

RESEARCH FRONTIERS INC
Form DEF 14A
April 28, 2014

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 Soliciting Material Under Rule 14a-12
- Confidential, For Use of the
Commission Only (as permitted
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- Definitive Proxy Statement
- Definitive Additional Materials

RESEARCH FRONTIERS INCORPORATED
(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) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to
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1) Amount previously paid:

2) Form, Schedule or Registration Statement No.:

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3) Filing Party:

4) Date Filed:

240 Crossways Park Drive
Woodbury, NY 11797
(516) 364-1902

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

June 12, 2014 at 11:00 A.M.

To the Stockholders of Research Frontiers Incorporated:

Notice is hereby given that the Annual Meeting of Stockholders of Research Frontiers Incorporated (the Company) will be held at the Nasdaq MarketSite, 4 Times Square, 2nd Floor, New York, NY 10036, on June 12, 2014 at 11:00 A.M., local time, for the following purposes:

1. To elect one Class III director;
2. To ratify the selection of BDO USA, LLP as the independent registered public accountants of the Company for the fiscal year ending December 31, 2014;
3. To vote on an advisory resolution on the Company's executive compensation;
4. To transact such other business as may properly come before the meeting or any adjournments thereof.

The Board of Directors has fixed the close of business on April 18, 2014 as the record date for the determination of stockholders entitled to notice of, and to vote at, the meeting or any adjournments thereof.

The Board of Directors requests all stockholders to sign and date the enclosed form of proxy and return it in the postage paid, self-addressed envelope provided for your convenience. Please do this whether or not you plan to attend the meeting. Should you attend, you may, if you wish, withdraw your proxy and vote your shares in person. **BECAUSE YOUR BROKER MAY NOT HAVE DISCRETION TO VOTE ON ALL OF THE ABOVE MATTERS, IT IS IMPORTANT THAT YOU SEND IN YOUR PROXY.**

By Order of the Board of Directors,

JOSEPH M. HARARY, *Secretary*

Woodbury, New York
April 28, 2014

RESEARCH FRONTIERS INCORPORATED
240 CROSSWAYS PARK DRIVE, WOODBURY, NY 11797 (516) 364-1902

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS
To be held on Thursday, June 12, 2014

This Proxy Statement is furnished by the Board of Directors of Research Frontiers Incorporated (the Company) in connection with the solicitation by the Company of proxies to be voted at the Annual Meeting of Stockholders which will be held at the Nasdaq MarketSite, 4 Times Square, 2nd Floor, New York, NY 10036, on June 12, 2014, at 11:00 A.M., local time, and all adjournments thereof.

Any stockholder giving a proxy will have the right to revoke it at any time prior to the time it is voted. A proxy may be revoked by written notice to the Company, Attention: Secretary, by execution of a subsequent proxy or by attendance and voting in person at the Annual Meeting of Stockholders. Attendance at the meeting will not automatically revoke the proxy. All shares represented by effective proxies will be voted at the Annual Meeting of Stockholders, or at any adjournment thereof. Unless otherwise specified in the proxy, shares represented by proxies will be voted (i) for the election of the nominee for director recommended by the Board of Directors listed below, (ii) for the ratification of the selection of the independent registered public accountants, and (iii) to vote on an advisory resolution on the Company's executive compensation. The cost of proxy solicitations will be borne by the Company. In addition to solicitations of proxies by use of the mails, some officers or employees of the Company, without additional remuneration, may solicit proxies personally or by telephone. The Company will also request brokers, dealers, banks and their nominees to solicit proxies from their clients, where appropriate, and will reimburse them for reasonable expenses related thereto.

The Company's executive offices are located at 240 Crossways Park Drive, Woodbury, New York 11797. The Company believes that it can learn from constructive dialog with stockholders and other stakeholders and therefore actively encourages communications with all such interested parties. All appropriate e-mail communications to Directors@SmartGlass.com will be forwarded to each director of the Company. Furthermore, subject to the limits imposed by U.S. Securities and Exchange Commission (SEC) regulations regarding disclosure of information that is not made generally available to all stockholders at the same time, we will endeavor to respond to specific questions or suggestions which, in the opinion of management or the Board, merit individual response. On or about May 1, 2014 this Proxy Statement and the accompanying form of proxy, together with a copy of the Annual Report of the Company for the year ended December 31, 2013, including financial statements, are to be mailed to each stockholder of record at the close of business on April 18, 2014.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS MEETING TO BE HELD ON JUNE 12, 2014.

This Proxy Statement is available at www.smartglass.com/proxy.asp.

VOTING SECURITIES AND SECURITY OWNERSHIP

Shares Entitled to Vote, Quorum and Required Vote

Only stockholders of record at the close of business on April 18, 2014 are entitled to vote at the meeting. As of April 18, 2014, the Company had issued and outstanding and entitled to vote 23,109,665 shares of common stock, par value \$0.0001 per share (the "Common Stock"), the Company's only class of voting securities outstanding. Each share of Common Stock entitles the holder thereof to one vote.

As a stockholder of record, you may vote in person at the Annual Meeting or you may vote by proxy without attending the meeting. If you are a registered stockholder, you may vote your shares by giving a proxy via mail, telephone or internet. To vote your proxy by mail, indicate your voting choices, sign and date your proxy card and return it in the postage-paid envelope provided. You may vote by telephone or internet by following the instructions on your proxy card. If you hold your shares through a broker, bank or other nominee, that institution will send you separate instructions describing the procedure for voting your shares.

If you provide a properly executed proxy before voting at the Annual Meeting is closed, the persons listed on the proxy card will vote your shares of Common Stock in accordance with your directions. If you do not indicate how your shares are to be voted, the persons listed on the proxy card will vote your shares as recommended by the Board of Directors. The persons listed on the proxy card will also have the discretionary authority to vote on your behalf on any other matter that is properly brought before the Annual Meeting. If you wish to give a proxy to someone other than the persons listed on the proxy card, please cross out the names of the people listed on the proxy card and add the name of the person holding your proxy.

If we receive a valid proxy before voting at the Annual Meeting is closed, your shares are voted as indicated on the proxy card. If you indicate on your proxy card that you wish to "abstain" or "withhold," as the case may be, from voting on an item, your shares will not be voted on that item.

If you do not provide voting instructions to your broker or nominee at least ten days before the Annual Meeting, that person has discretion to vote your shares on matters that the Nasdaq Capital Market has determined are routine. However, a broker or nominee cannot vote shares on non-routine matters without your instructions, and this is referred to as a "broker non-vote."

Even though your broker may have discretionary authority under current Nasdaq Capital Market rules to vote your shares on your behalf on the proposal regarding the ratification of BDO USA, LLP as our accountants for 2014, your broker does not have authority to vote on the election of directors or for the advisory resolution on the Company's executive compensation, so it is important that you vote your shares and send in your proxy.

The Annual Meeting cannot conduct business unless a quorum is present. In order to have a quorum, a majority of the shares of the Common Stock that are outstanding and entitled to vote at the meeting must be represented in person or by proxy. Abstentions and broker non-votes will be counted to determine whether there is a quorum present. If a quorum is not present, the Annual Meeting will be rescheduled for a later date.

A Director is elected by a plurality of the votes cast at the meeting and the nominee for Class III director who receives the most votes will be elected. Please note that brokerage firms or other nominees may not vote your shares with respect to matters that are not routine under the rules. The rules were amended to provide that the election of directors is no longer a routine matter. Accordingly, brokerage firms or other nominees may not vote your shares with respect to the election of directors without specific instructions from you as to how your shares are to be voted. Broker non-votes will have no effect on the outcome of the vote.

The ratification and appointment of our independent registered public accounting firm for 2014 requires an affirmative majority of the total votes cast FOR and AGAINST to be approved. This matter is considered a routine under the rules and, therefore, brokerage firms and other nominees have the authority under the rules to vote your unvoted shares with respect to this matter if you have not furnished voting instructions within a specified period of time prior to the meeting. Abstentions will have the same effect as votes against the proposal. Broker non-votes will have no effect on the outcome of the vote.

Security Ownership of Principal Stockholders and Management

The following table sets forth certain information with respect to those persons or groups known to the Company who beneficially own more than 5% of the Common Stock and for all directors and executive officers of the Company individually and as a group.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership ⁽¹⁾	Exercisable Warrants and Options	Percent of Class
<i>Five Percent Stockholders:</i>			
Kevin Douglas and related group 125 East Sir Francis Drake Blvd., Ste 400 Larkspur, CA 94939	2,506,199 ⁽²⁾	300,000	10.3%
Goldman Capital Management Inc. 767 Third Ave New York NY 10011	1,219,000 ⁽³⁾	0	5.0
<i>Directors and Executive Officers:</i>			
Robert L. Saxe	818,057 ⁽⁴⁾	312,849	3.4
Joseph M. Harary	721,904 ⁽⁵⁾	224,400	3.0
Darryl Daigle	419,662 ⁽⁶⁾	37,100	1.7
Seth L. Van Voorhees	218,300	73,400	0.9
Gregory G. Grimes	189,356	73,400	0.8
Steven M. Slovak	171,100	140,300	0.7
Alexander Kaganowicz	165,028 ⁽⁷⁾	23,900	0.7
Michael R. LaPointe	126,459 ⁽⁸⁾	86,900	0.5
All directors and officers as a group (8 persons)	2,829,866 ⁽⁹⁾	972,249	11.6

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- (1) All information is as of April 18, 2014 and was determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act), based upon information furnished by the persons listed or contained in filings made by them with the SEC or otherwise known to the Company. Unless otherwise indicated, beneficial ownership disclosed consists of sole voting and dispositive power, and also includes options and warrants held by the listed persons that are presently exercisable or exercisable within the next 60 days, and awards of restricted stock subject to vesting are assumed to be fully issued and outstanding. Shares of Common Stock of the Company acquired by officers, directors and employees through the exercise of stock options or otherwise are subject to restrictions on their transfer, including restrictions imposed by applicable securities laws, as well as additional restrictions imposed by the Company in accordance with written agreements and policy statements. The mailing address for the above individuals is c/o Research Frontiers Incorporated, 240 Crossways Park Drive, Woodbury, NY 11797.
- (2) Information is derived from the Schedule 13G/A filed on February 14, 2013 by Kevin Douglas, Michelle Douglas, K&M Douglas Trust, Douglas Family Trust, James Douglas and Jean Douglas Irrevocable Descendants Trust. According to the Schedule 13G/A, Kevin Douglas has shared voting power with respect to 2,004,959 shares and shared dispositive power with respect to 2,506,199 shares; Michelle Douglas has shared voting power and dispositive power with respect to 2,004,959 shares; K&M Douglas Trust has shared voting and dispositive power with respect to 751,860 shares; Douglas Family Trust has sole voting and shared dispositive power with respect to 501,240 shares; James Douglas and Jean Douglas Irrevocable Descendants Trust has sole voting and dispositive power with respect to 1,253,099 shares.
- (3) Information is derived from the Schedule 13G/A filed on September 26, 2013 by Goldman Capital Management Inc. Total amount of shares for Goldman Capital Management Inc. include 40,000 shares of Common Stock issued upon the exercise of options after the September 26, 2013 Schedule 13G/A filing.
- (4) Includes (i) 62,788 shares of Common Stock owned by a trust u/w Leonard S. Saxe for which Mr. Saxe serves as a co-trustee, and has a beneficial interest in one-half of the income from such trust; and (ii) 11,250 shares of Common Stock owned by a trust for the children of the late George Backer and certain others for which Mr. Saxe serves as sole trustee. Mr. Saxe disclaims beneficial ownership of all securities described in item (ii) above.
- (5) Includes 97,560 shares of Common Stock owned by Mr. Harary s children, as to which shares Mr. Harary disclaims beneficial ownership. All of Mr. Harary s shares of Common Stock are pledged to a third party as collateral security for certain obligations.
- (6) Includes: (i) 64,245 shares of Common Stock held by Mr. Daigle s business of which he has a 50% ownership interest, (ii) 12,362 shares of Common Stock held in an IRA by Mr. Daigle s wife, and (iii) 738 shares of Common Stock held as a custodian for Mr. Daigle s grandchildren. 352,932 of Mr. Daigle s shares of Common Stock are pledged to a third party as collateral security for certain obligations.
- (7) Includes 19,205 shares of Common Stock held in an IRA by reporting person s wife.
- (8) Includes 898 shares of Common Stock owned by Mr. LaPointe s wife, as to which shares Mr. LaPoint disclaims beneficial ownership.
- (9) Includes the securities described above in footnotes (2) through (8).

ELECTION OF DIRECTORS
(Item 1)

One director of the Company will be elected at the 2014 Annual Meeting of Stockholders. As listed below, the Board of Directors of the Company is recommending the election of Robert L. Saxe as a Class III director.

The Board of Directors recommends a vote FOR Robert L. Saxe for election as a Class III director and it is intended that proxies not marked to the contrary will be so voted.

Background

The Board of Directors is divided into three classes, Class I, Class II and Class III, which is divided as nearly equal in number as possible. Each class typically serves three years, with the terms of office of the respective classes expiring in successive years. The Company currently has five directors with three of these directors being independent directors.

DIRECTORS RECOMMENDED BY THE BOARD OF DIRECTORS

The Board of Directors, upon recommendation of the Nominating and Corporate Governance Committee, proposes that Robert L. Saxe be elected to serve as Class III director and hold office for a three-year term expiring at the 2017 Annual Meeting of Stockholders, and until the election and qualification of a respective successor. Mr. Saxe (the Board Nominee) has indicated a willingness to serve as a director. If no other choice is specified in the accompanying proxy, the persons named therein as proxies have advised the Board of Directors that it is their present intention to vote the proxy for the election of the Board Nominee. Each of the current members of the Board of Directors of the Company is presently a director of the Company, and was elected to such office by the stockholders of the Company. Should a Board Nominee become unable to accept nomination or election, it is intended that the person named in the accompanying proxy will vote for the election of such other person as the Board of Directors may nominate in the place of such Board Nominee on the recommendation of the Nominating and Corporate Governance Committee. There is no indication at present that the Board Nominee will be unable to accept nomination.

We believe that the members of our Board of Directors represent a desirable mix of backgrounds, skills and experience. The following biographical information is provided with respect to each Board Nominee, including the specific experience, qualifications, attributes or skills that led to the conclusion that each Board Nominee should serve as one of our directors in light of our business and structure.

Director Nominee Standing for Election

Class III - Term Expires at the 2017 Annual Meeting of Stockholders

Robert L. Saxe

Bob Saxe, age 78, is a founder of the Company, has been Chairman of the Board of Directors of the Company since its inception in 1965, and was its President from 1966 to February 2002, its Treasurer from 1966 to 2005 and its Chief Executive Officer from 1965 to 2008. Mr. Saxe is currently the Company's Chief Technology Officer. Mr. Saxe is the principal inventor for many of the Company's patents and patent applications. He graduated from Harvard College in 1956 with an A.B. degree, *Cum Laude* in General Studies (with a major in physics) and received an M.B.A. degree from Harvard Business School in 1960. Our conclusion that Mr. Saxe should serve as one of our directors is based not only on his well-developed knowledge of the Company, its technology and the industries that it serves, which is a result of the executive positions he has held with the Company over many years, but is also based on his strategic vision and leadership abilities. These qualifications allow him to contribute his well-informed insight and perspectives to the deliberations, discussions and actions of the Board of Directors.

INFORMATION ABOUT DIRECTORS CONTINUING IN OFFICE

The following directors will be continuing in office for the term indicated and are not up for re-election at the 2014 Annual Meeting of Stockholders:

Class I - Term Expires at the 2015 Annual Meeting of Stockholders

Gregory G. Grimes

Greg Grimes, age 45, has been a director of the Company since January 2011. Mr. Grimes is the Chairman of the Company's Compensation and Stock Option Committee and is a member of the Audit and Nominating and Corporate Governance Committees. Mr. Grimes is the top-selling sales associate company-wide at Hermes of Paris, the French luxury goods retailer. Prior to working for Hermes, Mr. Grimes was Store Director and Regional Sales Manager for MCM, the German luxury goods maker. He also worked for Kirby, Warren & Associates, a consulting firm dedicated to the development and support of small business operation. Mr. Grimes has been an investor in the Company for over a decade, and has already contributed to the Company's success through sales and marketing advice and introducing the company to a large network of investors and contacts in the automotive, architectural, and aerospace industries.

Joseph M. Harary

Joe Harary, age 53, became Vice President and General Counsel to the Company in April 1992 and has been a director of the Company since February 1993. In December 1999, Mr. Harary was promoted to the position of Executive Vice President and General Counsel, and in February 2002 was promoted to the position of President and Chief Operating Officer of the Company. Mr. Harary was promoted to his present position of President and Chief Executive Officer of the Company in January 2009. Mr. Harary has also been the Treasurer of the Company since 2005 and was Chief Financial Officer of the Company from 2005 to 2010, and its corporate Secretary since 2007. Prior to joining the Company, Mr. Harary's corporate law practice emphasized technology, licensing, mergers and acquisitions, securities law, and intellectual property law at three prestigious New York City law firms. Mr. Harary graduated *Summa Cum Laude* from Columbia College in 1983 with an A.B. degree in economics, and received a Juris Doctor degree from Columbia Law School in 1986 where he was a Harlan Fiske Stone Scholar. Prior to attending law school, Mr. Harary was an economist with the Federal Reserve Bank of New York. Mr. Harary's significant and diverse managerial experience with the Company for more than 21 years, including executive and operational roles, gives him unique insights into the Company's business, relationships, challenges, opportunities and operations.

Darryl Daigle

Darryl Daigle, age 56, has been a shareholder of Research Frontiers for over 22 years and has been a director of the Company since June 2012. Mr. Daigle is the Chairman of the Company's Audit Committee and is a member of the Compensation and Stock Option and Nominating and Corporate Governance Committees. Mr. Daigle has been a principal owner of several profitable family-owned businesses in Louisiana. One of these, SPD Equipment Sales Inc., sells oilfield and marine equipment to the marine and oil and gas industries. Another business, S&D Bait Company LLC serves the commercial and recreational fishing industries in Louisiana. Mr. Daigle earned a business degree from Texas Tech University and is a former member of the Louisiana Seafood Promotion Board, to which he was appointed by Governor Murphy J. Foster, Jr.

Class II - Term Expires at the 2016 Annual Meeting of Stockholders

Alexander Kaganowicz

Alexander Kaganowicz, age 67, has been a shareholder of Research Frontiers since 1998 and has been a director of the Company since June 2013. Dr. Kaganowicz is the Chairman of the Company's Nominating and Corporate Governance Committee and is a member of the Audit and Compensation and Stock Option Committees. In addition to being a shareholder, Dr. Kaganowicz has been involved in the performance and market testing of SPD products, including several demonstration installations of SPD SmartGlass in his home and work locations. For the past 26 years Dr. Kaganowicz has been the proprietor of a successful automotive services business in Freeport, NY. He holds a Doctorate in Chemistry from the University of Rome, has served as Adjunct Associate Professor at the New York Institute of Technology, and has worked as a clinical chemist with titles of Director of the Chemistry Department and Manager of the Pathology Department at the Booth Memorial Medical Center in Queens, NY (from 1974 to 1989). In addition, he owned and operated several successful medical supply companies in New York and Pennsylvania from 1989 to 2005. Dr. Kaganowicz research experience has resulted in several publications and textbook contributions.

CORPORATE GOVERNANCE

Board Leadership Structure and Risk Oversight

The Company has separated the positions of Chairman and Chief Executive Officer. The Company's founder, Robert L. Saxe, has served as the Company's Chairman since the Company's formation. The Company promoted the Company's President, Joseph M. Harary, to his current position as Chief Executive Officer effective in January 2009. We believe that this division of responsibilities allows Mr. Saxe to focus on matters relating to the proper functioning of the Board of Directors while permitting Mr. Harary to focus on matters relating to the management of the Company. In addition, since the Board is responsible for the monitoring of the performance of the Company and of its Chief Executive Officer, the separation of roles of Chief Executive and Board Chairman, together with the fact that the majority of the Board members are independent under the applicable listing standards of the NASDAQ Capital Market, helps to ensure that these functions are properly executed. The committees of the Board are each chaired by an independent director. Mr. Gregory Grimes chairs the Compensation Committee, Mr. Alexander Kaganowicz chairs the Nominating and Corporate Governance Committee, and Mr. Darryl Daigle chairs the Audit Committee. Board Committee chairs are typically reviewed and determined annually after the Corporation's Annual Meeting of Stockholders.

Our Board oversees a Company-wide approach to risk management that is designed to support the achievement of organizational objectives, including strategic objectives, to improve long-term organizational performance and enhance stockholder value. A fundamental part of risk management is not only understanding the risks a company faces and what steps management is taking to manage those risks, but also understanding what level of risk is appropriate. In setting our business strategy, our Board assesses the various risks that now or in the future may be faced by the Company and the degree to which they are being mitigated by management, and determines what constitutes an appropriate level of risk for us.

While our Board has the ultimate oversight responsibility for the risk management process, various committees of our Board also have responsibility for risk management in their particular areas of responsibility. In particular, the Audit Committee focuses on financial risk, including internal controls, and receives an annual risk assessment report from our internal auditor and outside auditors. Risks related to our compensation programs are reviewed by the Compensation Committee and the Company's overall compensation policies covering all employees are meant to motivate employees with an effective balance between cash and equity compensation, focus on performance, and improve our results on a cost-effective basis without encouraging excessive risk taking. Legal and regulatory compliance risks are reviewed by the Nominating and Corporate Governance Committee. Our Board is advised by the Committees of significant risks and management's response via periodic updates.

Board Composition

The number of directors is currently set at five. The Board of Directors is divided into three classes, Class I, Class II and Class III, which is divided as nearly equal in number as possible. Members of each class are elected to serve for staggered three-year terms. The Company believes that a classified board of directors provides continuity and stability in pursuing the Company's business strategies and policies and reinforces the Company's commitment to a long-term perspective and increases the Board's negotiating leverage when dealing with a potential acquirer. As discussed below under "Director Independence" a majority of the Board of Directors of the Company are independent directors.

At a minimum, Board members and candidates for membership on the Board of Directors must possess the experience, skills and background necessary to gain a basic understanding of the principal operational and financial objectives and plans of the Company, the results of operations and financial condition of our Company and its business segments and the relative standing of our Company and its business in relation to its competitors. In addition, candidates must have a perspective that will enhance the Board's strategic discussions and must be capable of and committed to devoting adequate time to Board duties, including attendance at regularly-scheduled Board and Board Committee meetings.

The Nominating and Corporate Governance Committee reviews and assesses with the Board of Directors the specific skills, experience, and background sought of Board members in the context of our business and the then-current membership on the Board. This assessment includes a consideration of independence, diversity, skills, business experience, and personal and industry backgrounds. Although the Company does not have a formal policy on diversity, as a matter of practice, the Nominating and Corporate Governance Committee strives to have a diverse set of skills, experience and backgrounds represented on the Board in order to bring many different viewpoints to guide and assist management of the Company. The Nominating and Corporate Governance Committee and the Board generally regard the following as key skills and experience important for the Company's Directors, as a group, to have in light of our current business and structure: senior leadership experience, public company board experience, experience in financial markets and with financing transactions, knowledge of accounting and financial reporting processes, experience in various industries relevant to the markets for the Company's light-control technology, technical knowledge relevant to our products, licensing, marketing and strategic planning expertise and legal education and experience.

Director Independence

The Board has determined that the following current directors of the Company are independent in accordance with applicable listing standards of the NASDAQ Capital Market: Messrs. Grimes, Daigle, and Kaganowicz. Because Messrs. Saxe and Harary are employed as executive officers of the Company, neither qualifies as independent.

The NASDAQ Capital Market rules provide that a director cannot be considered independent if:

- the director is, or at any time during the past three years was, an employee of the company;
- the director or a family member of the director accepted any compensation from the company in excess of \$120,000 during any period of 12 consecutive months within the three years preceding the independence determination (subject to certain exclusions, including, among other things, compensation for board or board committee service);
- a family member of the director is, or at any time during the past three years was, an executive officer of the company;
- the director or a family member of the director is a partner in, controlling stockholder of, or an executive officer of an entity to which the company made, or from which the company received, payments in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenue for that year or \$200,000, whichever is greater (subject to certain exclusions);
- the director or a family member of the director is employed as an executive officer of an entity where, at any time during the past three years, any of the executive officers of the company served on the compensation committee of such other entity; or
- the director or a family member of the director is a current partner of the company's outside auditor, or at any time during the past three years was a partner or employee of the company's outside auditor, and who worked on the company's audit.

In addition, an independent director must be a person who lacks a relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Board has not established categorical standards or guidelines to make these subjective determinations but considers all relevant facts and circumstances.

In addition to the Board-level standards for director independence, the directors who serve on the Audit Committee each satisfy standards established by the SEC providing that to qualify as independent for the purposes of membership on that committee, members of audit committees may not accept directly or indirectly any consulting, advisory, or other compensatory fee from the company other than their director compensation.

Board Committees

The Board of Directors has an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. The Board has determined that each member of these committees is an independent director in accordance with applicable listing standards of the NASDAQ Capital Market. The current members of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee are Messrs. Daigle, Grimes and Kaganowicz.

Audit Committee.

During fiscal 2000, the Audit Committee of the Board of Directors developed a written charter for the Committee that was approved by the Board of Directors which was updated in 2004, and was updated again in February 2009. The complete text of the Audit Committee's current charter is available on Company's website at www.SmartGlass.com.

The Audit Committee reviews and reports to the Board of Directors with respect to various auditing and accounting matters, including the nomination of the Company's independent registered public accountants, the scope of audit procedures, general accounting policy matters and the performance of the Company's independent registered public accountants. The Company believes that all members of its Audit Committee, due to their backgrounds and business experience, are Audit Committee's financial expert (as such term is defined by applicable rules) and have a sufficient understanding of generally accepted accounting principles and financial statements, the ability to assess the general application of such principles, an understanding of internal controls over financial reporting and of audit committee functions to perform their duties as an Audit Committee.

Compensation Committee.

The Compensation Committee reviews and reports to the Board of Directors its recommendations for compensation of all employees and sets the compensation of the management of the Company. In addition, each committee member is a non-employee director as defined in Rule 16b-3 under the Exchange Act and an outside director as defined for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code). The Compensation Committee is not required to, and does not have, a written charter.

The Company's Compensation Committee has the authority specified in Rule 5605(d)(3) which requires the compensation committees of Nasdaq-listed companies to have specific responsibilities and authority with regard to compensation consultants, legal counsel, or other similar advisors to the compensation committee. Specifically, the compensation committee must have sole discretion to retain such advisors, must be directly responsible for oversight of their work, and must determine reasonable compensation to be paid to such advisors by the Company. Rule 5605(d)(3) also requires that the Compensation Committee may only select, or receive advice from, a compensation consultant, legal counsel, or other advisor after taking into consideration the following factors:

- the provision of other services to the company by the person that employs the compensation consultant, legal counsel or other advisor;
- the amount of fees received from the company by the person that employs the compensation consultant, legal counsel or other advisor, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other advisor;
- the policies and procedures of the person that employs the compensation consultant, legal counsel or other advisor that are designed to prevent conflicts of interest;
- any business or personal relationship of the compensation consultant, legal counsel or other advisor with a member of the compensation committee;
- any stock of the company owned by the compensation consultant, legal counsel or other advisor; and
- any business or personal relationship of the compensation consultant, legal counsel, other advisor or the person employing the advisor with an executive officer of the company.

Nominating and Corporate Governance Committee.

The Nominating and Corporate Governance Committee is responsible for overseeing the governance practices of the Company and for making recommendations to the Board for any modifications to such practices. It also identifies individuals qualified to become Board members and recommends to the Board the director nominees for the next annual meeting of stockholders and candidates to fill vacancies on the Board. Additionally, the committee recommends to the Board the directors to be appointed to Board committees. Because the Board of Directors of the Company has a majority of independent directors, these independent directors control the Board of Directors' selection of nominees for director. The Nominating and Corporate Governance Committee is not required to, and does not have, a written charter.

The Nominating and Corporate Governance Committee considers candidates for Board membership suggested by its members and by other Board members. The Nominating and Corporate Governance Committee may also engage the services of a director candidate search consultant. In that case, the director candidate search consultant will seek out candidates who have the experiences, skills, and characteristics that the Nominating and Corporate Governance Committee has determined are necessary to serve as a member of the Board and then present the most qualified candidates to the Nominating and Corporate Governance Committee and the Company's management.

Once a prospective nominee has been identified, the Nominating and Corporate Governance Committee makes an initial determination as to whether to conduct a full evaluation of the candidate. This initial determination is based on the information provided to the committee with the recommendation of the prospective candidate, as well as the committee's own knowledge of the prospective candidate, which may be supplemented by inquiries of the person making the recommendation or others. The initial determination is based primarily on the need for additional Board members to fill vacancies or expand the size of the Board and the likelihood that the prospective nominee can satisfy the evaluation factors described under the heading "Board Composition" above. The committee then evaluates the prospective nominee and his or her qualifications, as well as other factors which may include such things as whether the prospective nominee meets the independence requirements and other qualifications or criteria set forth under applicable listing standards of the NASDAQ Capital Market, or other requirements defined under applicable SEC rules and regulations; the extent to which the prospective nominee's skills, experience and perspective add to the range of talent appropriate for the Board and whether such attributes are relevant to the Company's industry; the prospective nominee's ability to dedicate the time and resources sufficient for the diligent performance of Board duties; and the extent to which the prospective nominee holds any position that would conflict with responsibilities to the Company.

If the Nominating and Corporate Governance Committee's internal evaluation is positive, the committee and possibly others will interview the candidate. Upon completion of this evaluation and interview process, the Nominating and Corporate Governance Committee makes a recommendation and report to the full Board as to whether the candidate should be nominated by the Board and the Board determines whether to approve the nominee after considering this recommendation and report.

Additionally, in selecting nominees for directors, the Nominating and Corporate Governance Committee will review candidates recommended by stockholders in the same manner and using the same general criteria as candidates recruited by the committee and/or recommended by the Board. The Nominating and Corporate Governance Committee will also consider whether any person nominated by a stockholder has been so nominated on a timely basis and in accordance with the provisions of the Company's By-Laws relating to stockholder nominations and other applicable provisions including those described in "2015 Stockholder Proposals and Director Nominations" below.

Attendance at Board, Committee, and Annual Stockholders' Meetings

During 2013, the Company's Board of Directors had nine formal meetings and also met numerous additional times informally, the Board's Audit Committee met four times, the Board's Compensation Committee met six times, and the Board's Nominating and Corporate Governance Committee met twice. No incumbent director attended less than 75% of meetings of the full Board of Directors and of the Board committee(s) of which that director was a member during 2013. The Company encourages and expects all of its directors to attend its Annual Meeting of Stockholders, and all incumbent directors attended last year's Annual Meeting of Stockholders.

Executive Officers

In addition to Robert L. Saxe and Joseph M. Harary, whose biographical information is provided above, the only other executive officers of the Company are Seth L. Van Voorhees, Michael R. LaPointe and Steven M. Slovak.

Seth L. Van Voorhees

Seth L. Van Voorhees, age 53, became the Company's Chief Financial Officer and Vice President - Business Development effective January 1, 2011. Prior to joining the Company, Dr. Van Voorhees previously held senior financial, business development and investment banking positions as chief financial officer of American Pacific, specialty chemical manufacturer, and at Merrill Lynch, Wasserstein Perella and UBS Warburg, where he completed numerous investment banking assignments for advanced power technology and industrial clients. Earlier in his career, Dr. Van Voorhees worked for Battelle, Pacific Northwest Laboratories, where he focused on advanced battery technology for the US Department of Energy. Dr. Van Voorhees' academic credentials include a doctorate in chemistry from the University of Pennsylvania, a MBA from Columbia University and a BS from SUNY at Stony Brook.

Michael R. LaPointe

Michael R. LaPointe, age 55, who is the Company's Vice President - Marketing since March 2002, joined the Company as its Director of Marketing for Architectural Windows and Displays in March 2000. Mr. LaPointe, a graduate of Brown University with a B.A. in Organizational Behavior & Management and a B.A. in Psychology, worked in a marketing capacity for IBM Corporation in the early 1980s. He subsequently founded and developed several companies involved in the application and licensing of new technologies for various consumer products. During that period Mr. LaPointe also worked as a management consultant, where in 1994 he began his relationship with the Company, assisting the Company with its marketing strategy.

Steven M. Slovak

Steven M. Slovak, age 52, joined the Company in January 1989 as a chemist and was promoted to various positions. In November 2005, Mr. Slovak became the Company's Director of Film Development and, in January 2008, was promoted to his current position as Vice President-Technology where he oversees a team of chemists and growing R&D initiatives. Steve Slovak is an inventor on numerous patents and patent applications held by the Company worldwide on SPD-Smart light-control technology, and is a member of various scientific organizations including the ASTM International and RadTech.

Compensation Committee Interlocks and Insider Participation

In 2013, the Compensation Committee of our Board of Directors consisted solely of independent directors. None of the Company's executive officers served as a director or member of the compensation committee of another entity which had an executive officer that served as a director or member of the Company's Compensation Committee. No member of the Company's Compensation Committee is a current or former employee of the Company.

**INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS
(Item 2)**

The Audit Committee, with the concurrence of the Board of Directors, has selected the firm of BDO USA, LLP to serve as our independent registered public accountants for the fiscal year ending December 31, 2014. BDO USA, LLP has been the Company's independent registered public accountants since 2005. We expect that representatives of BDO USA, LLP will attend the meeting, have the opportunity to make a statement if they so desire, and be available to respond to appropriate questions.

Audit and Other Fees

The following table presents fees paid or accrued for professional audit services rendered by BDO USA, LLP for the audit of our annual financial statements for the years ended December 31, 2013 and 2012, and fees billed to us for other services rendered by BDO USA, LLP during that period:

	2013	2012
Audit Fees (1)	\$ 149,343	\$ 174,425
Audit-Related Fees	-	-
Tax Fees (2)	13,000	13,550
All Other Fees	-	-
Total	\$ 162,343	\$ 187,975

(1) Audit fees include fees for the audit of the Company's annual financial statements and assessment of our internal controls over financial reporting, review of financial statements included in the Company's Form 10-Q Quarterly Reports, and services that are normally provided by the independent registered public accountants in connection with regulatory filings for those fiscal years. In 2012 such audit fees included costs for consents and comfort letters relating to the Company's stock offerings, but audit fees in 2013 did not include such costs.

(2) Tax fees include fees for all services performed by the independent registered public accountants' tax personnel except those services specifically related to the audit of the financial statements, and includes fees for tax compliance and tax advice.

The Audit Committee has approved the above-listed fees, has considered whether the provision of the tax services described above is compatible with maintaining such accounting firms' independence, and has determined that the provision of such services is compatible with maintaining such accounting firms' independence.

The Board of Directors recommends a vote FOR ratification of the selection of the accounting firm of BDO USA, LLP as independent registered public accountants of the Company for the fiscal year ending December 31, 2014.

ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION
(Item 3)

In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) and section 14A of the Exchange Act, we are providing stockholders with the opportunity to cast a vote on an advisory resolution on the Company's executive compensation as reported in this Proxy Statement. Our executive compensation programs are designed to support the Company's long-term success. As described below in the Compensation Discussion and Analysis section of this Proxy Statement, the Compensation Committee has structured our executive compensation program to achieve the following key objectives:

1. provide total compensation packages to our executives that are competitive with our peer companies;
2. attract, retain and motivate executive officers who have the skills, experience and knowledge important to the success of the Company;
3. reward superior performance and encourage actions that drive our business strategy; and
4. align total executive compensation with the long-term performance of the Company and the interests of its stockholders and enable our executives to participate in the Company's growth.

The overall market for smart window technology in general was modest in 2013, however, various market studies have projected this market to grow dramatically in the future. As a consequence, it has been strategically important for the Company to establish and maintain a leadership position in this growing market, even though some of the other companies in the smart window area are much larger in terms of capital resources and number of employees, in order for the Company to be well positioned in the smart window market when it becomes much larger in the future, and for the Company's SPD-SmartGlass technology to become the technology of choice for use in the automotive, aircraft, architectural, marine and artwork/document protection market for museums and private collectors.

The Compensation Committee of the Board considered the key objectives discussed above in combination with the successful execution of Company's strategic efforts to establish a leadership position in the smart window market. These strategic initiatives included the following: (i) assist existing licensees to market commercial SPD SmartGlass products to a broader universe of customers, (ii) assist current licensees to develop SPD SmartGlass products for existing and new applications, and (iii) develop new business for the SPD-industry and for the Company, expanding awareness of the Company's SPD-SmartGlass technology and its many benefits, and expanding the resources being invested by other companies to manufacture, distribute and sell SPD-SmartGlass products by expanding the number of companies licensed to sell SPD SmartGlass technology, expanding the geographic scope and markets where SPD-SmartGlass products are sold, and developing and expanding the efforts of key customers for SPD-SmartGlass products, with a focus in 2013 in particular on the growing markets for electronically dimmable windows and other products in the automotive and aircraft industries, while also continuing to grow the markets in other areas such as architectural, marine and museum uses.

In 2013, the management of the Company expanded its marketing initiatives, advanced its R&D directives, expanded and took steps to enforce its intellectual property portfolio, and achieved many important milestones relating to its strategic initiatives in the smart window market which the Compensation Committee of the Board considered in its executive compensation deliberations, including:

The Company successfully worked with its existing licensees to increase the adoption of commercial SPD SmartGlass products to a broader universe of customers. In 2013, several new product applications resulting from these collaborations were announced:

In August 2013, the Company and its launch customer Daimler AG announced that SPD SmartGlass technology (i.e. Magic Sky Control) will be offered as an option on the new Mercedes-Benz S-Class sedan.

In September 2013, the Company and its launch customer Daimler AG announced that Magic Sky Control will be offered as an option on the new Mercedes-Benz S-Class Coupe, renamed from CL or CL-Class.

In October 2013, at the 2013 NBAA, Dassault showcased a mock-up of their new Falcon 5X aircraft which includes a SPD-Smart skylight. The Falcon 5X will use SPD technology as standard equipment on the first skylight on an aircraft. In addition, it was announced that cabin windows using SPD-SmartGlass technology will be standard equipment on the new HondaJet.

While not publicly announced, the Compensation Committee also considered progress made at other automotive and aircraft OEMs in particular in assessing management's performance during 2013.

The Company established its new VariGuard division in 2013 to protect artwork and documents from damage from visible light. In addition, the Company successfully worked with its existing licensees to develop new product applications using SPD SmartGlass technology. In 2013, its licensees announced several new product applications resulting from these collaborations:

In April 2013, at the 2013 Hamburg Air Show, a licensee debuted a new SPD-Smart window with integrated electronics and controls directly on the window.

In May 2013, at EBACE 2013, a licensee announced the debut of SPD-Smart windows and SPD-Smart cabin partitions on a mock-up of a Eurocopter EC175 helicopter.

In October 2013, at Busworld 2013, a licensee announced the debut of a new sun visor using SPD-Smart light-control film technology to automatically adjust the sun visor to deal with changing light and glare conditions.

In October 2013, at the 2013 NBAA, a licensee announced the world's first self-powered dimmable window for aircraft cabins.

The Company successfully worked to attract new licensees to develop SPD SmartGlass products. In 2013, the Company announced that it had entered into three new licensing agreements with a focus on new geographic markets for the Company's SPD-SmartGlass technology:

In March 2013, Research Frontiers announced that it had added Tint-It JSC and Advnanotech as licensees. Both these new licensees are targeting SPD SmartGlass products for the architectural market and automotive aftermarket in Russia.

In November 2013, Research Frontiers announced that it added a new licensee, MDV, who is targeting the architectural market in Brazil.

While the above description outlines some of the milestones achieved by the Company during 2013, a more complete list and more details are available on the Company's newly redesigned SmartGlass.com website in the News section and in various periodic reports such as Current Reports on Form 8-K filed by the Company with the SEC. Also a more detailed analysis of the factors considered by the Company, including achievement of targeted revenue, and other analysis of executive compensation is contained later on in this Proxy Statement.

We believe that our performance-based executive compensation programs provide incentives that are aligned with the interests of our stockholders and have facilitated the Company's performance. We urge stockholders to read the Compensation Discussion and Analysis below, which describes in more detail how our executive compensation policies and procedures operate and are designed to achieve our compensation philosophy and objectives, as well as the Summary Compensation Table and related compensation tables and narrative below which provide detailed information on the compensation of our named executive officers. The Compensation Committee and the Board of Directors believe that the policies and procedures articulated in the Compensation Discussion and Analysis are effective in achieving our goals and that the compensation of our named executive officers reported in this Proxy Statement has supported and contributed to the Company's success.

We are asking stockholders to approve the following advisory resolution at the 2014 Annual Meeting:

RESOLVED, that the stockholders of Research Frontiers Incorporated (the Company) approve, on an advisory basis, the compensation of the Company's named executive officers set forth in the Compensation Discussion and Analysis, the Summary Compensation Table and the related compensation tables and narrative in the Proxy Statement for the Company's 2014 Annual Meeting of Stockholders.

This advisory resolution, commonly referred to as a say-on-pay resolution, is non-binding on the Board of Directors. Although non-binding, the Board and the Compensation Committee will carefully review and consider the voting results when evaluating our executive compensation program.

The Board of Directors recommends a vote FOR the advisory resolution approving the compensation of the Company's named executive officers set forth in the Compensation Discussion and Analysis, the Summary Compensation Table and the related compensation tables and narrative in the Proxy Statement, and it is intended that proxies not marked to the contrary will be so voted.

AUDIT COMMITTEE REPORT

The following Audit Committee Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Company filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent the Company specifically incorporates this Report by reference therein.

The Audit Committee of the Board is responsible for providing independent, objective oversight of the Company's accounting functions and internal controls. The Audit Committee's duties specifically include the appointment, compensation and supervision of the Company's independent registered public accountants, as well as pre-approval of all auditing and non-auditing services provided by the Company's independent registered public accounting firm. Management is responsible for the Company's internal controls and financial reporting process. The independent registered public accountants are responsible for performing an independent audit of the Company's financial statements and its internal controls over financial reporting, in accordance with auditing standards of the Public Company Accounting Oversight Board, and to issue a report thereon. As set forth in more detail in its charter, the Audit Committee's responsibility is to monitor and oversee these processes.

In connection with these responsibilities, the Audit Committee met with management and the Company's independent registered public accountants, to review and discuss all financial statements included in the Company's quarterly and annual reports for the fiscal year ended December 31, 2013 (the Financial Statements) prior to their issuance and to discuss significant accounting issues. Management has advised us that the Financial Statements were prepared in accordance with generally accepted accounting principles, and the Committee discussed the Financial Statements with both management and the independent registered public accountants. Our review included discussions with the independent registered public accountants of matters required to be discussed pursuant to the Public Company Accounting Oversight Board Auditing Standard No. 61 as amended and adopted by Rule 3200T (Communication with Audit Committees).

The Audit Committee also received written disclosures and the letter from the independent registered public accountants required by applicable requirements of the PCAOB Rule 3526 regarding the independent accountant's communications with the Audit Committee concerning independence, and has discussed with the independent registered public accountants that firm's independence. Finally, the Audit Committee continued to monitor the integrity of the Company's financial reporting processes and its internal procedures and controls. Based upon the Audit Committee's discussions with management and the independent registered public accountants, and the Audit Committee's review of the representations of management and the independent registered public accountants, the Audit Committee recommended to the Board of Directors that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013, for filing with the SEC.

Members of the Audit Committee:

Darryl Daigle (Chairman)
Gregory G. Grimes
Alexander Kaganowicz

COMPENSATION DISCUSSION AND ANALYSIS

Overview

This Compensation Discussion and Analysis ("CD&A") provides an overview of the Company's executive compensation program including our philosophy, key program elements, the 2013 decisions made under the program and the factors that were considered in making those decisions. The commentary in the CD&A is intended to facilitate an understanding of the data found in the accompanying compensation tables.

This Compensation Discussion and Analysis primarily addresses the compensation of our Named Executive Officers listed below:

Robert L. Saxe, Chairman of the Board and Chief Technology Officer
Joseph M. Harary, President and Chief Executive Officer
Seth L. Van Voorhees, Chief Financial Officer, Vice President - Business Development
Michael R. LaPointe, Vice President - Marketing
Steven M. Slovak, Vice President - Technology

The foregoing named executive officers comprise all of our executive officers. These five executive officers are referred to as the named executive officers throughout this Proxy Statement.

Our executive compensation program is intended to drive results, recognize contributions to the success of our company, and retain leadership talent. Our executive officers have shown solid leadership in the developments and commercialization of the Company's proprietary SPD technology. The Company believes that the continued development of our growth strategy will be the key factor to establishing strong financial performance for shareholders in the future.

Our Compensation Philosophy and Objectives

The Company seeks to include in compensation for the Company's executive officers a combination of base salary, equity incentives, and performance-based bonuses that is intended to attract, retain and motivate executive officers who have the skills, experience and knowledge important to the success of the Company and to reward superior performance and encourage actions that drive our business strategy. The objective of this approach is to align total executive compensation with the long-term performance of the Company and the interests of its stockholders and enable employees of the Company to participate in the Company's growth. Through ownership of stock and options, the Company believes that executive officers are rewarded if the Company's stockholders receive the benefit of appreciation of the price of the Common Stock.

The Compensation Committee reviewed and evaluated the Company's executive and non-executive compensation policies and practices, including, specifically, the mix between salary and bonus, cash and equity, short-term and long-term incentives, and the use of performance measures and discretion with respect to individual awards. The Compensation Committee also evaluated how the Company's compensation policies and practices could encourage excessive risk taking and how the Company's policies and practices are structured to mitigate any such risks. In this regard, the Compensation Committee considered the following: (i) while base salary is the primary component of total compensation for most of the Company's employees and such salaries are generally competitive, the Company has attempted to better align the interests of its executive officers and its stockholders by increasingly emphasizing incentive compensation for its executive officers, (ii) the Compensation Committee believes that the Company's incentive plans for senior management, executive officers and its employees include an appropriate mix of short-term and long-term performance incentives and cash and equity compensation, (iii) the Compensation Committee believes that the goals and objectives in the Company's incentive plans are reasonable and do not incentivize employees to take excessive risks, and (iv) the Company has one business unit so that there does not exist the risk that (A) any one business unit of the Company carries a significant portion of the Company's risk profile, (B) is significantly more profitable than other business units within the Company, or (C) that the compensation structure is inconsistent among business units. As a result of this review and evaluation, the Compensation Committee concluded that any risks that may result from the Company's compensation policies and practices are not reasonably likely to have a material adverse effect on the Company.

Role of the Compensation Committee in Compensation Decisions

The compensation of executive officers of the Company, including its named executive officers, is determined by the Compensation Committee of the Company's Board of Directors. The salaries of all executive officer