IROBOT CORP
Form PRE 14A
April 02, 2015

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 þ Filed by a Party other than the Registrant ¨
Check the appropriate box:

þ Preliminary Proxy Statement

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

o Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to 240.14a-12

iRobot 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):

þ No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

2) Aggregate number of securities to which transaction applies:

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4) Proposed maximum aggregate value of transaction:

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1) Amount previously paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

Dear Stockholder: April , 2015

You are cordially invited to attend the annual meeting of stockholders of iRobot Corporation to be held at 2:00 p.m., local time, on Wednesday, May 20, 2015 at iRobot Corporation headquarters located at 8 Crosby Drive, Bedford, Massachusetts 01730.

At this annual meeting, you will be asked to elect three (3) Class I directors for three-year terms, to elect one (1) Class III director for a two-year term, to ratify the appointment of our independent registered public accountants, to approve the iRobot Corporation 2015 Stock Option and Incentive Plan (the "2015 Plan"), to approve amendments to our amended and restated certificate of incorporation to adopt majority voting standards (the "Restated Certificate"), to cast an advisory vote on the approval of the compensation of our named executive officers, and to consider a stockholder proposal entitled "Elect Each Director Annually." The board of directors unanimously recommends that you vote FOR election of the director nominees, FOR ratification of appointment of our independent registered public accountants, FOR approval of the 2015 Plan, FOR approval of the Restated Certificate, FOR approval, on an advisory basis, of the compensation of our named executive officers, and AGAINST the stockholder proposal entitled "Elect Each Director Annually".

Details regarding the matters to be acted upon at this annual meeting appear in the accompanying proxy statement. Please give this material your careful attention.

Whether or not you plan to attend the annual meeting, we urge you to sign and return the enclosed proxy so that your shares will be represented at the annual meeting. If you attend the annual meeting, you may vote in person even if you have previously returned your proxy card. Your prompt cooperation will be greatly appreciated.

Very truly yours,

COLIN M. ANGLE
Chief Executive Officer & Chairman of the Board

SUMMARY OF RECENT CHANGES TO CORPORATE GOVERNANCE AND EXECUTIVE COMPENSATION

In our continuing efforts to improve corporate governance and better align executive compensation with company performance, the following highlights elements of our corporate governance and executive compensation that are described in more detail in the proxy statement.

	2014	2015
Corporate Governance	Termination of rights plan - "poison pill"	Adoption of majority voting standards for removal of directors and amendments to certain provisions of our certificate of incorporation
	Adopted majority voting standard for election of directors	
Executive Compensation	Designed 50% of executives' LTI to be based on the Company's financial performance	Inclusion of clawback policy

Corporate Governance

At our 2014 annual meeting of stockholders, our stockholders voted to request that our board of directors take the steps necessary so that each voting requirement in our existing amended and restated certificate of incorporation (the "Current Certificate") and by-laws that calls for a greater than a simple majority vote be eliminated and replaced by a majority voting standard. In response to the strong support from our stockholders, iRobot's board of directors has proposed an amendment to the Current Certificate to adopt majority voting standards for removal of directors and amendments to certain provisions of the certificate of incorporation. Details on this proposal appears on pages [INSERT] of this proxy statement.

These proposed changes are in addition to unilateral changes made by our board of directors in 2014, including the termination of the Company's shareholder rights plan -- commonly known as a "poison pill"-- and a change to a majority voting standard for the election of directors.

We will continue to evaluate our corporate governance to ensure it remains in the best interests of our stockholders.

Executive Compensation

We continue to evaluate our program and policies to ensure that they emphasize pay-for-performance. In 2014, the compensation committee made an important change to its long-term incentive structure through the inclusion of performance-based equity awards for our executive officers. As more fully described in this proxy statement, a significant portion of our long-term incentives is now "at risk" based upon the Company's performance. This is in addition to our non-equity incentive based compensation, which is strictly "at risk" and based on financial performance. Overall, our executive compensation program contains the following highlights:

Annual "say-on-pay" vote	No pension benefits for executive officers
Clawback policy	No discounted options
Strong stock ownership and stock holding guidelines	No option repricing without stockholder approval
Oversight of risks associated with compensation policies and practice	No excise tax gross-ups
"Double trigger" change in control agreements	No hedging or pledging of Company stock
Independent compensation consultant	No excessive perquisites for executives

A full description of our executive compensation program is contained in the Compensation Discussion and Analysis section in this proxy statement.

iROBOT CORPORATION
8 Crosby Drive
Bedford, Massachusetts 01730
(781) 430-3000

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held on May 20, 2015

To the Stockholders of iRobot Corporation:

The annual meeting of stockholders of iRobot Corporation, a Delaware corporation (the “Company”), will be held on Wednesday, May 20, 2015, at 2:00 p.m., local time, at iRobot Corporation headquarters located at 8 Crosby Drive, Bedford, Massachusetts 01730, for the following purposes:

1.To elect three (3) Class I directors, nominated by the board of directors, each to serve for a three year term and until his or her successor has been duly elected and qualified or until his or her earlier resignation or removal and to elect one (1) Class III director, nominated by the board of directors, to serve for a two-year term and until her successor has been duly elected and qualified or until her earlier resignation or removal;
2.To ratify the appointment of the accounting firm of PricewaterhouseCoopers LLP as the Company’s independent registered public accountants for the current fiscal year;
3.To approve the iRobot Corporation 2015 Stock Option and Incentive Plan;
4.To approve amendments to our amended and restated certificate of incorporation to adopt majority voting standards;
5.To hold an advisory vote on the approval of the compensation of our named executive officers;
6.To consider a stockholder proposal entitled "Elect Each Director Annually," which proposal is opposed by the board of directors, if such proposal is properly introduced at the meeting; and
7.To transact such other business as may properly come before the annual meeting and any adjournments or postponements thereof.

Proposal 1 relates solely to the election of three (3) Class I directors and one (1) Class III director nominated by the board of directors and does not include any other matters relating to the election of directors, including without limitation, the election of directors nominated by any stockholder of the Company.

Only stockholders of record at the close of business on April 9, 2015, are entitled to notice of and to vote at the annual meeting and at any adjournment or postponement thereof.

All stockholders are cordially invited to attend the annual meeting in person. However, to assure your representation at the annual meeting, we urge you, whether or not you plan to attend the annual meeting, to sign and return the enclosed proxy so that your shares will be represented at the annual meeting. If you attend the annual meeting, you may vote in person even if you have previously returned your proxy card. Directions to iRobot Corporation headquarters can be found at the Company’s website, http://www.irobot.com.

By Order of the Board of Directors,

GLEN D. WEINSTEIN
Executive Vice President,
Chief Legal Officer and Secretary
Bedford, Massachusetts
April , 2015

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 20, 2015. THE PROXY STATEMENT AND ANNUAL REPORT TO STOCKHOLDERS ARE AVAILABLE AT https://materials.proxyvote.com/462726.

WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING, PLEASE COMPLETE, DATE AND SIGN THE ENCLOSED PROXY CARD AND MAIL IT PROMPTLY IN THE ENCLOSED ENVELOPE IN ORDER TO ASSURE REPRESENTATION OF YOUR SHARES. NO POSTAGE NEED BE AFFIXED IF THE PROXY CARD IS MAILED IN THE UNITED STATES.

IN ACCORDANCE WITH OUR SECURITY PROCEDURES, ALL PERSONS ATTENDING THE ANNUAL MEETING WILL BE REQUIRED TO PRESENT PICTURE IDENTIFICATION.

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iROBOT CORPORATION
8 Crosby Drive
Bedford, Massachusetts 01730
PROXY STATEMENT
For the Annual Meeting of Stockholders
To Be Held on May 20, 2015
April , 2015

This proxy statement is furnished in connection with the solicitation of proxies by the board of directors of iRobot Corporation, a Delaware corporation (the “Company” or "iRobot"), for use at the annual meeting of stockholders to be held on Wednesday, May 20, 2015, at 2:00 p.m., local time, at iRobot Corporation headquarters located at 8 Crosby Drive, Bedford, Massachusetts 01730, and any adjournments or postponements thereof. An annual report to stockholders, containing financial statements for the fiscal year ended December 27, 2014, is being mailed together with this proxy statement to all stockholders entitled to vote at the annual meeting. This proxy statement and the form of proxy are expected to be first mailed to stockholders on or about April 17, 2015.

The purposes of the annual meeting are to elect three (3) Class I directors for three-year terms, to elect one (1) Class III director for a two-year term, to ratify the appointment of the Company’s independent registered public accountants, to approve the iRobot Corporation 2015 Stock Option and Incentive Plan (the “2015 Plan”), to approve amendments to our amended and restated certificate of incorporation to adopt majority voting standards (the “Restated Certificate”), to hold an advisory vote on the compensation of our named executive officers, and to consider a stockholder proposal entitled "Elect Each Director Annually." Only stockholders of record at the close of business on April 9, 2015 will be entitled to receive notice of and to vote at the annual meeting. As of March 24, 2015, 29,690,899 shares of common stock, $.01 par value per share, of the Company were issued and outstanding. The holders of common stock are entitled to one vote per share on any proposal presented at the annual meeting.

Stockholders may vote in person or by proxy. If you attend the annual meeting, you may vote in person even if you have previously returned your proxy card. Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before it is voted. Proxies may be revoked by (i) filing with the Secretary of the Company, before the taking of the vote at the annual meeting, a written notice of revocation bearing a later date than the proxy, (ii) duly completing a later-dated proxy relating to the same shares and delivering it to the Secretary of the Company before the taking of the vote at the annual meeting, or (iii) attending the annual meeting and voting in person (although attendance at the annual meeting will not in and of itself constitute a revocation of a proxy). Any written notice of revocation or subsequent proxy should be sent so as to be delivered to iRobot Corporation, 8 Crosby Drive, Bedford, Massachusetts 01730, Attention: Secretary, before the taking of the vote at the annual meeting.

The representation in person or by proxy of at least a majority of the outstanding shares of common stock entitled to vote at the annual meeting is necessary to constitute a quorum for the transaction of business. Votes withheld from any nominee, abstentions and broker “non-votes” are counted as present or represented for purposes of determining the presence or absence of a quorum for the annual meeting. A “non-vote” occurs when a nominee holding shares for a beneficial owner votes on one proposal but does not vote on another proposal because, with respect to such other proposal, the nominee does not have discretionary voting power and has not received instructions from the beneficial owner. Broker “non-votes” are not considered voted for the particular matter and have the effect of reducing the number of affirmative votes required to achieve a majority for such matter by reducing the total number of shares from which the majority is calculated.

For Proposal 1, the election of three Class I directors and one Class III director, the affirmative vote of holders of a majority of the votes cast by holders of shares present, in person or represented by proxy, and entitled to vote on the matter is required for approval. Abstentions and broker non-votes will not be counted as voting with respect to the election of the directors and, therefore, will not have an effect on the election of the Class I directors or the Class III director.

For Proposal 2, the ratification of the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered public accountants for the current fiscal year, Proposal 3, approval of the 2015 Plan, Proposal 5, the advisory vote on the compensation of our named executive officers, and Proposal 6, the stockholder proposal entitled

"Elect Each Director Annually," an affirmative vote of a majority of the shares present, in person or represented by proxy, and voting on each such matter is required for approval. Abstentions are included in the number of shares present or represented and entitled to vote on each such matter.

For Proposal 4, the vote on the Restated Certificate, an affirmative vote of not less than 75% of the outstanding shares entitled to vote as of the record date is required for approval.

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The persons named as attorneys-in-fact in the proxies, Glen D. Weinstein and Alison Dean, were selected by the board of directors and are officers of the Company. All properly executed proxies returned in time to be counted at the annual meeting will be voted by such person at the annual meeting. Where a choice has been specified on the proxy with respect to the foregoing matters, the shares represented by the proxy will be voted in accordance with the specifications. If no such specifications are indicated, such proxies will be voted FOR election of the director nominees, FOR ratification of the appointment of our independent registered public accountants, FOR the approval of the 2015 Plan, FOR the approval of the Restated Certificate, FOR the approval on an advisory basis, of the compensation of our named executive officers, and AGAINST the stockholder proposal entitled “Elect Each Director Annually”.

Aside from the election of directors, the ratification of the appointment of the independent registered public accountants, the approval of the 2015 Plan, the approval of the Restated Certificate, the advisory vote on the compensation of our named executive officers and the stockholder proposal entitled "Elect Each Director Annually," the board of directors knows of no other matters to be presented at the annual meeting. If any other matter should be presented at the annual meeting upon which a vote properly may be taken, shares represented by all proxies received by the board of directors will be voted with respect thereto in accordance with the judgment of the persons named as attorneys-in-fact in the proxies.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding beneficial ownership of the Company's common stock as of March 27, 2015: (i) by each person who is known by the Company to beneficially own more than 5% of the outstanding shares of common stock; (ii) by each director or nominee of the Company; (iii) by each named executive officer of the Company; and (iv) by all directors and executive officers of the Company as a group. Unless otherwise noted below, the address of each person listed on the table is c/o iRobot Corporation, 8 Crosby Drive, Bedford, Massachusetts 01730.

Name of Beneficial Owner	Shares Beneficially Owned(1)	Percentage of Shares Beneficially Owned(2)
BlackRock, Inc.(3) 40 East 52nd St. New York, NY 10022	2,512,817	8.50%
The Vanguard Group, Inc.(4) 100 Vanguard Boulevard Malvern, PA 19355	1,841,733	6.23%
T. Rowe Price Associates, Inc.(5) 100 East Pratt Street Baltimore, MD 21202-1009	1,669,000	5.60%
Colin M. Angle(6)	694,474	2.34%
Alison Dean(7)	53,868	*
Russell J. Campanello(8)	89,374	*
Paolo Pirjanian (9)	75,146	*
Glen D. Weinstein(10)	60,303	*
Christian Cerda (11)	49,087	*
Ronald Chwang(12)	260,806	*
Gail Deegan(13)	11,596	*
Deborah G. Ellinger(14)	15,424	*
Andrea Geisser(15)	72,145	*
George C. McNamee(16)	156,282	*
Paul J. Kern(17)	83,147	*
Paul Sagan(18)	21,922	*
Michelle V. Stacy	—	*
All executive officers, directors and nominees as a group(19) (14 persons)	1,643,574	5.53%

* Represents less than 1% of the outstanding common stock.

(1) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and includes voting and investment power with respect to shares. Unless otherwise indicated below, to the knowledge of the Company, all persons listed below have sole voting and investment power with respect to their shares of common stock, except to the extent authority is shared by spouses under applicable law. Pursuant to the rules of the Securities and Exchange Commission, the number of shares of common stock deemed outstanding includes (i) shares issuable pursuant to options held by the respective person or group that are currently exercisable or may be exercised within 60 days of March 27, 2015 and (ii) shares issuable pursuant to restricted stock units held by the respective person or group that vest within 60 days of March 27, 2015.

(2) Applicable percentage of ownership as of March 27, 2015 is based upon 29,707,029 shares of common stock outstanding.

(3) BlackRock Inc. has sole voting power with respect to 2,448,066 shares and sole dispositive power with respect to 2,512,817 shares. This information has been obtained from a Schedule 13G/A filed by BlackRock Inc. with the Securities and Exchange Commission on January 22, 2015.

(4) The Vanguard Group Inc. has sole voting power with respect to 41,709 shares, sole dispositive power with respect to 1,802,924 shares and shared dispositive power with respect to 38,809 shares. Vanguard Fiduciary Trust Company ("VFTC"), a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 38,809 shares as a result of its serving as investment manager of collective trust accounts. Vanguard Investments Australia, Ltd. ("VIA"), a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 2,900 shares as a result of its serving as investment manager of

Australian investment offerings. The address of each reporting entity is 100 Vanguard Boulevard, Malvern, PA 19355. This information has been obtained from a Schedule 13G/A filed by The Vanguard Group, Inc. with the Securities and Exchange Commission on February 10, 2015.

(5) T. Rowe Price Associates, Inc. has sole voting power with respect to 391,600 shares and sole dispositive power with respect to 1,669,000 shares. This information has been obtained from a Schedule 13G filed by T. Rowe Price Associates, Inc. with the Securities and Exchange Commission on February 13, 2015. The address of T. Rowe Price Associates, Inc. is 100 E. Pratt Street, Baltimore, MD 21202.

(6) Includes 290,480 shares issuable to Mr. Angle upon exercise of stock options and 5,700 shares issuable to Mr. Angle upon vesting of restricted stock units.

(7) Includes 32,888 shares issuable to Ms. Dean upon exercise of stock options and 931 shares issuable to Ms. Dean upon vesting of restricted stock units.

(8) Includes 50,152 shares issuable to Mr. Campanello upon exercise of stock options.

(9) Includes 65,059 shares issuable to Dr. Pirjanian upon exercise of stock options.

(10) Includes 22,035 shares issuable to Mr. Weinstein upon exercise of stock options and 1,437 shares issuable to Mr. Weinstein upon vesting of restricted stock units.

(11) Includes 31,798 shares issuable to Mr. Cerda upon exercise of stock options.

(12) Includes an aggregate of 140,000 shares held by iD5 Fund, L.P. Dr. Chwang is a general partner of the management company for iD5 Fund, L.P. and may be deemed to share voting and investment power with respect to all shares held by iD5 Fund, L.P. Dr. Chwang disclaims beneficial ownership of such shares except to the extent of his pecuniary interest, if any. Also includes 30,000 shares issuable to Dr. Chwang upon exercise of stock options, 3,243 shares issuable to Dr. Chwang upon vesting of restricted stock options and 79,210 shares held in a trust for the benefit of certain of his family members. As co-trustees of the family trust, Dr. Chwang shares voting and dispositive power over the shares held by the trust with his spouse.

(13) Includes 3,243 shares issuable to Ms. Deegan upon vesting of restricted stock units.

(14) Includes 3,243 shares issuable to Ms. Ellinger upon vesting of restricted stock units.

(15) Includes 40,000 shares issuable to Mr. Geisser upon exercise of stock options, 3,243 shares issuable to Mr. Geisser upon vesting of restricted stock units and 12,643 shares issuable to Mr. Geisser upon termination of service.

(16) Includes 70,000 shares issuable to Mr. McNamee upon exercise of stock options, 3,243 shares issuable to Mr. McNamee upon vesting of restricted stock units and 3,487 shares issuable to Mr. McNamee upon termination of service.

(17) Includes 60,000 shares issuable to Gen. Kern upon exercise of stock options, 3,243 shares issuable to Gen. Kern upon vesting of restricted stock units and 8,492 shares issuable to Gen. Kern upon termination of service.

(18) Includes 2,500 shares issuable to Mr. Sagan upon exercise of stock options, 3,243 shares issuable to Mr. Sagan upon vesting of restricted stock units and 4,767 shares issuable to Mr. Sagan upon termination of service.

(19) Includes an aggregate of 694,912 shares issuable upon exercise of stock options held by eleven executive officers and directors, an aggregate of 30,769 shares issuable upon vesting of restricted stock units held by ten executive officers and directors and an aggregate of 29,389 shares issuable upon termination of service to four (4) directors.

PROPOSAL 1
ELECTION OF DIRECTORS
Nominees

Our board of directors currently consists of nine members. Our amended and restated certificate of incorporation divides the board of directors into three classes. One class is elected each year for a term of three years. The board of directors, upon the recommendation of the nominating and corporate governance committee, has nominated Colin M. Angle, Ronald Chwang, Ph.D., and Deborah G. Ellinger and recommended that each be elected to the board of directors as a Class I director, each to hold office until the annual meeting of stockholders to be held in the year 2018 or until his or her successor has been duly elected and qualified or until his or her earlier death, resignation or removal. Mr. Angle, Dr. Chwang and Ms. Ellinger are Class I directors whose terms expire at this annual meeting. The board of directors, upon the recommendation of the nominating and corporate governance committee, has nominated Michelle V. Stacy and recommended that she be elected to the board of directors as a Class III director, to hold office until the annual meeting of stockholders to be held in the year 2017 or until her successor has been duly elected and qualified or until her earlier death, resignation or removal. Ms. Stacy was appointed by the board of directors as a Class III director in August 2014. The board of directors is also composed of (i) two Class II directors (George McNamee and Paul Sagan) whose terms expire upon the election and qualification of directors at the annual meeting of stockholders to be held in 2016 and (ii) two Class III directors (Gail Deegan and Andrea Geisser) whose terms expire upon the election and qualification of directors at the annual meeting of stockholders to be held in 2017. General Kern is not standing for reelection to the board of directors.

The board of directors knows of no reason why any of the nominees would be unable or unwilling to serve, but if any nominee should for any reason be unable or unwilling to serve, the proxies will be voted for the election of such other person for the office of director as the board of directors may recommend in the place of such nominee. Unless otherwise instructed, the proxy holders will vote the proxies received by them for the nominees named below.

Recommendation of the Board

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS
THAT YOU VOTE “FOR” THE NOMINEES LISTED BELOW.

The following table sets forth the nominees to be elected at the annual meeting and continuing directors, the year each such nominee or director was first elected a director, the positions with us currently held by each nominee and director, the year each nominee’s or director’s current term will expire and each nominee’s and director’s current class:

Nominee’s or Director’s Name and Year First Became a Director	Position(s) with the Company	Year Current Term Will Expire	Current Class of Director
Nominees for Class I Directors:			
Colin M. Angle 1992	Chairman of the Board, Chief Executive Officer and Director	2015	I
Ronald Chwang, Ph.D. 1998	Director	2015	I
Deborah G. Ellinger 2011	Director	2015	I
Nominee for Class III Directors:			
Michelle V. Stacy 2014 (1)	Director	2017	III
Continuing Directors:			
George C. McNamee 1999	Director	2016	II
Paul Sagan 2010	Director	2016	II
Gail Deegan 2011	Director	2017	III
Andrea Geisser 2004	Director	2017	III

(1) Ms. Stacy was appointed by the board of directors as a Class III director in August 2014. At the time of the appointment, the board of directors set Ms. Stacy's election by the stockholders to occur at the next scheduled annual meeting of stockholders.

DIRECTORS AND EXECUTIVE OFFICERS
The following table sets forth the director nominees to be elected at the annual meeting, the directors and the executive officers of the Company, their ages immediately prior to the annual meeting, and the positions currently held by each such person with the Company:

Name	Age	Position
Colin M. Angle	47	Chairman of the Board, Chief Executive Officer and Director
Alison Dean	50	Executive Vice President, Chief Financial Officer, Treasurer and Principal Accounting Officer
Russell J. Campanello	59	Executive Vice President, Human Resources and Corporate Communications
Paolo Pirjanian, Ph.D.	47	Executive Vice President, Chief Technology Officer
Glen D. Weinstein	44	Executive Vice President, Chief Legal Officer
Christian Cerda	45	Senior Vice President and General Manager, Home Robots Business Unit
Ronald Chwang, Ph.D.(1)	67	Director
Gail Deegan(2)	68	Director
Deborah G. Ellinger(1)	56	Director
Andrea Geisser(2)	72	Director
George C. McNamee(1)(3)	68	Director
Paul J. Kern, Gen. U.S. Army (ret)(2)	69	Director
Paul Sagan(3)	56	Director
Michelle V. Stacy	60	Director

(1) Member of compensation committee
(2) Member of audit committee
(3) Member of nominating and corporate governance committee

Colin M. Angle, a co-founder of iRobot, has served as chairman of the board since October 2008, as chief executive officer since June 1997, and prior to that, as our president since November 1992. Mr. Angle has also served as a director since October 1992. Mr. Angle also worked at the National Aeronautical and Space Administration’s Jet Propulsion Laboratory where he participated in the design of the behavior-controlled rovers that led to Sojourner exploring Mars in 1997. Mr. Angle holds a B.S. in Electrical Engineering and an M.S. in Computer Science, both from MIT. As a co-founder and chief executive officer, Mr. Angle provides a critical contribution to the board of directors reflecting his detailed knowledge of the Company, our employees, our client base, our prospects, the strategic marketplace and our competitors.

Alison Dean has served as our executive vice president, chief financial officer, treasurer and principal accounting officer since April 2013. Ms. Dean previously served as our senior vice president, corporate finance from February 2010 until March 2013. From March 2007 until February 2010, Ms. Dean served as our vice president, financial controls & analysis. From August 2005 until March 2007, Ms. Dean served as our vice president, financial planning & analysis. From 1995 to August 2005, Ms. Dean served in a number of positions at 3Com Corporation, including vice president and corporate controller from 2004 to 2005 and vice president of finance - worldwide sales from 2003 to 2004. Ms. Dean holds a B.A. in Business Economics from Brown University and an M.B.A. from Boston University.

Russell Campanello has served as our executive vice president, human resources and corporate communications since February 2014. Mr. Campanello previously served as our senior vice president, human resources and corporate communications from July 2013 until February 2014. From November 2010 until July 2013, Mr. Campanello served as our senior vice president, human resources. Prior to joining iRobot, Mr. Campanello served as senior vice president, human resources and administration at Phase Forward, Inc. from April 2008 until September 2010. Mr. Campanello previously served as senior vice president of human resources and marketing at Keane, Inc., a business process and information technology consulting firm, from September 2003 to October 2007. Prior to Keane, Mr. Campanello served as chief people officer at NerveWire from August 2000 to February 2003. Prior to NerveWire, he served as senior vice president, human resources at Genzyme Corp. from November 1997 to July 2000. Earlier in his career, Mr. Campanello spent nine years as vice president of human resources at Lotus Development Corporation. He attended Suffolk University's Executive M.B.A. program, and holds a B.S. degree in Business Administration from the University of Massachusetts.

Paolo Pirjanian has served as our executive vice president, chief technology officer since February, 2014. Dr. Pirjanian previously served as our senior vice president, chief technology officer from October 2012 until February, 2014. Prior to joining iRobot, he served as chief executive officer of Evolution Robotics, Inc. for seven years. Before that, Dr. Pirjanian was the chief technology officer of Evolution Robotics, Inc. Earlier in his career, he worked as a lecturer in the computer science department at the University of Southern California and as a researcher at the NASA Jet Propulsion Laboratory where he received the Technical Leadership Award. Dr. Pirjanian is the former U.S. chairman of IEEE Robotics and received the IEEE Robotics and Automation Society Early Career Award in 2004. He holds a Ph.D. in robotics from Aalborg University.

Glen D. Weinstein has served as our executive vice president and chief legal officer since August 2012. Mr. Weinstein previously served as our general counsel from July 2000 to August 2012 and as senior vice president from January 2005 to August 2012. Since March 2004, he has also served as our secretary. Prior to joining iRobot, Mr. Weinstein was with Covington & Burling LLP, a law firm in Washington, D.C. Mr. Weinstein holds a B.S. in Mechanical Engineering from MIT and a J.D. from the University of Virginia School of Law.

Christian Cerda has served as our senior vice president and general manager of our Home Robot Business Unit since May 2013. He has direct responsibility over global sales, marketing and product development and oversees a multifunctional team managing all operational execution areas of the unit. Prior to iRobot, he was General Manager at Whirlpool Corporation and before that served in senior positions at The Boston Consulting Group and Procter & Gamble. Mr. Cerda holds a bachelor of science degree in computer engineering from Universidad Simon Bolivar and an M.S. in business administration with distinction from the Northwestern University Kellogg Graduate School of Management.

Ronald Chwang, Ph.D., has served as a director since November 1998. Dr. Chwang is the chairman and president of iD Ventures America, LLC (formerly known as Acer Technology Ventures, LLC) under the iD SoftCapital Group, a venture investment and management consulting service group formed in January 2005. From August 1998 until December 2004, Dr. Chwang was the chairman and president of Acer Technology Ventures, LLC, managing high-tech venture investment activities in North America. Dr. Chwang also serves on the board of directors of AU Optronics and a number of other private high tech companies. Dr. Chwang holds a B.Eng. (with honors) in Electrical Engineering from McGill University and a Ph.D. in Electrical Engineering from the University of Southern California. Dr. Chwang brings to the board of directors his extensive experience in the technology industry, through both company operations and venture capital investment.

Gail Deegan has served as a director since May 2011. From February 1996 until her retirement in September 2001, Ms. Deegan served as executive vice president and chief financial officer of Houghton Mifflin Company, a publishing company. From February 1995 to February 1996, Ms. Deegan was senior vice president of regulatory and government affairs for NYNEX New England, and from November 1991 to January 1995, was vice president and chief financial officer of New England Telephone. From 1988 to January 1990, Ms. Deegan was senior vice president, chief financial officer and treasurer of Eastern Enterprises, and from February 1990 to May 1991, was senior vice president, chief financial officer and chief administrative officer of that company. Ms. Deegan is a director of EMC Corporation. Ms. Deegan holds a B.A. in elementary education from The College of Saint Rose, an M.S. in History from Ohio State University, and an M.B.A. from Simmons College School of Management. Ms. Deegan brings to the board of directors her extensive experience with financial accounting matters for complex organizations and oversight of both the corporate governance requirements and financial reporting process of public companies.

Deborah G. Ellinger, CEO of The Princeton Review, has served as a director since November 2011. Ms. Ellinger is the former president of Restoration Hardware and former chief executive officer of Wellness Pet Food. Previously, she served as an executive vice president at CVS Pharmacy, a senior vice president at Staples and a partner at The Boston Consulting Group. Ms. Ellinger began her career with Mellon Financial Corporation. Her assignments have taken her all over the world; she has lived and worked in Europe, Asia and America. Ms. Ellinger also serves on the board of directors at National Life Group and The Princeton Review and is a former director of Sealy Corporation. She is qualified as a Barrister-at-Law in London, as a member of the Inner Temple. Ms. Ellinger holds an M.A. and B.A. in Law and Mathematics from the University of Cambridge. Ms. Ellinger brings extensive experience in international retail and consumer products to the board.

Andrea Geisser has served as a director since March 2004. Mr. Geisser is currently a senior advisor to Zephyr Management Inc., a global private equity firm that specializes in emerging markets (Africa, India, Sri Lanka), and a member of the investment committee of some of those funds. From 1995 to 2005, Mr. Geisser was a managing director of Fenway Partners. Prior to founding Fenway Partners, Mr. Geisser was a managing director of Butler Capital Corporation. Prior to that, he was a managing director of Onex Investment Corporation, a Canadian management buyout company. From 1974 to 1986, he was a senior officer of Exor America. Mr. Geisser has been a board member and audit committee member of several private companies. Mr. Geisser holds a B.A. from Bocconi University in Milan, Italy and a P.M.D. from Harvard Business School. Mr. Geisser brings to the board of directors his extensive experience regarding the management of companies, as well as his financial expertise.

George C. McNamee has served as a director since August 1999. Currently a private investor, Mr. McNamee served as a managing partner of FA Technology Ventures, an information and energy technology venture capital firm, from 2000 until 2012. He serves as chairman of the board of directors of Plug Power Inc., a leading fuel cell developer, and is a director of several private companies, a Sterling Fellow of Yale and a Trustee of the Albany Academies and The American Friends of Eton College. Mr. McNamee previously served on the board of directors of Broadpoint (now Gleacher) Securities as well as serving from 1984 to 2007 as chairman of its predecessor First Albany Companies and was also a board member of the New York Stock Exchange Inc., MapInfo, Home Shopping Network and the Meta Group. He received his B.A. from Yale University. Mr. McNamee brings to the board of directors his extensive experience regarding the management of public and private companies, as well as his financial expertise.

Paul J. Kern, Gen. U.S. Army (ret.) has served as a director since May 2006. Gen. Kern has served as a senior counselor to The Cohen Group, an international strategic business consulting firm, since January 2005. Gen. Kern also served as president and chief operating officer of AM General LLC from August 2008 until January 2010. From 1963 to 2004, Gen. Kern served in the U.S. Army and, from October 2001 to November 2004, as Commanding General of the U.S. Army Materiel Command. Prior to his command in the U.S. Army Materiel Command, he served as the military deputy to the Assistant Secretary of the Army for Acquisition, Logistics and Technology. Gen. Kern also serves on the board of directors of Exelis Corporation, LGS Innovations and Covant LLC and is a former director of EDO Corporation, Anteon International Corporation and ITT Corporation. He holds a B.S. from the United States Military Academy at West Point, an M.S. in Civil Engineering from the University of Michigan and an M.S. in Mechanical Engineering from the University of Michigan. Gen. Kern brings to the board of directors his extensive experience in the military and defense industry. Gen. Kern's term will expire at the annual meeting, and he will not stand for reelection.

Paul L. Sagan has served as a director since February 2010. He is an executive in residence (XIR) at General Catalyst Partners, a venture capital firm based in Cambridge, Massachusetts. He is also vice chairman of Akamai Technologies, Inc. (NASDAQ: AKAM), and previously served as the company’s chief executive officer from April 2005 until January 2013, and as its president beginning in May 1999. Mr. Sagan became a member of Akamai’s board of directors in January 2005. Akamai is the leading cloud platform for helping enterprises provide secure, high-performing user experiences on any device, anywhere, on the Internet. From July 1997 to August 1998, Mr. Sagan was senior advisor to the World Economic Forum, a Geneva, Switzerland-based organization that provides a collaborative framework to leaders to address global issues. Previously, Mr. Sagan held senior positions at Time Warner Cable and Time Inc., affiliates of Time Warner Inc., and CBS, Inc. Mr. Sagan also serves on the board of directors of EMC Corporation, VMWare, L2, Inc. and Datto, Inc., and is a former director of Dow Jones & Company, Inc. and Digitas, Inc. Mr. Sagan brings to the board of directors his extensive experience with complex global organizations, combined with his operational and corporate governance expertise.

Michelle V. Stacy has served as a director since August 2014. As the former president of Keurig, Inc. and former vice president and general manager with Gillette/P&G, Ms. Stacy brings to the board of directors a wealth of experience leading consumer businesses and building global brands. During her five-year tenure at Keurig Inc., a division of Keurig Green Mountain, the company's revenue grew from $493 million in FY2008 to $4.3 billion for FY2013. Ms. Stacy sits on the Board of Directors of Tervis Tumbler Company, Young Innovations Inc. and the nonprofit French Cultural Center; is a Director Advisor to The Cambridge Group (an AC Nielson Company); and is a professional speaker on leadership, innovation and growth. She received her M.S. in Management from J. L. Kellogg Graduate School of Management - Northwestern University, her B.S. from Dartmouth College, and is bilingual in French and English.

Our executive officers are elected by the board of directors on an annual basis and serve until their successors have been duly elected and qualified or until their earlier death, resignation or removal.

CORPORATE GOVERNANCE AND BOARD MATTERS

Board Leadership Structure

Mr. Angle serves as our chief executive officer and chairman of the board. The board of directors believes that having our executive officer as chairman of the board facilitates the board of directors' decision-making process because Mr. Angle has first-hand knowledge of our operations and the major issues facing us. This also enables Mr. Angle to act as the key link between the board of directors and other members of management. To assure effective independent oversight, the board of directors annually appoints a lead independent director, as discussed further in "Executive Sessions of Independent Directors" below.

Independence of Members of the Board of Directors

The board of directors has determined that Dr. Chwang, Mses. Deegan, Ellinger, and Stacy, Messrs. Geisser, McNamee, Sagan, and Gen. Kern are independent within the meaning of the director independence standards of The NASDAQ Stock Market, Inc., or NASDAQ, and the Securities and Exchange Commission. Furthermore, the board of directors has determined that each member of each of the committees of the board of directors is independent within the meaning of the director independence standards of NASDAQ and the Securities and Exchange Commission.

Executive Sessions of Independent Directors

Executive sessions of the independent directors are held prior to each regularly scheduled in-person meeting of the board of directors. Executive sessions do not include any of our non-independent directors and are chaired by a lead independent director who is appointed annually by the board of directors from our independent directors.

Mr. McNamee currently serves as the lead independent director. In this role, Mr. McNamee serves as chairperson of the independent director sessions. The independent directors of the board of directors met in executive session four (4) times in 2014.

In addition to acting as the chairperson of the independent director sessions, the lead independent director assists the board in assuring effective corporate governance. The lead independent director's specific duties include:

- providing the chairman of the board with input as to preparation of agendas for meetings;
- advising the chairman of the board as to the quality, quantity and timeliness of the flow of information from the Company's management that is necessary for the independent directors to effectively and responsibly perform their duties;
- coordinating and developing the agenda for the executive sessions of the independent directors;
- acting as principal liaison between the independent directors and the chairman of the board on sensitive issues;
- evaluating, along with the members of the compensation committee, the chief executive officer's performance and meeting with the chief executive officer to discuss such evaluation; and
- acting as chairperson of the board in the absence of the chairman of the board or a vacancy in the position of chairman of the board.

The Board of Directors' Role in Risk Oversight

The board of directors oversees our risk management process. This oversight is primarily accomplished through the board of directors' committees and management's reporting processes, including receiving regular reports from members of senior management on areas of material risk to the Company, including operational, financial, legal and regulatory, and strategic and reputational risks. The audit committee focuses on risk related to accounting, internal controls, and financial and tax reporting. The audit committee also assesses economic and business risks and monitors compliance with ethical standards. The compensation committee identifies and oversees risks associated with our executive compensation policies and practices, and the nominating and corporate governance committee identifies and oversees risks associated with director independence, related party transactions and the implementation of corporate governance policies.

Policies Governing Director Nominations

Director Qualifications

The nominating and corporate governance committee of the board of directors is responsible for reviewing with the board of directors from time to time the appropriate qualities, skills and characteristics desired of members of the board of directors in the context of the needs of the business and current make-up of the board of directors. This assessment includes consideration of the following minimum qualifications that the nominating and corporate governance committee believes must be met by all directors:

- nominees must have experience at a strategic or policy making level in a business, government, non-profit or academic organization of high standing;
- nominees must be highly accomplished in his or her respective field, with superior credentials and recognition;
- nominees must be well regarded in the community and shall have a long-term reputation for the highest ethical and moral standards;
- nominees must have sufficient time and availability to devote to the affairs of the Company, particularly in light of the number of boards on which the nominee may serve;
- nominees must be free of conflicts of interest and potential conflicts of interest, in particular with relationships with other boards; and
- nominees must, to the extent such nominee serves or has previously served on other boards, demonstrate a history of actively contributing at board meetings.

We do not have a formal diversity policy. However, pursuant to the Policy Governing Director Qualifications and Nominations, as part of its evaluation of potential director candidates and in addition to other standards the nominating and corporate governance committee may deem appropriate from time to time for the overall structure and composition of the board of directors, the nominating and corporate governance committee may consider whether each candidate, if elected, assists in achieving a mix of board members that represent a diversity of background and experience. Accordingly, the board of directors seeks members from diverse professional backgrounds who combine a broad spectrum of relevant industry and strategic experience and expertise that, in concert, offer us and our stockholders diversity of opinion and insight in the areas most important to us and our corporate mission. In addition, nominees for director are selected to have complementary, rather than overlapping, skill sets. All candidates for director nominee must have time available to devote to the activities of the board of directors. The nominating and corporate governance committee also considers the independence of candidates for director nominee, including the appearance of any conflict in serving as a director. Candidates for director nominee who do not meet all of these criteria may still be considered for nomination to the board of directors, if the nominating and corporate governance committee believes that the candidate will make an exceptional contribution to us and our stockholders.

Process for Identifying and Evaluating Director Nominees

The board of directors is responsible for selecting its own members. The board of directors delegates the selection and nomination process to the nominating and corporate governance committee, with the expectation that other members of the board of directors, and of management, will be requested to take part in the process as appropriate.

Generally, the nominating and corporate governance committee identifies candidates for director nominee in consultation with management, through the use of search firms or other advisors, through the recommendations submitted by stockholders or through such other methods as the nominating and corporate governance committee deems to be helpful to identify candidates. Once candidates have been identified, the nominating and corporate governance committee confirms that the candidates meet all of the minimum qualifications for director nominees established by the nominating and corporate governance committee. The nominating and corporate governance committee may gather information about the candidates through interviews, detailed questionnaires, comprehensive background checks or any other means that the nominating and corporate governance committee deems to be helpful in the evaluation process. The nominating and corporate governance committee then meets as a group to discuss and evaluate the qualities and skills of each candidate, both on an individual basis and taking into account the overall composition and needs of the board of directors. Based on the results of the evaluation process, the nominating and corporate governance committee recommends candidates for the board of directors’ approval as director nominees for election to the board of directors. The nominating and corporate governance committee also recommends candidates to the board of directors for appointment to the committees of the board of directors.

Procedures for Recommendation of Director Nominees by Stockholders

The nominating and corporate governance committee will consider director nominee candidates who are recommended by our stockholders. Stockholders, in submitting recommendations to the nominating and corporate governance committee for director nominee candidates, shall follow the following procedures:

The nominating and corporate governance committee must receive any such recommendation for nomination not later than the close of business on the 120th day nor earlier than the close of business on the 150th day prior to the first anniversary of the date of the proxy statement delivered to stockholders in connection with the preceding year's annual meeting.

All recommendations for nomination must be in writing and include the following:

- Name and address of the stockholder making the recommendation, as they appear on our books and records, and of such record holder's beneficial owner;
- Number of shares of our capital stock that are owned beneficially and held of record by such stockholder and such beneficial owner;
- Name, age, business and residential address, educational background, current principal occupation or employment, and principal occupation or employment for the preceding five full fiscal years of the individual recommended for consideration as a director nominee;
- All other information relating to the recommended candidate that would be required to be disclosed in solicitations of proxies for the election of directors or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act, including the recommended candidate's written consent to being named in the proxy statement as a nominee and to serving as a director if approved by the board of directors and elected; and
- A written statement from the stockholder making the recommendation stating why such recommended candidate meets our criteria and would be able to fulfill the duties of a director.

Nominations must be sent to the attention of our secretary by U.S. mail (including courier or expedited delivery service) to:

iRobot Corporation
8 Crosby Drive
Bedford, Massachusetts 01730
Attn: Secretary of iRobot Corporation

Our secretary will promptly forward any such nominations to the nominating and corporate governance committee. Once the nominating and corporate governance committee receives the nomination of a candidate and the candidate has complied with the minimum procedural requirements above, such candidacy will be evaluated and a recommendation with respect to such candidate will be delivered to the board of directors.

Policy Governing Security Holder Communications with the Board of Directors

The board of directors provides to every security holder the ability to communicate with the board of directors as a whole and with individual directors on the board of directors through an established process for security holder communications as follows:

For communications directed to the board of directors as a whole, security holders may send such communications to the attention of the chairman of the board of directors by U.S. mail (including courier or expedited delivery service) to:

iRobot Corporation
8 Crosby Drive
Bedford, Massachusetts 01730
Attn: Chairman of the Board, c/o Secretary

For security holder communications directed to an individual director in his or her capacity as a member of the board of directors, security holders may send such communications to the attention of the individual director by U.S. mail (including courier or expedited delivery service) to:

iRobot Corporation
8 Crosby Drive
Bedford, Massachusetts 01730
Attn: [Name of the director], c/o Secretary

We will forward any such security holder communication to the chairman of the board, as a representative of the board of directors, or to the director to whom the communication is addressed, on a periodic basis. We will forward such communications by certified U.S. mail to an address specified by each director and the chairman of the board for such purposes or by secure electronic transmission.

Policy Governing Director Attendance at Annual Meetings of Stockholders

Our policy is to schedule a regular meeting of the board of directors on the same date as our annual meeting of stockholders and, accordingly, directors are encouraged to be present at our stockholder meetings. The nine (9) board members who were directors at the time of the annual meeting of stockholders held in 2014, attended the meeting.

Board of Directors Evaluation Program

The board of directors performs annual self-evaluations of its composition and performance, including evaluations of its standing committees and individual evaluations for each director. In addition, each of the standing committees of the board of directors conducts its own self-evaluation, which is reported to the board of directors. The board of directors retains the authority to engage its own advisors and consultants.

For more corporate governance information, you are invited to access the Corporate Governance section of our website available at http://www.irobot.com.

Code of Ethics

We have adopted a “code of ethics,” as defined by regulations promulgated under the Securities Act of 1933, as amended, and the Exchange Act, that applies to all of our directors and employees worldwide, including our principal executive officer, principal financial officer, principal accounting officer and controller, or persons performing similar functions. A current copy of the Code of Business Conduct and Ethics is available at the Corporate Governance section of our website at http://www.irobot.com. A copy of the Code of Business Conduct and Ethics may also be obtained, free of charge, from us upon a request directed to: iRobot Corporation, 8 Crosby Drive, Bedford, Massachusetts 01730, Attention: Investor Relations. We intend to disclose any amendment to or waiver of a provision of the Code of Business Conduct and Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, by posting such information on its website available at http://www.irobot.com and/or in our public filings with the Securities and Exchange Commission.

For more corporate governance information, you are invited to access the Corporate Governance section of our website available at http://www.irobot.com.

THE BOARD OF DIRECTORS AND ITS COMMITTEES

Board of Directors

The board of directors met six (6) times during the fiscal year ended December 27, 2014, and took action by unanimous written consent four (4) times. Each of the directors attended at least 75% of the aggregate of the total number of meetings of the board of directors and the total number of meetings of all committees of the board of directors on which they served during fiscal 2014. The board of directors has the following standing committees: audit committee; compensation committee; and nominating and corporate governance committee, each of which operates pursuant to a separate charter that has been approved by the board of directors. A current copy of each charter is available at the Corporate Governance section of our website at http://www.irobot.com. Each committee reviews the appropriateness of its charter at least annually. Each committee retains the authority to engage its own advisors and consultants. The composition and responsibilities of each committee are summarized below.

Audit Committee

The audit committee of the board of directors currently consists of Mr. Geisser, Ms. Deegan and Gen. Kern, each of whom is an independent director within the meaning of the director independence standards of NASDAQ and the Securities and Exchange Commission, or SEC, including Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended, or the Exchange Act. Mr. Geisser serves as the chairman of the audit committee. In addition, the board of directors has determined that Mr. Geisser, Ms. Deegan and Gen. Kern are each financially literate and that Mr. Geisser and Ms. Deegan each qualifies as an "audit committee financial expert" under the rules of the SEC.

The audit committee met seven (7) times and took action by unanimous written consent one (1) time during the fiscal year ended December 27, 2014. The audit committee operates under a written charter adopted by the board of directors, a current copy of which is available at the Corporate Governance section of our website at http://www.irobot.com.

As described more fully in its charter, the audit committee oversees the integrity of our financial statements, our accounting and financial reporting processes, our internal controls over financial reporting, our internal and external audit functions and the safeguarding of our assets. In fulfilling its role, the audit committee responsibilities include:

- appointing, approving the compensation of, and assessing the independence of our independent registered public accounting firm;
- pre-approving auditing and permissible non-audit services, and the terms of such services, to be provided by our independent registered public accounting firm;
- reviewing and discussing with management and the independent registered public accounting firm our annual and quarterly financial statements and related disclosures;
- coordinating the oversight and reviewing the adequacy of our internal control over financial reporting;
- overseeing the performance of our internal auditors and internal audit functions, including reviewing the annual internal audit risk assessment as well as the scope of, and overall plans for, the annual internal audit program;
- establishing policies and procedures for the receipt and retention of accounting related complaints and concerns;
- reviewing and discussing with management risk assessment and risk management, including cyber security;
- overseeing the development of business continuity plans;
- overseeing our compliance with certain legal and regulatory requirements including, but not limited to, the Foreign Corrupt Practices Act;
- preparing the audit committee report required by SEC rules to be included in our annual proxy statement: and
- such other matters as the committee deems appropriate.

For additional information concerning the audit committee, see the "Report of the Audit Committee of the Board of Directors."

Compensation Committee

The compensation committee of the board of directors currently consists of Mr. McNamee, Ms. Ellinger and Dr. Chwang, each of whom is an independent director within the meaning of the director independence standards of NASDAQ, a non-employee director as defined in Rule 16b-3 of the Exchange Act, and an outside director pursuant to

Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"). Mr. McNamee serves as the chairman of the compensation committee. The compensation committee's responsibilities include:

- annually reviewing and approving corporate goals and objectives relevant to compensation of our chief executive officer and other executive officers;

- evaluating the performance of our chief executive officer in light of such corporate goals and objectives and determining the compensation of our chief executive officer and other executive officers;
- overseeing and administering our compensation, welfare, benefit and pension plans and similar plans and determining the compensation of all executive officers; and
- reviewing and making recommendations to the board of directors with respect to director compensation.

The compensation committee met five (5) times and took action by unanimous written consent three (3) times during the fiscal year ended December 27, 2014. The compensation committee operates under a written charter adopted by the board of directors, a current copy of which is available at the Corporate Governance section of our website at http://www.irobot.com.

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Nominating and Corporate Governance Committee

The nominating and corporate governance committee of the board of directors currently consists of Messrs. McNamee and Sagan, each of whom is an independent director within the meaning of the director independence standards of NASDAQ and applicable rules of the SEC. Mr. Sagan serves as the chairman of the nominating and corporate governance committee. The nominating and corporate governance committee's responsibilities include:

- developing and recommending to the board criteria for board and committee membership;
- establishing procedures for identifying and evaluating director candidates including nominees recommended by stockholders;
- identifying individuals qualified to become board members;
- recommending to the board the persons to be nominated for election as directors and to each of the board's committees;
- developing and recommending to the board a code of business conduct and ethics and a set of corporate governance guidelines; and
- overseeing the evaluation of the board and management.

The nominating and corporate governance committee met four (4) times during the fiscal year ended December 27, 2014. The nominating and corporate governance committee operates under a written charter adopted by the board of directors, a current copy of which is available at the Corporate Governance section of our website at http://www.irobot.com.

Compensation Committee Interlocks and Insider Participation

During 2014, Dr. Chwang, Ms. Ellinger and Mr. McNamee served as members of the compensation committee. No member of the compensation committee was an employee or former employee of us or any of our subsidiaries, or had any relationship with us requiring disclosure herein.

During the last year, no executive officer of the Company served as: (i) a member of the compensation committee (or other committee of the board of directors performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers served on our compensation committee; (ii) a director of another entity, one of whose executive officers served on our compensation committee; or (iii) a member of the compensation committee (or other committee of the board of directors performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers served as a director of the Company.

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

No portion of this audit committee report shall be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, through any general statement incorporating by reference in its entirety the proxy statement in which this report appears, except to the extent that the Company specifically incorporates this report or a portion of it by reference. In addition, this report shall not be deemed filed under either the Securities Act or the Exchange Act.

This report is submitted by the audit committee of the board of directors. The audit committee currently consists of Mr. Geisser (chairman), Ms. Deegan and Gen. Kern. None of the members of the audit committee is an officer or employee of the Company, and the board of directors has determined that each member of the audit committee meets the independence requirements promulgated by NASDAQ and the Securities and Exchange Commission, including Rule 10A-3(b)(1) under the Exchange Act. Each of Mr. Geisser and Ms. Deegan is an "audit committee financial expert" as is currently defined under SEC rules. The audit committee operates under a written charter adopted by the board of directors.

The audit committee oversees the Company's accounting and financial reporting processes on behalf of the board of directors. The Company's management has the primary responsibility for the financial statements, for maintaining effective internal control over financial reporting, and for assessing the effectiveness of internal control over financial reporting. In fulfilling its oversight responsibilities, the audit committee has reviewed and discussed with management the Company's consolidated financial statements for the fiscal quarters and full year ended December 27, 2014, including a discussion of, among other things, the quarterly and annual earnings press releases, the quality of the Company's accounting principles, the reasonableness of significant estimates and judgments, and the clarity of disclosures in the Company's financial statements.

The audit committee also reviewed with PricewaterhouseCoopers LLP, the Company's independent registered public accounting firm, the results of their audit and discussed matters required to be discussed by the Statement on Auditing Standards No. 16, Communications with Audit Committees, as adopted by the Public Company Accounting Oversight Board, other standards of the Public Company Accounting Oversight Board, rules of the Securities and Exchange Commission and other applicable regulations. The audit committee has reviewed permitted services under rules of the Securities and Exchange Commission as currently in effect and discussed with PricewaterhouseCoopers LLP their independence from management and the Company, including the matters in the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence, and has considered and discussed the compatibility of non-audit services provided by PricewaterhouseCoopers LLP with that firm's independence.

The audit committee meets with the independent registered public accounting firm, with and without management present, to discuss the results of their examinations; their evaluations of the Company's internal control, including internal control over financial reporting; and the overall quality of the Company's financial reporting. Additionally, the audit committee meets in separate executive sessions with the Company’s Chief Financial Officer and the head of internal audit.

In accordance with SEC rules and PricewaterhouseCoopers LLP policies, lead and concurring audit partners are subject to rotation requirements that limit the number of consecutive years an individual partner may provide services to our Company to a maximum of five years. The selection of the lead audit partner pursuant to this rotation policy involves a meeting between the candidate for the role and the chair of the audit committee, as well as with the full audit committee and members of management.

The audit committee has also evaluated the performance of PricewaterhouseCoopers LLP, including, among other things, the length of time the firm has been engaged; its familiarity with our operations and businesses, accounting policies and practices, and our internal controls over financial reporting; and the appropriateness of fees paid to PricewaterhouseCoopers LLP for audit and non-audit services in 2014, on an absolute basis and as compared to the scope of prior year audits. Information about PricewaterhouseCoopers LLP's fees for 2014 is discussed below in this proxy statement under “Proposal 2 - Ratification of Appointment of Independent Registered Public Accountants.” Based on its evaluation, the audit committee has retained PricewaterhouseCoopers LLP to serve as the Company's independent registered public accounting firm for the 2015 fiscal year.

Based on its review of the financial statements and the aforementioned discussions, the audit committee concluded that it would be reasonable to recommend, and on that basis did recommend, to the board of directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 27, 2014.

Respectfully submitted by the Audit Committee,
Andrea Geisser (chairman)
Gail Deegan
Paul J. Kern

REPORT OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

No portion of this compensation committee report shall be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, through any general statement incorporating by reference in its entirety the proxy statement in which this report appears, except to the extent that the Company specifically incorporates this report or a portion of it by reference. In addition, this report shall not be deemed filed under either the Securities Act or the Exchange Act.

The compensation committee of the board of directors, which is comprised solely of independent directors within the meaning of applicable rules of The NASDAQ Stock Market, Inc., outside directors within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and non-employee directors within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, is responsible for developing executive compensation policies and advising the board of directors with respect to such policies and administering the Company's cash incentive, stock option and employee stock purchase plans. The compensation committee sets performance goals and objectives for the chief executive officer and the other executive officers, evaluates their performance with respect to those goals and sets their compensation based upon the evaluation of their performance.

In evaluating executive officer pay, the compensation committee retains the services of a compensation consultant and considers recommendations from the chief executive officer with respect to goals and compensation of the other executive officers. The compensation committee assesses the information it receives in accordance with its business judgment. The compensation committee also periodically reviews director compensation. All decisions with respect to executive and director compensation are approved by the compensation committee. All decisions regarding chief executive officer and director compensation are reviewed and ratified by the full board. George McNamee, Deborah Ellinger and Ronald Chwang are the current members of the compensation committee.

The compensation committee has reviewed and discussed the Compensation Discussion and Analysis (the “CD&A”) for the year ended December 27, 2014 with management. In reliance on the reviews and discussions referred to above, the compensation committee recommended to the board of directors, and the board of directors has approved, that the CD&A be included in the proxy statement for the year ended December 27, 2014 for filing with the SEC.

Respectfully submitted by the Compensation Committee,

George C. McNamee (chairman)
Deborah Ellinger
Ronald Chwang

COMPENSATION AND OTHER INFORMATION
CONCERNING EXECUTIVE OFFICERS AND DIRECTORS

Compensation Discussion and Analysis

Overview

Our compensation philosophy is based on a desire to balance retention of executive talent with pay for performance incentive compensation, which is designed to reward our named executive officers for continued service and our sustained financial and operating performance. We believe the compensation of our named executive officers should align our executives' interests with those of our stockholders and focus executive behavior on the achievement of both near-term corporate targets as well as long-term business objectives and strategies. It is the responsibility of the compensation committee of our board of directors to administer our compensation practices to ensure they are competitive and include incentives designed to appropriately drive our performance, including revenue, Adjusted EBITDA, and, when appropriate, individual objectives, including business unit contribution margin. Our compensation committee annually reviews and approves elements of executive compensation, including executive officer base salaries, cash incentives and equity awards.

Our performance as a Company in 2014 was excellent. Full year revenue of $557 million represented an increase of 14% from full year revenue in 2013, and earnings per share of $1.25 in 2014 increased from earnings per share of $0.94 in 2013. In particular, our home robot business revenue grew 19% over the prior year, while our defense & security business revenue delivered results consistent with our expectations. In addition, we began selling Ava 500 business collaboration robots in the first half of 2014.

Based on our 2014 performance, our named executive officers achieved and were paid significant short-term incentive cash compensation in 2014, while maintaining a significant portion of their compensation in the form of long-term incentives, a new instrument added to our long-term incentives in 2014. The long-term incentives granted in 2014 included performance-based equity. We believe our compensation philosophies, as described below, have aligned executive compensation with Company performance.

Objectives of Our Compensation Programs

Our compensation programs for our executive officers are designed to achieve the following objectives:

- Provide competitive compensation that attracts, motivates and retains the best talent and the highest caliber executives to help us to achieve our strategic objectives;
- Connect a significant portion of the total potential compensation paid to executives to our annual financial performance;
- Align management's interest with the interests of stockholders through long-term equity incentives; and
- Provide management with performance goals directly linked to our annual longer-term plan for growth and profit.

We believe the compensation of our named executive officers should reflect their success as a management team, rather than as individuals, in attaining key operating objectives, such as improved Adjusted EBITDA performance, improved operating income as a percentage of revenue and revenue growth. We define Adjusted EBITDA as earnings before interest, taxes, depreciation and amortization, merger and acquisition expenses, net intellectual property litigation expense, restructuring expense and non-cash stock compensation.

We also believe that the compensation of our named executive officers should not be based on the short-term performance of our stock, whether favorable or unfavorable, but rather that the price of our stock will, in the long-term, reflect our operating performance, and ultimately, the management of the Company by our named executive officers.

Methodologies for Establishing Executive Compensation

The compensation committee, which is comprised entirely of independent directors, reviews the compensation packages for our named executive officers, including an analysis of all elements of compensation separately and in the aggregate. In determining the appropriate compensation levels for our chief executive officer, the compensation committee meets with only itself and the senior vice president, human resources. With respect to the compensation levels of all other named executive officers, the compensation committee meets with our chief executive officer and, as needed, our executive vice president, human resources and corporate communications. Our chief executive officer annually reviews the performance of each of the other named executive officers with the compensation committee. The compensation committee has engaged an independent compensation consultant to work with them in addition to our human resources department and the chief executive officer to assist us in developing recommendations regarding base salary levels, target incentive awards and actual payouts, performance goals for incentive compensation and equity awards for named executive officers. In conjunction with the annual performance review of each named executive officer in February of each year, the compensation committee carefully considers the recommendations of the chief executive officer when setting base salary, bonus payments under the prior year's incentive compensation plan, and target amounts and performance goals for the current year's incentive compensation plan. In addition, the compensation committee similarly determines equity incentive awards, if any, for each named executive officer.

Moreover, the compensation committee considers the results of the advisory vote on named executive officer compensation, or the "say on pay" vote, that is completed each year at our annual meeting of stockholders. For compensation determinations made by the compensation committee in February 2014, for example those related to setting base salaries for 2014 and long-term incentive compensation as discussed herein, the compensation committee reviewed and considered the results of the then-most recent say on pay vote in May 2013, which were as follows:

For	11,448,782	59.55	%
Against	7,646,078	39.77	%
Abstain	129,742	0.68	%

Based in part upon the meaningful input from our stockholders, the compensation committee solicited feedback from institutional investors and proxy advisory firms, which resulted in certain changes in short- and long-term compensation.

At the May 2014 annual meeting of stockholders, subsequent to the February 2014 annual determinations of the compensation committee, the results of the say on pay vote held in May 2014 were as follows:

For	16,284,875	89.12	%
Against	1,831,432	10.02	%
Abstain	156,710	0.86	%

As part of ongoing efforts to be responsive to the concerns of our investors regarding our executive compensation programs and to reward outstanding operational and financial performance, the compensation committee will, in consultation with its independent compensation consultant, continue to consider changes to our compensation programs as appropriate in response to input from stockholders and evolving factors such as the business environment and competition for talent.

The compensation committee will continue to consider the outcome of our say on pay votes, regulatory changes and emerging best practices when making future compensation decisions for our named executive officers.

Our compensation plans are developed, in part, by utilizing publicly available compensation data and subscription compensation survey data for national and regional companies in the technology, defense, household durables and robotics industries. We believe that the practices of this group of companies provide us with appropriate compensation benchmarks, because these companies have similar organizational structures and tend to compete with us to attract executives and other employees. For benchmarking executive compensation, we typically review the compensation data for companies with revenues, numbers of employees and market capitalizations similar to our profile.

Compensation Consultant

The compensation committee engaged an independent compensation consultant, Pearl Meyer & Partners, LLC ("PM&P"), to help evaluate peer companies for cash and long-term incentive compensation purposes, analyze applicable compensation data and determine appropriate compensation levels and plan design for our executive officers. PM&P also helps review the peer group annually, provides the compensation committee with up to date information and trends in the marketplace, as well as assists the compensation committee in understanding the Company's alignment of pay and performance. Neither the compensation committee nor the Company has retained PM&P for any other purpose.

Compensation Comparisons

Developing a peer group for compensation comparison purposes is not an easy task for our Company. Each year we watch as industry analysts and proxy advisory firms, who struggle to understand our business, also struggle to find reasonable industry comparisons for compensation peer group purposes. We do not have any "true" robotic comparator companies that are publicly-traded, stand-alone, U.S.-based or size-appropriate. We believe our mix of technology and technology/consumer products peer group firms is appropriate for compensation and performance comparison purposes, but our peer group firms differ substantially from the peer groups used by proxy advisory firms. These firms tend to compare us to organizations in the Consumer Durables industry such as home builders, retailers and furniture distributors/manufacturers (i.e., companies with little to no technology attributes to their respective products). These differences in peer group firms used to determine alignment of pay and performance result in substantial differences in Company performance and how compensation is valued and delivered to executives. Technology and technology/consumer products companies perform and pay differently from home builders, retailers and furniture distributors/manufacturers. The compensation committee takes all of these unique dynamics into account annually when reviewing our peer group firms and our compensation practices.

The following selection criteria, developed in conjunction with the compensation committee, which are thoroughly reviewed and adjusted (as needed), were used to develop the comparative peer group used in assessing the competitiveness of our executive compensation for purposes of fiscal 2014 compensation actions:

- Companies with revenues within a similar range and generally similar market capitalization;
- Companies within comparable industries that focus on high-tech products (e.g., information technology, consumer durables, consumer services, aerospace/defense, capital goods, electronics equipment, instruments and components, healthcare technology, computers and peripherals, networking equipment and computer hardware);
- Companies with highly-engineered products and complex technologies with multiple industry applications;
- Technology companies whose products contain both hardware and software components; and
- Companies with moderate to high sales growth and opportunity.
- Other secondary criteria also considered include:
- Companies classified as "disruptive innovation;"
- Companies with products with brand recognition and/or disposable income "luxury" goods; and
- Companies with moderate margins and levels of research and development expense.

As a result of our selection criteria used for 2014, Leapfrog Enterprises, Inc., SeaChange International, Inc., and Voxx International Corp. were removed from the peer group for 2014, and 3D Systems Corp., Logitech International SA, Maxwell Technologies Inc., and Trimble Navigation Ltd. were added to the 2014 peer group. The resulting peer group consisted of the following 16 companies:

3D Systems Corp.	Mercury Systems, Inc.
Accuray Incorporated	Netgear, Inc.
AeroVironment, Inc.	Orbital Sciences Corporation
American Science and Engineering, Inc.	Plantronics, Inc.
Bruker Corporation	Synaptics Incorporated
Cognex Corporation	Tivo, Inc.
Logitech International SA	Trimble Navigation Ltd..
Maxwell Technologies Inc.	Universal Electronics, Inc.

These 16 companies, at the time of the analysis, had median annual revenues of $454 million and a median market capitalization of $1.15 billion, compared to our annual trailing four quarters revenue of $500 million and market capitalization of $1.14 billion at the time of the analysis.

We annually reassess the relevance of our peer group and make changes when appropriate. We believe that the use of benchmarking is an important factor in remaining competitive with our peers and furthering our objective of attracting, motivating and retaining highly-qualified personnel.

The compensation committee reviews all components of compensation for named executive officers. In accordance with its charter, the compensation committee also, among other responsibilities, administers our incentive compensation plan, and reviews and makes recommendations to management on company-wide compensation programs and practices. In setting compensation levels for our executive officers in fiscal 2014, the compensation committee considered many factors in addition to the benchmarking described above, including, but not limited to:

- the scope and strategic impact of the executive officer's responsibilities,
- our past business and segment performance, and future expectations,
- our long-term goals and strategies,
- the performance and experience of each individual,
- past compensation levels of each individual and of the named executive officers as a group,
- relative levels of pay among the executive officers,
- the amount of each component of compensation in the context of the executive officer's total compensation and other benefits,
- for each named executive officer, other than the chief executive officer, the evaluations and recommendations of the chief executive officer, and
- the competitiveness of the compensation packages relative to the selected benchmarks as highlighted by the independent compensation consultant's analysis.

The compensation committee determines compensation for our chief executive officer using the same factors it uses for other executive officers, while placing greater emphasis on performance-based opportunities through long-term equity and short-term cash incentive compensation, which we believe better aligns our chief executive officer's interests with our success and the interests of our stockholders. In assessing the compensation paid to our chief executive officer, the compensation committee relies on both information from our selected benchmarks and its judgment with respect to the factors described above.

Elements of Compensation

Our executive compensation program in 2014 consists of three primary elements: base salary, an annual cash incentive, and long-term equity interests, primarily in the form of stock options, time vesting restricted stock units and performance share units. All of our executive officers also are eligible for certain benefits offered to employees generally, including life, health, disability and dental insurance, as well as participation in our 401(k) plan. We have also entered into executive agreements with our executive officers that provide for certain severance benefits upon termination of employment, including a termination in connection with a change in control of the Company.

Base Salary

In 2014, the compensation committee believes our executive officers, including our chief executive officer, are paid salaries in line with their qualifications, experience and responsibilities. Salaries are structured so they are within the range of salaries paid by the peer companies reviewed by the compensation committee in the technology and robotics industry. We generally aim to set base salaries for each of our executives between the 40th and 60th percentiles in the technology and robotics industry and also take into consideration many additional factors (described below) that we believe enable us to attract, motivate and retain our leadership team in an extremely competitive environment. Salaries are generally reviewed on an annual basis.

The compensation committee reviewed the base salaries for each of our executive officers, taking into account an assessment of the individual's responsibilities, experience, individual performance and contribution to our performance, and also generally takes into account the competitive environment for attracting and retaining executives consistent with our business needs. With respect to each of our executive officers, other than Mr. Angle, Mr. Angle provided a detailed evaluation and recommendation related to base salary adjustments, if any.

We believe the base salaries paid to our executive officers during our fiscal year 2014 helped to achieve our executive compensation objectives. In addition, we believe that the base salaries of our named executive officers, which range from 19% to 36% as a percentage of total compensation, are set at an appropriate level to keep a significant portion of executive compensation at risk as part of our compensation philosophy.

In February 2015, and as part of the annual review process while taking into account the considerations discussed above, the compensation committee also approved base salary adjustments for 2015 also noted in the table below.

	2013 Base Salary	% Increase	2014 Base Salary	% Increase	2015 Base Salary
Colin M. Angle	$625,000	4.0%	$650,000	3.8%	$675,000
Alison Dean	$325,000	23.1%	$400,000	7.5%	$430,000
Russell J. Campanello	$325,000	—%	$325,000	4.6%	$340,000
Christian Cerda			$350,000	14.3%	$400,000
Paolo Pirjanian	$325,000	7.7%	$350,000	7.1%	$375,000

In August 2014, Mr. Cerda was appointed as Senior Vice President and General Manager, Home Robots Business Unit, and took on additional responsibilities related to overall management of the Company. His base salary was increased from $335,000 to $350,000 at that time. In February 2015, during its annual review of executive compensation, the compensation committee increased Mr. Cerda's base salary to $400,000 based on market competitive compensation levels, which reflected his 2014 base salary as trailing the Company's compensation positioning targets.

Cash Incentive Compensation

The compensation committee believes that a portion of overall short-term cash compensation for executive officers should be contingent upon successful achievement of significant financial and business objectives and implementation of our business strategy. For our named executive officers, including our chief executive officer, the granting of cash incentive payments is based on an evaluation of achievement against predetermined financial and operational metrics in accordance with our Senior Executive Incentive Compensation Plan that was adopted by the compensation committee. For each named executive officer, 100% of his or her target cash incentive compensation in 2014 was tied to key financial and operating performance measures. Target cash incentives for named executive officers are generally targeted between the 40th and 60th percentiles of similar cash incentives provided to officers in peer companies reviewed by the compensation committee in the technology and robotics industries. The amount of cash incentives paid to the named executive officers, however, is subject to the assessment of the compensation committee of our performance in general and the achievement of specific goals.

For fiscal 2014, the target bonus awards under our Senior Executive Incentive Compensation Plan for each of our named executive officers, as a percentage of base salary earned during the fiscal year, are summarized in the table below. These target bonus amounts were set at levels the compensation committee determined were appropriate in order to achieve our objective of retaining those executives who perform at or above the levels necessary for us to achieve our business plan, which, among other things, involved growing our Company in a cost-effective way.

	Incentive Bonus Award Opportunity Payout Scale (% of base salary)		
	Threshold (25% of target opportunity) (1)	Target (100%)	Maximum (195% of target opportunity) (2)
Colin M. Angle	25.00%	100%	195.00%
Alison Dean	15.63%	62.5%	121.88%
Russell J. Campanello	15.00%	60%	117.00%
Christian Cerda	12.50%	50%	97.50%
Paolo Pirjanian	15.00%	60%	117.00%

(1) Cash incentive payments are made only after the Company has achieved specified Adjusted EBITDA, excluding cash incentive compensation expense.

(2) This reflects the maximum incentive cash payout levels established under our Senior Executive Incentive Compensation Plan for 2014 based on the specific targets established for fiscal 2014.

For 2015, Ms. Dean's target bonus award was increased to 75% of her base salary. The target bonus awards for the other named executive officers remained the same for fiscal 2015.

While the Senior Executive Incentive Compensation Plan is designed to provide short-term cash incentive payments based upon objectively determinable formulas that tie cash incentive payments to specific financial goals and strategic milestones, the compensation committee retains the discretion to adjust cash incentive payments under the Senior Executive Incentive Compensation Plan based upon additional factors.

The following tables summarize the 2014 performance measures, associated weightings and goals for each of the named executive officers under the Senior Executive Incentive Compensation Plan. As discussed previously, the payout opportunity ranges from 25% of the target incentive opportunity for achieving threshold level of performance to 195% of the target incentive opportunity for achieving maximum level of performance.

For Mr. Angle, Mr. Campanello, Dr. Pirjanian and Ms. Dean, the Senior Executive Incentive Compensation Plan targets for 2014 were:

Performance Measure	Weighting	Performance Goal Threshold	Target	Maximum
Adjusted EBITDA, excluding cash incentive compensation expense	50%	$81.6 million	$90.7 million	$117.9 million
Revenue	50%	$518.0 million	$575.5 million	$748.2 million

For Mr. Cerda, whose responsibilities are more focused on results from our Home Robots business unit, the Senior Executive Incentive Compensation Plan targets for 2014 were:

Performance Measure	Weighting	Performance Goal Threshold	Target	Maximum
Adjusted EBITDA, excluding cash incentive compensation expense	37.5%	$81.6 million	$90.7 million	$117.9 million
Home Robots Business Unit Revenue	62.5%	$462.6 million	$514.0 million	$668.2 million

The compensation committee chose this mix of financial targets for cash incentive compensation because it believes that executive officers should be focused on a small set of critical, team-based financial and operating metrics that reinforce the executive's role and impact and company business strategy. Also, the compensation committee established a hurdle where the available total incentive compensation payout for the entire employee base -- including the named executive officers -- would be reduced on a dollar-for-dollar basis if Adjusted EBITDA, excluding cash incentive compensation expense, fell below $81.6 million.

The following table shows our achievement against the various metrics used for calculating the 2014 cash incentive compensation for our named executive officers:

Metric	Performance Goal Threshold	Target (100%)	Maximum	2014 Actual Performance	Actual Percentage Earned (as % of target)
	$ in millions				
Adjusted EBITDA, excluding cash incentive compensation expense	$81.6	$90.7	$117.9	$88.2	86%
Company Revenue	$518.0	$575.5	$748.2	$556.8	84%
Home Robots Revenue	$462.6	$514.0	$668.2	$507.4	94%

Based on our achievement of the performance metrics set forth above, the following cash awards were made to the named executive officers for performance in fiscal 2014 pursuant to our Senior Executive Incentive Compensation Plan:

	Incentive Bonus Award Original Target Incentive Opportunity	Achievement	ICP Earned & Paid
Colin M. Angle	$650,000	85%	$552,500
Alison Dean	$250,000	85%	$212,500
Russell J. Campanello	$195,000	85%	$165,750
Christian Cerda	$175,000	91%	$159,250
Paolo Pirjanian	$210,000	85%	$178,500

Long-Term Incentives

Executive officers (and other employees) are eligible to receive restricted stock, stock option grants, restricted stock units and other stock awards that are intended to promote success by aligning employee financial interests with long-term stockholder value. Long-term incentives are awarded based on various factors primarily relating to the responsibilities of the individual officer or employee, his or her past performance, anticipated future contributions, prior grants and Company performance. In general, our compensation committee bases its decisions to grant long-term incentives on recommendations of our chief executive officer and the compensation committee's analysis of peer group and industry compensation information, with the intention of keeping the executives' overall compensation at a competitive level with the comparator companies reviewed by the compensation committee in the technology and robotics industries. Our compensation committee also takes into consideration the number of shares of common stock outstanding, the number of shares of common stock authorized for issuance under our equity compensation plans, the number of options and other equity awards held by the executive officer for whom an award is being considered and other elements of the officer's compensation, as well as our compensation objectives and policies described above when reviewing the long-term incentive program.

Consistent with the feedback we received from our stockholders, in 2014, we introduced a significant change to our long-term incentive program through the introduction of performance-based equity awards. In March 2014, we made the initial equity grants (stock options and restricted stock unit awards) under this new program, immediately following our 2013 annual performance review cycle, consistent with the Company's historical annual grant timing.

In March 2014, we granted our first award of performance share units using a mix of 25% stock options, 50% restricted stock unit and 25% performance share units to our named executive officers. The compensation committee believes a mix in our long-term equity awards between stock options, restricted stock units and performance share units aligns the incentives of our executives with the interests of our stockholders and the long-term performance of the Company by directly tying a significant portion of the value that may be realized from our equity compensation to an increase in our stock price.

Mr. Cerda, who was not an executive officer at the time of the March 2014 equity grants, did not receive PSUs, but he will in 2015.

The compensation committee expects the mix of long-term equity vehicles to evolve, as needed, in coming years to continue to best align and support our longer-term business strategy.

The Company's and compensation committee's goals for selecting metrics for the PSU component of the long-term incentive program include:

- Alignment with business strategy;
- Alignment with stockholder interest in improving long-term business fundamentals;
- Correlation with total stockholder return; and
- Complementary to our short-term incentive metrics.

After a thoughtful process and consideration of various metrics, the compensation committee determined that operating income percent (with a threshold requirement for a minimum amount of revenue growth) was the optimal initial metric for our performance share unit component. We believe operating income percent is an excellent measure of the underlying profitability of the enterprise and it has historical correlation with total stockholder return. Operating income percent is also a regularly reported financial measure, is understood by our investor base, and can be reasonably forecasted over the relevant performance period. We believe operating income percent in our long-term incentives coupled with the revenue component of our short-term incentives provides strong executive focus on important short- and long-term business drivers.

While this single metric was chosen for the initial implementation of the new performance share unit component in 2014, in future years, other metrics may be selected to further optimize and align the incentives of management with our business strategy.

For the PSUs granted in 2014, the number of shares actually earned at the end of the three year period will range from 0% to 100% of the target number of PSUs granted based on the Company's performance against three year operating income goals. In addition, while all vesting of earned PSUs occurs on the third anniversary of the date of grant, achievement of cumulative intermediate targets for 2014, 2015 and/or 2016 will allow PSUs to be deemed earned but not yet vested for the intermediate periods. Achievement of the cumulative target will allow all shares subject to the PSUs to be earned regardless of the achievement of the intermediate 2014, 2015 and 2016 targets.

Unvested awards are not eligible to receive any dividends or voting rights until the point at which any shares are earned and vested.

The following table outlines the threshold, target and maximum 3 year performance goals for our new PSU plan for the 2014-2016 cycle.

2014 - 2016 PSU Performance Cycle	Operating Income Percent Threshold	Target	Maximum	Actual Performance Achieved	Actual Payout Level Achieved
2014	8.0%	8.0%	8.0%	9.5%	100%
2015	9.0%	9.0%	9.0%	—%	—%
2016	10.0%	10.0%	10.0%	—%	—%
Cumulative	9.1%	9.1%	9.1%	—%	—%

For 2014, one-third of the awarded PSUs were deemed earned if the Company achieved a minimum 8.0% operating income as a percentage of revenue and at least $545 million in total revenue. In 2014, the Company achieved 9.5% in operating income as a percentage of revenue and $557 million in revenue. Accordingly, one-third of the total number of PSUs awarded were earned but have not yet vested. Specifically, the named-executive officers earned the following restricted share units with respect to 2014:

	2014-2016 PSUs Granted & Earned				
	PSUs Granted	2014 Earned PSUs (1)	2015 Earned PSUs (1)	2016 Earned PSUs	Total PSUs Earned to Date
Colin M. Angle	13,550	4,516	—	—	4,516
Alison Dean	4,467	1,489	—	—	1,489
Russell J. Campanello	4,308	1,436	—	—	1,436
Paolo Pirjanian	4,925	1,641	—	—	1,641

Also, the Company determines the value of its annual equity awards early in the year (usually in March). Annual awards are sized relative to Company and individual performance for the prior year as is a typical practice for many companies. By granting our annual awards at the beginning of each year and using the prior year’s performance to size our awards, there could be a possible disconnect with our awards relative to our performance in the year of grant.

Other Benefits and Perquisites

We also have various broad-based employee benefit plans. Our executive officers participate in these plans on the same terms as other eligible employees, subject to any legal limits on the amounts that may be contributed by or paid to executive officers under these plans. We offer a 401(k) plan, which allows our employees to invest in a wide array of funds on a pre-tax basis. We do not provide pension arrangements or post-retirement health coverage for our named executive officers or other employees. We also maintain insurance and other benefit plans for our employees. We offer no perquisites that are not otherwise available to all of our employees.

Stock Ownership Guidelines

We introduced equity ownership guidelines in 2011 to further align the interests of our senior management and directors with those of our stockholders. Under the guidelines, executives are expected to hold common stock in an amount equal to a multiple of their base salary as determined by their position. The guidelines range from two times base salary to six times base salary for our chief executive officer. In addition, under the guidelines, our directors are expected to hold common stock in an amount equal to six times their current board retainer fee. For purposes of these guidelines, stock ownership includes shares for which the executive or director has direct or indirect ownership or control, including restricted stock and in-the-money vested stock options, but does not include unvested restricted stock units or unvested stock options. Executives and directors are expected to meet their ownership guidelines within five years of becoming subject to the guidelines. All executives and directors are currently meeting or are working to achieve these guidelines within the five year time period.

Hedging/Pledging Policy

Since 2005, we have had a written insider trading policy that prohibits holding Company securities as collateral in a margin account, any hedging transactions and prohibits pledging of Company securities as collateral for a loan unless the pledge has been approved by the compensation committee of the board of directors. To date, no such approval has been requested or given.

Executive Agreements

We have entered into executive agreements with each of our named executive officers. The executive agreements provide for severance payments equal to 50% of such officer's annual base salary at the highest annualized rate in effect during the one-year period immediately prior to termination, payable in six equal monthly installments, as well as monthly premium payments for continued health, dental and vision benefits for up to six months following termination, in the event that we terminate his or her employment other than for cause, as defined in the executive agreements. In addition, these executive agreements provide that if we experience a change in control, as defined in the executive agreements, and the employment of such officer is terminated by the Company without cause at any time within the period beginning on the date that is 45 days prior to the date of the public announcement of the execution of a definitive agreement for a change in control and ending on the first anniversary of the effective date of the change in control, or if such officer terminates his or her employment for good reason, as defined in the executive agreements, during the one-year period following the change in control, then all unvested equity held by such officer becomes fully-vested and immediately exercisable and such officer is entitled to severance payments equal to 200% of his or her annual base salary, at the highest annualized rate in effect during the period immediately prior to the effective date of the change in control and the date of termination of employment, and 200% of such officer's highest target cash incentive with respect to the year prior to the year in which the change in control occurred and ending in the year in which the officer’s employment is terminated, each payable in 24 equal monthly installments, as well as monthly premium payments for continued health, dental and vision benefits for up to 24 months following termination. There are no tax gross-up payables under the executive agreements.

It is the belief of the compensation committee that these provisions are consistent with executive severance arrangements that are customary for public companies at our stage of development and are necessary in order to hire and/or retain our key talent.

Clawback

In 2015, the Company adopted a clawback policy that provides the board of directors has discretion to reduce the amount of future compensation payable to an executive of the Company for excess proceeds from incentive compensation received by such executive due to a material restatement of financial statements. The clawback period is the three-year period following the filing of any such restated financial statements with the Securities and Exchange Commission (the “SEC”).

Tax Deductibility of Executive Compensation

In general, under Section 162(m) of the Code, we cannot deduct, for federal income tax purposes, compensation in excess of $1,000,000 paid to certain executive officers. This deduction limitation does not apply, however, to compensation that constitutes “qualified performance-based compensation” within the meaning of Section 162(m) of the Code and the regulations promulgated thereunder. We have considered the limitations on deductions imposed by Section 162(m) of the Code and it is our present intention, for so long as it is consistent with our overall compensation objective, to structure executive compensation to minimize application of the deduction limitations of Section 162(m) of the Code, while also maintaining the flexibility to pay compensation that is subject to the deduction limitations imposed by Section 162(m) of the Code.

Risk Oversight of Compensation Programs

The compensation committee annually reviews and believes our compensation program for executive officers is not structured to be reasonably likely to present a material adverse risk to us based on the following factors:

- Our compensation program for executive officers is designed to provide a balanced mix of cash and equity and annual and longer-term incentives, including compensation based on the achievement of performance targets.
- The base salary portion of compensation is designed to provide a steady income regardless of our stock price performance so executives do not feel pressured to focus primarily on stock price performance to the detriment of other important business metrics.
- Our stock option grants and restricted stock unit grants generally vest over four years and, in the case of stock options, are only valuable if our stock price increases over time.
- Our performance share units vest only after the achievement of significant long-term metrics designed to drive the long-term interests of our stockholders.
- Performance share unit awards align the interests of our executive officers with the success of our business strategy.
- Maximum payout levels for cash incentive compensation are capped.
- Our stock ownership guidelines align the interests of our executive officers with those of our stockholders.

Compensation Consultant Independence

Pursuant to its charter, the compensation committee has the sole authority to retain, terminate, obtain advice from, oversee and compensate its outside advisors, including its compensation consultant.

In 2013 in preparation for the 2014 fiscal year, the compensation committee retained PM&P as its independent executive compensation consultant. None of our management team participated in the compensation committee's decision to retain PM&P. PM&P reports directly to the compensation committee, and the compensation committee may replace PM&P or hire additional consultants at any time. PM&P attends meetings of the compensation committee, as requested, and communicates with the chairman of the compensation committee between meetings; however, the committee makes all decisions regarding the compensation of the Company's executive officers.

PM&P provides various executive compensation services to the compensation committee with respect to our executive officers and other key employees at the compensation committee's request. The services PM&P provides include advising the compensation committee on the principal aspects of the executive compensation program and evolving best practices, and providing market information and analysis regarding the competitiveness of our program design and awards in relationship to our performance.

The compensation committee reviews the services provided by its outside consultants and believes PM&P is independent in providing executive compensation consulting services. The compensation committee conducted a specific review of its relationship with PM&P in 2014, and determined PM&P's work for the compensation committee did not raise any conflicts of interest, consistent with the guidance provided under the Dodd-Frank Act and by the SEC and NASDAQ. In making this determination, the compensation committee noted the following during 2014:

- PM&P did not provide any services to us or our management other than service to the compensation committee (including compensation benchmarking for our senior leadership team), and it its services were limited to executive compensation consulting.
- Fees paid by us to PM&P represented 0.1% of PM&P's total revenue for the period December 2013 through December 2014;
- PM&P maintains a Conflicts Policy and an Insider Trading Policy which were provided to the compensation committee with specific policies and procedures designed to ensure independence;
- None of the PM&P consultants on our account had any business or personal relationship with our compensation committee members;
- None of the PM&P consultants on our account, or PM&P, had any business or personal relationship with our executive officers; and
- None of the PM&P consultants on our account directly own shares of our stock.

The compensation committee continues to monitor the independence of its compensation consultant on a periodic basis.

Executive Compensation Summary

The following table sets forth summary compensation information for our chief executive officer, chief financial officer and the three other most highly compensated executive officers:

SUMMARY COMPENSATION TABLE - 2014

Name and Principal Position	Year	Salary ($)(1)	Bonus ($)	Stock Awards ($)(2)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)(3)	All Other Compensation ($)(4)	Total ($)
Colin M. Angle	2014	646,154	—	1,762,178	589,970	552,500	7,800	3,558,602
Chairman, Chief	2013	613,462	—	1,514,475	379,237	981,250	7,650	3,496,074
Executive Officer and Director	2012	525,000	105,000	2,160,438	535,742	—	7,500	3,333,680

Alison Dean