

ALTERA CORP
Form DEFA14A
April 26, 2005

SCHEDULE 14A INFORMATION

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

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement.
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)).**
- Definitive Proxy Statement.
- Definitive Additional Materials.
- Soliciting Materials Pursuant to Rule 14a-12.

ALTERA CORPORATION

(Name of Registrant as Specified in Its Charter)

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

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Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Pursuant to discussions with Institutional Shareholder Services (ISS) regarding the 2005 Equity Incentive Plan (the Plan) of Altera Corporation (Altera), which is the subject of Proposal Two in Altera s Proxy Statement for the Annual Meeting of Stockholders to be held on May 10, 2005, Altera hereby clarifies its position with respect to option repricings under the Plan. Section 20 of the Plan states: The repricing of Options or SARs is prohibited without prior stockholder approval. The Committee [the compensation committee and Plan administrator] may authorize the Company, with prior stockholder approval and the consent of the respective Participants, to issue new Option or SAR Awards in exchange for the surrender and cancellation of any or all outstanding Awards. The Committee may at any time buy from a Participant an Option previously granted with payment in cash, Shares or other consideration, based on such terms and conditions as the Committee and the Participant shall agree. The first sentence of Section 20 sets forth the requirement to obtain stockholder approval for repricings, including repricings accomplished via the exchange of a previously granted option for cash, shares, or other consideration. Therefore, the right of the Committee to buy from a Plan participant a previously granted option with payment in cash, Shares or other consideration, for the purpose of effecting a repricing, is subject to the requirement to obtain stockholder approval.

This response may be deemed additional soliciting materials within the meaning of the Securities Exchange Act of 1934, as amended.