & Touche LLP as the Company's independent registered public accounting firm.

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE ANNUAL MEETING. WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, YOU ARE REQUESTED TO COMPLETE, DATE, SIGN AND RETURN YOUR PROXY IN ONE OF THE FOLLOWING WAYS: (1) USE THE WEBSITE ADDRESS SHOWN ON THE PROXY CARD AND VOTE OVER THE INTERNET; (2) USE THE TOLL-FREE TELEPHONE NUMBER SHOWN ON THE PROXY CARD AND VOTE OVER THE TELEPHONE; OR (3) IF YOU HAVE REQUESTED A PAPER COPY OF THESE DOCUMENTS, MARK, DATE AND SIGN THE PROXY CARD AND RETURN IT IN THE ENCLOSED ENVELOPE WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES. VOTES SENT BY INTERNET OR TELEPHONE MUST BE RECEIVED BY 11:59 PM UNITED STATES EASTERN TIME ON MAY 21, 2013. IF YOU ATTEND THE ANNUAL MEETING, YOU MAY VOTE IN PERSON IF YOU WISH, EVEN IF YOU HAVE PREVIOUSLY RETURNED YOUR PROXY CARD.

Sincerely,

James E. Cashman III
President and Chief Executive Officer

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ANSYS, Inc.

Southpointe

275 Technology Drive

Canonsburg, PA 15317

(724) 746-3304

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on Wednesday, May 22, 2013

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of ANSYS, Inc. (the Company) will be held on Wednesday, May 22, 2013, at 2:00 p.m. Eastern Time, at the Southpointe Club, Southpointe, 360 Southpointe Boulevard in Canonsburg, Pennsylvania (the Annual Meeting), for the purpose of considering and voting upon:

1. The election of three Class II Directors for three-year terms;
2. The compensation of our named executive officers, to be voted on a non-binding, advisory basis;
3. The ratification of the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm; and,

4. Such other business as may properly come before the Annual Meeting and any adjournments or postponements thereof. The Board of Directors has fixed the close of business on March 25, 2013 as the record date for determination of stockholders entitled to notice of, and to vote at, the Annual Meeting and any adjournments or postponements thereof. Only holders of record of Common Stock at the close of business on that date will be entitled to notice of, and to vote at, the Annual Meeting and any adjournments or postponements thereof.

In the event there are not sufficient shares to be voted in favor of any of the foregoing proposals at the time of the Annual Meeting, the Annual Meeting may be adjourned in order to permit further solicitation of proxies.

By Order of the Board of Directors

Sheila S. DiNardo
Vice President, General Counsel and Secretary

Canonsburg, Pennsylvania

April 8, 2013

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE ANNUAL MEETING. WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, YOU ARE REQUESTED TO COMPLETE, DATE, SIGN AND RETURN YOUR PROXY IN ONE OF THE FOLLOWING WAYS: (1) USE THE WEBSITE ADDRESS SHOWN ON THE PROXY CARD AND VOTE OVER THE INTERNET; (2) USE THE TOLL-FREE TELEPHONE NUMBER SHOWN ON THE PROXY CARD AND VOTE OVER THE TELEPHONE; OR (3) IF YOU HAVE REQUESTED A PAPER COPY OF THESE DOCUMENTS, MARK, DATE AND SIGN THE PROXY CARD AND RETURN IT IN THE ENCLOSED ENVELOPE WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES. VOTES SENT BY INTERNET OR TELEPHONE MUST BE RECEIVED BY 11:59 PM UNITED STATES EASTERN TIME ON MAY 21, 2013. IF YOU ATTEND THE ANNUAL MEETING, YOU MAY VOTE IN PERSON IF YOU WISH, EVEN IF YOU HAVE PREVIOUSLY RETURNED YOUR PROXY CARD.

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2013 Proxy Summary

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.

Annual Meeting of Stockholders

Time and Date	2:00 p.m., May 22, 2013
Place	Southpointe Club 360 Southpointe Boulevard Canonsburg, PA 15317
Record Date	March 25, 2013
Voting	Stockholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the other proposals to be voted upon.

Meeting Agenda

Election of three directors for three-year terms

Non-binding advisory vote on the compensation of our named executive officers

Ratification of Deloitte Touche LLP as independent auditor for 2013

Transact other business that may properly come before the meeting

Voting Matters

	Board Vote Recommendation	Page
Election of Directors	FOR EACH DIRECTOR NOMINEE	10
Advisory Vote on Executive Compensation	FOR	11
Ratification of Auditor for 2013	FOR	12

Director Nominees

The following table provides summary information about each director nominee. Each director nominee is elected for a three-year term by a majority of votes cast in uncontested elections.

Name	Age	Director Since:	Occupation	Experience/ Qualification	Independent	Committee				Other Public Company Boards
						AC	CC	NG	S	
Ronald W. Hovsepian	51	2012	CEO, Intralinks,	Leadership	X		M			Intralinks, Inc. ANN, Inc.

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			Inc.	Global				
Michael C. Thurk	60	2007	Former COO, Avaya, Inc.	Technology Leadership Finance Operations Technology	X	M	C	N/A
Barbara V. Scherer	57	2013	Former CFO, Plantronics, Inc.	Leadership Finance Operations	X	M		Netgear, Inc.

AC Audit Committee
C Committee Chair
CC Compensation Committee
F Financial Expert
M Committee Member
NG Nominating & Corporate Governance Committee
S Strategy Committee

Table of Contents**Director Nominee Attendance**

Each director nominee is a current director and attended 100% of the Board meetings and 100% of the meetings of the committees of which he was a member in Fiscal 2012.

Auditors

As a matter of good corporate governance, we are asking our stockholders to ratify the selection of Deloitte & Touche LLP as our independent registered public auditor for 2013. Set forth below is a summary of the information provided in this proxy statement with respect to Deloitte's fees for services provided in 2012 and 2011.

Type of Fees	2012	2011
Audit Fees	\$ 902,000	\$ 907,000
Audit-Related Fees	\$ 187,000	\$ 194,000
Tax Fees(1)	\$ 741,000	\$ 533,000
All Other Fees	\$ 0	\$ 4,000
Total	\$ 1,830,000	\$ 1,638,000

- (1) Tax fees in 2012 did not exceed audit and audit-related fees paid to Deloitte in 2012, and \$408,000 of the tax fees incurred in 2012 related to tax compliance and preparation. Tax fees in 2011 did not exceed audit and audit-related fees paid to Deloitte in 2011, and \$243,000 of the tax fees incurred in 2011 related to tax compliance and preparation.

Executive Compensation and Company Performance

Our executive compensation program is largely driven by our Company's performance. Below are graphical representations depicting our stock price performance over 1-year, 3-year, 5-year and 10-year periods relative to the NASDAQ and Russell 1000 indices.

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Our executive compensation program is primarily performance-based and consists of the following elements:

Type	Form	Terms
Equity	Stock Options	Options typically vest over 4 years while employed 10-year life
	Performance-Based Restricted Stock Units (RSUs)	RSUs have a 3-year performance period Objective performance measure based on Total Shareholder Return relative to NASDAQ
Cash	Salary	Generally eligible for increase annually
	Performance Bonus	Target performance bonus ranges from 30% - 100% of salary Discretionary based on non-GAAP revenue, operating profit and earnings per share objective performance measures and individual qualitative goals CEO bonus paid semi-annually and annually Other executive bonuses paid quarterly and annually
Retirement	401(k)	Maximum 4.25% annual match
Other	Perquisites	Health, life and disability insurance, auto allowance, all commensurate with those generally available to eligible employees

Other Key Compensation Features

Management stock ownership requirements (3 times salary for CEO and 2 times salary for other NEOs)

Clawback of performance-based compensation

Double-trigger change of control vesting

No repricing or exchanges of stock options

Prohibition on hedging and pledges in Insider Trading Policy

Advisory Say-on-Pay Vote of more than 98% of stockholders in favor of our FY 2011 NEO compensation

Summary of 2012 Compensation Decisions

Over the past decade, ANSYS has increased its market capitalization from \$102 million at December 31, 2001 to more than \$6 billion at December 31, 2012.

Throughout this period, our executive compensation philosophy has been consistent and heavily focused on the creation of value for our stockholders. In line with our executive compensation philosophy, we emphasize performance-based

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compensation that is realized only through continued improved performance in the form of stock options, performance-based restricted stock units and performance-based cash bonuses, which comprise approximately 85% of our CEO's and 80% of our other named executive officers' total compensation in Fiscal Year 2012.

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The following charts depict how each element of compensation disclosed in the Summary Compensation Table on page 35 was weighted for our CEO and our other named executive officers as a group.

We believe that we effectively link executive compensation to Company performance by allocating approximately 85% of our CEO's and 80% of our other named executive officers' total compensation to performance-based elements in the form of stock options (which require increased stock price and continued employment to have any value), performance-based restricted stock units (which require stock price performance relative to the NASDAQ Total Shareholder Return over successive three-year periods to be earned) and performance-based cash bonuses (which require the attainment of both financial metrics and individualized, non-financial goals on a quarterly, semi-annual and annual basis to be earned).

2012 Compensation Summary

Set forth below is the 2012 compensation for our CEO and each named executive officer. Certain elements, namely performance-based option and stock awards, are valued pursuant to SEC and financial accounting rules and do not reflect compensation actually realized by each executive in 2012. In order for the performance-based option awards and stock awards disclosed in the summary table to have any value, the Company's stock price must increase (in the case of options) and perform relative to the NASDAQ index (in the case of stock awards), and both require continued employment.

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Name and Principal Position	Salary	Bonus	Stock Awards	Option Awards	All Other	Total
James E. Cashman III	\$ 580,000	\$ 562,500	\$ 1,599,500	\$ 1,584,640	\$ 25,287	\$ 4,351,927
CEO						
Maria T. Shields	\$ 277,450	\$ 183,300	\$ 639,800	\$ 445,680	\$ 9,875	\$ 1,556,105
CFO						
Joseph C. Fairbanks, Jr.	\$ 282,500	\$ 207,450	\$ 639,800	\$ 445,680	\$ 18,359	\$ 1,593,789
VP, Sales						
Joshua Fredburg	\$ 247,817	\$ 111,000	\$ 575,820	\$ 247,600	\$ 9,875	\$ 1,192,112
VP, Marketing						
Brian C. Drew	\$ 203,450	\$ 123,725	\$ 575,820	\$ 247,600	\$ 9,875	\$ 1,160,470
VP, Development						

2013 Annual Meeting

Deadline for stockholder proposals March 3, 2013

Voting Mechanics

Stockholders of the Company are requested to complete, date, sign and return their proxies in one of the following ways: use the website address shown on the proxy card and vote over the Internet; use the toll-free telephone number shown on the proxy card and vote over the telephone; or, if a stockholder has requested a paper copy of these documents, mark, date and sign the proxy card and return it in the enclosed envelope, which requires no postage if mailed in the United States. Internet and telephone voting procedures verify stockholders' identities and allow stockholders to confirm that voting has been recorded correctly. Stockholders voting over the Internet should realize that there may be additional costs with electronic access, such as usage charges from internet access providers, which must be paid by the stockholder.

If you hold shares of our Common Stock indirectly as the beneficial owner of shares held for you by a broker or other nominee (i.e., in street name), you may still direct your vote without attending the Annual Meeting. You may submit voting instructions to your broker or nominee. In most instances, you will be able to do this either over the Internet, by telephone or by mail. Please refer to the voting instruction card provided by your broker or nominee.

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ANSYS, Inc.

Southpointe

275 Technology Drive

Canonsburg, PA 15317

(724) 746-3304

PROXY STATEMENT

2013 ANNUAL MEETING OF STOCKHOLDERS

To Be Held on Wednesday, May 22, 2013

ANNUAL MEETING AND VOTING

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of ANSYS, Inc. (the Company), for use at the Annual Meeting of Stockholders of the Company to be held on Wednesday, May 22, 2013 at 2:00 p.m. Eastern Time at the Southpointe Club, Southpointe, 360 Southpointe Boulevard in Canonsburg, Pennsylvania, and any adjournments or postponements thereof (the Annual Meeting).

At the Annual Meeting, the stockholders of the Company will be asked to consider and vote upon the following matters:

1. The election of three Class II Directors for three-year terms;
2. The compensation of our named executive officers on a non-binding, advisory basis;
3. The ratification of the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm; and
4. Such other business as may properly come before the Annual Meeting and any adjournments or postponements thereof.

The Notice of Annual Meeting, Proxy Statement and Proxy Card are first being made available to stockholders of the Company on or about April 8, 2013 in connection with the solicitation of proxies for the Annual Meeting, and the Notice of Internet Availability of Proxy Materials is first being mailed to stockholders of the Company on or about April 8, 2013. The Board of Directors has fixed the close of business on March 25, 2013 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting (the Record Date). Only holders of record of the Company's Common Stock, par value \$.01 per share (the Common Stock), at the close of busin