

FIDUS INVESTMENT Corp  
Form PRE 14A  
April 04, 2012  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

**SCHEDULE 14A**

(RULE 14a-101)

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

**Fidus Investment 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):

Table of Contents

Edgar Filing: FIDUS INVESTMENT Corp - Form PRE 14A

- x No fee required.
- .. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  
  
  
  
  
  
  
  
  
  
  - (2) Aggregate number of securities to which transaction applies:
  
  
  
  
  
  
  
  
  
  
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  
  
  
  
  
  
  
  
  
  
  - (4) Proposed maximum aggregate value of transaction:
  
  
  
  
  
  
  
  
  
  
  - (5) Total fee paid:
- .. Fee paid previously with preliminary materials.
- .. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
  - (1) Amount previously paid:
  
  
  
  
  
  
  
  
  
  
  - (2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

**Table of Contents**

**1603 Orrington Avenue, Suite 820**

**Evanston, Illinois, 60201**

**(847) 859-3940**

April , 2012

Dear Stockholder:

You are cordially invited to attend Fidus Investment Corporation's 2012 Annual Meeting of Stockholders to be held on Wednesday, June 6, 2012 at 10:00 a.m. Eastern Time, at the JW Marriott, 151 West Adams Street, Chicago, Illinois 60603.

The Notice of Annual Meeting and proxy statement accompanying this letter provide an outline of the business to be conducted at the meeting. I will also report on the progress of the Company during the past year and answer stockholders' questions.

It is important that your shares be represented at the Annual Meeting. If you are unable to attend the meeting in person, I urge you to vote your shares by completing, dating and signing the enclosed proxy card and promptly returning it in the envelope provided or, alternatively, by calling the toll-free telephone number or using the Internet as described on the proxy card. If a broker or other nominee holds your shares in street name, your broker has enclosed a voting instruction form, which you should use to vote those shares. The voting instruction form indicates whether you have the option to vote those shares by telephone or by using the Internet. Your vote is important.

Sincerely yours,

Edward H. Ross  
Chairman & Chief Executive Officer

**Table of Contents**

TABLE OF CONTENTS

<u>NOTICE OF ANNUAL MEETING OF STOCKHOLDERS</u>	
<u>PROXY STATEMENT</u>	1
<u>INFORMATION ABOUT THE MEETING</u>	2
<u>INFORMATION ABOUT VOTING</u>	3
<u>ADDITIONAL INFORMATION</u>	6
<u>PROPOSAL NO. 1 ELECTION OF CLASS I DIRECTOR</u>	8
<u>INFORMATION ABOUT EXECUTIVE OFFICER WHO IS NOT A DIRECTOR</u>	11
<u>CORPORATE GOVERNANCE</u>	11
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	15
<u>2011 DIRECTOR COMPENSATION TABLE</u>	16
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	16
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	19
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	20
<u>PROPOSAL NO. 2 APPROVAL TO SELL SHARES OF COMMON STOCK BELOW NET ASSET VALUE (BOOK VALUE)</u>	21
<u>PROPOSAL NO. 3 APPROVAL AUTHORIZING THE COMPANY TO ISSUE WARRANTS, OPTIONS OR RIGHTS TO SUBSCRIBE TO, CONVERT TO, OR PURCHASE THE COMPANY S COMMON STOCK IN ONE OR MORE OFFERINGS</u>	25
<u>INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	28
<u>AUDIT COMMITTEE REPORT</u>	29
<u>OTHER BUSINESS</u>	30
<u>PROXY CARD</u>	

**Table of Contents**

**FIDUS INVESTMENT CORPORATION**

**1603 Orrington Avenue, Suite 820**

**Evanston, Illinois, 60201**

**(847) 859-3940**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held On Wednesday, June 6, 2012**

To the Stockholders of Fidus Investment Corporation:

The 2012 Annual Meeting of Stockholders of Fidus Investment Corporation (the Company) will be held at the JW Marriott, 151 West Adams Street, Chicago, Illinois 60603, on Wednesday, June 6, 2012, at 10:00 a.m. (Eastern Time) for the following purposes:

1. To elect the Class I director to serve until his successor has been duly elected and qualified (Proposal No. 1);
2. To approve a proposal to authorize the Company, pursuant to approval of the Board of Directors of the Company, to sell shares of its common stock or warrants, options or rights to acquire its common stock during the next year at a price below the Company's then current net asset value per share, subject to certain conditions as set forth in this proxy statement (including that the cumulative number of shares sold pursuant to such authority does not exceed 25% of its then outstanding common stock immediately prior to each such sale) (Proposal No. 2);
3. To approve a proposal authorizing the Company to issue warrants, options or rights to subscribe to, convert to, or purchase the Company's common stock in one or more offerings (Proposal No. 3); and
4. To transact such other business as may properly come before the meeting, or any adjournments or postponements thereof.

You have the right to receive notice of and to vote at the meeting if you were a stockholder of record at the close of business on March 26, 2012. Whether or not you expect to be present in person at the meeting, please vote by signing the enclosed proxy card and returning it promptly in the self-addressed envelope provided or, alternatively, by calling the toll-free telephone number or using the Internet as described on the proxy card. If a broker or other nominee holds your shares in street name, your broker has enclosed a voting instruction form, which you should use to vote those shares. The voting instruction form indicates whether you have the option to vote those shares by telephone or by using the Internet. In the event there are not sufficient votes for a quorum or to approve or ratify any of the foregoing proposals at the time of the Annual Meeting, the Annual Meeting may be adjourned in order to permit further solicitation of the proxies by the Company.

By order of the Board of Directors,

Cary L. Schaefer  
Chief Financial Officer, Chief Compliance Officer and  
Corporate Secretary

Evanston, Illinois

April 10, 2012

**This is an important meeting. To ensure proper representation at the meeting, please indicate your vote as to the matters to be acted on at the meeting by following the instructions provided in the enclosed proxy card or voting instruction form. Even if you vote your shares prior to the meeting, you still may attend the meeting and vote your shares in person.**

**Table of Contents**

**FIDUS INVESTMENT CORPORATION**

**1603 Orrington Avenue, Suite 820**

**Evanston, Illinois, 60201**

**(847) 859-3940**

**PROXY STATEMENT**

**2012 Annual Meeting of Stockholders**

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Fidus Investment Corporation (the Company, Fidus, we, us or our ) for use at our 2012 Annual Meeting of Stockholders to be held on Wednesday, June 6, 2012, at 10:00 a.m. (Eastern Time) at the JW Marriott, 151 West Adams Street, Chicago, Illinois 60603, and at any adjournments thereof (the Annual Meeting ). The Notice of Annual Meeting, this proxy statement, the accompanying proxy card and our Annual Report for the fiscal year ended December 31, 2011 are first being sent to stockholders on or about April , 2012.

We encourage you to vote your shares, either by voting in person at the meeting or by granting a proxy (i.e., authorizing someone to vote your shares). If you vote by mail, Internet or telephone as described in the instructions on the proxy card or voting instruction form, and we receive your vote in time for the meeting, the persons named as proxies will vote the shares registered directly in your name in the manner that you specified. **If you give no instructions on the proxy card, the shares covered by the proxy card will be voted FOR the election of the nominee as director and FOR the other matters listed in the accompanying Notice of Annual Meeting of Stockholders.**

**YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE PROMPTLY VOTE YOUR SHARES EITHER BY MAIL OR BY TELEPHONE.**

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL STOCKHOLDER MEETING TO BE HELD ON JUNE 6, 2012:**

The Notice of Annual Meeting, proxy statement, proxy card and our Annual Report for the fiscal year ended December 31, 2011 are available at the following Internet address: [www.fidus.com](http://www.fidus.com).

**Table of Contents**

**INFORMATION ABOUT THE MEETING**

**When is the Annual Meeting?**

The Annual Meeting will be held on Wednesday, June 6, 2012, at 10:00 a.m. (Eastern Time).

**Where will the Annual Meeting be held?**

The Annual Meeting will be held at the JW Marriott, 151 West Adams Street, Chicago, Illinois 60603.

**What items will be voted on at the Annual Meeting?**

There are three matters scheduled for a vote:

1. To elect the Class I director to serve until his successor has been duly elected and qualified (Proposal No. 1);
2. To approve a proposal to authorize the Company, pursuant to approval of the Board of Directors of the Company, to sell shares of its common stock or warrants, options or rights to acquire its common stock during the next year at a price below the Company's then current net asset value per share, subject to certain conditions as set forth in this proxy statement (including that the cumulative number of shares sold pursuant to such authority does not exceed 25% of its then outstanding common stock immediately prior to each such sale) (Proposal No. 2); and
3. To approve a proposal authorizing the Company to issue warrants, options or rights to subscribe to, convert to, or purchase the Company's common stock in one or more offerings (Proposal No. 3).

As of the date of this proxy statement, we are not aware of any other matters that will be presented for consideration at the Annual Meeting.

**What are the Board of Directors' recommendations?**

Our Board of Directors recommends that you vote:

*FOR* the election of the Class I director nominee named herein to serve on the Board of Directors;

*FOR* the proposal to authorize the Company, pursuant to approval of the Board of Directors of the Company, to sell shares of its common stock or warrants, options or rights to acquire its common stock during the next year at a price below the Company's then current net asset value per share, subject to certain conditions as set forth in this proxy statement (including that the cumulative number of shares sold pursuant to such authority does not exceed 25% of its then outstanding common stock immediately prior to each such sale); and

*FOR* the proposal authorizing the Company to issue warrants, options or rights to subscribe to, convert to, or purchase the Company's common stock in one or more offerings (Proposal No. 3).

**Will Fidus's directors be in attendance at the Annual Meeting?**

Fidus encourages, but does not require, its directors to attend annual meetings of stockholders. However, Fidus anticipates that all but one of its directors will attend the 2012 Annual Meeting.



---

**Table of Contents**

**INFORMATION ABOUT VOTING**

**Who is entitled to vote at the Annual Meeting?**

Only stockholders of record at the close of business on the record date, March 26, 2012, are entitled to receive notice of the Annual Meeting and to vote the shares for which they are stockholders of record on that date at the Annual Meeting, or any postponement or adjournment of the Annual Meeting. As of the close of business on March 26, 2012, we had 9,427,021 shares of common stock outstanding.

**How do I vote?**

With respect to Proposal No. 1, you may either vote **FOR** the Class I nominee to the Board of Directors, or you may vote **WITHHOLD AUTHORITY** for the nominee. For each of the other proposals to be voted on, you may vote **FOR** or **AGAINST**, or abstain from voting altogether. The procedures for voting are fairly simple:

*Stockholders of Record: Shares Registered in Your Name.* If on March 26, 2012, your shares were registered directly in your name with Fidus's transfer agent, American Stock Transfer & Trust Company, LLC, then you are a stockholder of record. If you are a stockholder of record, you may vote in person at the Annual Meeting or vote by giving us your proxy. You may give us your proxy by completing the enclosed proxy card and returning it in the enclosed postage-prepaid envelope, or by calling a toll-free telephone number or using the Internet as further described below and on the enclosed proxy card. **Whether or not you plan to attend the Annual Meeting, we urge you to fill out and return the enclosed proxy card or to otherwise give your proxy authorization by telephone or internet, as specified on the proxy card, to ensure your vote is counted.** You may still attend the Annual Meeting and vote in person if you have already voted by proxy or have otherwise given your proxy authorization.

**IN PERSON:** To vote in person, come to the Annual Meeting, and we will give you a ballot when you arrive.

**BY MAIL:** To vote using the enclosed proxy card, simply complete, sign and date the enclosed proxy card and return it promptly in the postage paid envelope provided. If you return your signed proxy card to us before the Annual Meeting, we will vote your shares as you direct.

**BY INTERNET:** To vote by internet, go to [www.voteproxy.com](http://www.voteproxy.com) and use the Internet to transmit your voting instructions and for the electronic delivery of information **until** 11:59 p.m. Eastern Time on June 5, 2012. Have your proxy card available when you access the website and then follow the instructions.

**BY TELEPHONE:** To vote by telephone, call 1-800-PROXIES (1-800-776-9437) and use any touch-tone telephone to transmit your voting instructions **until** 11:59 p.m. Eastern Time on June 5, 2012. Have your proxy card available when you call the phone number above and then follow the instructions.

*Beneficial Owners: Shares Registered in the Name of a Broker or Bank.* If on March 26, 2012, your shares were held in an account at a brokerage firm, bank, dealer or other similar organization, then you are the beneficial owner of shares held in street name, and these proxy materials are being forwarded to you by that organization. If you are a beneficial owner of shares registered in the name of your broker, bank or other agent, you should have received a proxy card and voting instructions with these proxy materials from that organization rather than from Fidus. Simply complete and mail the proxy card to ensure that your vote is counted. Alternatively, you may be able to vote by telephone or over the Internet as instructed by your broker or bank. To vote in person at the Annual Meeting, you must obtain a valid proxy from your broker, bank or other agent. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a proxy card.

## **Table of Contents**

### **How many votes do I have?**

On each matter to be voted upon, you have one vote for each share of common stock for which you are the stockholder of record as of March 26, 2012.

### **What does it mean if I receive more than one proxy card?**

If you receive more than one proxy card, your shares are registered in more than one name or are registered in different accounts. Please provide a response (by telephone, Internet or mail) for each proxy card you receive to ensure that all of your shares are voted.

### **What if I return a proxy card but do not make specific choices?**

If you return a signed and dated proxy card without marking any voting selections, your shares will be voted: FOR the election of the Class I director nominee named herein to serve on the Board of Directors; FOR the proposal to authorize the Company, pursuant to approval of the Board of Directors of the Company, to sell shares of its common stock or warrants, options or rights to acquire its common stock during the next year at a price below the Company's then current net asset value per share, subject to certain conditions as set forth in this proxy statement (including that the cumulative number of shares sold pursuant to such authority does not exceed 25% of its then outstanding common stock immediately prior to each such sale); and FOR the proposal authorizing the Company to issue warrants, options or rights to subscribe to, convert to, or purchase the Company's common stock in one or more offerings.

If any other matter is properly presented at the meeting, your proxy (one of the individuals named on your proxy card) will vote your shares as recommended by the Board of Directors or, if no recommendation is given, will vote your shares using his or her discretion.

### **Can I change my vote after submitting my proxy card?**

Yes. You can revoke your proxy at any time before the final vote at the Annual Meeting. If you are the stockholder of record of your shares, you may revoke your proxy in any one of three ways:

You may change your vote using the same method that you first used to vote your shares (by telephone, Internet or mail);

You may send a written notice that you are revoking your proxy to Fidus Investment Corporation, 1603 Orrington Avenue, Suite 820, Evanston, Illinois 60201, Attention: Cary L. Schaefer, Corporate Secretary; or

You may attend the Annual Meeting and notify the election officials at the Annual Meeting that you wish to revoke your proxy and vote in person. Simply attending the Annual Meeting, however, will not, by itself, revoke your proxy.

If your shares are held by your broker or bank as a nominee or agent, you should follow the instructions provided by your broker or bank.

### **How are votes counted?**

Votes will be counted by the inspector of election appointed for the Annual Meeting, who will separately count FOR and WITHHOLD AUTHORITY votes for Proposal No. 1, and with respect to Proposal Nos. 2 and 3 FOR, AGAINST and ABSTAIN. A broker non-vote occurs when a nominee, such as a brokerage firm, bank, dealer or other similar organization, holding shares for a beneficial owner, does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that proposal and has not received instructions with respect to that proposal from the beneficial owner. In the event that a broker, bank, custodian, nominee or other record holder of our common stock indicates on a proxy that it does not have discretionary authority to vote certain shares on a particular proposal, then those shares will be treated as broker non-votes with respect to that proposal. Accordingly, if you own shares through a nominee, such as a brokerage firm, bank, dealer or other similar organization, please be sure to instruct your nominee how to vote to ensure that your vote is counted on each of the proposals.

## Edgar Filing: FIDUS INVESTMENT Corp - Form PRE 14A

If your shares are held by your broker as your nominee (that is, in street name ), you will need to obtain a proxy form from the institution that holds your shares and follow the instructions included on that form regarding how to instruct your broker to vote your shares. **Under applicable Nasdaq Marketplace Rules, each of Proposal Nos. 1 (election of directors), 2 (issuing shares below net asset value), and 3 (issuing convertible securities) is a non-routine proposal. Since none of the proposals to be voted on at the Annual Meeting are routine matters, the broker or nominee that holds your shares will need to obtain your authorization to vote those shares and will enclose a voting instruction form with this proxy statement. The broker or nominee will vote your shares as you direct on their voting instruction form so it is important that you include voting instructions.**

## **Table of Contents**

Abstentions will be treated as shares present for the purpose of determining the presence of a quorum for the transaction of business at the Annual Meeting.

### **How many votes are needed to approve each proposal?**

For Proposal No. 1, the nominee receiving the most FOR votes, among votes properly cast in person or by proxy, will be elected. If you vote WITHHOLD AUTHORITY with respect to the nominee, your shares will not be included in determining the number of votes cast and, as a result, will have no effect on this proposal.

To be approved, Proposal No. 2 must receive FOR votes from (1) a majority of the outstanding shares of common stock entitled to vote at the Annual Meeting and (2) a majority of the outstanding shares of common stock entitled to vote at the Annual Meeting which are not held by affiliated persons of the Company. With respect to Proposal No. 2 only, Section 2(a)(42) of the Investment Company Act of 1940, or the 1940 Act, defines a majority of the outstanding shares as the lesser of: (1) 67% or more of the common stock of the Company present or represented by proxy at the Annual Meeting, if the holders of more than 50% of the Company's common stock are present or represented by proxy; or (2) more than 50% of the outstanding common stock of the Company. For purposes of the vote on this proposal, abstentions will have the effect of votes against the proposal, although they will be considered present for purposes of determining the presence of a quorum.

To be approved, Proposal No. 3 must receive FOR votes from a majority of all votes cast at the Annual Meeting, whether in person or by proxy. For purposes of the vote on this proposal, abstentions will not be counted as votes cast and will have no effect on the result of the vote, although they will be considered present for the purpose of determining the presence of a quorum.

### **How many shares must be present to constitute a quorum for the Annual Meeting?**

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if at least a majority of the outstanding shares entitled to vote are represented by stockholders present at the Annual Meeting or by proxy. On March 26, 2012, the record date, there were 9,427,021 shares outstanding and entitled to vote. Thus, 4,713,511 shares must be represented by stockholders present at the Annual Meeting or by proxy to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy by mail, Internet or telephone (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the Annual Meeting. Abstentions will be counted towards the quorum requirement.

If a quorum is not present at the Annual Meeting, or if a quorum is present but there are not enough votes to approve one or more of the proposals, the person named as chairman of the Annual Meeting may adjourn the meeting to permit further solicitation of proxies. A stockholder vote may be taken on one or more of the proposals in this proxy statement prior to any such adjournment if there are sufficient votes for approval on such proposal(s).

### **How can I find out the results of the voting at the Annual Meeting?**

Preliminary voting results will be announced at the Annual Meeting and filed on Form 8-K within four business days of the Annual Meeting. Final results will be published on an amended Form 8-K within four days after the final voting results are established.

---

**Table of Contents**

**ADDITIONAL INFORMATION**

**How and when may I submit a stockholder proposal for Fidus' s 2013 Annual Meeting?**

We will consider for inclusion in our proxy materials for the 2013 Annual Meeting of Stockholders, stockholder proposals that are received at our executive offices, in writing, and no later than 5:00 p.m. (Eastern Time) on December 28, 2012, and that comply with our bylaws and all applicable requirements of Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended, or the Exchange Act. Proposals must be sent to our Corporate Secretary at Fidus Investment Corporation, 1603 Orrington Avenue, Suite 820, Evanston, Illinois 60201.

On February 25, 2011, our Board of Directors approved and adopted the bylaws of the Company. Pursuant to our bylaws, stockholders wishing to nominate persons for election as directors or to introduce an item of business at an annual meeting that are not to be included in our proxy materials must have given timely notice thereof in writing to our Corporate Secretary. To be timely for the 2013 Annual Meeting of Stockholders, you must notify our Corporate Secretary, in writing, no earlier than October 29, 2012, and no later than 5:00 p.m. (Eastern Time) on December 28, 2012. We also advise you to review our bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations, including the different notice submission date requirements in the event that our 2013 Annual Meeting of Stockholders is held more than 30 days before or after the first anniversary of the date the notice for the 2012 annual meeting is mailed. In accordance with our bylaws, the chairman of the 2013 Annual Meeting of Stockholders may determine, if the facts warrant, that a matter has not been properly brought before the meeting and, therefore, may not be considered at the meeting.

Pursuant to the Company' s bylaws, among other things, a stockholder' s notice shall set forth as to each individual whom the stockholder proposes to nominate for election or reelection as a director:

the name, age, business address and residence address of such individual;

the class, series and number of any shares of stock of the Company that are beneficially owned by such individual;

the date such shares were acquired and the investment intent of such acquisition;

whether such stockholder believes any such individual is, or is not, an interested person of the Company, as defined in the 1940 Act and information regarding such individual that is sufficient, in the discretion of the Board or any committee thereof or any authorized officer of the Company, to make either such determination; and

all other information relating to such individual that is required to be disclosed in solicitations of proxies for election of directors in an election contest (even if an election contest is not involved), or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including such individual' s written consent to being named in the proxy statement as a nominee and to serving as a director if elected).

All nominees properly submitted to the Company (or which the nominating and corporate governance committee otherwise elects to consider) will be evaluated and considered by the members of the nominating and corporate governance committee using the same criteria as nominees identified by the nominating and corporate governance committee itself.

**How can I obtain Fidus' s Annual Report on Form 10-K?**

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 is being mailed along with this proxy statement. Our 2011 Annual Report is not incorporated into this proxy statement and shall not be considered proxy solicitation material.

**We will also mail to you without charge, upon written request, a copy of any specifically requested exhibit to our Annual Report on Form 10-K for the fiscal year ended December 31, 2011.** Requests should be sent to: Corporate Secretary, Fidus Investment Corporation, 1603 Orrington Avenue, Suite 820, Evanston, Illinois 60201. A copy of our Annual Report on Form 10-K has also been filed with the Securities

Edgar Filing: FIDUS INVESTMENT Corp - Form PRE 14A

and Exchange Commission, or the SEC, and may be accessed from the SEC's homepage (<http://www.sec.gov>).

## **Table of Contents**

### **Who is paying for this proxy solicitation?**

We will pay for the entire cost of soliciting proxies. We estimate that we will pay Alliance Advisors, LLC, our proxy solicitor, a fee of approximately \$6,000, plus reimbursement for out of pocket expenses, to solicit proxies, though the costs of this proxy solicitation process could be lower or higher than our estimate. In addition to these written proxy materials, our proxy solicitor, directors, officers and employees of Fidus Investment Advisors, LLC, the Company's investment adviser, or our Investment Advisor, may also solicit proxies in person, by telephone or by other means of communication; however, our directors, officers and employees of our Investment Advisor will not be paid any additional compensation for soliciting proxies. In addition to the solicitation of proxies by the use of the mail, proxies may be solicited in person and/or by telephone or facsimile transmission by our proxy solicitor, directors, officers or employees of our Investment Advisor. Our Investment Advisor is located at 1603 Orrington Avenue, Suite 820, Evanston, Illinois 60201.

We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

### **How many copies should I receive if I share an address with another stockholder?**

The SEC has adopted rules that permit companies and intermediaries, such as brokers, to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a single proxy statement addressed to those stockholders. This process, which is commonly referred to as householding, potentially provides extra convenience for stockholders and cost savings for companies.

Brokers may be householding our proxy materials by delivering a single proxy statement and Annual Report to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that they will be householding materials to your address, householding will continue until you are notified otherwise or until you revoke your consent. If at any time you no longer wish to participate in householding and would prefer to receive a separate proxy statement and Annual Report, or if you are receiving multiple copies of the proxy statement and Annual Report and wish to receive only one, please notify your broker if your shares are held in a brokerage account or us if you are a stockholder of record. You can notify us by sending a written request to: Cary L. Schaefer, Corporate Secretary, Fidus Investment Corporation, 1603 Orrington Avenue, Suite 820, Evanston, Illinois 60201, or by calling (847) 859-3940. In addition, Fidus will promptly deliver, upon written or oral request to the address or telephone number above, a separate copy of the Annual Report and proxy statement to a stockholder at a shared address to which a single copy of the documents was delivered.

### **Whom should I contact if I have any questions?**

If you have any questions about the Annual Meeting, these proxy materials or your ownership of our common stock, please contact Cary L. Schaefer c/o Fidus Investment Corporation, 1603 Orrington Avenue, Suite 820, Evanston, Illinois 60201, Telephone (847) 859-3940, or Fax: (847) 859-3953.

Table of Contents

**PROPOSAL NO. 1**

**ELECTION OF CLASS I DIRECTOR**

The Board of Directors presently has five members. Our Board of Directors is divided into three classes. Class I directors hold office for a term expiring at the Annual Meeting of Stockholders to be held in 2012, Class II directors hold office for a term expiring at the Annual Meeting of Stockholders to be held in 2013 and Class III directors hold office for a term expiring at the Annual Meeting of Stockholders to be held in 2014. Upon completion of the initial terms ending in 2012, 2013 and 2014, each class of directors will serve for a three year term. Each director holds office for the term to which he or she is elected and until his or her successor is duly elected and qualified. Vacancies on the Board of Directors may be filled by persons elected by a majority of the remaining directors. A director elected by the Board of Directors to fill a vacancy in a class, including any vacancies created by an increase in the number of directors, shall serve for the remainder of the full term of that class and until the director's successor is duly elected and qualified. Mr. Charles D. Hyman is a Class I director, Messrs. Charles G. Philips and Thomas C. Lauer are Class II directors, and Messrs. Edward H. Ross and Raymond L. Anstiss, Jr. are Class III directors.

By correspondence dated September 29, 2011, Wayne F. Robinson resigned for health reasons as director of the Company, and as chairman of the audit committee and member of the nominating and corporate governance committee. At the Board of Directors meeting that occurred on September 29, 2011, the Board of Directors elected Mr. Anstiss to Class III to fill the vacancy created by Mr. Robinson's resignation. Mr. Anstiss serves as the chairman of the audit committee and as a member of the nominating and corporate governance committee.

The Board of Directors has nominated one director (upon the recommendation by the nominating and corporate governance committee), Mr. Hyman, for election as a Class I director. If elected at the Annual Meeting, Mr. Hyman would serve until the 2015 Annual Meeting of Stockholders and until his successor is elected and has qualified, or, if sooner, until his death, resignation or removal. Mr. Hyman is not being nominated as a director for election pursuant to any agreement or understanding between such person and the Company. Mr. Hyman has indicated his willingness to continue to serve if elected and has consented to be named as a nominee. Mr. Hyman is not an interested director of the Company as defined under the 1940 Act. It is our policy to encourage directors and nominees for director to attend the Annual Meeting.

A stockholder can vote for or withhold his or her vote from the nominee. **In the absence of instructions to the contrary, it is the intention of the persons named as proxies to vote such proxy for the election of the nominee named below. If the nominee should decline or be unable to serve as a director, it is intended that the proxy will be voted for the election of such person who is nominated as a replacement. The Board of Directors has no reason to believe that the Class I director nominee named will be unable or unwilling to serve.**

Certain of our directors who are also officers of the Company may serve as directors of, or on the boards of managers of, certain of our portfolio companies. In addition, the Board of Directors of Fidus Mezzanine Capital, L.P., or the Fund, our wholly-owned consolidated subsidiary that has elected to be treated as a business development company, or BDC, under the 1940 Act, is composed of all of the Company's directors. The business address of each nominee and director listed below is 1603 Orrington Avenue, Suite 820, Evanston, Illinois 60201.



**Table of Contents**

The following is a brief biography of the Class I director nominee.

**Nominee for Class I Director***Independent Director*

<b>Name</b>	<b>Age</b>	<b>Background Information</b>
Charles D. Hyman	53	Mr. Hyman has served on our Board of Directors since our initial public offering in June 2011 and is the chairman of our nominating and corporate governance committee and a member of our audit committee. Mr. Hyman is the founder and chief executive officer of Charles D. Hyman & Co., a private, registered investment management firm located in Ponte Vedra Beach, Florida. Prior to forming Charles D. Hyman & Co. in 1994, Mr. Hyman served as a senior vice president of St. Johns Investment Management Company. Mr. Hyman has served on the board of directors for several not-for-profit companies in the past five years.

*The Board of Directors recommends a vote for the Class I director nominee named above.*

The following is a brief biography of each Class II and Class III director.

**Class II Directors***Interested Director*

<b>Name</b>	<b>Age</b>	<b>Background Information</b>
Thomas C. Lauer	44	Mr. Lauer has served as our director and as a member of our Investment Advisor's investment committee since our initial public offering in June 2011. Additionally, Mr. Lauer is a manager of our Investment Advisor. Mr. Lauer is an interested director due to his position with the Investment Advisor. Mr. Lauer has more than 15 years of experience investing debt and equity capital in lower middle-market companies. Mr. Lauer was a managing partner of Fidus Partners, LLC, an investment banking firm, from 2008 to June 2011. Mr. Lauer was a managing director of Allied Capital Corporation, a publicly-traded business development company, from 2004 to 2008, where he was a member of the firm's Management Committee from 2006 to 2008, Private Finance Investment Committee from 2005 to 2008, and Senior Debt Fund Investment Committee from 2007 to 2008. Prior to joining Allied Capital Corporation, Mr. Lauer worked with the Global Sponsor Finance Group of GE Capital, the financial services unit of General Electric, the Leveraged Capital Group at Wachovia Securities and its predecessor, First Union Securities, Inc., a retail brokerage and institutional capital markets and investment banking firm (First Union Securities, Inc.), and the Platform Components Division of Intel Corporation. Mr. Lauer earned a bachelor of business administration from the University of Notre Dame and master of business administration from the University of Notre Dame's Mendoza College of Business.

*Independent Director*

<b>Name</b>	<b>Age</b>	<b>Background Information</b>
Charles G. Phillips	63	Mr. Phillips has served on our Board of Directors since our initial public offering in June 2011 and serves as a member on both our audit and nominating and corporate governance committees. Mr. Phillips was employed by Prentice Capital Management, LLC, an investment management firm, from 2005 until his retirement in 2008. Mr. Phillips was previously a

## Edgar Filing: FIDUS INVESTMENT Corp - Form PRE 14A

managing director from 1991 to 2002 and president from 1998 to 2001 of Gleacher & Co., an investment banking and management firm. Mr. Phillips has served on the boards of several public and private companies and private investment funds, including California Pizza Kitchen, Inc. and Whitehall Jewelers Holdings, Inc.

**Table of Contents****Class III Directors***Interested Director*

<b>Name</b>	<b>Age</b>	<b>Background Information</b>
Edward H. Ross	46	Mr. Ross has served as our chairman of the board and chief executive officer and as chairman of our Investment Advisor's investment committees since our initial public offering in June 2011. Additionally, Mr. Ross is the chief executive officer and a manager of our Investment Advisor. Mr. Ross is an interested director due to his positions with the Company and our Investment Advisor. Mr. Ross has more than 20 years of debt and equity capital investing experience with lower middle-market companies. Mr. Ross co-founded Fidus Capital, LLC, the predecessor firm to our Investment Advisor, in 2005. Mr. Ross was a managing director and the head of the Chicago office for Allied Capital Corporation, a publicly-traded business development company, where he focused on making debt and equity investments in middle-market companies from 2002 to 2005. Prior to joining Allied Capital Corporation, Mr. Ross co-founded Middle Market Capital, a merchant banking group of Wachovia Securities and its predecessor, First Union Securities, Inc., a retail brokerage and institutional capital markets investment banking firm. Mr. Ross earned a bachelor of arts from Southern Methodist University and a master of business administration from the University of Notre Dame's Mendoza College of Business. Mr. Ross is the brother of John J. Ross, II, a manager of our Investment Advisor and a member of its investment committee.

*Independent Director*

<b>Name</b>	<b>Age</b>	<b>Background Information</b>
Raymond L. Anstiss, Jr.	45	Mr. Anstiss has served on our Board of Directors since September 2011 and is the chairman of our audit committee and a member of our nominating and corporate governance committee. Mr. Anstiss is the President of Anstiss & Co., an accounting, audit, tax and financial consulting firm headquartered in Lowell, Massachusetts. Prior to joining Anstiss & Co. in 1993, Mr. Anstiss served on the audit staff of KPMG Peat Marwick from 1988 to 1992. Mr. Anstiss has served on the board of two not-for-profit companies in the past five years.

**Qualifications of Directors**

When considering whether our directors have the experience, qualifications, attributes and skills, taken as a whole, to enable our Board of Directors to satisfy its oversight responsibilities effectively in light of our operational and organizational structure, the nominating and corporate governance committee and the Board of Directors focused primarily on the information discussed in each of the director's individual biographies set forth above and on the following particular attributes:

*Interested Directors*

*Mr. Ross:* The nominating and corporate governance committee and the Board of Directors considered his familiarity with the Fidus investment platform, his significant experience with investing debt and equity capital in middle-market companies, and his broad experience with the day-to-day management and operation of other investment funds, which provides our Board of Directors with valuable investment and management experience, insight and perspective.

## Edgar Filing: FIDUS INVESTMENT Corp - Form PRE 14A

*Mr. Lauer:* The nominating and corporate governance committee and the Board of Directors considered his experience with investing debt and equity capital in middle-market companies, which provides our Board of Directors with valuable investment knowledge, experience and insight.

### *Independent Directors*

*Mr. Anstiss:* The nominating and corporate governance committee and the Board of Directors considered his extensive experience in the accounting industry. In addition, Mr. Anstiss' accounting background was instrumental in his appointment to the chairmanship of our audit committee.

**Table of Contents**

*Mr. Hyman:* The nominating and corporate governance committee and the Board of Directors considered his extensive experience in the investment analysis, management, and advisory industries.

*Mr. Phillips:* The nominating and corporate governance committee and the Board of Directors considered his extensive senior executive management experience in corporate finance and investment banking and experience gained from his service on the Board of Directors of several public and private companies and private investment funds.

**INFORMATION ABOUT EXECUTIVE OFFICER WHO IS NOT A DIRECTOR**

The following is a brief biography of our executive officer, Cary L. Schaefer, who is not a director of the Company.

Name	Age	Background Information
Cary L. Schaefer	36	<p>Cary L. Schaefer has served as our chief financial officer, chief compliance officer and secretary since our initial public offering in June 2011. Additionally, Ms. Schaefer has served as chief financial officer, chief compliance officer, assistant secretary and manager of our Investment Advisor since June of 2011. Ms. Schaefer has more than twelve years of credit and finance experience. Ms. Schaefer served in a variety of roles, including vice president, of Fidus Capital, LLC, the predecessor firm to our Investment Advisor, from 2006 to 2011. Ms. Schaefer was an associate in investment banking at Credit Suisse First Boston from 2004 to 2006, where she executed advisory, debt and equity transactions in the Global Industrial &amp; Services Group. Prior to joining Credit Suisse First Boston, Ms. Schaefer worked at Wachovia Securities and its predecessor, First Union Securities, Inc. Ms. Schaefer earned a bachelor of science in analytical finance from Wake Forest University and a master of business administration with honors from the University of Chicago Graduate School of Business.</p>

**CORPORATE GOVERNANCE**

**Director Independence**

The Board of Directors has a majority of directors who are independent under the listing standards of the Nasdaq Global Select Market, or Nasdaq. The Nasdaq Marketplace Rules provide that a director of a BDC shall be considered to be independent if he or she is not an interested person of the Company, as defined in Section 2(a)(19) of the 1940 Act. Section 2(a)(19) of the 1940 Act defines an interested person to include, among other things, any person who has, or within the last two years had, a material business or professional relationship with the Company.

The Board of Directors has determined that the following directors are independent: Messrs. Anstiss, Hyman (Nominee) and Phillips. Additionally, the Board of Directors determined that Mr. Robinson was independent during the applicable time that he was a member of the Board of Directors. Messrs. Ross and Lauer are interested persons due to their positions with the Company and/or our Investment Advisor, as discussed in their respective biographies. Based upon information requested from each director and the Class I director nominee concerning his background, employment and affiliations, the Board of Directors has affirmatively determined that none of the independent directors or the Class I director nominee has a material business or professional relationship with the Company, other than in his capacity as a member of the Board of Directors or any committee thereof. In making its determination regarding Mr. Anstiss independence, the Board of Directors considered that a company majority-owned by Mr. Anstiss provided tax services to subsidiaries of the Company though he received no compensation for any such services during 2011. The Board of Directors determined that the tax services provided by Mr. Anistss company did not interfere with his independence and was not a material business or professional relationship with the Company.

**Organization of the Board of Directors**

The Board of Directors has established an audit committee and a nominating and corporate governance committee. The Company does not have a compensation committee because its executive officers do not receive any direct compensation from the Company. During 2011, the Board of Directors held four meetings, the audit committee held four meetings and the nominating and corporate governance committee held two meetings. The



## **Table of Contents**

Company encourages, but does not require, the directors to attend the Company's annual meeting of its stockholders. All of our current directors attended at least 75% of the aggregate number of meetings of the Board of Directors and of the respective committees on which they served, with the exception of Mr. Anstiss who joined our Board of Directors in September 2011. The Company did not hold an annual meeting of stockholders in 2011 because it did not become a public reporting company until June 2011.

### **Board Leadership Structure**

The Board of Directors monitors and performs an oversight role with respect to the business and affairs of the Company. Among other things, the Board of Directors approves the appointment of our Investment Advisor, administrator and officers, reviews and monitors the services and activities performed by our Investment Advisor, administrator and officers and approves the engagement, and reviews the performance of, the Company's independent registered public accounting firm.

Under the bylaws, the Board of Directors may designate a chairman to preside over the meetings of the Board of Directors and meetings of the stockholders and to perform such other duties as may be assigned to him by the Board of Directors. The Company does not have a fixed policy as to whether the chairman of the Board of Directors should be an independent director and believes that its flexibility to select its chairman and reorganize its leadership structure from time to time is in the best interests of the Company and its stockholders.

Presently, Mr. Ross serves as the chairman of the Board of Directors. Mr. Ross is an interested director because he is the Chief Executive Officer of the Company, serves on our Investment Advisor's investment committee and is a manager of our Investment Advisor. The Company believes that Mr. Ross's history with the Company, familiarity with the Fidus investment platform and extensive experience in the management of private equity and debt investments qualifies him to serve as chairman of the Board of Directors. Moreover, our Board of Directors believes that it is in the best interests of our stockholders for Mr. Ross to lead our Board of Directors because of his broad experience with the day-to-day management and operation of other investment funds and his significant background in the financial services industry, as described above.

Our Board of Directors does not have a lead independent director. However, Mr. Anstiss, the chairman of the audit committee, is an independent director and acts as a liaison between the independent directors and management between meetings of our Board of Directors and is involved in the preparation of agendas for board and committee meetings. Our Board of Directors believes that its leadership structure is appropriate in light of the Company's characteristics and circumstances because the structure allocates areas of responsibility among the individual directors and the committees in a manner that encourages effective oversight. The members of our Board of Directors also believe that its small size creates a highly efficient governance structure that provides ample opportunity for direct communication and interaction between both the members of management and our Investment Advisor and our Board of Directors.

### **Board Role in Risk Oversight**

The Board of Directors performs its risk oversight function primarily through (a) its two standing committees, which report to the entire Board of Directors and are comprised solely of independent directors and (b) monitoring by the Company's Chief Compliance Officer in accordance with its compliance policies and procedures.

As described below in more detail under **Audit Committee** and **Nominating and Corporate Governance Committee**, the audit committee and the nominating and corporate governance committee assist the Board of Directors in fulfilling its risk oversight responsibilities. The audit committee's risk oversight responsibilities include overseeing the Company's accounting and financial reporting processes, the Company's systems of internal controls regarding finance and accounting and audits of the Company's financial statements and discussing with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies. The nominating and corporate governance committee's risk oversight responsibilities include selecting, researching and nominating directors for election by the Company's stockholders, developing and recommending to the Board of Directors a set of corporate governance principles and overseeing the evaluation of the Board of Directors and its committees. Both the audit committee and the nominating and corporate governance committee consist solely of independent directors.

---

## **Table of Contents**

The Board of Directors also performs its risk oversight responsibilities with the assistance of the Chief Compliance Officer. The Company's Chief Compliance Officer prepares a written report annually discussing the adequacy and effectiveness of the compliance policies and procedures of the Company and certain of its service providers. The Chief Compliance Officer's report, which is reviewed by the Board of Directors, addresses at a minimum (a) the operation of the compliance policies and procedures of the Company and certain of its service providers since the last report; (b) any material changes to such policies and procedures since the last report; (c) any recommendations for material changes to such policies and procedures as a result of the Chief Compliance Officer's annual review; and (d) any compliance matter that has occurred since the date of the last report about which the Board of Directors would reasonably need to know to oversee the Company's compliance activities and risks. In addition, the Chief Compliance Officer meets separately in executive session with the independent directors periodically, but in no event less than once each year.

The Company believes that the Board of Directors' role in risk oversight is effective and appropriate given the extensive regulation to which it is already subject as a BDC. Specifically, as a BDC, the Company must comply with certain regulatory requirements that control the levels of risk in its business and operations. For example, the Company's ability to incur indebtedness is limited such that its asset coverage must equal at least 200% immediately after each time it incurs indebtedness and the Company generally has to invest at least 70% of its total assets in qualifying assets. In addition, the Company intends to elect to be treated as a regulated investment company, or RIC, under Subchapter M of the Internal Revenue Code. As a RIC the Company must, among other things, meet certain income source and asset diversification requirements.

The Company believes that Board of Directors' existing role in risk oversight is appropriate. However, the Company re-examines the manners in which the Board of Directors administers its oversight function on an ongoing basis to ensure that it continues to meet the Company's needs.

### **Audit Committee**

The members of the audit committee are Messrs. Anstiss, Hyman and Phillips, each of whom is not an interested person and is otherwise independent for purposes of the 1940 Act and Nasdaq's corporate governance regulations. Since September 2011, Mr. Anstiss has served as chairman of the audit committee. Wayne F. Robinson, who is independent for purposes of the 1940 Act and Nasdaq's corporate governance regulations, served as the chairman of the audit committee until he resigned in September 2011. The Board of Directors has adopted a charter for the audit committee, which is available on the Company's website at <http://investor.fidus.com/governance.cfm>.

The audit committee is responsible for approving the Company's independent accountants and recommending them to the Board of Directors (including a majority of the independent directors) for approval and submission to the Board of Directors for ratification, reviewing with its independent accountants the plans and results of the audit engagement, approving professional services provided by its independent accountants, reviewing the independence of its independent accountants and reviewing the adequacy of its internal accounting controls.

The audit committee is also responsible for aiding the Board of Directors in determining the fair value of debt and equity securities that are not publicly traded or for which current market values are not readily available. The audit committee also currently receives input from independent valuation firms that have been engaged at the direction of the Board of Directors to value certain portfolio investments. In addition, the audit committee is responsible for discussing with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

The Board of Directors has determined that Mr. Anstiss is, and Mr. Robinson was at the time of his service on the audit committee, an audit committee financial expert within the meaning of the rules of the SEC. Mr. Robinson acquired his financial expertise from his experience actively supervising the chief financial officer of a public reporting company and through his experience overseeing and assessing the performance of public companies with respect to the preparation, auditing and evaluation of financial statements. Mr. Anstiss acquired his financial expertise from his education and experience as a public accountant, his experience actively supervising financial officers of public companies and in his supervisory role at a public accounting firm and from his experience overseeing and assessing the performance of public accountants with respect to the preparation, auditing and evaluation of financial statements.



## **Table of Contents**

### **Nominating and Corporate Governance Committee**

The members of the nominating and corporate governance committee are Messrs. Anstiss, Hyman and Phillips, each of whom is not an interested person and is otherwise independent for purposes of the 1940 Act and Nasdaq's corporate governance regulations. In addition, Mr. Robinson, who is independent for purposes of the 1940 Act and the Nasdaq's corporate governance regulations, served on the nominating and corporate governance committee until he resigned in September 2011. Mr. Hyman currently serves as chairman of the nominating and corporate governance committee. The Board of Directors has adopted a charter for the nominating and corporate governance committee, which is available on the Company's website at <http://investor.fidus.com/governance.cfm>.

The nominating and corporate governance committee is responsible for selecting, researching and nominating directors for election by the Company's stockholders, selecting nominees to fill vacancies on the Board of Directors or a committee of the Board of Directors, developing and recommending to the Board of Directors a set of corporate governance principles and overseeing the evaluation of the Board of Directors and its committees.

The nominating and corporate governance committee identifies potential nominees based on suggestions from members of the nominating and corporate governance committee, other members of the Board of Directors, other executive officers and by other means, and evaluates such persons as a committee. The nominating and corporate governance committee will also consider nominees to the Board of Directors recommended by a stockholder, if such stockholder complies with the advance notice provisions of our bylaws. From time to time, the Board of Directors may determine that it requires a director with a particular expertise or qualification and will actively recruit such a candidate.

In considering which persons to nominate as directors for election by stockholders, the Board of Directors and its nominating and corporate governance committee consider the experience, qualifications, attributes and skills of candidates, in light of the Company's then existing business and structure. Additionally, the committee generally will hire an outside firm to perform a background check on potential nominees. On an annual basis, the nominating and corporate governance committee evaluates the qualifications and diversity of the Board of Directors who are available for reelection in light of the characteristics of independence, age, skills, experience, availability of service to the Company and tenure of its members, and the Board of Directors' anticipated needs. The nominating and corporate governance committee has adopted a policy that it will seek to enhance the perspectives and experiences of the members of the Board of Directors through diversity in gender, ethnic background, geographic origin and professional experience. The nominating and corporate governance committee recommends to the Board of Directors for its approval the slate of directors to be nominated for election at the annual meeting of the Company's stockholders. The Board of Directors and its nominating and corpora