

VICOR CORP
Form DEF 14A
April 30, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

Information Required in Proxy Statement
Schedule 14A Information

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Vicor Corporation

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
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 - (1) Amount Previously Paid:

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

 - (3) Filing Party:

 - (4) Date Filed:

April 30, 2014

Dear Stockholder:

You are cordially invited to attend the 2014 Annual Meeting of Stockholders (the Annual Meeting) of Vicor Corporation (the Corporation). The Annual Meeting will be held at the following date, time, and location:

DATE: Friday, June 20, 2014
TIME: 9:00 a.m.
PLACE: Foley & Lardner LLP

111 Huntington Avenue

Boston, Massachusetts 02199

The attached Notice of Annual Meeting and Proxy Statement cover the formal business of the Annual Meeting. The Proxy Statement contains a discussion of the matters to be voted upon at the Annual Meeting, at which the Corporation's management will report on the operations of the Corporation and be available to respond to appropriate questions from stockholders.

The Board of Directors encourages you to promptly complete, date, sign, and return your Proxy Card. Returning the Proxy Card indicates your interest in the Corporation's affairs. If you attend the Annual Meeting and wish to vote your shares in person, you may revoke your proxy at that time.

Sincerely yours,

/s/ PATRIZIO VINCIARELLI
Chairman of the Board, President and

Chief Executive Officer

VICOR CORPORATION

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON FRIDAY, JUNE 20, 2014

NOTICE IS HEREBY GIVEN that the 2014 Annual Meeting of Stockholders (the Annual Meeting) of Vicor Corporation, a Delaware corporation (the Corporation), will be held on Friday, June 20, 2014, at 9:00 a.m., local time, at the offices of Foley & Lardner LLP, 111 Huntington Avenue, Boston, Massachusetts 02199, for the following purposes:

1. To fix the number of Directors at nine and to elect nine Directors to hold office until the 2015 Annual Meeting of Stockholders and until their respective successors are duly elected and qualified.
2. To hold an advisory vote on compensation of the Corporation s named executive officers.
3. To consider and act upon any other matters that may be properly brought before the Annual Meeting and at any adjournments or postponements thereof.

Any action may be taken on the foregoing matters at the Annual Meeting on the date specified above, or on any date or dates to which, by original or later adjournment, the Annual Meeting may be adjourned or to which the Annual Meeting may be postponed.

The Board of Directors has fixed the close of business on April 30, 2014, as the record date for determining the stockholders entitled to receive notice of and to vote at the Annual Meeting and any adjournments or postponements thereof. Only stockholders of record at the close of business on that date will be entitled to receive notice of and to vote at the Annual Meeting and any adjournments or postponements thereof.

You are requested to authorize a proxy to vote your shares by completing, dating, and signing the enclosed Proxy Card, which is being solicited by the Board of Directors, and by mailing it promptly in the enclosed postage-prepaid envelope. Any proxy may be revoked by a written declaration delivered to the Corporation stating that the proxy is revoked or by delivery of a properly executed, later dated proxy. Stockholders of record who attend the Annual Meeting may vote in person by notifying the Corporate Secretary, even if they have previously delivered a signed Proxy Card.

By Order of the Board of Directors

Corporate Secretary

Andover, Massachusetts

April 30, 2014

Whether or not you plan to attend the Annual Meeting, please complete, sign, date, and promptly return the enclosed Proxy Card in the enclosed postage-prepaid envelope. If you attend the Annual Meeting, you may vote your shares in person if you wish, even if you have previously returned your Proxy Card.

VICOR CORPORATION

25 FRONTAGE ROAD

ANDOVER, MASSACHUSETTS 01810

TELEPHONE (978) 470-2900

PROXY STATEMENT

FOR THE 2014 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON FRIDAY, JUNE 20, 2014

April 30, 2014

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the Board and each member thereof being a Director) of Vicor Corporation (the Corporation) from owners of the outstanding shares of capital stock of the Corporation (the Stockholders , or as an individual, a Stockholder) for use at the 2014 Annual Meeting of Stockholders (the Annual Meeting) of the Corporation to be held on Friday, June 20, 2014, at 9:00 a.m., local time, at the offices of Foley & Lardner LLP, 111 Huntington Avenue, Boston, Massachusetts 02199, and at any adjournments or postponements thereof. At the Annual Meeting, Stockholders will be asked to consider and vote on the proposals set forth in this Proxy Statement.

In this Proxy Statement, we refer to Vicor Corporation as Vicor, the Corporation, or we, us, or our. In addition, the term Proxy Solicitation Materials includes this Proxy Statement, the Notice of the Annual Meeting, and the Proxy Card.

The Proxy Solicitation Materials are first being sent to Stockholders on or about May 9, 2014. The Board has fixed the close of business on April 30, 2014 as the record date for the determination of Stockholders entitled to receive notice of and to vote at the Annual Meeting (the Record Date). Only Stockholders of record at the close of business on the Record Date will be entitled to receive notice of and to vote at the Annual Meeting.

As of March 31, 2014, there were 26,782,623 shares of Common Stock and 11,758,218 shares of Class B Common Stock of the Corporation outstanding and entitled to vote. Each share of Common Stock entitles the holder thereof to one vote per share, and each share of Class B Common Stock entitles the holder thereof to 10 votes per share. Shares of Common Stock and Class B Common Stock will vote together as a single class on the proposals set forth in this Proxy Statement.

Stockholders are requested to complete, date, sign, and return the accompanying Proxy Card in the enclosed postage-prepaid envelope. Shares represented by a properly executed Proxy Card received prior to the vote at the Annual Meeting and not revoked will be voted at the Annual Meeting as directed on the Proxy Card. If a properly executed Proxy Card is submitted and no instructions are given, the shares so represented will be voted FOR the election of each individual candidate nominated for election as a Director set forth herein (individually, a Nominee , and collectively, Nominees). We do not anticipate any matters other than those set forth in this Proxy Statement will be presented at the Annual Meeting. If other matters are presented, proxies will be voted in accordance with the discretion of the proxy holders.

A Stockholder of record may revoke a proxy at any time before it has been exercised by: (1) filing a written revocation with our Corporate Secretary, Mr. Simms, at the address of the Corporation set forth above; (2) filing a duly executed Proxy Card bearing a later date; or (3) appearing in person, notifying the Corporate Secretary of such revocation, and voting by ballot at the Annual Meeting. Any Stockholder of record as of the Record Date attending the Annual Meeting may vote in person whether or not a proxy has been previously submitted, but the presence (without further action) of a Stockholder at the Annual Meeting will not constitute revocation of a previously submitted proxy.

The presence, in person or by proxy, of Stockholders of a majority in interest of all capital stock issued, outstanding, and entitled to vote at the Annual Meeting shall constitute a quorum for the transaction of business at the Annual Meeting. Shares that reflect abstentions or broker non-votes (i.e., shares held by investment brokerage firms or other nominees that are represented at the Annual Meeting but as to which such brokers or nominees have not received instructions from the beneficial owners or persons entitled to vote such shares and, with respect to one or more but not all matters, such brokers or nominees do not have discretionary voting power to vote such shares) will be counted for purposes of determining whether a quorum is present for the transaction of business at the Annual Meeting.

The cost of solicitation of proxies in the form enclosed herewith will be borne by the Corporation. In addition to the solicitation of proxies by mail, Directors, officers, and employees of the Corporation also may solicit proxies personally or by telephone, e-mail, or other form of electronic communication without special compensation for such activities. The Corporation also will request those holding shares in their names or in the names of their nominees that are beneficially owned by others to forward proxy materials to and obtain proxies from such beneficial owners. The Corporation will reimburse such holders for their reasonable expenses in connection therewith.

The Corporation's 2013 Annual Report (the "Annual Report"), including financial statements for the fiscal year ended December 31, 2013, will be mailed to Stockholders concurrently with this Proxy Statement. The Annual Report, however, is not part of the Proxy Solicitation Materials. The Corporation and certain intermediaries (e.g., banks, brokers, and nominees) may deliver only one copy of the Annual Report and Proxy Solicitation Materials to Stockholders sharing an address. The Corporation will deliver promptly, upon written or oral request, a separate copy of the Annual Report or Proxy Solicitation Materials, as applicable, to a Stockholder at a shared address. In order to receive such a separate document, please contact our Corporate Secretary, Mr. Simms, at the address of the Corporation set forth above. If Stockholders sharing an address (i) currently receive a single copy of the Annual Report and Proxy Solicitation Materials and wish to receive separate copies of such materials in the future or (ii) currently receive separate copies of the Annual Report and Proxy Solicitation Materials and wish to receive a single copy of such materials in the future, please contact Mr. Simms, our Corporate Secretary, or the applicable intermediary, as the case may be.

Important notice regarding the availability of proxy materials for the Annual Meeting to be held on June 20, 2014:

The Proxy Solicitation Materials and Annual Report are available at www.vicorpower.com.

PROPOSAL ONE

ELECTION OF NINE DIRECTORS

In accord with the requirements of the Corporation's By-Laws, the Board recommends the number of Directors be fixed at nine and has nominated all of the Nominees named below for election. Each of the Nominees is presently serving as a Director. If elected, each Nominee will serve until the 2015 Annual Meeting of Stockholders and until his respective successor is duly elected and qualified or until his death, resignation, or removal. Properly executed Proxy Cards will be voted for the Nominees unless otherwise specified. The Board anticipates each of the Nominees, if elected, will serve as a Director.

However, if any person nominated by the Board is unable to serve or for good cause will not serve, proxies solicited hereby will be voted for the election of another person designated by the Board, if one is nominated. A plurality of the votes cast by the Stockholders of Common Stock and Class B Common Stock, voting together as a single class, for a Nominee shall elect such Nominee. Accordingly, abstentions, broker non-votes, and votes withheld from any Nominee will have no effect on this proposal.

Dr. Patrizio Vinciarelli, Chairman of the Board, President, and Chief Executive Officer, beneficially owned, as of March 31, 2014, 9,675,480 shares of Common Stock and 11,023,648 shares of Class B Common Stock, together representing 83.0% of the voting power of the outstanding stock of the Corporation, sufficient to elect each of the Nominees named below. Dr. Vinciarelli has indicated his intention to vote in favor of fixing the number of Directors at nine and the election of all Nominees.

Information Regarding Nominees

The following sets forth certain information as of March 31, 2014 with respect to the Nominees. The information presented includes information each Nominee has provided to us about age, all positions held, principal occupation and business experience for the past five years, and the names of other publicly-held companies for which the Nominee currently serves as a director or has served as a director during the past five years. In addition to the specific experience, qualifications, and skills that led the Board as a whole to conclude each Nominee possesses the necessary attributes to serve as a Director, the Board as a whole also considered each Nominee's reputation for integrity, honesty, and adherence to high ethical standards.

Information regarding the beneficial ownership of shares of the capital stock of the Corporation by such persons is set forth in the section of this Proxy Statement entitled "Principal and Management Stockholders." See also "Certain Relationships and Related Transactions." There is no family relationship among any of the Directors and /or executive officers of the Corporation.

Nominee	Age	Director Since	Background and Qualifications
Patrizio Vinciarelli	67	1981	Dr. Vinciarelli founded the Corporation in 1981 and has been Chairman of the Board, President, and Chief Executive Officer since that time. Prior to founding the Corporation, from 1977 until 1980, he was a Fellow at the Institute for Advanced Study in Princeton, New Jersey. From 1973 through 1976, he was a Fellow at the European Organization for Nuclear Research (CERN), in Meyrin, Switzerland. Dr. Vinciarelli received his doctorate in Physics from the University of Rome, Italy. Dr. Vinciarelli holds more than 100 patents for power conversion technology.

Dr. Vinciarelli is qualified to serve on our Board, given his role as the Corporation's founder, President, and Chief Executive Officer, his role in the development of our patents and proprietary technologies and the design of our products, and his standing as a leading innovator in the power conversion industry.

Estia J. Eichten	67	1981	Dr. Eichten, an early investor who contributed to the founding of the Corporation, has held various positions with the Fermi National Accelerator Laboratory since 1981, being named a Senior Scientist in 1989. Earlier, he had been an Associate Professor of Physics at Harvard University. Dr. Eichten received both his B.S. and Ph.D. in Physics from the Massachusetts Institute of Technology. He has been an Alfred P. Sloan Foundation Research Fellow and currently is a Fellow of the American Physical Society and the American Association for the Advancement of Science. In 2011, Dr. Eichten and three collaborators were awarded the prestigious J. J. Sakurai Prize for Theoretical Particle Physics in acknowledgement of outstanding achievement in particle physics theory.
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Nominee	Age	Director Since	Background and Qualifications
David T. Riddiford	78	1984	<p>While a Director of the Corporation, he has served since July 2000 as a Director of VLT, Inc., a wholly-owned subsidiary of the Corporation, which owns a majority of the Corporation's patents.</p> <p>Dr. Eichten's qualifications to serve on our Board include his extensive knowledge of electronics and power conversion, as well as the deep understanding of our products and organization acquired in his 33 years of service as a Director.</p>
Barry Kelleher	65	1999	<p>Mr. Riddiford is a retired professional investor. He served from 1987 until his retirement in 2005 as the general partner of Pell, Rudman Venture Management, L.P., the general partner of PR Venture Partners, L.P., a venture capital affiliate of Pell, Rudman & Co., Inc., an investment advisory firm. Mr. Riddiford also served, from 1989 until 2010, as a member of the Board of Directors of Datawatch Corporation, a publicly-held provider of enterprise reporting and business intelligence solutions. He received his B.A. from Yale University and J.D. from the William Mitchell College of Law.</p> <p>Mr. Riddiford's qualifications to serve on our Board include four decades of experience in investing, monitoring, and advising companies as a venture capitalist, his substantial financial expertise, as well as the deep understanding of our business acquired in his 30 years of service as a Director.</p> <p>Mr. Kelleher has been President of the Corporation's Brick Business Unit since 2006. He previously served as Senior Vice President, Global Operations, and General Manager of the Corporation's Brick Business Unit (from 2005 to 2006), Senior Vice President, Global Operations (from 1999 to 2005), and Senior Vice President, International Operations (from 1993 to 1999). From 1981 until joining the Corporation in 1993, Mr. Kelleher was employed by Computer Products Inc., a manufacturer of power conversion products, where he held the position of Corporate Vice President and President of the Power Conversion Group. He received B.Eng. and M.B.A. degrees from University College Cork and University College Dublin, respectively.</p> <p>Mr. Kelleher's qualifications to serve on our Board include his long-standing tenure as a senior executive in the power conversion industry, his leadership role in the Corporation, and his considerable experience in power industry sales and operations management.</p>

Nominee	Age	Director Since	Background and Qualifications
Samuel J. Anderson	57	2001	<p>Mr. Anderson has been the Chairman of the Board, President, and Chief Executive Officer of Great Wall Semiconductor Corporation (GWS), of which the Corporation is a minority owner of non-voting convertible preferred stock, since its founding in 2002. Mr. Anderson also is Chairman of the Board, President, and Chief Executive Officer of ICEmos Technology Corporation, a privately-held developer and manufacturer of specialized semiconductor substrates, as well as high voltage power switching devices utilizing its proprietary technology. Previously, Mr. Anderson was Vice President of Corporate Business Development of ON Semiconductor Corporation, a supplier of semiconductors (from 1999 to 2001) and held various positions within the semiconductor operations of Motorola, Inc., the predecessor organization (from 1984 to 1999). Mr. Anderson also served, from 2001 to 2011, as non-executive Chairman of the Board of Directors of Advanced Analogic Technologies Inc., a supplier of power management semiconductors, when the company was acquired by Skyworks Solutions, Inc. Mr. Anderson holds numerous U.S. patents for semiconductor technologies. He received an M.S. in Microelectronics from Arizona State University, an M.S. in Physics from Queen s University of Belfast, and a B.S. in Electronics from the University of Ulster.</p> <p>Mr. Anderson is qualified to serve on our Board given his acknowledged technical expertise, understanding of power conversion technologies, and his experience as an executive and director of other companies in the semiconductor and power management industries.</p>
Claudio Tuozzolo	51	2007	<p>Mr. Tuozzolo has been President of Picor Corporation, a subsidiary of the Corporation, since 2003. Previously, he had been Director of Integrated Circuit Engineering for the Corporation, from February 2003 to November 2003, and Manager of Integrated Circuit Design, from 2001 to February 2003. Before joining the Corporation in 2001, Mr. Tuozzolo was a Principal Design Engineer for SIPEX Corporation from 1999 to 2001. Mr. Tuozzolo has authored nine U.S. patents in semiconductor design. He attended the University of Rome and holds B.S. and M.S. degrees in Electrical Engineering from the University of Rhode Island.</p> <p>Mr. Tuozzolo is qualified to serve on our Board given his leadership role within the Corporation, his extensive experience in the semiconductor and power management industries, and his technical expertise regarding our products.</p>

Nominee	Age	Director Since	Background and Qualifications
James A. Simms	54	2008	<p>Mr. Simms has been Chief Financial Officer, Treasurer, and Corporate Secretary since 2008. From 2007 until 2008, he was a Managing Director of Needham & Company, LLC, an investment banking and asset management firm. Previously, he had served as a Managing Director with the investment banking firm of Janney Montgomery Scott LLC, a wholly owned subsidiary of The Penn Mutual Life Insurance Company (from 2004 to 2007) and as a Managing Director of the investment banking firm of Adams, Harkness & Hill, Inc. (from 1997 to 2004). Since 2001, Mr. Simms has been a member of the Board of Directors of PAR Technology Corporation (PAR), a publicly-held provider of information technology solutions in the hospitality and specialty retail industries and a provider of advanced technology systems and support services to the United States military and other governmental agencies. On March 14, 2014, PAR announced Mr. Simms had informed the company he would not stand for reelection as a director when his term expires in May 2014. Mr. Simms received a B.A. from the University of Virginia and an M.B.A. from the University of Pennsylvania's Wharton School.</p> <p>Mr. Simms is qualified to serve on our Board given his prior career in investment banking, his familiarity with corporate finance and securities markets, his expertise with complex financial and regulatory matters, and his experience as a director of other companies.</p>
Jason L. Carlson	52	2008	<p>Since 2010, Mr. Carlson has been President and Chief Executive Officer, as well as a member of the Board of Directors, of QD Vision, Inc., a privately-held developer of nanomaterial-based solutions for advanced display and lighting applications. From 2010 to 2011, Mr. Carlson also served as a member of the Board of Directors of Advanced Analogic Technologies, Inc., a publicly-traded developer of power management semiconductors, which was acquired by Skyworks Solutions, Inc. in January 2012. From 2006 until joining QD Vision, he was President and Chief Executive Officer of Emo Labs, Inc., a privately-held developer of innovative audio speaker technology. From 2002 to 2005, Mr. Carlson was President and Chief Executive Officer of Semtech Corporation, a publicly-traded vendor of analog and mixed-signal semiconductors, with an emphasis on power management applications. From 1999 to 2002, he was Vice President & General Manager for the Crystal Product Division and the Consumer Products & Data Acquisition Division of Cirrus Logic, Inc. a publicly-traded vendor of analog and mixed-signal semiconductors for consumer and industrial applications. Mr. Carlson joined Cirrus Logic in 1999 when that company acquired AudioLogic, Inc., of</p>

Nominee	Age	Director Since	Background and Qualifications
Liam K. Griffin	47	2009	<p>which he had been Chief Executive Officer. He began his career as a founder of ReSound Corporation, a pioneering developer of digital hearing aids, which completed its initial public offering in 1993.</p> <p>Mr. Carlson's qualifications to serve on our Board include his experience as both a public company executive and as an entrepreneur, his experience as a director of other companies, his understanding of the evolution of technical innovation in the semiconductor and power conversion industries, and his financial expertise. Mr. Carlson has served as Chairman of the Audit Committee of the Board since joining the Board in 2008.</p> <p>Since November 2012, Mr. Griffin has been Executive Vice President and Corporate General Manager for Skyworks Solutions, Inc., a designer, manufacturer and marketer of performance analog and mixed signal semiconductors. Previously, Mr. Griffin served as Executive Vice President and General Manager, High Performance Analog, from 2011 to 2012, and Senior Vice President, Sales and Marketing, from 2001 to 2010, for Skyworks Solutions and its predecessor, Alpha Industries, Inc. Earlier, he was employed by Vectron International, a division of Dover Corporation, as Vice President of Worldwide Sales from 1997 to 2001, and as Vice President of North American Sales from 1995 to 1997. His prior experience also included positions in marketing and engineering with units of AT&T Inc. Mr. Griffin received B.S. and M.B.A. degrees from the University of Massachusetts and Boston University, respectively.</p> <p>Mr. Griffin's qualifications to serve on our Board of Directors include his experience in building and managing sales and marketing organizations in technology-driven, global organizations.</p>

The Board unanimously recommends a vote FOR fixing the number of Directors at nine and the election of all of the Nominees.

PROPOSAL TWO

ADVISORY VOTE ON COMPENSATION OF NAMED EXECUTIVE OFFICERS

The Board is requesting non-binding, advisory approval by Stockholders of the compensation of the Corporation's Named Executive Officers as disclosed in this Proxy Statement pursuant to Item 402 of Regulation S-K (referred to as "Say on Pay"), including the presentation in this Proxy Statement of such compensation in the Compensation Discussion and Analysis section ("CD&A"), compensation tables and accompanying narrative disclosures.

Item 402 of Regulation S-K sets forth what registrants must include in their CD&A and compensation tables and defines "Named Executive Officers" as individuals who, during the last fiscal year, served as the registrant's principal executive officer, served as the registrant's principal financial officer, were the three most highly compensated executive officers (other than the principal executive officer and principal financial officer), and up to two additional individuals for whom disclosure would have been provided pursuant to Item 402 but for the fact that the individual was not serving as an executive officer of the registrant at the end of the last fiscal year. The five individuals identified herein as the Corporation's Named Executive Officers are, in alphabetical order: Philip D. Davies, Corporate Vice President, Global Sales and Marketing; Barry Kelleher; Corporate Vice President and President, Brick Business Unit; James A. Simms, Corporate Vice President, Chief Financial Officer, Treasurer, and Corporate Secretary; Claudio Tuozzolo, Corporate Vice President and President, Picor Corporation; and Patrizio Vinciarelli, Chairman of the Board, President, and Chief Executive Officer.

The Board has approved the compensation of our Named Executive Officers, and the description thereof, as described herein. The Board also has decided, consistent with the vote of Stockholders at the 2011 annual meeting of Stockholders, to hold a non-binding, advisory, Say on Pay vote, every three years. This vote gives Stockholders the opportunity to express their views on compensation of our Named Executive Officers. Because this vote is advisory, its outcome will not be binding upon the Compensation Committee or the Corporation. However, the Compensation Committee will take the outcome of the vote into account when making future decisions regarding executive compensation. The affirmative vote of a majority in voting power of the Common Stock and Class B Common Stock, voting together as a single class is required to approve this proposal.

The compensation programs of the Corporation are designed to motivate our executives and employees in leadership positions to enhance long-term Stockholder value, while enabling the Corporation to attract and retain the highest quality employees. The Board believes the Corporation's approach to compensation provides appropriate incentives and is aligned with profitable execution of our strategy and long-term financial and operational goals.

The Board unanimously recommends a vote FOR approval of the compensation paid to the Corporation's Named Executive Officers, as disclosed in this Proxy Statement pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables, and narrative discussion.

CORPORATE GOVERNANCE

Status as a Controlled Company

As of March 31, 2014, there were 26,782,623 shares of Common Stock and 11,758,218 shares of Class B Common Stock of the Corporation outstanding and entitled to vote. Our Common Stock is listed for trading on the Nasdaq Global Select Market ("NASDAQ-GS") and, as such, we are subject to the listing requirements set forth in the Marketplace Rules of the Nasdaq OMX Group, Inc. (the "Nasdaq Rules"). The Corporation is a controlled company in accordance with the governance provisions of the Nasdaq Rules, because Dr. Vinciarelli, Chairman of the Board, President, and Chief Executive Officer, holds more than 50% of the voting power of our outstanding capital stock. Accordingly, the Corporation relies on certain exemptions from corporate governance requirements available to us under the Nasdaq Rules for a controlled company.

Dr. Vinciarelli owned, as of March 31, 2014, 9,675,480 shares of our Common Stock and 11,023,648 shares of our Class B Common Stock. Each share of Class B Common Stock, which entitles the holder thereof to 10 votes per share, is exchangeable on a one for one basis into a share of Common Stock, which entitles the holder thereof to one vote per share. As of March 31, 2014, Dr. Vinciarelli owned 36.1% of our Common Stock and 93.7% of our Class B Common Stock, which together represent 83.0% of total voting power, giving him effective control of our governance.

Because of the Corporation's status as a controlled company, we need not comply with listing standards requiring a majority of independent Directors on our Board, the determination of the compensation of our executive officers solely by independent Directors, and the recommendation of nominees for Director solely by independent Directors. Upon consideration of the independence criteria under the Nasdaq Rules, the Board has determined four of nine Directors (Messrs. Carlson, Eichten, Griffin and Riddiford) are independent as defined by the Nasdaq Rules.

While we do rely on our exemption, as a controlled company, from the Nasdaq Rules requirement that our Board be comprised of a majority of independent Directors, Nasdaq Rules nevertheless require our Board to have an Audit Committee comprised of no fewer than three Directors, all of whom are independent. Nasdaq Rules further require all members of the Audit Committee have the ability to read and fully understand financial statements and at least one member of the Audit Committee possess financial sophistication (i.e., qualify to be identified as an Audit Committee Financial Expert under Section 407 of the Sarbanes-Oxley Act of 2002). Messrs. Carlson, Eichten, Griffin and Riddiford serve on the Audit Committee, with Messrs. Carlson and Riddiford identified as the Audit Committee Financial Experts.

We rely on our exemption, as a controlled company, from the Nasdaq Rules requirement that the compensation of our executive officers, including Dr. Vinciarelli, our Chief Executive Officer, be determined solely by independent Directors. However, all four members of the Compensation Committee of the Board, Messrs. Carlson, Eichten, Griffin and Riddiford, are considered independent, and the Compensation Committee is solely responsible for the administration of the Corporation's stock option plans, with authority delegated by the Board to approve all recommended stock option awards.

We also rely on our exemption, as a controlled company, from the Nasdaq Rules requirement that the Board have a standing committee responsible for Director nominations and other governance matters. The Board believes it, as a whole, is in the best position to evaluate potential candidates for nomination as Director and, therefore, it is not necessary for the Board to have a separate committee responsible for such evaluations. The full Board performs the function of such a committee.

Finally, while we rely on the exemptions from certain Nasdaq Rules requirements described above, we are not exempt from the requirement that independent Directors have regularly scheduled meetings at which only independent Directors are present. At each meeting of the Board, the independent Directors conduct such executive sessions, frequently with our outside counsel as an invited guest. In addition, at each meeting of the Audit Committee, which is comprised of the four independent Directors, the independent Directors conduct private meetings with representatives of our independent registered public accounting firm, KMPG LLP.

The Board and Its Committees

Our Board, which currently consists of the nine Nominees, has two standing committees: the Audit Committee and the Compensation Committee.

The Board held three in-person meetings, two telephonic meetings, and acted by written consent in lieu of meetings on six occasions during 2013. Each of the Directors attended 75% or more of the total number of meetings of the Board and meetings of the committees thereof on which each such Director serves. Directors are expected to attend each year's Annual Meeting in person unless doing so is impracticable due to unavoidable conflicts. All of the Directors attended the 2013 Annual Meeting of Stockholders.

Information regarding the functions performed by the Audit Committee is set forth in the section of this Proxy Statement entitled Report of the Audit Committee. The Audit Committee is governed by a written charter, approved by the Board on February 3, 2007, and reviewed each year. As stated above, the Board has determined all four members of the Audit Committee are independent under the applicable Nasdaq Rules and SEC regulations. The Board also has determined that Messrs. Carlson and Riddiford meet the definition of

Audit Committee Financial Expert as defined by Item 407(d) of Regulation S-K promulgated by the Securities and Exchange Commission (the SEC) in codification of the requirements of Section 407 of the Sarbanes-Oxley Act of 2002. The Audit Committee charter is posted on the Corporation's website, www.vicorpower.com, under the heading "About Vicor" and the subheading "Corporate Governance". The Audit Committee held seven meetings during 2013.

The Compensation Committee is responsible for approving, based on the recommendation of Dr. Vinciarelli, the compensation for the executive officers of the Corporation, approving all grants of stock options by the Corporation and its subsidiaries, and administering the Corporation's stock option plans pursuant to authority delegated to it by the Board. The Compensation Committee is governed by a written charter, approved by the Board on October 18, 2013, and subject to review each year. The Compensation Committee held four meetings during 2013 and acted by written consent in lieu of meetings on 21 occasions to approve stock option awards granted during 2013. The Compensation Committee charter is posted on the Corporation's website, www.vicorpower.com, under the heading "About Vicor" and the subheading "Corporate Governance".

Board Leadership and Role in Risk Management

Given the Corporation's status as a controlled company and Dr. Vinciarelli's leadership of the Corporation since its founding, he fulfills both the roles of Chairman of the Board and Chief Executive Officer. As Chairman of the Board, Dr. Vinciarelli presides over meetings of the Board and, in collaboration with Mr. Simms, in his capacity as Corporate Secretary, establishes an agenda for each meeting. The Board does not have a lead independent Director. As Chief Executive Officer, Dr. Vinciarelli is responsible for setting the strategic direction of the Corporation, the leadership of the organization, and the operational and financial performance of the Corporation.

Under Dr. Vinciarelli's leadership, the Board provides the highest level of direction and authority for the Corporation. The Board advises and oversees executive management, which, under Dr. Vinciarelli's leadership, is responsible for the day-to-day operations of the Corporation's affairs. The Board reviews, assesses, and directs our long-term strategic plans and provides oversight and guidance on all matters influencing the Corporation's well-being.

Under Dr. Vinciarelli's leadership, the Board has an active role, as a whole and also at the committee level, in overseeing identification, analysis, and management of the Corporation's risks. The Board regularly reviews information regarding the Corporation's strategy, operations, financial performance and position, and legal and regulatory affairs, addressing the risks associated with each. Messrs. Kelleher, Simms, and Tuozolo, in their capacities as President of the Brick Business Unit, Chief Financial Officer, and President of Picor Corporation, respectively, provide first-hand information and insight to the Board regarding all enterprise risks. Mr. Anderson, as Chief Executive Officer of an important supplier to the Corporation, provides valuable external perspectives on a range of challenges facing the Corporation, including evolving technology and intensifying competition. The independent Directors, given their breadth of experience and expertise, as well as their governance responsibilities as the sole members of the Audit Committee and the Compensation Committee, contribute to an ongoing assessment of the integrity of our financial reporting processes and systems and the appropriateness and effectiveness of our compensation programs.

While the Board is ultimately responsible for the Corporation's risk management, the Audit Committee, comprised of independent Directors, plays a primary and important role in assisting the Board in overseeing such responsibilities, with particular focus, as mandated by the Sarbanes-Oxley Act of 2002, on the integrity and effectiveness of the Corporation's financial reporting processes. The Audit Committee reviews our guidelines and policies on management of enterprise risks, including assessment and management of the Corporation's major financial exposures and management's monitoring and control of such exposures. At each meeting of the Audit Committee, members of management present information addressing issues related to risk identification, analysis, and mitigation. Also at each meeting of the Audit Committee, the committee members meet privately with representatives of our independent auditors, KPMG LLP.

In addition to the risk oversight role undertaken by the Audit Committee, the Compensation Committee assists the Board in overseeing the Corporation's compensation policies and practices as they relate to the Corporation's risk management and risk-taking incentives. The Compensation Committee has determined the compensation policies and practices for the Corporation's employees are not reasonably likely to have a material adverse effect on the Corporation, as the incentives of the Corporation's compensation programs are believed to be aligned with our strategic, operational, and financial goals and the interest of our Stockholders.

Director Nomination Process

As indicated above, the full Board performs the Director nomination function for the Corporation. The Board does not have a charter governing the Director nomination process, although it has established Director nomination procedures setting forth the process for identifying and evaluating Director nominees. The Corporation's By-Laws require that our Stockholders approve the number of Directors for the coming year at each Annual Meeting of Stockholders, although the By-Laws also allow the Board to reduce the number of Directors in the event of a vacancy on the Board and to increase the number of Directors at any time by majority vote of the Directors then serving.

Board Membership Criteria At a minimum, the Board must be satisfied each candidate for nomination has high personal and professional integrity, has demonstrated exceptional ability and judgment, and is expected, in the judgment of the Board, to be highly effective, in collaboration with the other nominees to the Board, in collectively serving the interests of the Corporation and our Stockholders. In addition to the minimum qualifications set forth above, the Board seeks to select for nomination persons possessing relevant industry or technical experience and, so that the independence of the Audit Committee is maintained, persons meeting the independence requirements of the Nasdaq Rules and SEC regulations.

Identifying and Evaluating Nominees The Board may solicit recommendations from any sources it deems appropriate. The Board will evaluate all candidates for nomination in the same manner, evaluating the qualifications of any recommended candidate and conducting inquiries it deems appropriate, without discrimination on the basis of race, religion, national origin, sexual orientation, disability, or any other basis proscribed by law. In identifying and evaluating candidates for nomination, the Board may consider, in addition to the minimum professional qualifications discussed above and other criteria for Board membership approved by the Board from time to time, all facts and circumstances it deems appropriate or advisable, including, among other things, the breadth of experience, geographic representation, and backgrounds of other nominees. Based on these considerations, the Board may nominate a candidate it believes will, together with the other nominees, best serve the interests of the Corporation and our Stockholders.

Stockholder Recommendations The Board's policy is to review and consider, in accordance with the procedures described above, any candidates for nomination recommended by Stockholders entitled to vote for the election of Directors. All Stockholder recommendations of candidates for nomination must be submitted to our Corporate Secretary, Mr. Simms, at the address of the Corporation set forth above.

All Stockholder recommendations of candidates for nomination must include the following information:

the name and address of record of the Stockholder;

a representation that the Stockholder is a record holder of shares of capital stock of the Corporation entitled to vote in the election of Directors, or if the Stockholder is not a record holder, evidence of ownership in accordance with Rule 14a-8(b)(2) promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act);

the 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 candidate for nomination;

a description of the qualifications and background of the candidate for nomination that addresses the minimum qualifications and other criteria for Board membership approved by the Board from time to time;

a description of all arrangements or understandings between the Stockholder and the candidate for nomination;

the written consent of the candidate for nomination (a) to be named in the proxy statement relating to the Corporation's Annual Meeting and (b) to serve as a Director if elected at such Annual Meeting; and

any other information regarding the candidate for nomination required to be included in a proxy statement filed pursuant to the rules of the SEC.

Communications with the Board

If a Stockholder wishes to communicate with any Director or the Board as a whole, he or she may do so by addressing such communications to: [Name(s) of Director(s)/Board of Directors of Vicor Corporation], c/o James A. Simms, Corporate Secretary, Vicor Corporation, 25 Frontage Road, Andover, MA 01810. All correspondence should be sent via certified U.S. mail, return receipt requested. All correspondence received will be forwarded promptly to the addressee(s).

Code of Business Conduct and Ethics

The Corporation has established and adopted a Code of Business Conduct and Ethics. This Code of Business Conduct and Ethics is posted on the Corporation's website, www.vicorpower.com, under the heading "About Vicor" and the subheading "Corporate Governance".

Officers of the Corporation

Executive officers of the Corporation (designated as our corporate officers in accordance with our By-Laws) are appointed annually by the Board and hold office until the first meeting of the Board following the next annual meeting of Stockholders and until their successors are elected and qualified, or until their earlier death, resignation, or removal. The following persons are the Corporation's executive officers:

Patrizio Vinciarelli, Ph.D., 67, Chairman of the Board, President, and Chief Executive Officer. Dr. Vinciarelli founded the Corporation in 1981 and has served as Chairman, President, and Chief Executive Officer since that time. Further information regarding Dr. Vinciarelli's background and experience is contained in the section of the Proxy Statement entitled "Information Regarding Nominees."

H. Allen Henderson, 66, Corporate Vice President and President, Westcor Division, since March 1999. Mr. Henderson also has served since July 2000 as President and Chief Executive Officer of VLT, Inc., a wholly-owned subsidiary of the Corporation, which owns a majority of the Corporation's patents. Mr. Henderson held the position of General Manager of the Westcor Division from 1987 to 1999 and Sales Manager from 1985 to 1987. Prior to joining the Corporation in 1985, Mr. Henderson was employed at Boschert, Inc., a manufacturer of power supplies, serving as Director of Marketing.

Douglas W. Richardson, 66, Corporate Vice President and Chief Information Officer, since November 2000. From 1996 to 2000, Mr. Richardson held the position of Director, Application Development, and, from 1994 to 1996, Manager, Computer Integrated Manufacturing. Prior to joining the Corporation in 1994, Mr. Richardson was a Program Manager and Director of Quality Management from 1982 to 1994 for ITP Systems, a subsidiary of PricewaterhouseCoopers LLP, specializing in manufacturing automation systems.

Barry Kelleher, 65, Corporate Vice President and President of the Corporation's Brick Business Unit, since May 2006. Further information regarding Mr. Kelleher's background and experience is contained in the section of the Proxy Statement entitled "Information Regarding Nominees."

Richard E. Zengilowski, 59, Corporate Vice President, Human Resources, since August 2001. Prior to joining the Corporation in 2001, Mr. Zengilowski was employed by Simplex Time Recorder Co., a manufacturer of automated time and attendance products, from 1992 to 2001, serving as Assistant General Counsel from 1992 to 1998 and Director of Legal Affairs, Human Resources from 1998 to 2001.

Richard J. Nagel, Jr., 57, Corporate Vice President, Chief Accounting Officer, since May 2006. From December 2007 to April 2008, Mr. Nagel also held the position of Interim Chief Financial Officer. From 2005 to 2006, Mr. Nagel held the position of Senior Director, Corporate Controller, and, from 1996 to 2005, Director, Corporate Controller. Prior to joining the Corporation in 1996, Mr. Nagel was employed by Ernst & Young LLP, an international public accounting firm, serving in a variety of positions from 1982 to 1996, most recently as Senior Manager.

James A. Simms, 54, Corporate Vice President, Chief Financial Officer, Treasurer, and Corporate Secretary, since April 2008. Further information regarding Mr. Simms' background and experience is contained in the section of the Proxy Statement entitled "Information Regarding Nominees."

Philip D. Davies, 54, Corporate Vice President, Global Sales and Marketing, since February 2011. Prior to joining the Corporation, Mr. Davies was employed by the Solid State Light Engine business unit of OSRAM Sylvania as Business Creation Team Leader from September 2010 to February 2011. From 2006 to 2010, Mr. Davies held the position of Vice President, Sales and Marketing, with NoblePeak Vision Corporation, a developer of night vision camera cores. From 1995 to 2006, Mr. Davies served in various positions with Analog Devices, Inc., a manufacturer of high-performance analog, mixed-signal and digital signal processing integrated circuits, most recently as Director of World Wide Business Development. From 1987 to 1995, Mr. Davies served in a number of positions with Allegro MicroSystems, Inc., a manufacturer of high-performance power and Hall-effect sensor integrated circuits, most recently as Vice President, Engineering.

Michael S. McNamara, 53, Corporate Vice President, Quality and Technical Operations, since May 2011. Mr. McNamara held the positions of Vice President, Quality and Technical Operation of the Corporation's Brick Business Unit from 2008 to April 2011, Vice President, Quality of the Corporation's Brick Business Unit from 2006 to 2008, Senior Director of Quality from 2001 to 2008, Manager of Quality, Data and Analysis from 1999 to 2001 and Senior Quality Engineer from 1995 to 1999. Prior to joining the Corporation in 1995, Mr. McNamara was employed by Alpha Industries Inc., the predecessor to Skyworks Solutions, Inc.

Claudio Tuozzolo, 51, Corporate Vice President and President of Picor Corporation, a subsidiary of the Corporation, since 2003. Further information regarding Mr. Tuozzolo's background and experience is contained in the Section of the Proxy Statement entitled "Information Regarding Nominees."

PRINCIPAL AND MANAGEMENT STOCKHOLDERS

The following table sets forth the beneficial ownership of the Corporation's Common Stock and Class B Common Stock held by (1) each person or entity known to the Corporation to be the beneficial owner of more than five percent of the outstanding shares of either class of the Corporation's common stock, (2) each Director, (3) each executive officer of the Corporation, and (4) all Directors and executive officers as a group, in each case based on representations of the Directors and executive officers as of March 31, 2014, and a review of filings on Schedules 13D and 13G under the Exchange Act. Except as otherwise specified, the named beneficial owner has sole voting and investment power over the shares set forth opposite such beneficial owner's name. The information in the table reflects shares outstanding of each of the two classes of common stock on March 31, 2014, and does not, except as otherwise indicated below, take into account conversions after such date, if any, of shares of Class B Common Stock into Common Stock, which, if they were to occur, would increase the voting control of persons who retain shares of Class B Common Stock.

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The percentages shown have been determined as of March 31, 2014, in accordance with Rule 13d-3 under the Exchange Act, and are based on a total of 38,540,841 shares of common stock that were outstanding on such date, of which 26,782,623 were shares of Common Stock, entitled to one vote per share, and 11,758,218 were shares of Class B Common Stock, entitled to 10 votes per share. Each share of Class B Common Stock is convertible into one share of Common Stock at any time upon the election of the holder thereof.

Pursuant to the provisions of our certificate of incorporation, shares of Class B Common Stock are transferrable only under the limited circumstances set forth therein and generally must be converted into shares of Common Stock in order to be sold. Such conversion may be effected by the delivery of the certificate(s) representing shares of Class B Common Stock, accompanied by a written notice of the election by the record holder thereof to convert, to either Mr. Simms, in his capacity as Corporate Secretary, c/o Vicor Corporation, 25 Frontage Road, Andover, MA 01810, or to the then-current transfer agent for our Common Stock. Any transfer of shares of Class B Common Stock not permitted under the provisions of our certificate of incorporation will result in the automatic conversion of those shares of Class B Common Stock into an equal number of shares of Common Stock.

Name of Beneficial Owner(1)	Total Number of Shares Beneficially Owned(2)(3)	Percent of Common Stock Beneficially Owned	Percent of Class B Common Stock Beneficially Owned	Percent of Voting Power
Patrizio Vinciarelli	20,699,128	36.1%	93.7%	83.0%
Estia J. Eichten	1,171,724 (4)	1.8%	5.9%	5.1%
David T. Riddiford	96,972 (5)	*	*	*
James A. Simms	50,000	*	*	*
Liam K. Griffin	16,112	*	*	*
Barry Kelleher	7,257	*	*	*
Samuel J. Anderson	7,247	*	*	*
Philip D. Davies	6,000	*	*	*
Claudio Tuozzolo	5,000	*	*	*
Jason L. Carlson	4,112	*	*	*
Richard E. Zengilowski	3,560	*	*	*
Douglas W. Richardson	3,088	*	*	*
Michael S. McNamara	3,000	*	*	*
H. Allen Henderson	219	*	*	*
Richard J. Nagel, Jr		*	*	*
All Directors and executive officers as a group (15 persons)	22,073,419	38.5%	99.6%	88.3%
BlackRock, Inc. (6) 40 East 52nd Street New York, NY 10022	1,768,685	6.6%	*	1.2%

* Less than 1%

(1) The address for each of the Beneficial Owners named in the table, but not specified therein, is: c/o Vicor Corporation, 25 Frontage Road, Andover, MA 01810.

- (2) Includes shares issuable upon the exercise of options to purchase Common Stock that are exercisable or will become exercisable within 60 days of March 31, 2014, in the following amounts:

Name of Beneficial Owner	Shares
Liam K. Griffin	16,112
Philip D. Davies	6,000
Barry Kelleher	5,000
James A. Simms	5,000
Claudio Tuozzolo	5,000
Jason L. Carlson	4,112
Michael S. McNamara	3,000
Douglas W. Richardson	3,000
Richard E. Zengilowski	3,000

- (3) The calculation of the total number of shares of Common Stock beneficially owned includes the following: for Dr. Vinciarelli, 11,023,648 shares of Class B Common Stock; for Dr. Eichten, 690,700 shares of Class B Common Stock; and for all Directors and executive officers as a group, 11,714,348 shares of Class B Common Stock.
- (4) Includes 8,750 shares of Common Stock beneficially owned by Dr. Eichten's spouse. In addition, includes 71,945 shares of Common Stock held by the Belle S. Feinberg Memorial Trust, of which Dr. Eichten is a trustee.
- (5) Includes 4,500 shares of Common Stock beneficially owned by Mr. Riddiford's spouse.
- (6) Information reported is based upon a Schedule 13G filed with the SEC on January 31, 2014, reflecting holdings as of December 31, 2013. All shares are held by BlackRock, Inc., which holds sole voting power with regard to 1,715,162 shares and sole dispositive power with regard to 1,768,685 shares. We have not made any independent determination as to the beneficial ownership of such holder and are not restricted in any determination we may make by reason of inclusion of such holder or its shares in this table.

COMPENSATION DISCUSSION AND ANALYSIS

Philosophy

The primary objective of the Corporation's compensation programs is to attract, motivate, and retain highly qualified and productive employees using a combination of cash and equity based rewards intended to incent and reward superior performance. Salaries and, in appropriate circumstances, cash bonuses encourage effective performance relative to current plans and objectives, while stock options may be utilized to attract new employees, reward outstanding performers, promote longer-term focus, and more closely align the interests of employees with those of Stockholders.

2011 Advisory Votes on Executive Compensation

At the Corporation's annual meeting of Stockholders held on June 23, 2011, Stockholders approved, on an advisory basis, the compensation of our named executive officers as disclosed in our proxy statement for that annual meeting (a Say on Pay vote). The Compensation Committee believes this affirms Stockholders' support of the Corporation's approach to executive compensation and, therefore, did not change its approach during 2012 and 2013.

At the 2011 annual meeting of Stockholders, Stockholders also cast an advisory vote on the frequency of future Say on Pay votes. The frequency receiving the highest number of votes was every three years, and, in accordance with the outcome of that advisory vote, our Board determined to hold a Say on Pay advisory vote at the Annual Meeting, as described in Proposal Two above.

Overview of Executive Compensation

Dr. Vinciarelli, with input from Mr. Zengilowski, our Corporate Vice President, Human Resources, makes periodic recommendations to the Compensation Committee with respect to the compensation of executives and other employees in leadership positions. The Compensation Committee approves the annual salary of Dr. Vinciarelli.

Potential elements of compensation for our executive officers include: a base salary, cash bonuses, stock option awards, subsidized participation in group health, disability, and life insurance, cash contributions to a 401(k) tax-qualified retirement saving plan sponsored by the Corporation, and certain perquisites. All employees, including our Named Executive Officers, are employees-at-will and, as such, do not have employment contracts with the Corporation.

Those components of compensation that are contingent on individual or organizational performance are so noted in the following table.

Component	Characteristics/Frequency	Objective
Base Salary	Salaries are established for a new hire based on the qualifications of the individual, the talents and skills sought for the position, and the comparable market level of salaries paid by position and/or geography. Salaries are revised annually, based on the performance of the individual. Each year a target percentage for an organization-wide merit increase in salaries, based on the Corporation's performance and an assessment of increases in the cost of living, is presented to Dr. Vinciarelli for approval.	We seek to attract and retain the best available individual talent. We structure salaries to provide a fixed amount of annual compensation reflecting (a) the individual's performance, and (b) the performance of the Corporation and the business unit within which the individual is employed.
Cash Bonuses <i>(Contingent)</i>	Certain senior sales personnel are eligible to participate in sales incentive programs, with cash bonuses paid based on achievement of various objectives. These programs generally are structured annually, with payments made quarterly. The Corporation does not have a policy regarding or a program involving discretionary cash bonuses for personnel outside of the sales function.	We seek to provide short-term, tangible motivation for senior sales personnel to meet objectives, whether these objectives involve dollar volumes, market penetration, or other defined quantitative objectives.
Stock Option Awards <i>(Contingent)</i>	We generally award non-qualified stock options to a new employee upon hiring. Depending upon the business unit into which the individual is hired, we award stock options for the purchase of shares of Vicor Corporation, VI Chip Corporation, or Picor Corporation. Certain new hires have been awarded stock options granted by all three entities. From time to time, existing employees will be rewarded for superior performance through the award of stock options. The Corporation does not have a policy regarding or a program involving discretionary awards of stock options.	We seek to motivate recipients to contribute to achieving longer-term performance goals, potentially contributing to an increase in the value of the shares underlying the stock option awards, thereby aligning economic interests of recipients with Stockholders.

Component	Characteristics/Frequency	Objective
Fringe Benefits	We offer a package of fringe benefits to all employees, including all Named Executive Officers, and their dependents, portions of which are paid for, in whole or in part, by the employee. The benefits we offer include: life, health, dental, vision, and long-term care insurance; disability and workers' compensation insurance; healthcare reimbursement accounts; tuition reimbursement; and paid time off.	We seek to provide a competitive package of benefits addressing the health and welfare needs of employees, reflecting our overall compensation philosophy of attracting and retaining talented individuals.
Retirement Benefits	The Corporation sponsors a 401(k) tax-qualified retirement saving plan open to all employees. In any plan year, the Corporation will make a matching contribution equal to 50% of the first 3% of the participant's compensation that has been contributed to the plan, up to a maximum matching contribution of \$3,825. Participants received up to \$3,825 in matching funds in 2013 from the Corporation. All Named Executive Officers, with the exception of Dr. Vinciarelli, participated in the 401(k) plan and received matching funds. The Corporation does not provide any nonqualified defined contribution plans, deferred compensation plans, retirement health insurance, or other post-employment benefits.	We seek to provide retirement benefits that are competitive with other companies of our size and industry focus, reflecting our overall compensation philosophy of attracting and retaining talented individuals.
Perquisites	Executive officers, including all Named Executive Officers, are eligible to participate in supplemental health, dental, and vision insurance, and receive a fixed cash automobile allowance, as well as reimbursement for fuel expenses.	The limited perquisites we currently offer are intended to provide benefits to our executives comparable to those received by executives of other companies of our size and industry focus, or, as is the case with fuel reimbursement, to support business purposes.

SUMMARY COMPENSATION TABLE FOR FISCAL 2013

Named Executive Officer	Year	Salary(1)	Cash Bonus	Option Awards(2)	All Other Compensation(3)	Total
Patrizio Vinciarelli	2013	\$ 390,142	\$	\$	\$ 37,265	\$ 427,407
	2012	384,948			36,679	421,627
	2011	368,953			35,324	404,277
James A. Simms	2013	308,639		238,773	33,446	580,858
	2012	299,158		13,738	33,486	346,382
	2011	288,571		16,754	41,267	346,592
Philip D. Davies	2013	268,500		346,743	18,585	633,828
	2012	256,539	125,000		18,983	400,522
	2011	223,462		606,276	15,781	845,519
Barry Kelleher	2013	354,900		330,717	39,613	725,230
	2012	350,175		13,738	29,861	393,774
	2011	335,625	50,000	16,754	28,843	431,222
Claudio Tuozzolo	2013	301,687		106,702	102,663	511,052
	2012	286,412		13,738	26,987	327,137
	2011	270,200		16,754	27,025	313,979

- (1) The amounts shown reflect the actual amounts paid to Named Executive Officers in each respective year.
- (2) The amounts shown reflect the aggregate grant date fair value of stock option awards in each year presented, including the aggregate grant fair value of the replacement stock option awards in the Exchange Offer, as described below under "Stock Option Programs". These values have been determined under the principles used to calculate the grant date fair value of equity awards for purposes of the Corporation's financial statements. Refer to Note 3, "Stock-Based Compensation and Employee Benefit Plans," in the Notes to Consolidated Financial Statements included in the Annual Report on Form 10-K for the year ended December 31, 2013, filed on March 14, 2014, for the relevant assumptions used to determine the valuation of the Corporation's option awards and additional information regarding the Exchange Offer. The amounts reported under "Option Awards" shown for Messrs. Kelleher, Simms, and Tuozzolo, also include stock options granted as compensation for their service on the Corporation's Board.
- (3) All Other Compensation amounts include car allowance, fuel allowance, supplemental health, dental and vision insurance, the taxable portion of life insurance benefits, and the Corporation's matching 401(k) plan contribution for each Named Executive Officer shown. Dr. Vinciarelli's car allowance is \$10,800, while all other amounts are individually below the threshold for disclosure. Mr. Tuozzolo's All Other Compensation amount includes \$77,020 related to the value realized upon the exercise of stock options.

Stock Option Programs

As described above, awards of stock options for the purchase of shares of Vicor Corporation, VI Chip Corporation, and Picor Corporation are a component of our executive compensation. We generally award non-qualified stock options to a new employee upon hiring. Depending upon the business unit into which the individual is hired, we award stock options for the purchase of shares of Vicor Corporation, VI Chip Corporation, or Picor Corporation. Certain new hires have been awarded stock options granted by all three entities. From time to time, existing employees will be rewarded for superior performance through the award of additional stock options. The Corporation does not have a policy regarding or a program involving discretionary awards of stock options.

The Compensation Committee approves all stock options grants. We have no set formula for the award of discretionary options.

During 2013, 2012, and 2011, options for the purchase of the Corporation's Common Stock were awarded under the Vicor Corporation Amended and Restated 2000 Stock Option and Incentive Plan (the "Vicor 2000 Plan"). The exercise price of stock options for the purchase of the Corporation's Common Stock is set at the closing price of a share of the Corporation's Common Stock on NASDAQ-GS on the effective date of the grant. These option grants vest pro rata over five years and have a 10 year term.

During 2013, 2012, and 2011, options for the purchase of VI Chip Corporation ("VI Chip") common stock were awarded under the VI Chip Corporation 2007 Stock Option and Incentive Plan, as amended (the "2007 VI Chip Plan"). These option grants vest pro rata over five years and have a 10 year term. On August 27, 2010, VI Chip awarded, also under the 2007 VI Chip Plan, 10 year term options with vesting tied to the achievement of certain financial performance goals. No further awards of such performance-based options have been made. All awards were reviewed and approved by the VI Chip Board of Directors and the Corporation's Compensation Committee. VI Chip stock options are granted at a price not less than the fair value of a share of VI Chip common stock on the date of grant, as determined by the VI Chip Board of Directors and the Corporation's Compensation Committee, consistent with the valuation procedural requirements of Section 409A of the Internal Revenue Code.

During 2013, 2012, and 2011, options for the purchase of Picor Corporation ("Picor") common stock were awarded under the Picor Corporation Amended 2001 Stock Option and Incentive Plan, as amended (the "2001 Picor Plan"). These option grants vest pro rata over five years and have a 10 year term. All option grants were reviewed and approved by the Picor Board of Directors and the Corporation's Compensation Committee. Picor stock options are granted at a price not less than the fair value of a share of Picor common stock on the date of grant, as determined by the Picor Board of Directors and the Corporation's Compensation Committee, consistent with the valuation procedural requirements of Section 409A of the Internal Revenue Code.

On May 17, 2013, the Corporation commenced an offer (the "Exchange Offer") to its employees and Directors to voluntarily exchange outstanding options to purchase shares of the Corporation's Common Stock granted before January 1, 2013, whether or not vested, on a one-for-one basis, for replacement options to purchase shares of Common Stock. Outstanding options eligible for exchange included options with time-based vesting provisions as well as options with performance-based vesting provisions tied to the achievement of certain financial performance goals by the Brick Business Unit. Options for the purchase of shares of common stock of the Corporation's subsidiaries, VI Chip and Picor, were not eligible for exchange. With the exception of Dr. Vinciarelli, who holds no options to purchase shares of our Common Stock, all of the Corporation's executive officers and Directors participated in the Exchange Offer.

Because of a sustained and significant decline in the price of a share of our Common Stock through 2012 and into 2013, approximately 91% of outstanding options for the purchase of Common Stock, as of the date of the Exchange Offer, were out-of-the-money (i.e., the price at which an option could be exercised to purchase a share of Common Stock was above the then current market value of such a share). In assessing the rationale of and merits of the Exchange Offer, the Board concluded outstanding options were no longer effective as incentives to retain and motivate employees. In structuring the Exchange Offer, the Board considered the interests and objectives of employee option holders and non-employee Stockholders, concluding the benefit to employee option holders of receiving stock options with a presumably lower exercise price and longer exercise period likewise would benefit all Stockholders by ensuring valuable employees were retained and provided proper incentives through the five year vesting term of the new options. The objective of the Corporation's stock option programs has been, and continues to be, to link the personal interests of award recipients to those of Stockholders, and the Board concluded the Exchange Offer was an important component in achieving that objective.

The Exchange Offer expired on June 17, 2013, with 638 eligible employees and Directors participating, resulting in the grant of new options for the purchase of 1,531,077 shares of Common Stock, representing approximately 91% of options eligible for exchange under the Exchange Offer. The stock option award data for Named Executive Officers in the tables below reflect the disproportionate impact of the Exchange Offer on 2013 compensation totals.

Stock Option Plan Information

The following table sets forth certain aggregated information for the Corporation as of December 31, 2013 (the end of the most recently completed fiscal year), regarding equity securities underlying stock option awards made under the Vicor 2000 Plan, the 2007 VI Chip Plan and 2001 Picor Plan. All equity compensation plans of the Corporation have been approved by Stockholders.

Stock options issued under the Vicor 2000 Plan, the 2007 VI Chip Plan, and the 2001 Picor Plan carry a change in control provision that automatically accelerates vesting and makes unvested options fully exercisable upon a change of control, as defined in the applicable plan.

	Number of Shares to be Issued Upon Exercise of Outstanding Stock Options	Weighted-Average Exercise Price of Outstanding Stock Options	Number of Shares Remaining Available for Issuance under Stock Option Plans
Vicor 2000 Plan(1)	1,989,248	\$ 7.71	1,099,464
2007 VI Chip Plan	10,744,250	1.00	1,250,150
2001 Picor Plan	9,404,367	0.66	8,683,673

- (1) The Exchange Offer, completed June 17, 2013, involved 1,531,077 underlying shares of Common Stock, did not change the number of shares available for future issuance under the Vicor 2000 Plan, as it was a one-for-one exchange and the options submitted in the exchange were terminated.

GRANTS OF PLAN-BASED AWARDS FOR FISCAL 2013**Vicor 2000 Plan**

Named Executive Officer	Grant Date	Number of Shares Underlying Option Award(1)	Exercise Price per Share of Option Award	Grant Date Fair Value of Option Award(2)
James A. Simms	5/14/2013	25,000	\$ 5.35	\$ 69,200
	6/17/2013	55,695	6.29	58,196
	6/17/2013	10,000	7.34	20,793
	6/17/2013	10,000	8.38	21,142
	6/17/2013	10,000	9.43	20,978
	6/17/2013	10,000	10.48	21,964
Philip D. Davies	6/21/2013	8,819	5.67	26,500
	5/14/2013	30,000	5.35	83,041
Barry Kelleher	6/17/2013	100,000	6.29	263,702
	5/14/2013	25,000	5.35	69,200
	6/17/2013	55,695	6.29	65,263
	6/17/2013	20,000	7.34	41,586
	6/17/2013	20,000	8.38	42,284
	6/17/2013	20,000	9.43	41,956
	6/17/2013	20,000	10.48	43,928
Claudio Tuozzolo	6/21/2013	8,819	5.67	26,500
	5/14/2013	25,000	5.35	69,200
	6/17/2013	15,695	6.29	11,002
	6/21/2013	8,819	5.67	26,500

- (1) Includes replacement options granted in connection with the Exchange Offer.

- (2) Refer to Note 3, Stock-Based Compensation and Employee Benefit Plans, in the Notes to Consolidated Financial Statements included in the Annual Report on Form 10-K for the year ended December 31, 2013, filed on March 14, 2014, for the relevant assumptions used to determine the valuation of option awards.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2013

Vicor 2000 Plan

Named Executive Officer	Number of Shares Underlying Unexercised Options Exercisable(1)	Number of Shares Underlying Unexercised Options Unexercisable(1)(2)	Option Exercise Price per Share	Option Expiration Date
James A. Simms		25,000	\$ 5.35	5/14/2023
		55,695	6.29	6/17/2023
		10,000	7.34	6/17/2023
		10,000	8.38	6/17/2023
		10,000	9.43	6/17/2023
		10,000	10.48	6/17/2023
Philip D. Davies		8,819	5.67	6/21/2023
		30,000	5.35	5/14/2023
Barry Kelleher		100,000	6.29	6/17/2023
		25,000	5.35	5/14/2023
Claudio Tuozzolo		55,695	6.29	6/17/2023
		20,000	7.34	6/17/2023
		20,000	8.38	6/17/2023
		20,000	9.43	6/17/2023
		20,000	10.48	6/17/2023
		8,819	5.67	6/21/2023
Claudio Tuozzolo		25,000	5.35	5/14/2023
		15,695	6.29	6/17/2023
		8,819	5.67	6/21/2023

- (1) Generally, non performance-based stock options awarded under the Vicor 2000 Plan become exercisable in five equal annual installments beginning on the first anniversary of the date of grant.
- (2) The unexercisable option vesting schedule under the Vicor 2000 Plan as of December 31, 2013, is as follows:

Named Executive Officer	Grant Date	Underlying Shares	Vesting Date
James A. Simms	5/14/2013	5,000	5/14/2014
	5/14/2013	5,000	5/14/2015
	5/14/2013	5,000	5/14/2016
	5/14/2013	5,000	5/14/2017
	5/14/2013	5,000	5/14/2018
	6/17/2013	10,000	6/17/2014
	6/17/2013	10,000	6/17/2015
	6/17/2013	10,000	6/17/2016
	6/17/2013	10,000	6/17/2017
	6/17/2013	10,000	6/17/2018
	6/17/2013	10,000	6/17/2018
	6/17/2013	6,000	6/17/2014

Named Executive Officer	Grant Date	Underlying Shares	Vesting Date
	6/17/2013	6,000	6/17/2015
	6/17/2013	6,000	6/17/2016
	6/17/2013	6,000	6/17/2017
	6/17/2013	6,000	6/17/2018
	6/17/2013	855	6/17/2014
	6/17/2013	855	6/17/2015
	6/17/2013	855	6/17/2016
	6/17/2013	855	6/17/2017
	6/17/2013	854	6/17/2018
	6/17/2013	640	6/17/2014
	6/17/2013	640	6/17/2015
	6/17/2013	639	6/17/2016
	6/17/2013	639	6/17/2017
	6/17/2013	639	6/17/2018
	6/17/2013	1,645	6/17/2014
	6/17/2013	1,645	6/17/2015
	6/17/2013	1,645	6/17/2016
	6/17/2013	1,645	6/17/2017
	6/17/2013	1,644	6/17/2018
	Philip D. Davies	6/21/2013	1,764
6/21/2013		1,764	6/21/2015
6/21/2013		1,764	6/21/2016
6/21/2013		1,764	6/21/2017
6/21/2013		1,763	6/21/2018
5/14/2013		6,000	5/14/2014
5/14/2013		6,000	5/14/2015
5/14/2013		6,000	5/14/2016
5/14/2013		6,000	5/14/2017
5/14/2013		6,000	5/14/2018
6/17/2013		20,000	6/17/2014
6/17/2013		20,000	6/17/2015
Barry Kelleher	6/17/2013	20,000	6/17/2016
	6/17/2013	20,000	6/17/2017
	6/17/2013	20,000	6/17/2018
	5/14/2013	5,000	5/14/2014
	5/14/2013	5,000	5/14/2015
	5/14/2013	5,000	5/14/2016
	5/14/2013	5,000	5/14/2017
	5/14/2013	5,000	5/14/2018
	6/17/2013	20,000	6/17/2014
	6/17/2013	20,000	6/17/2015
	6/17/2013	20,000	6/17/2016
	6/17/2013	20,000	6/17/2017
6/17/2013	20,000	6/17/2018	
6/17/2013	4,000	6/17/2014	
6/17/2013	4,000	6/17/2015	
6/17/2013	4,000	6/17/2016	
6/17/2013	4,000	6/17/2017	
6/17/2013	4,000	6/17/2018	
6/17/2013	855	6/17/2014	

Named Executive Officer	Grant Date	Underlying Shares	Vesting Date
	6/17/2013	855	6/17/2015
	6/17/2013	855	6/17/2016
	6/17/2013	855	6/17/2017
	6/17/2013	854	6/17/2018
	6/17/2013	640	6/17/2014
	6/17/2013	640	6/17/2015
	6/17/2013	639	6/17/2016
	6/17/2013	639	6/17/2017
	6/17/2013	639	6/17/2018
	6/17/2013	1,645	6/17/2014
	6/17/2013	1,645	6/17/2015
	6/17/2013	1,645	6/17/2016
	6/17/2013	1,645	6/17/2017
	6/17/2013	1,644	6/17/2018
	6/21/2013	1,764	6/21/2014
	6/21/2013	1,764	6/21/2015
	6/21/2013	1,764	6/21/2016
6/21/2013	1,764	6/21/2017	
6/21/2013	1,763	6/21/2018	
Claudio Tuozzolo	5/14/2013	5,000	5/14/2014
	5/14/2013	5,000	5/14/2015
	5/14/2013	5,000	5/14/2016
	5/14/2013	5,000	5/14/2017
	5/14/2013	5,000	5/14/2018
	6/17/2013	855	6/17/2014
	6/17/2013	855	6/17/2015
	6/17/2013	855	6/17/2016
	6/17/2013	855	6/17/2017
	6/17/2013	854	6/17/2018
	6/17/2013	1,645	6/17/2014
	6/17/2013	1,645	6/17/2015
	6/17/2013	1,645	6/17/2016
	6/17/2013	1,645	6/17/2017
	6/17/2013	1,644	6/17/2018
	6/17/2013	640	6/17/2014
	6/17/2013	640	6/17/2015
6/17/2013	639	6/17/2016	
6/17/2013	639	6/17/2017	
6/17/2013	639	6/17/2018	
6/21/2013	1,764	6/21/2014	
6/21/2013	1,764	6/21/2015	
6/21/2013	1,764	6/21/2016	
6/21/2013	1,764	6/21/2017	
6/21/2013	1,763	6/21/2018	

2007 VI Chip Plan

Named Executive Officer	Number of Shares Underlying Unexercised Options Exercisable(1)	Number of Shares Underlying Unexercised Options Unexercisable(1)(2)	Option Exercise Price per Share	Option Expiration Date
Patrizio Vinciarelli	4,000,000	1,500,000	\$ 1.00	6/4/2017
James A. Simms	60,000	40,000	1.00	12/31/2020
Barry Kelleher	50,000		1.00	5/14/2017

(1) Generally, non performance-based stock options awarded under the 2007 VI Chip Plan become exercisable in five equal annual installments beginning on the first anniversary of the date of grant. Performance-based options awarded under the 2007 VI Chip Plan become exercisable upon the achievement of the performance targets as outlined in the option award.

(2) The unexercisable option vesting schedule under the 2007 VI Chip Plan as of December 31, 2013, is as follows:

Named Executive Officer	Grant Date	Underlying Shares	Vesting Date
Patrizio Vinciarelli	12/31/2010	1,500,000	*
James A. Simms	12/31/2010	20,000	12/31/2014
	12/31/2010	20,000	12/31/2015

* The options granted to Dr. Vinciarelli on December 31, 2010 contain performance-based vesting provisions contingent on the achievement of certain margin targets by the VI Chip Business Unit. Because the performance-based vesting provisions have not been met, the Corporation cannot determine the vest date of these options.

2001 Picor Plan

Named Executive Officer	Number of Shares Underlying Unexercised Options Exercisable(1)	Number of Shares Underlying Unexercised Options Unexercisable(1)(2)	Option Exercise Price per Share	Option Expiration Date
James A. Simms	120,000	80,000	\$ 0.57	11/1/2020
Claudio Tuozzolo	16,000		0.75	1/1/2014
	24,000		0.75	8/26/2014
	150,000		0.88	6/5/2016
	125,000		1.01	6/12/2018
	797,604	531,736	0.57	11/1/2020
	50,649	202,595	0.64	6/18/2022

(1) Generally, stock options awarded under the 2001 Picor Plan become exercisable in five equal annual installments beginning on the first anniversary of the date of grant.

- (2) The unexercisable option vesting schedule under the 2001 Picor Plan is as follows as of December 31, 2013:

Named Executive Officer	Grant Date	Underlying Shares	Vesting Date
James A. Simms	11/1/2010	40,000	11/1/2014
	11/1/2010	40,000	11/1/2015
Claudio Tuozzolo	6/18/2012	50,649	6/18/2014
	11/1/2010	265,868	11/1/2014
	6/18/2012	50,649	6/18/2015
	11/1/2010	265,868	11/1/2015
	6/18/2012	50,649	6/18/2016
	6/18/2012	50,648	6/18/2017

OPTIONS EXERCISES AND STOCK VESTED FOR FISCAL 2013

2001 Picor Plan

Named Executive Officer	Number of Shares	Value Realized upon Exercise(1)
	Acquired upon Exercise	
Claudio Tuozzolo	200,000	\$ 77,020

- (1) Represents the difference between the exercise price and the fair market value of the underlying common stock on the date of exercise.
POTENTIAL PAYMENTS UPON TERMINATION, UPON A CHANGE OF CONTROL, AND UPON TERMINATION FOLLOWING A CHANGE OF CONTROL

As all of our employees are employees at will, no amounts become due or payable to any of our executive officers upon termination of employment, regardless of whether a change of control has occurred. However, each of the Vicor 2000 Plan, the 2007 VI Chip Plan, and the 2001 Picor Plan provides that all unvested options thereunder will become vested and exercisable as of a change of control. Accordingly, our named executive officers would have received the following payments in connection with the vesting of their unvested options had a change of control of the Corporation occurred on December 31, 2013:

Vicor 2000 Plan

Named Executive Officer	Number of Unvested Options as of December 31, 2013(1)	Intrinsic Value of Unvested Options as of December 31, 2013(2)
	Barry Kelleher	169,514	$ 1,028,203
Philip D. Davies	130,000	955,100
James A. Simms	129,514	847,703
Claudio Tuozzolo	49,514	382,003

- (1) Includes replacement options granted in connection with the Exchange Offer.

- (2) Calculated as the aggregate amount by which the aggregate exercise price as of December 31, 2013 exceeded the fair market value as of that date.

2001 Picor Plan

Named Executive Officer	Number of Unvested Options as of December 31, 2013(1)	Intrinsic Value of Unvested Options as of December 31, 2013(2)
Claudio Tuozzolo	531,736	\$ 33,393
James A. Simms	80,000	5,024

- (1) Information for the 2001 Picor Plan excludes certain unvested options with exercise prices exceeding the fair market value of Picor's stock as of December 31, 2013, as the intrinsic value of those unvested options as of December 31, 2013 is zero. Information for the 2007 VI Chip Plan are excluded from the table, as all unvested options have exercise prices exceeding the fair market value of VI Chip's stock, respectively, as of December 31, 2013, and, therefore, the intrinsic value of those unvested options as of December 31, 2013 is zero.
- (2) Calculated as the aggregate amount by which the aggregate exercise price as of December 31, 2013 exceeded the fair market value as of that date.

NON-EMPLOYEE DIRECTORS' COMPENSATION FOR FISCAL 2013

Non-Employee Director (1)	Fees Earned or Paid in		Total Compensation
	Cash	Option Awards(2)(3)	
Samuel J. Anderson	\$ 30,000	\$ 26,500	\$ 56,500
Jason L. Carlson	30,000	26,500	56,500
Estia J. Eichten	30,000	26,500	56,500
Liam K. Griffin	30,000	26,500	56,500
David T. Riddiford	30,000	26,500	56,500

- (1) Dr. Vinciarelli has been omitted from this table since he receives no compensation for serving on the Board. Messrs. Kelleher, Simms, and Tuozzolo have been omitted from this table because, as employees, they receive no cash compensation for serving on the Board and their stock option awards are included in the Summary Compensation Table.
- (2) These amounts reflect the aggregate grant date fair value of stock option awards granted during 2013. These values have been determined under the principles used to calculate the grant date fair value of equity awards for purposes of the Corporation's financial statements. Refer to Note 3, "Stock-Based Compensation and Employee Benefit Plans," in the Notes to Consolidated Financial Statements included in the Annual Report on Form 10-K for the year ended December 31, 2013, filed on March 14, 2014, for the relevant assumptions used to determine the valuation of option awards.

- (3) The aggregate grant date fair value and aggregate number of stock options awarded and outstanding as of December 31, 2013 was as follows:

Director	Grant Date Fair Value of Stock Options(1)	Number of Awards Outstanding(1)
Samuel J. Anderson	\$ 37,501	24,514
Jason L. Carlson	45,229	39,514
Estia J. Eichten	33,539	24,514
Liam K. Griffin	33,615	39,514
David T. Riddiford	33,539	24,514
	\$ 183,423	152,570

- (1) Includes options granted in connection with the Exchange Offer.

Overview of Director Compensation

The level of compensation of non-employee Directors is reviewed on an annual basis by the Board as a whole. To determine the appropriateness of the current level of compensation for non-employee Directors, the Board reviews data from a number of different sources including publicly available data describing director compensation in peer companies.

Non-employee Directors are compensated through a combination of cash payments and awards of options for the purchase of our Common Stock. Each non-employee Director receives a quarterly retainer of \$7,500 for his or her services. Expenses incurred by non-employee Directors in attending Board and meetings of the Audit Committee and the Compensation Committee are reimbursed by the Corporation.

Directors who are employees do not receive cash compensation for service on the Board.

Additionally, each Director, other than any Director holding in excess of 10% of the total number of shares of the capital stock of the Corporation (i.e., Dr. Vinciarelli), receives an annual grant of non-qualified stock options following the Annual Meeting of Stockholders under the Vicor 2000 Plan. Currently, the formula to calculate the stock option award is \$50,000 divided by the price of a share of Common Stock at the close of market as reported on the NASDAQ-GS on the day of the Annual Meeting of Stockholders. Accordingly, on June 21, 2013, each Director, other than Dr. Vinciarelli, was awarded non-qualified stock options to purchase up to 8,819 shares of Common Stock at an exercise price of \$5.67 per share. Prior to these 2013 awards, stock options granted to Directors as compensation for their service on the Board vested over 2 years, with 50% of the grant vesting at the first anniversary of the award and the remaining 50% vesting at the second anniversary of the award. However, in June 2012, the Board unanimously voted to change the terms of future option grants to Directors as compensation for their service to reflect customary employee vesting at a rate of 20% per year on each of five successive anniversaries of the date of award. The terms of the stock options awarded to Directors on June 21, 2013 reflect this change.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee has reviewed and discussed the CD&A required by Item 402(b) of Regulation S-K for the year ended December 31, 2013, with management. Based on the reviews and discussions referred to above, the Compensation Committee recommended to the Board the CD&A be included in this Proxy Statement for the year ended December 31, 2013, for filing with the SEC and distribution to Stockholders.

Submitted by the Compensation Committee

Jason L. Carlson, Chairman

Estia J. Eichten

Liam K. Griffin

David T. Riddiford

Compensation Committee Interlocks and Insider Participation

Messrs. Carlson, Eichten, Griffin, and Riddiford serve on the Compensation Committee. Messrs. Carlson, Eichten, Griffin, and Riddiford are independent Directors, and the Board is not aware of any committee interlocks or other relationships that would require disclosure pursuant to Item 407(e)(4) of Regulation S-K.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee oversees the Corporation's financial reporting process on behalf of the Board. Management has the primary responsibility for the financial statements and the reporting process including the systems of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed the audited financial statements in the Annual Report with management, including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Audit Committee reviewed and discussed with our independent registered public accounting firm, KPMG LLP, which is responsible for expressing an opinion on the conformity of those audited financial statements with U.S. generally accepted accounting principles, the quality, not just the acceptability, of the Corporation's accounting principles and such other matters as are required to be discussed with the Audit Committee in accordance with standards established by the Public Company Accounting Oversight Board (PCAOB) under Auditing Standard No. 16 Communications with Audit Committees (which supersedes Statement on Auditing Standards No. 61, Communication with Audit Committees, as amended). In addition, the Audit Committee has discussed with KPMG the auditors' independence from management and the Corporation, including the matters in the written disclosures from the independent auditors required by applicable requirements of the PCAOB regarding independent accountant's communications with the audit committee concerning independence. The Audit Committee discussed with KPMG the overall scope and plans for its audit. The Audit Committee periodically meets with KPMG, with and without management present, to discuss the results of its audit, its evaluation of the Company's internal controls and the overall quality of the Company's financial reporting.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board (and the Board approved) that the audited financial statements be included in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2013, for filing with the SEC, which occurred on March 14, 2014.

Submitted by the Audit Committee:

Jason L. Carlson, Chairman

Estia J. Eichten

Liam K. Griffin

David T. Riddiford

Certain Relationships and Related Transactions

Mr. Anderson, a Director, is the founder, Chairman of the Board, President, and Chief Executive Officer, as well as the majority voting shareholder, of GWS. GWS designs and sells semiconductors, conducts research and development activities, develops and license patents, and, through a subsidiary, litigate against parties who infringe upon its patented technologies. The Corporation's gross investment in non-voting convertible preferred stock of GWS totaled \$5,000,000 as of December 31, 2013, giving the Corporation an approximately 27% ownership interest in GWS. The Corporation and GWS are parties to an intellectual property cross-licensing agreement, an additional license agreement, and two supply agreements under which the Corporation purchases certain components from GWS. Purchases from GWS totaled approximately \$1,959,000 in 2013. The Corporation owed GWS approximately \$152,000 for such purchases as of December 31, 2013.

The Corporation accounts for its investment in GWS under the equity method of accounting. The Corporation has determined, while GWS is a variable interest entity, the Corporation is not the primary beneficiary. The key factors in the Corporation's assessment were that Mr. Anderson has: (i) the power to direct the activities of GWS that most significantly impact its economic performance, and (ii) has an obligation to absorb losses or the right to receive benefits from GWS, respectively, that could potentially be significant to GWS. There was no allocation of equity method income (loss) in 2013, as GWS incurred a net loss for the year.

The Corporation's policy and procedures with respect to the review, approval, and/or ratification of related party transactions are set forth in the Charter of the Audit Committee and, in summary, require the Audit Committee to review and approve all related party transactions required to be disclosed pursuant to SEC Regulation S-K, Item 404, and to discuss with management the business rationale for the transactions whether the transaction is on terms that are fair to the Corporation, and whether appropriate disclosures have been made. The related party transactions described above were subject to this policy.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Corporation's executive officers and Directors, and persons who own more than 10% of a registered class of the Corporation's equity securities (collectively, "Insiders"), to file reports of ownership and changes in ownership with the SEC and NASDAQ. Insiders are required by SEC regulation to furnish the Corporation with copies of all Section 16(a) forms they file. To the Corporation's knowledge, based solely on a review of copies of such reports and written representations that no other reports were required during the fiscal year ended December 31, 2013, all transactions in the Corporation's securities that were engaged in by Insiders, and therefore required to be disclosed pursuant to Section 16(a) of the Exchange Act, were timely reported.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
Changes in Certifying Accountant

On August 8, 2013, the Audit Committee approved the dismissal of Grant Thornton LLP (GT) as the Corporation s independent registered public accounting firm and the engagement of KPMG LLP as the Corporation s independent registered public accounting firm. On August 13, 2013, the Corporation engaged KPMG LLP as the Corporation s independent registered public accounting firm commencing with audit services for the year ending December 31, 2013. A representative of KPMG LLP is expected to be present at the Annual Meeting and will be given the opportunity to make a statement. The representative is expected to be available to respond to appropriate questions from Stockholders.

Regarding the Former Registered Public Accounting Firm

During the years ended December 31, 2012 and 2011, and the subsequent interim period through August 8, 2013, there were no: (a) disagreements with GT on any matter of accounting principle or practice, financial statement disclosure, or auditing scope or procedure that, if not resolved to GT s satisfaction, would have caused GT to make reference to the matter in their reports or (b) reportable events as defined in Item 304(a)(1)(v) of Regulation S-K.

The audit reports of GT on the Corporation s consolidated financial statements as of and for the years ended December 31, 2012 and 2011 did not contain an adverse opinion or a disclaimer of opinion, nor were they modified or qualified as to uncertainty, audit scope, or accounting principles.

The audit reports of GT on the Corporation s effectiveness of internal control over financial reporting as of December 31, 2012 and 2011 did not contain an adverse opinion or a disclaimer of opinion, nor were they modified or qualified as to uncertainty, audit scope, or accounting principles.

Regarding the Newly-Engaged Independent Registered Public Accounting Firm

During the years ended December 31, 2012 and 2011, and the subsequent interim period through August 8, 2013, neither the Corporation, nor anyone on its behalf, consulted with KPMG LLP with respect to either (a) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Corporation s consolidated financial statements, and no written report or oral advice was provided by KPMG LLP to the Corporation that KPMG LLP concluded was an important factor considered by the Corporation in reaching a decision as to the accounting, auditing, or financial reporting issue or (b) any matter that was the subject of either a disagreement as defined in Item 304(a)(1)(iv) of Regulation S-K or a reportable event as described in Item 304(a)(1)(v) of Regulation S-K.

The following table summarizes the fees for services rendered by KPMG LLP and GT for the fiscal years ended December 31, 2013 and 2012 in each of the following categories:

	2013		2012	
	KPMG LLP	GT	Total Fees	GT
Audit Fees	\$ 829,000	\$ 166,000	\$ 995,000	\$ 845,000
Audit Related Fees		22,000	22,000	21,000
Tax Fees		200,000	200,000	187,000
Total Fees	\$ 829,000	\$ 388,000	\$ 1,217,000	\$ 1,053,000

Audit Fees include services provided in connection with the audit of the Corporation s consolidated financial statements (including internal control reporting under Section 404 of the Sarbanes-Oxley Act of 2002),

the reviews of the Corporation's quarterly reports on Form 10-Q, assistance with and review of documents filed with the SEC, statutory audits required internationally and accounting consultations that relate to the audited financial statements and are necessary to comply with generally accepted auditing standards in the U.S.

Audit-Related Fees include services provided in connection with audits of the 401(k) tax-qualified retirement saving plan sponsored by the Corporation.


Tax Fees include services provided in connection with tax compliance, tax advice, tax planning, and assistance with tax audits.

Pursuant to the provisions of the Charter of the Audit Committee, the Audit Committee must pre-approve all auditing services and the terms thereof and non-audit services (other than non-audit services prohibited under Section 10A(g) of the Exchange Act or the applicable rules of the SEC or the PCAOB) to be provided to the Corporation by our independent registered public accounting firm; provided, however, the pre-approval requirement is waived with respect to the provision of non-audit services for the Corporation if the *de minimus* provisions of Section 10A(i)(1)(B) of the Exchange Act are satisfied. Under the Charter, the authority to pre-approve non-audit services may be delegated to one or more members of the Audit Committee, who shall present all decisions to pre-approve an activity to the full Audit Committee at its first meeting following such decision. The Audit Committee approved all audit and non-audit services provided to the Corporation by KPMG LLP and GT for the fiscal years 2013 and 2012.

STOCKHOLDER PROPOSALS

Stockholder proposals intended to be presented at the 2015 Annual Meeting of Stockholders must be received by the Corporation on or before January 9, 2015, in order to be considered for inclusion in the Corporation's proxy statement. These proposals must also comply with the rules of the SEC governing the form and content of proposals in order to be included in the Corporation's proxy statement and form of proxy and should be directed to: James A. Simms, Corporate Secretary, Vicor Corporation, 25 Frontage Road, Andover, Massachusetts 01810. It is suggested that any Stockholder proposal be transmitted by certified mail, return receipt requested.

Proxies solicited by the Board will confer discretionary voting authority with respect to Stockholder proposals, other than proposals to be considered for inclusion in the Corporation's proxy statement described above, that the Corporation receives at the above address after March 25, 2015. These proxies will also confer discretionary voting authority with respect to Stockholder proposals, other than proposals to be considered for inclusion in the Corporation's proxy statement described above, that the Corporation receives on or before March 25, 2015, subject to SEC rules governing the exercise of this authority.

Using a **black ink** pen, mark your votes with an X as shown in  this example. Please do not write outside the designated areas.

q **PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.** q

A Proposals The Board of Directors recommends a vote **FOR** all the nominees listed.

1. Proposal to fix the number of Directors at nine and to elect the following Directors to hold office until the 2015 Annual Meeting of Stockholders and until their respective successors are duly elected and qualified. +

	For	Withhold		For	Withhold		For	Withhold
01 - Samuel J. Anderson	02 - Estia J. Eichten	..	..	03 - Barry Kelleher	..	..
04 - David T. Riddiford	05 - James A. Simms	..	..	06 - Claudio Tuozzolo	..	..
07 - Patrizio Vinciarelli	08 - Jason L. Carlson	..	..	09 - Liam K. Griffin	..	..

For Against Abstain

2. Say on Pay - An advisory vote on the approval of compensation of the Corporation's named executive officers.
3. In their discretion, the proxies are authorized to vote upon any other business that may properly come before the Annual Meeting or any adjournments or postponements thereof.

B Non-Voting Items

Change of Address Please print new address below.

C Authorized Signatures This section must be completed for your vote to be counted. **Date and Sign Below**

Please sign exactly as your name(s) appear(s) on the books of the Corporation. Joint owners should each sign personally. Trustees and other fiduciaries should indicate the capacity in which they sign, and where more than one name appears, a majority must sign. If a corporation, this signature should be that of an authorized officer who should state his or her title.

Date
(mm/dd/yyyy)
Please print
date below.
/ /

Signature 1 Please keep signature within the box. Signature 2 Please keep signature within the box.

01UBBA

Dear Stockholder,

Please take note of the important information enclosed with this Proxy Card, which includes issues related to the management and operation of your Corporation that require your immediate attention. These are discussed in detail in the enclosed proxy materials.

Your vote counts, and you are strongly encouraged to exercise your right to vote your shares.

Please mark the boxes on this Proxy Card to indicate how your shares will be voted. Then sign the card, detach it and return your proxy vote in the enclosed postage paid envelope.

Your vote must be received prior to the 2014 Annual Meeting of Stockholders on June 20, 2014.

Thank you in advance for your prompt consideration of these matters.

Sincerely,

Vicor Corporation

q **PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN
THE ENCLOSED ENVELOPE.** q

Proxy Vicor Corporation

COMMON

PROXY FOR ANNUAL MEETING OF STOCKHOLDERS JUNE 20, 2014

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS


AND MAY BE REVOKED PRIOR TO ITS EXERCISE.

The undersigned hereby constitutes and appoints Patrizio Vinciarelli and James A. Simms, and each of them, as Proxies of the undersigned, with full power to appoint his substitute, and authorizes each of them to represent and to vote all shares of Common Stock of Vicor Corporation (the Corporation) held by the undersigned at the close of business on April 30, 2014, at the Annual Meeting of Stockholders to be held at Foley & Lardner LLP, 111 Huntington Avenue, Boston, Massachusetts 02199, on Friday, June 20, 2014 at 9:00 a.m., local time, and at any adjournments or postponements thereof.

When properly executed, this proxy will be voted in the manner directed herein by the undersigned stockholder(s). **IF NO DIRECTION IS GIVEN, THIS PROXY WILL BE VOTED FOR THE PROPOSAL TO FIX THE NUMBER OF DIRECTORS AT NINE AND THE ELECTION OF ALL THE NOMINEES FOR DIRECTOR, FOR THE PROPOSAL TO APPROVE EXECUTIVE COMPENSATION OF THE CORPORATION'S NAMED EXECUTIVE OFFICERS, AND IN THE DISCRETION OF THE PROXIES, UPON SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING.** A stockholder wishing to vote in accordance with the Board of Directors recommendation need only sign and date this proxy and return it in the envelope provided.

The undersigned hereby acknowledges receipt of a copy of the accompanying Notice of Annual Meeting of Stockholders, the Proxy Statement with respect thereto and the Corporation's 2013 Annual Report to Stockholders and hereby revokes any proxy or proxies heretofore given. This proxy may be revoked at any time before it is exercised.

PLEASE VOTE, DATE AND SIGN ON REVERSE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE.

Using a **black ink** pen, mark your votes with an X as shown in  this example. Please do not write outside the designated areas.

q **PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.** q

A Proposals The Board of Directors recommends a vote **FOR** all the nominees listed.

1. Proposal to fix the number of Directors at nine and to elect the following Directors to hold office until the 2015 Annual Meeting of Stockholders and until their respective successors are duly elected and qualified. +

	For	Withhold		For	Withhold		For	Withhold
01 - Samuel J. Anderson	02 - Estia J. Eichten	..		03 - Barry Kelleher	..	..
04 - David T. Riddiford	05 - James A. Simms	..		06 - Claudio Tuozzolo	..	..
07 - Patrizio Vinciarelli	08 - Jason L. Carlson	..		09 - Liam K. Griffin	..	..

For Against Abstain

2. Say on Pay - An advisory vote on the approval of compensation of the Corporation's named executive officers. " " "
3. In their discretion, the proxies are authorized to vote upon any other business that may properly come before the Annual Meeting or any adjournments or postponements thereof.

B Non-Voting Items

Change of Address Please print new address below.

C Authorized Signatures This section must be completed for your vote to be counted. Date and Sign Below

Please sign exactly as your name(s) appear(s) on the books of the Corporation. Joint owners should each sign personally. Trustees and other fiduciaries should indicate the capacity in which they sign, and where more than one name appears, a majority must sign. If a corporation, this signature should be that of an authorized officer who should state his or her title.

Date
(mm/dd/yyyy)
Please print
date below.
/ /

Signature 1 Please keep signature within the box. Signature 2 Please keep signature within the box.

01UBDA

Dear Stockholder,

Please take note of the important information enclosed with this Proxy Card, which includes issues related to the management and operation of your Corporation that require your immediate attention. These are discussed in detail in the enclosed proxy materials.

Your vote counts, and you are strongly encouraged to exercise your right to vote your shares.

Please mark the boxes on this Proxy Card to indicate how your shares will be voted. Then sign the card, detach it and return your proxy vote in the enclosed postage paid envelope.

Your vote must be received prior to the 2014 Annual Meeting of Stockholders on June 20, 2014.

Thank you in advance for your prompt consideration of these matters.

Sincerely,

Vicor Corporation

q **PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN
THE ENCLOSED ENVELOPE.** q

Proxy Vicor Corporation

CLASS B COMMON

PROXY FOR ANNUAL MEETING OF STOCKHOLDERS JUNE 20, 2014

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

AND MAY BE REVOKED PRIOR TO ITS EXERCISE.

The undersigned hereby constitutes and appoints Patrizio Vinciarelli and James A. Simms, and each of them, as Proxies of the undersigned, with full power to appoint his substitute, and authorizes each of them to represent and to vote all shares of Common Stock of Vicor Corporation (the Corporation) held by the undersigned at the close of business on April 30, 2014, at the Annual Meeting of Stockholders to be held at Foley & Lardner LLP, 111 Huntington Avenue, Boston, Massachusetts 02199, on Friday, June 20, 2014 at 9:00 a.m., local time, and at any adjournments or postponements thereof.

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PLEASE VOTE, DATE AND SIGN ON REVERSE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE.