

Knowles Corp
Form PREC14A
April 05, 2019

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION—DATED APRIL 5, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

SCHEDULE 14A

(Rule 14a-101)

**INFORMATION REQUIRED IN
PROXY STATEMENT**

SCHEDULE 14A INFORMATION

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

Filed by the registrant

Filed by a party other than the registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Knowles Corporation

(Name of registrant as specified in its charter)

Payment of the filing fee (check the appropriate box):

No fee required.

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Title of each class of securities to which transaction applies:

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Aggregate number of securities to which transaction applies:

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

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Date filed:

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PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION—DATED APRIL 5, 2019

[], 2019

Dear Fellow Shareholders:

You are cordially invited to attend our Annual Meeting of Shareholders (including any adjournments or postponements thereof, the “2019 Annual Meeting”) on [], [], 2019 at [] [a./p.m.] local time, at []. Included with this letter are the Notice of Annual Meeting of Shareholders, a proxy statement detailing the business to be conducted at the 2019 Annual Meeting and a **WHITE** proxy card.

Your vote will be especially important this year because Caligan Partners LP, Falcon Edge Capital, LP and certain of their affiliates (collectively, the “Activist Group”) have notified us of their intent to nominate two nominees for election as directors at the 2019 Annual Meeting in opposition to the nominees recommended by our board of directors (the “Board”). **The Board does not endorse any of the Activist Group’s nominees and unanimously recommends that you vote “FOR” the election of each of the nominees proposed by the Board on the WHITE proxy card.**

We strongly urge you to read the accompanying proxy statement carefully and vote “**FOR**” the nominees proposed by our Board and in accordance with the Board’s recommendations on the other proposals that will be brought before the 2019 Annual Meeting by using the **WHITE** proxy card. If you have voted using the proxy card sent to you by the Activist Group, you can revoke your vote by using the **WHITE** proxy card to vote. Only your latest-dated vote will count—any prior proxy card may be revoked at any time prior to the 2019 Annual Meeting.

We look forward to personally greeting those of you who will be able to attend the 2019 Annual Meeting in person. Regardless of whether you plan to join us at the 2019 Annual Meeting, it is important that your voice be heard. Accordingly, we request that you vote in advance of the 2019 Annual Meeting by signing, dating and returning the **WHITE** proxy card in the postage-paid envelope provided or by telephone or Internet following the easy instructions on the enclosed **WHITE** proxy card.

If you have any questions or require any assistance, please contact our proxy solicitor using the following contact information.

Innisfree M&A Incorporated

501 Madison Avenue, 20th Floor

New York, NY 10022

Shareholders may call toll-free: (877) 750-0926

Banks and Brokers may call collect: (212) 750-5833

Very truly yours,

Donald Macleod

Chairman of the Board of Directors

Jeffrey S. Niew

President and Chief Executive Officer

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION—DATED APRIL 5, 2019

NOTICE OF 2019 ANNUAL MEETING OF SHAREHOLDERS

Notice is hereby given that the 2019 Annual Meeting of Shareholders (including any adjournments or postponements thereof, the “2019 Annual Meeting”) of Knowles Corporation, a Delaware corporation (including any consolidated subsidiaries thereof, the “Company,” “Knowles,” “we,” “us” and “our”) will be held on [], [], 2019 at [] [a./p.m.] local time for the following purposes:

1. to elect three Class III directors named in the attached Proxy Statement for a one-year term or until their respective successors have been duly elected and qualified;
2. to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2019;
3. to approve, on an advisory, non-binding basis, our named executive officer compensation;
4. to approve an amendment to our Amended and Restated Certificate of Incorporation, as amended (the “Charter”) to eliminate the supermajority shareholder vote requirement to amend certain provisions of our Charter;
5. to approve an amendment to our Charter to eliminate the supermajority shareholder vote requirement to amend our Amended and Restated By-Laws; and
6. to transact any other business that may properly come before the 2019 Annual Meeting.

Only shareholders of record at the close of business on [], 2019 (the “record date”) are entitled to vote at the 2019 Annual Meeting. Such shareholders are urged to submit an enclosed **WHITE** proxy card, even if their shares were sold after such date. If your bank, broker or other nominee is the holder of record of your shares (i.e., your shares are held in “street name”), you will receive voting instructions from such holder of record. You must follow those instructions in order for your shares to be voted. Because of the contested nature of the proposals, if you do not give instructions to your broker, your broker may not be able to vote your shares with respect to the election of directors or any of the other proposals. **We urge you to instruct your bank, broker or other nominee to vote your shares “FOR” each of the proposals listed on the enclosed WHITE proxy card.**

The accompanying proxy statement provides detailed information about the matters to be considered at the 2019 Annual Meeting. As you may know, Caligan Partners LP, Falcon Edge Capital, LP and their affiliates and associates (collectively, the “Activist Group”), have notified the Company of their intent to nominate two director candidates for election at the 2019 Annual Meeting in opposition to the three nominees recommended by our Board. You may receive proxy solicitation materials from the Activist Group. The Company is not responsible for the accuracy of any information provided by or relating to the Activist Group or its nominees contained in solicitation materials filed or disseminated by or on behalf of the Activist Group or any other statements that the Activist Group may make. **The Board does NOT endorse the Activist Group’s nominees and strongly recommends that you NOT sign or return any [COLOR] proxy card sent to you by the Activist Group. If you have previously voted using a [COLOR] proxy card sent to you by the Activist Group, you can subsequently revoke that proxy by following the instructions on the enclosed WHITE proxy card. Only your latest dated proxy will count.**

THE BOARD UNANIMOUSLY RECOMMENDS VOTING “FOR” THE ELECTION OF THE BOARD’S NOMINEES UNDER PROPOSAL 1 AND “FOR” PROPOSALS 2, 3, 4 AND 5 USING THE ENCLOSED WHITE PROXY CARD. THE BOARD URGES YOU NOT TO SIGN, RETURN OR VOTE ANY [COLOR] PROXY CARD SENT TO YOU BY THE ACTIVIST GROUP.

YOUR VOTE IS VERY IMPORTANT. To assure that your shares are represented at the 2019 Annual Meeting, we urge you to date, sign and return the enclosed WHITE proxy card in the postage-paid envelope provided, or vote by telephone or the Internet as instructed on the WHITE proxy card, whether or not you plan to attend the 2019 Annual Meeting. You can revoke your proxy at any time before the proxies you appointed cast your votes.

All persons attending the 2019 Annual Meeting will be required to present a current form of government-issued picture identification. If you are a holder of record and attend the 2019 Annual Meeting, you may vote by ballot in person even if you have previously returned your proxy card. If you hold your shares in “street name” and wish to attend the 2019 Annual Meeting and vote in person, you must provide a “legal proxy” from your bank, broker or other nominee and proof of ownership on the record date (such as a recent brokerage statement) or the voting instruction form mailed to you by your bank, broker or other nominee.

If you have any questions or require any assistance with voting your shares, please contact our proxy solicitor:

Innisfree M&A Incorporated

501 Madison Avenue, 20th Floor

New York, NY 10022

Shareholders may call toll-free: (877) 750-0926

Banks and Brokers may call collect: (212) 750-5833

Thank you for your continued support of our Company.

On behalf of the Board of Directors,

Thomas Jackson
Secretary

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

The Company's Notice of 2019 Annual Meeting of Shareholders and Proxy Statement and the Annual Report on Form 10-K for the fiscal year ended December 31, 2018 are available free of charge at investor.knowles.com. The Notice of 2019 Annual Meeting of Shareholders and Proxy Statement are first being made available to shareholders on or about [], 2019.

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION—DATED APRIL 5, 2019

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PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in this Proxy Statement. It does not contain all of the information that you should consider in connection with the matters before the 2019 Annual Meeting. Please read the entire Proxy Statement carefully before voting.

THE 2019 ANNUAL MEETING

Date [], 2019
Time [] [a./p.m.] local time
Place []
Record Date [], 2019

Shareholders at the close of business on the record date will be entitled to vote at the 2019 Annual Meeting. As of the record date for the 2019 Annual Meeting, [] shares of our common stock are expected and entitled to vote at the 2019 Annual Meeting. Shareholders are entitled to one vote for each share of common stock held. A majority of these shares present in person or represented by proxy at the 2019 Annual Meeting will constitute a quorum for the transaction of business. For more information on voting, attending the 2019 Annual Meeting and other meeting information, please see “Information about the 2019 Annual Meeting” on page 5 of this Proxy Statement.

Voting

YOUR VOTE IS VERY IMPORTANT. To assure that your shares are represented at the 2019 Annual Meeting, we urge you to date, sign and return the enclosed WHITE proxy card promptly in the postage-paid envelope provided, or vote by telephone or the Internet as instructed on the WHITE proxy card, whether or not you plan to attend the 2019 Annual Meeting. You can revoke your proxy at any time before the proxies you appointed cast your votes. If your bank, broker or other nominee is the holder of record of your shares (i.e., your shares are held in “street name”), you will receive voting instructions from such holder of record. You must follow these instructions in order for your shares to be voted. We urge you to instruct your bank, broker or other nominee, by following those instructions, to vote your shares in line with the Board’s recommendations on the WHITE voting instruction form.

AGENDA AND BOARD RECOMMENDATIONS

Unanimous Board Recommendation See Page

	Election of three Class III directors for a one-year term or until their respective successors have been duly elected and qualified	FOR the nominees recommended by your Board	16
Proposal 1			
Proposal 2	Ratification of the appointment of PricewaterhouseCoopers	FOR	35

	LLP as our independent registered public accounting firm for 2019 Approval, on an advisory, non-binding		
Proposal 3	basis, of our named executive officer compensation	FOR	37
	Approval of an amendment to our Charter to eliminate the		
Proposal 4	supermajority shareholder vote requirement to amend certain provisions of our Charter	FOR	38
	Approval of an amendment to our Charter to eliminate the		
Proposal 5	supermajority shareholder vote requirement to amend our By-Laws	FOR	38

DIRECTOR NOMINEES

Our Board is currently comprised of nine directors who are currently divided into three director classes. The Board is in the process of phased declassification, which will begin at the 2019 Annual Meeting and conclude at the 2021 Annual Meeting. You are being asked to vote on the election of the three Class III directors of the Board listed below for a one-year term. For more information about the background and qualifications of the director nominees and the entire Board of Directors, please see “Nominees for Election to the Board” on page 17 of this Proxy Statement and “Additional Members of the Board” on page 20 of this Proxy Statement, respectively. For more information on the pending declassification of the Board, please see “Proposal 1—Election of the Three Class III Directors” on page 16 of this Proxy Statement.

Name	Age	Independence	Tenure	Committees
Hermann Eul	60	Yes	4 years	Compensation
Donald Macleod	70	Yes	5 years	Compensation
<i>(Chairman of the Board)</i>				
Dr. Cheryl Shavers	65	Yes	2 years	Audit, Governance and Nominating

CORPORATE GOVERNANCE HIGHLIGHTS