

Mellanox Technologies, Ltd.

Form DEF 14A

April 09, 2009

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No. __)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

MELLANOX TECHNOLOGIES, LTD.

(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.

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:

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**NOTICE OF
2009 ANNUAL GENERAL MEETING OF
SHAREHOLDERS TO BE HELD ON MAY 18, 2009**

To our Shareholders:

You are cordially invited to attend our 2009 annual general meeting of shareholders, which will be held at the offices of Mellanox Technologies, Ltd., located at Binyan Hermon, Industrial Area, Yokneam, Israel 20692, on Monday, May 18, 2009. Shareholders may also participate in the meeting via a live webcast on the investor relations section of the Mellanox web site at www.mellanox.com. Please access the web site 15 minutes prior to the start of the meeting to download and install any necessary audio software.

We are holding the annual general meeting for the following purposes:

1. To elect directors to hold office until our 2010 annual general meeting of shareholders, or until their respective successors have been elected and have qualified, or until their earlier resignation or removal;
2. To approve the cash bonus paid on March 1, 2009 to Mr. Eyal Waldman in the amount of \$162,500 for services rendered for the fiscal year ended December 31, 2008;
3. To approve an amendment to the indemnification undertaking by and among the Company and its directors and officers;
4. To approve an amendment and restatement of the Mellanox Technologies, Ltd. Global Incentive Plan (2006);
5. To appoint PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2009 and to further authorize our audit committee to determine our accounting firm's remuneration in accordance with the volume and nature of their services; and
6. To receive management's report on our business for the year ended December 31, 2008 and to transact any other business as may properly come before the meeting, including any motion to adjourn to a later date to permit further solicitation of proxies, if necessary, or any adjournment or postponement of the meeting.

These items of business to be transacted at the meeting are more fully described in the proxy statement, which is part of this notice.

The meeting will begin promptly at 6:00 p.m. local Israeli time (11:00 a.m. Eastern Daylight Time) and check-in will begin at 5:00 p.m. local Israeli time. Only holders of record of ordinary shares at the close of business on April 8, 2009, the record date, are entitled to notice of, to attend and to vote at the meeting and any adjournments or

postponements of the meeting.

All shareholders are cordially invited to attend the meeting in person. Even if you plan to attend the meeting, please complete, sign and date the enclosed proxy card and return it promptly in the postage-paid return envelope in order to ensure that your vote will be counted if you later decide not to, or are unable to, attend the meeting. Even if you have given your proxy, you may still attend and vote in person at the meeting after revoking your proxy prior to the meeting.

By order of the board of directors,

Alan C. Mendelson
Secretary

Sunnyvale, California
April 9, 2009

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**PROXY STATEMENT FOR
2009 ANNUAL GENERAL MEETING OF
SHAREHOLDERS TO BE HELD ON MAY 18, 2009**

This proxy statement is furnished to our shareholders as of the close of business on April 8, 2009, the record date, in connection with the solicitation of proxies by our board of directors for use at our annual general meeting of shareholders, to be held at the offices of Mellanox Technologies, Ltd., located at Binyan Hermon, Industrial Area, Yokneam, Israel, on Monday, May 18, 2009 at 6:00 p.m. local Israeli time (11:00 a.m. Eastern Daylight Time) and at any adjournments or postponements of the meeting. This proxy statement and the proxy card, together with a copy of our Annual Report on Form 10-K for the year ended December 31, 2008, is first being mailed to our shareholders on or about April 9, 2009.

**QUESTIONS AND ANSWERS REGARDING THIS SOLICITATION AND VOTING
AT THE MEETING**

Why am I receiving this proxy statement? You are receiving this proxy statement from us because you were a shareholder of record at the close of business on the record date of April 8, 2009. As a shareholder of record, you are invited to attend our annual general meeting of shareholders and are entitled to vote on the items of business described in this proxy statement. This proxy statement contains important information about the meeting and the items of business to be transacted at the meeting. You are strongly encouraged to read this proxy statement, which includes information that you may find useful in determining how to vote.

As of February 28, 2009, there were 31,902,998 ordinary shares outstanding. Our ordinary shares are our only class of voting stock.

Who is entitled to attend and vote at the meeting? Only holders of record of shares of our ordinary shares at the close of business on April 8, 2009 are entitled to notice of, to attend and to vote at the meeting and any adjournments or postponements of the meeting.

How many shares must be present or represented to conduct business at the meeting (that is, what constitutes a quorum)? The presence at the meeting, in person or represented by proxy, of the holders of at least 33 1/3% of our ordinary shares issued and outstanding on the record date and entitled to vote at the meeting will constitute a quorum for the transaction of business. If, however, a quorum is not present, in person or represented by proxy, then either the chairman of the meeting or the shareholders entitled to vote at the meeting may adjourn the meeting until a later time.

What items of business will be voted on at the meeting? The items of business to be voted on at the meeting are as follows:

1. To elect directors to hold office until our 2010 annual general meeting of shareholders, or until their respective successors have been elected and have qualified, or until their earlier resignation or removal;
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2. To approve the cash bonus paid on March 1, 2009 to Mr. Eyal Waldman in the amount of \$162,500 for services rendered for the fiscal year ended December 31, 2008;
3. To approve an amendment to the form of indemnification undertaking by and among the Company and its directors and officers;
4. To approve an amendment and restatement of the Mellanox Technologies, Ltd. Global Share Incentive Plan (2006); and
5. To appoint PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2009 and to further authorize our audit committee to determine our accounting firm's remuneration in accordance with the volume and nature of their services.

What happens if additional matters are presented at the meeting?

The only items of business that our board of directors intends to present at the meeting are set forth in this proxy statement. As of the date of this proxy statement, no shareholder has advised us of the intent to present any other matter, and we are not aware of any other matters to be presented at the meeting. If any other matter or matters are properly brought before the meeting, the person(s) named as your proxyholder(s) will have the discretion to vote your shares on the matters in accordance with their best judgment and as they deem advisable.

How does the board of directors recommend that I vote?

Our board of directors recommends that you vote your shares **FOR** the election of each of the director nominees, **FOR** the cash bonus previously paid to Mr. Waldman, **FOR** the amendment to the indemnification undertaking, **FOR** the amendment and restatement of the Mellanox Technologies, Ltd. Global Share Incentive Plan (2006) and **FOR** the appointment of PricewaterhouseCoopers LLP and the authorization of audit committee determination of their remuneration.

What shares can I vote at the meeting?

You may vote all of the shares you owned as of April 8, 2009, the record date, including shares held directly in your name as the *shareholder of record* and all shares held for you as the *beneficial owner* through a broker, trustee or other nominee such as a bank.

What is the difference between holding shares as a shareholder of record and as a beneficial owner?

Most of our shareholders hold their shares through a broker or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Shareholders of Record. If your shares are registered directly in your name with our transfer agent, American Stock Transfer and Trust Company, you are considered, with respect to those shares, the *shareholder of record*, and these proxy materials are being sent directly to you by us. As the *shareholder of record*, you have the right to vote in person at the meeting or direct the proxyholder how to vote your shares on

your behalf at the meeting by fully completing, signing and dating the enclosed proxy card and returning it to us in the enclosed postage-paid return envelope.

Beneficial Owner. If your shares are held in a brokerage account or by another nominee, you are considered the *beneficial owner* of shares

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held *in street name*, and these proxy materials are being forwarded to you together with a voting instruction card. As the beneficial owner, you have the right to direct your broker, trustee or nominee to vote your shares as you instruct in the voting instruction card. The broker, trustee or other nominee may either vote in person at the meeting or grant a proxy and direct the proxyholder to vote your shares at the meeting as you instruct in the voting instruction card. You may also vote in person at the meeting, but only after you obtain a legal proxy from the broker, trustee or nominee that holds your shares, giving you the right to vote your shares at the meeting. Your broker, trustee or nominee has enclosed or provided a voting instruction card for you to use in directing the broker, trustee or nominee how to vote your shares.

How can I vote my shares without attending the meeting?

Whether you hold shares directly as the shareholder of record or as a beneficial owner, you may direct how your shares are voted without attending the meeting by completing and returning the enclosed proxy card or voting instruction card. If you provide specific instructions with regard to items of business to be voted on at the meeting, your shares will be voted as you instruct on those items. Proxies properly signed, dated and submitted to us that do not contain voting instructions and are not revoked prior to the meeting will be voted **FOR** the election of each of the director nominees, **FOR** the cash bonus previously paid to Mr. Waldman, **FOR** the amendment to the indemnification undertaking, **FOR** the approval of the amendment and restatement of the Mellanox Technologies, Ltd. Global Share Incentive Plan (2006) and **FOR** the appointment of PricewaterhouseCoopers LLP and the authorization of audit committee determination of their remuneration.

How can I vote my shares in person at the meeting?

Shares held in your name as the shareholder of record may be voted in person at the meeting. Shares held beneficially in street name may be voted in person only if you obtain a legal proxy from the broker, trustee or nominee that holds your shares giving you the right to vote the shares at the meeting. You should be prepared to present photo identification for admittance. Please also note that if you are not a shareholder of record but hold shares through a broker, trustee or nominee, you will need to provide proof of beneficial ownership as of the record date, such as your most recent brokerage account statement, a copy of the voting instruction card provided by your broker, trustee or nominee or other similar evidence of ownership. The meeting will begin promptly at 6:00 p.m. local Israeli time (11:00 a.m. Eastern Daylight Time). Check-in will begin at 5:00 p.m. local Israeli time. ***Even if you plan to attend the meeting, we recommend that you also complete, sign and date the enclosed proxy card or voting instruction card and return it promptly in the accompanying postage-paid return envelope in order to ensure that your vote will be counted if you later decide not to, or are unable to, attend the meeting.***

Can I change my vote or revoke my proxy?

You may change your vote or revoke your proxy at any time prior to the vote at the meeting. If you are the shareholder of record, you may change your vote by granting a new proxy bearing a later date, which

automatically revokes the earlier proxy, by providing a written notice of revocation to our corporate secretary prior to your shares being voted, or by attending the meeting and voting in person. Attendance at

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the meeting will not cause your previously granted proxy to be revoked unless you specifically so request. If you are a beneficial owner, you may change your vote by submitting a new voting instruction card to your broker, trustee or nominee, or, if you have obtained a legal proxy from your broker, trustee or nominee giving you the right to vote your shares, by attending the meeting and voting in person.

Is my vote confidential?

Proxy cards, voting instructions, ballots and voting tabulations that identify individual shareholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed, except as required by law to American Stock Transfer and Trust Company, our transfer agent, to allow for the tabulation of votes and certification of the vote and to facilitate a successful proxy solicitation.

How are votes counted and what vote is required to approve each item?

Each outstanding ordinary share entitles the holder thereof to one vote on each matter considered at the meeting. Shareholders are not entitled to cumulate their votes in the election of directors or with respect to any other matter submitted to a vote of the shareholders.

Each election of Eyal Waldman, Irwin Federman and Thomas Weatherford as directors requires a majority of the votes cast. You may vote either **FOR** or **AGAINST** the election of each nominee, or you may abstain. A properly executed proxy marked **ABSTAIN** with respect to the election of any nominee will not be voted, although it will be counted for purposes of determining both whether there is a quorum and the total number of votes cast with respect to such nominee's election.

The approval of the cash bonus paid on March 1, 2009 to Mr. Waldman in the amount of \$162,500 for services rendered for the fiscal year ended December 31, 2008 requires a majority of the votes cast. You may vote either **FOR** or **AGAINST** this proposal, or you may abstain. A properly executed proxy marked **ABSTAIN** with respect to this proposal will not be voted with respect to such proposal, although it will be counted for purposes of determining both whether there is a quorum and the total number of votes cast with respect to the proposal.

The approval of the amendment to the indemnification undertaking requires a majority of the votes cast. You may vote either **FOR** or **AGAINST** this proposal, or you may abstain. A properly executed proxy marked **ABSTAIN** with respect to this proposal will not be voted with respect to such proposal, although it will be counted for purposes of determining both whether there is a quorum and the total number of votes cast with respect to the proposal.

The approval of the amendment and restatement of the Mellanox Technologies, Ltd. Global Incentive Plan (2006) requires a majority of the votes cast. You may vote either **FOR** or **AGAINST** the approval of the amendment and restatement of the Mellanox Technologies, Ltd. Global Incentive Plan (2006) or you may abstain. A properly executed proxy

marked **ABSTAIN** with respect to this proposal will not be voted with respect to such proposal, although it will be counted for purposes of determining both whether there is a quorum and the total number of votes cast with respect to the proposal.

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The appointment of PricewaterhouseCoopers LLP and authorization of audit committee determination of their remuneration requires a majority of the votes cast. You may vote either **FOR** or **AGAINST** the appointment and the audit committee's authority to determine PricewaterhouseCoopers LLP's remuneration, or you may abstain. A properly executed proxy marked **ABSTAIN** with respect to this proposal will not be voted with respect to such proposal, although it will be counted for purposes of determining both whether there is a quorum and the total number of votes cast with respect to the proposal.

What is a controlling shareholder under Israeli law?

A controlling shareholder is a shareholder who has the power to direct the company's operations, other than by virtue of being a director or other office holder of the company, and includes a shareholder who holds 50% or more of our voting rights or, if we have no shareholder that owns more than 50% of the voting rights, then a controlling shareholder also includes any shareholder who holds 25% or more of the voting rights.

What is a broker non-vote ?

Under the rules that govern brokers and banks that have record ownership of our ordinary shares that are held in street name for their clients such as you, who are the beneficial owners of the shares, brokers and banks have the discretion to vote such shares on routine matters. The election of directors and the appointment of the independent auditors are considered routine matters. Therefore, if you do not otherwise instruct your broker or bank, the broker or bank may vote your shares on these matters. A *broker non-vote* occurs when a broker or bank expressly instructs on a proxy card that it is *not* voting on a matter, whether routine or non-routine.

How are broker non-votes counted?

Broker non-votes will be counted as present for the purpose of determining the presence or absence of a quorum for the transaction of business, but they will *not* be counted in tabulating the voting result for any particular proposal.

How are abstentions counted?

If you return a proxy card that indicates an abstention from voting on all matters, the shares represented by your proxy will be counted as present for the purpose of determining both the presence of a quorum and the total number of votes cast with respect to a proposal, but they will *not* be counted in tabulating the voting results for any particular proposal.

What happens if the meeting is adjourned?

Assuming the presence of a quorum, if our annual general meeting is adjourned to another time and place, no additional notice will be given of the adjourned meeting if the time and place of the adjourned meeting is announced at the annual general meeting, unless the adjournment is for more than 21 days, in which case a notice of the adjourned meeting will be given to each shareholder of record as of April 8, 2009 entitled to vote at the adjourned meeting. At the adjourned meeting, we may transact any items of business that might have been transacted at the annual general meeting.

What happens if a quorum is not present?

If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned for one week, to May 25, 2009 at the same hour and place, without any notification to shareholders. If a quorum is not present at the adjourned date of the

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meeting within half an hour of the time fixed for the commencement thereof, subject to the terms of applicable law, the persons present shall constitute a quorum.

Who will serve as inspector of elections? A representative of American Stock Transfer and Trust Company, our transfer agent, will tabulate the votes and act as inspector of elections at the meeting.

What should I do in the event that I receive more than one set of proxy materials? You may receive more than one set of these proxy solicitation materials, including multiple copies of this proxy statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate voting instruction card for each brokerage account in which you hold shares. In addition, if you are a shareholder of record and your shares are registered in more than one name, you may receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive to ensure that all your shares are voted.

Who is soliciting my vote and who will bear the costs of this solicitation? The enclosed proxy is being solicited on behalf of our board of directors. We will bear the entire cost of solicitation of proxies, including preparation, assembly, printing and mailing of this proxy statement. In addition to solicitation by mail, our directors, officers, employees and agents may also solicit proxies in person, by telephone, by electronic mail or by other means of communication. We will not pay any additional compensation to our directors, officers or other employees for soliciting proxies. We may pay compensation to a proxy soliciting agent, if we retain one. Copies of the proxy materials will be furnished to brokerage firms, banks, trustees, custodians and other nominees holding beneficially owned shares of our ordinary shares, who will forward the proxy materials to the beneficial owners. We may reimburse brokerage firms, banks, trustees, custodians and other agents for the costs of forwarding the proxy materials. Our costs for forwarding proxy materials are not expected to be significant.

Where can I find the voting results of the meeting? We intend to announce preliminary voting results at the meeting and publish the final voting results in our quarterly report on Form 10-Q for the second quarter of fiscal 2009.

What is the deadline for submitting proposals for consideration at next year's annual general meeting of shareholders or to nominate individuals to serve as directors? As a shareholder, you may be entitled to present proposals for action at a future meeting of shareholders, including director nominations.

Shareholder Proposals: For a shareholder proposal to be considered for inclusion in our proxy statement for the annual general meeting to be held in 2010, the proposal must be in writing and received by the secretary of the company at the offices of Mellanox Technologies, Ltd., 350 Oakmead Parkway, Suite 100, Sunnyvale, California 94085 no later than December 3, 2009, or such proposal will be considered untimely under Rule 14a-4(c) of the Securities Exchange Act of 1934, as amended, or the Exchange Act. If the date of our 2010 annual general meeting is more than

30 days before or 30 days after the anniversary date of our 2009 annual general meeting, the deadline for inclusion of proposals in our proxy statement will instead be a reasonable time before we begin to print and mail our proxy materials.

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Shareholder proposals must comply with the requirements of Rule 14a-8 of the Exchange Act and any other applicable rules established by the Securities and Exchange Commission, or SEC. Shareholders are also advised to review our amended and restated articles of association, which contain additional requirements with respect to advance notice of shareholder proposals.

Nomination of Director Candidates: Any proposals for director candidates must be in writing, include the name and address of the shareholder who is making the nomination and of the nominee and should be directed to the secretary of the company at the offices of Mellanox Technologies, Ltd, 350 Oakmead Parkway, Suite 100, Sunnyvale, California 94085, or such proposal will be considered untimely under Rule 14a-4(c) of the Exchange Act. Our amended and restated articles of association also require that any proposal for nomination of directors include the consent of each nominee to serve as a member of our board of directors, if so elected. Shareholders are also advised to review our amended and restated articles of association, which contain additional requirements with respect to shareholder nominees for our board of directors. In addition, the shareholder must give timely notice to the secretary of the company in accordance with the provisions of our amended and restated articles of association, which require that the notice be received by the secretary of the company no later than February 17, 2010.

PROPOSAL ONE ELECTION OF DIRECTORS

Members of the Board of Directors

Three directors (who are not outside directors) are to be elected at the meeting to serve until the next annual general meeting of shareholders, or until their respective successors have been elected and have qualified, or until their earlier resignation or removal. In accordance with the Israel Companies Law, 1999, or the Companies Law, outside directors are elected for three-year terms.

The names of each member of our board of directors, including each outside director, their ages as of April 1, 2009 and principal occupations are as follows:

Name	Current Term Expires	Age	Principal Occupation
Eyal Waldman	2009	48	Chief Executive Officer, President and Chairman of the Board of Directors, Mellanox Technologies, Ltd.
Rob S. Chandra	(1)	42	General Partner, Bessemer Venture Partners
Irwin Federman	2009	73	General Partner, U.S. Venture Partners
Thomas Weatherford	2009	62	Former Executive Vice President and Chief Financial Officer, Business

Objects SA

Outside Directors

Amal M. Johnson	2010	55	Chief Executive Officer, MarketTools, Inc.
Thomas J. Riordan	2010	51	Chief Executive Officer of Exclara, Inc.

- (1) Rob S. Chandra is not standing for reelection. On February 8, 2009, Mr. Chandra notified the company of his intent to retire from our board of directors on the earlier to occur of the end of his current term of appointment or upon the appointment of a replacement director. Mr. Chandra is a general partner of Bessemer Venture Partners,

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a venture capital firm, and his retirement from our board of directors responds to the requests of Bessemer Venture Partners investors that Mr. Chandra step down from the boards of public companies in which Bessemer Venture Partners does not have material holdings.

Director Nominees

Our board of directors has nominated Eyal Waldman, Irwin Federman and Thomas Weatherford for reelection. Each nominee for director has consented to being named in this proxy statement and has indicated a willingness to serve if elected. Although we do not anticipate that any nominee will be unavailable for election, if a nominee is unavailable for election, the persons named as proxyholders will use their discretion to vote for any substitute nominee in accordance with their best judgment as they deem advisable. If elected, Messrs. Waldman, Federman and Weatherford will hold office until our annual general meeting of shareholders to be held in 2010, or until their respective successors have been elected and have qualified or until their earlier resignation or removal.

Eyal Waldman is a co-founder of Mellanox, and has served as our chief executive officer, president and chairman of our board of directors since March 1999. From March 1993 to February 1999, Mr. Waldman served as vice president of engineering and was a co-founder of Galileo Technology, Ltd., or Galileo, a semiconductor company, which was acquired by Marvell Technology Group, Ltd. in January 2001. From August 1989 to March 1993, Mr. Waldman held a number of design and architecture related positions at Intel Corporation, a semiconductor chip maker. Mr. Waldman serves on the board of directors of a number of private companies. Mr. Waldman holds a Bachelor of Science in Electrical Engineering and a Master of Science in Electrical Engineering from the Technion Israel Institute of Technology. Mr. Waldman is located in Israel.

Irwin Federman has served as a member of our board of directors since June 1999. Mr. Federman has been a general partner of U.S. Venture Partners, a venture capital firm, since April 1990. From 1988 to 1990, he was a managing director of Dillon Read & Co., an investment banking firm, and a general partner in its venture capital affiliate, Concord Partners. From 1978 to 1987, Mr. Federman was president and chief executive officer of Monolithic Memories, Inc., a semiconductor company which was acquired in 1987 by Advanced Micro Devices, Inc., an integrated circuit manufacturer. Mr. Federman serves on the boards of directors of SanDisk Corporation, a data storage company, Check Point Software Technologies, Ltd., an Internet security software company, and a number of private companies. Mr. Federman was two-term chairman of the Semiconductor Industry Association, has served on the board of directors of the National Venture Capital Association and served two terms on the Dean's Advisory Board of Santa Clara University. Mr. Federman holds a Bachelor of Science in Economics from Brooklyn College. Mr. Federman is located in the United States.

Thomas Weatherford has served as a member of our board of directors since November 2005. From August 1997 until his retirement in December 2002, Mr. Weatherford served as executive vice president and chief financial officer of Business Objects SA, a provider of business intelligence software. Mr. Weatherford also serves on the boards of directors of Advanced Analogic Technologies, Inc., a maker of analog and power semiconductors, SMART Modular Technologies, Inc., a manufacturer of memory products, Tesco Corporation, a global provider of technology-based solutions to the upstream energy industry, InfoUSA, Inc., a provider of sales leads, mailing lists, direct marketing, database marketing, e-mail marketing and market research solutions, and several privately held companies. Mr. Weatherford holds a Bachelor of Business Administration from the University of Houston. Mr. Weatherford is located in the United States.

Outside Directors

Under Israeli law, we are required to appoint at least two directors who satisfy the criteria for outside directors as defined in the Companies Law. These criteria differ from the criteria for independence under the applicable rules and

regulations of the SEC and The Nasdaq Stock Market. At the Annual Meeting in 2007, our shareholders elected Amal Johnson and Thomas Riordan as our outside directors. Each of Ms. Johnson and Mr. Riordan will hold office for a three-year term until our annual general meeting in 2010, or until her or his successor shall be duly elected or appointed, or until her or his earlier resignation or removal, subject to and in accordance with the provisions of the Companies Law. As a result, you are not being asked to vote for either Ms. Johnson or Mr. Riordan at this meeting.

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Amal M. Johnson has served as a member of our board of directors since October 2006. Ms. Johnson is currently the chief executive officer of MarketTools, Inc., a market research company, which she joined in March 2005. Prior to joining MarketTools, Inc., Ms. Johnson was a venture partner of ComVentures, L.P. from April 2004 to March 2005, and Lightspeed Venture Partners, focusing on enterprise software and infrastructure, from March 1999 to March 2004. Previously, Ms. Johnson was president of Baan Supply Chain Solutions, an enterprise resource planning, or ERP, software company, from January 1998 to December 1998, president of Baan Affiliates, an ERP software company, from January 1997 to December 1997, and president of Baan Americas, an ERP software company, from October 1994 to December 1996. Prior to that, Ms. Johnson served as president of ASK Manufacturing Systems, a material requirements planning software company, from August 1993 to July 1994 and held executive positions at IBM from 1977 to June 1993. Ms. Johnson also serves on the board of directors of Opsource Inc., a private company, and MarketTools, Inc. Ms. Johnson holds a Bachelor of Arts in Mathematics and Physics from Montclair College. Ms. Johnson is located in the United States.

Thomas J. Riordan has served as a member of our board of directors since November 2005. Mr. Riordan previously served as a member of our board of directors from February 2003 to February 2005. Mr. Riordan is currently the chief executive officer of Exclara, Inc., a fabless semiconductor company, which he joined in August 2006. From August 2000 to December 2004, Mr. Riordan was vice president of the microprocessor division of PMC-Sierra, Inc., a semiconductor company. From August 1991 to August 2000, Mr. Riordan was chief executive officer, president and a member of the board of directors of Quantum Effect Devices, Inc., a semiconductor design company. From February 1985 to June 1991, Mr. Riordan served in various design and managerial roles, most recently as director of research and development at MIPS Computer Systems, Inc., a semiconductor design company. From March 1983 to January 1985, Mr. Riordan served as a design engineer at Weitek Corporation, a semiconductor company. From October 1979 to February 1983, Mr. Riordan was a design engineer at Intel Corporation. Mr. Riordan holds Bachelor of Science and Master of Science degrees in Electrical Engineering as well as a Bachelor of Arts degree in Government from the University of Central Florida and has done post-graduate work in Electrical Engineering at Stanford University. Mr. Riordan also serves on the boards of directors of PLX Technology, Inc., a semiconductor company, and several private companies. Mr. Riordan is located in the United States.

Board of Directors Recommendation

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE *FOR* EACH OF THE THREE NOMINEES FOR DIRECTOR LISTED ABOVE.

PROPOSAL TWO APPROVAL OF BONUS PAID TO EYAL WALDMAN

Under Israeli law, the terms of service of the members of the board of directors of a public company require the approval of its audit committee, board of directors and shareholders, in that order. In recognition of Mr. Waldman's significant contribution to the company as its chief executive officer, president and chairman of the board of directors, each of our audit committee, compensation committee and our board of directors has approved a cash bonus to Mr. Waldman in the amount of \$162,500 which we paid Mr. Waldman on March 1, 2009, for services rendered for the fiscal year ended December 31, 2008, pursuant to the Company's annual discretionary cash bonus compensation program.

Board of Directors Recommendation

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE *FOR* THE BONUS WE PAID MR. WALDMAN FOR THE YEAR ENDED DECEMBER 31, 2008 AS DESCRIBED IN THIS PROPOSAL TWO.

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PROPOSAL THREE APPROVAL OF AMENDMENT TO INDEMNIFICATION UNDERTAKING

The Companies Law and our articles of association authorize us, subject to the receipt of requisite corporate approvals, to indemnify our directors and officers, subject to certain conditions and limitations. We believe that it is in the company's best interest to provide indemnification to our officers and directors, to enable us to attract and retain highly qualified individuals. For more details relating to indemnification of our directors and officers, please see our Registration Statement on Form S-1, Compensation Discussion and Analysis Exculpation, Insurance and Indemnification of Directors and Officers.

Pursuant to the company's indemnification undertaking agreement with each of its directors and officers, as approved by shareholders at the company's extraordinary general meeting held on December 5, 2006, and filed with the SEC on September 28, 2006 as Exhibit 10.4 to the company's Registration Statement on Form S-1, the company is obligated to indemnify its directors and officers who are, or who may become, parties to such agreement to the fullest extent permitted by law. The proposed amendment to the indemnification undertaking agreement would limit the total amount of the company's indemnification obligation pursuant to these agreements to 50% of the company's net assets, measured by the balance sheet of the company last published prior to the time that notice is provided to the company, as set forth below.

Pursuant to the proposed amendment to the indemnification undertaking agreement, Section 6 thereof will be amended and restated in its entirety to read as follows:

6. The total amount of indemnification that the Company undertakes towards all of the Company office holders whom the Company has resolved to indemnify, jointly and in the aggregate, shall not exceed, during the course of the Company's existence, 50% (fifty percent) of the Company's net assets, measured by the balance sheet of the Company last published prior to the time that notice is provided to the Company.

No other amendments are proposed to the current version of indemnification undertaking except the amendment set forth in this proposal. The proposed amendment was approved by our audit committee and board of directors on March 10, 2009. Under the Companies Law, the adoption of the proposed resolutions require the approvals of the audit committee, board of directors and shareholders, in that order.

Board of Directors Recommendation

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE *FOR* THE AMENDMENT TO THE CURRENT FORM OF INDEMNIFICATION UNDERTAKING AS DESCRIBED IN THIS PROPOSAL THREE.

PROPOSAL FOUR APPROVAL OF AMENDMENT AND RESTATEMENT OF THE MELLANOX TECHNOLOGIES, LTD. GLOBAL SHARE INCENTIVE PLAN (2006)

We are asking you to approve the amendment and restatement of the Mellanox Technologies, Ltd. Global Share Incentive Plan (2006) (the 2006 Plan), to increase the number by which the ordinary shares reserved for issuance under the 2006 Plan automatically increases on the first day of each fiscal year to the least of (i) 3.75% of the ordinary shares outstanding on a fully diluted basis on the date of the increase, (ii) 1,400,000, or (iii) a lesser amount determined by our board of directors, or Board , on or before the date of increase. Prior to this proposed amendment and restatement of the 2006 Plan, the number of ordinary shares reserved for issuance under the 2006 Plan increases automatically on the first day of each fiscal year by that number of ordinary shares equal to the least of (i) two percent

(2%) of the total number of ordinary shares outstanding on the date of the increase, (ii) 685,714 or (iii) a lesser amount determined by our Board. As of February 28, 2009, the number of shares reserved for issuance under the 2006 Plan was 5,212,710.

The amendment and restatement of the 2006 Plan will only become effective if it is approved by the affirmative vote of a majority of the votes cast with respect to this proposal by the shares present in person or represented by proxy and entitled to vote thereon at the annual general meeting.

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A summary of the principal provisions of the 2006 Plan is set forth below. The summary is qualified by reference to the full text of the amendment and restatement of the 2006 Plan, which is attached as Appendix A to this proxy statement.

General

Our Board adopted the amendment and restatement of the 2006 Plan, subject to stockholder approval, to provide us the continued ability to grant a variety of equity awards as a valuable tool to help attract and retain members of our Board and employees and consultants of our company and its subsidiaries. The 2006 Plan, as amended and restated, will increase the number by which the ordinary shares reserved for issuance under the 2006 Plan automatically increases on the first day of each fiscal year to the least of (i) 3.75% of the ordinary shares outstanding on a fully diluted basis on the date of the increase, (ii) 1,400,000, or (iii) a lesser amount determined by the Board on or before the date of increase.

Our prudent use of the 2006 Plan allows us to grant equity-based awards to motivate our employees to achieve our business goals and create long-term shareholder value while balancing corporate governance and dilution concerns. The existing 2006 Plan was first adopted by our Board in October 2006, approved by our shareholders in December 2006 and became effective on February 6, 2007. The 2006 Plan has not previously been amended and restated. As of February 28, 2009, awards covering an aggregate of 3,843,120 of our ordinary shares were outstanding under the 2006 Plan, and 1,369,590 shares remained available for future grants. The closing share price for our ordinary shares on the NASDAQ Stock Market on March 17, 2009 was \$8.91 per share.

Description of Proposed Amendment

The 2006 Plan, prior to this proposed amendment and restatement, provided that the number of ordinary shares reserved for issuance under the 2006 Plan increases automatically on the first day of each fiscal year by a number of ordinary shares equal to the least of: (i) 2% of ordinary shares outstanding on a fully diluted basis on such date, (ii) 685,714 ordinary shares, or (iii) a lesser amount determined by our Board. Subject to shareholder approval of this proxy proposal, the 2006 Plan, as amended and restated, will provide that the number of ordinary shares reserved for issuance under the 2006 Plan will increase automatically on the first day of each fiscal year by a number of ordinary shares equal to the least of: (i) 3.75% of the ordinary shares outstanding on a fully diluted basis on the date of increase, (ii) 1,400,000 or (iii) a lesser amount determined by the Board on or before the date of increase.

The 2006 Plan is not being amended in any material respect pursuant to this proposal other than to reflect the changes described above.

Purposes

The purposes of the 2006 Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to employees of, consultants to and non-employee directors of the company and its affiliates, if any, and to promote the company's business by providing such individuals with opportunities to receive awards pursuant to the 2006 Plan and to strengthen the sense of common interest between such individuals and the company's shareholders.

Shares Subject to the 2006 Plan

As of February 28, 2009, an aggregate of 5,212,710 of our ordinary shares have been reserved for issuance under the 2006 Plan. Under the 2006 Plan, prior to its amendment and restatement, the number of ordinary shares reserved for issuance under the 2006 Plan increases automatically on the first day of each fiscal year by a number of ordinary

shares equal to the least of: (i) 2% of ordinary shares outstanding on a fully diluted basis on such date, (ii) 685,714 ordinary shares, or (iii) a lesser amount determined by our Board. Subject to shareholders approving this proposal, the 2006 Plan, as amended and restated, provides that the number of our ordinary shares reserved for issuance under the 2006 Plan will increase automatically on the first day of each fiscal year by a number of ordinary

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shares equal to the least of: (i) 3.75% of the ordinary shares outstanding on a fully diluted basis on the date of increase, (ii) 1,400,000, or (iii) a lesser amount determined by the Board on or before the date of increase.

The 2006 Plan also provides that the number of our ordinary shares reserved for issuance under the 2006 Plan will automatically increase by the number of ordinary shares subject to any award that was granted under any of our share incentive plans, other than the 2006 Plan, that for any reason terminates, expires or otherwise lapses. In addition, any awards that were granted under the 2006 Plan that for any reason terminate, expire or otherwise lapse shall again be available for grant as awards under the 2006 Plan. Additionally, any ordinary shares tendered or withheld to satisfy the grant or exercise price or tax withholding obligation pursuant to any award granted under the 2006 Plan shall again be available for the grant of an award pursuant to the 2006 Plan.

The maximum aggregate number of our ordinary shares that may be issued or transferred pursuant to awards granted under the 2006 Plan is 15,474,018.

Each of the foregoing increases and limitations may be adjusted proportionately in connection with any change in our capital structure, as described herein.

Administration

Our Board may administer the 2006 Plan or it may delegate authority to administer the plan to a committee of board members (the Committee), subject to the relevant provisions of the Companies Law. The 2006 Plan is administered jointly by our Board and a Committee consisting of two or more members of the Board, each of whom is an outside director, within the meaning of Section 162(m) of the U.S. Internal Revenue Code, and a non-employee director as defined in Rule 16b-3(b)(3) of the Exchange Act with respect to awards granted to officers who are subject to Section 162(m) of the U.S. Internal Revenue Code. Subject to the relevant provisions of the Companies Law, the plan administrator shall have full authority to determine eligible participants in the 2006 Plan, the number of options or ordinary shares to be awarded, as well as the time of grant, vesting schedule and form of the awards. Our Board conducts general administration of the 2006 Plan with respect to awards granted to a member of our Board who is not an employee.

Eligibility

Currently, the employees, officers, consultants and non-employee directors of our company or any of our affiliates are eligible to receive awards under the 2006 Plan. As of February 28, 2009, we had approximately 307 employees, 7 consultants and 5 non-employee directors who were eligible to receive awards under the 2006 Plan. The Committee determines which of our employees, office holders, consultants and other persons will be granted awards. Our Board will determine which of our non-employee directors will be granted awards. No person is entitled to participate in the 2006 Plan as a matter of right nor does any such participation constitute assurance of continued employment or service on our Board. Only those who are selected to receive grants by the Committee or Board, as applicable, may participate in the 2006 Plan.

Awards under the 2006 Plan

The 2006 Plan provides that the Committee may grant or issue incentive stock options (ISOs) and non-qualified stock options (NSOs), restricted stock, restricted stock units, stock bonus awards or performance-based awards. Each type of award may be awarded to participants in such amounts and subject to such terms and conditions as determined by the Committee. Each award will be set forth in a separate agreement with the person receiving the award and will indicate the type, terms and conditions of the award.

General Option Provisions. The term of options granted under the 2006 Plan may not exceed ten years. In the case of ISOs that are granted to persons who own more than 10% of the total combined voting power of our company, our subsidiaries or our parent at the time of grant, the term of the ISOs cannot exceed five years.

Unless the terms of the participant's option agreement provide otherwise, if a participant's service relationship with us or with any of our affiliates terminates for any reason other than for cause, death or disability, the participant may exercise any options vested as of the termination date up to three months from the termination date. Unless the

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terms of the participant's option agreement provide otherwise, if a participant's service relationship with us ceases in the event of death or disability, the participant or participant's estate may exercise any options vested as of the termination date for 12 months from the termination date. Unless the terms of the participant's option agreement provide otherwise, if a participant's service relationship with us or with any of our affiliates terminates for cause, all unvested options granted to such participant will immediately expire as of the termination date. In no event may an option be exercised after its expiration date.

The purchase price of ordinary shares acquired pursuant to the exercise of an option must generally be paid by cash or check, but other forms of legal consideration may be approved by the plan administrator.

The exercise price of an option is determined by the plan administrator at the time of grant. The per share exercise price of an ISO may not be less than 100% of the fair market value per share of the underlying ordinary shares at the time of grant of the ISO. ISOs granted to persons who own more than 10% of the total combined voting power of our company, our subsidiaries or our parent on the grant date must have a per share exercise price of no less than 110% of the fair market value per share of the underlying ordinary shares at the time of grant of the ISO.

General Restricted Stock Award Provisions. Participants who are granted restricted stock awards generally have all of the rights of a shareholder with respect to such shares, but such rights may be limited at the discretion of our Board. Restricted stock awards may be subject to vesting over time or upon achievement of milestones. Any unvested ordinary shares subject to restricted stock awards are generally forfeited upon termination of employment, unless our Board provides otherwise.

General Restricted Stock Unit Awards. Awards of restricted stock units are denominated in unit equivalent of ordinary shares. They are typically awarded to participants without payment of consideration, and are subject to vesting conditions based upon a vesting schedule or performance criteria established by the plan administrator. Unlike restricted stock, the ordinary shares underlying restricted stock unit awards will not be issued until the restricted stock units have vested, and recipients of restricted stock units generally will have no voting or dividend rights prior to the time the vesting conditions are satisfied. On the maturity date, the participant will receive one unrestricted, fully transferable ordinary share for each restricted stock unit not previously forfeited.

Section 102 Options and Shares Holding Period. Section 102 Options, any ordinary shares issued upon the exercise of Section 102 Options and any other ordinary shares that are received subsequently with respect to these options or ordinary shares, including bonus shares, must be issued to a trustee that is nominated by the plan administrator to serve as a trustee in accordance with Section 102 of the Israeli Tax Ordinance. These Section 102 Options and ordinary shares must be held by the trustee for the benefit of the participants for at least two years from the date of grant of the Section 102 Options, and the participant may not sell or otherwise transfer any of the ordinary shares held by the trustee until the holding period has lapsed without triggering adverse tax consequences.

Stock Bonus Awards. Stock bonus awards may be awarded to participants in such amounts and subject to such terms and conditions as determined by the Committee. The Committee may establish the exercise or purchase price, if any, of any stock bonus award but such price will not be less than the par value of an ordinary share on the date of grant. The Committee may determine that the participants may be awarded stock bonus awards in consideration for past services actually rendered to us for our benefit. A stock bonus award will only be exercisable or payable while the participant is an employee or consultant of us, but the Committee in its sole and absolute discretion may provide that a stock bonus award may be exercised or paid subsequent to a termination of employment or service or following a change of control of us or because of the participant's retirement, death or disability or otherwise. All stock bonus awards shall be subject to the additional terms and conditions as determined by the Committee and as evidenced by an award agreement.

Performance-Based Awards. Performance-based awards include awards other than options which comply with U.S. Internal Revenue Service requirements under Section 162(m) of the U.S. Internal Revenue Code for performance-based compensation. They may provide for payments based upon net earnings (either before or after interest, taxes, depreciation and amortization), economic value-added, sales or revenue, net income (either before or after taxes), operating earnings, cash flow (including, but not limited to, operating cash flow and free cash flow), cash flow return on capital, return on net assets, return on stockholders' equity, return on assets, return on capital, stockholder returns, return on sales, gross or net profit margin, productivity, expense, margins, operating efficiency,

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customer satisfaction, working capital, earnings per share, price per share, and market share, any of which may be measured either in absolute terms or as compared to any incremental increase or as compared to results of a peer group, in each case over a period or periods determined by the plan administrator.

Term of 2006 Plan

The 2006 Plan currently has a ten-year term extending through October 2016, subject to earlier termination by our Board of Directors. No awards shall be made under the 2006 Plan after expiration of the 2006 Plan, but the terms all individual awards made on or before expiration of the 2006 plan in October 2016 may extend beyond such expiration in accordance with the terms of the underlying award agreement.

Limitations and Conditions of Awards

Each award is evidenced by an award agreement between us and the participant, and is subject to the following additional terms and conditions:

No Rights until Issuance of Share Certificates. Participants shall not be, and shall not have any of the rights or privileges of, our shareholders in respect of any ordinary shares purchasable or otherwise acquired relating to any award unless and until certificates representing such shares have been issued by us to the participants.

Individual Award Limit. No participant shall be granted, in any calendar year (measured from the date of any grant), awards to purchase more than 2,285,714 ordinary shares. This limitation may be adjusted proportionately in connection with any change in our capital structure, as described herein.

Incentive Stock Option Limitations. The aggregate fair market value, determined at the time of grant, of our ordinary shares subject to ISOs that are exercisable for the first time by a participant during any calendar year under all of our share plans may not exceed \$100,000. An option or portion of an option that exceeds this limit is treated as an NSO.

Performance-Based Award Limitations. Notwithstanding any other provision of the 2006 Plan, any award granted to a covered employee intended to constitute Qualified Performance-Based Compensation shall be subject to any additional limitations set forth in Section 162(m) of the U.S. Internal Revenue Code (including any amendment to Section 162(m) of the U.S. Internal Revenue Code) or any regulations or rulings issued thereunder that are requirements for qualification as qualified performance-based compensation as described in Section 162(m)(4)(C) of the U.S. Internal Revenue Code, and the 2006 Plan shall be deemed amended to the extent necessary to conform to such requirements.

Limits on Transfer of Awards

Except as may be permitted under an applicable appendix to the 2006 Plan, no option or other award may be transferred other than by will or by the laws of descent and distribution, and during the participant's lifetime an option may be exercised only by such participant. Furthermore, except as may be permitted under an applicable appendix to the 2006 Plan, shares for which full payment has not been made cannot be assigned, transferred, pledged or mortgaged, other than by will or laws of descent and distribution.

Adjustments upon Changes in Capital Structure

In the event of an equity restructuring of our company, such as a stock dividend, stock split, spin-off, rights offering or certain recapitalizations, that affects our ordinary shares or the share price of our ordinary shares and causes a change in the per share value of the ordinary shares underlying outstanding awards, the number and type of securities subject

to each outstanding award and the exercise or grant price of the award will be proportionately adjusted, and the plan administrator will make such proportionate adjustments as the plan administrator deems appropriate to reflect the equity restructuring with respect to the aggregate number and type of securities that may be issued under the 2006 Plan.

In the event of any dividend, distribution, reorganization, repurchase, exchange of ordinary shares, or other change in the corporate structure of our company affecting the ordinary shares (other than an equity restructuring of

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our company), the plan administrator may appropriately adjust the aggregate number and kind of shares that may be issued under the 2006 Plan and the terms and conditions of any outstanding awards in order to prevent dilution or enlargement of benefits intended to be made available under the 2006 Plan.

Amendment and Termination of the 2006 Plan

The plan administrator has the authority to amend or terminate the 2006 Plan, subject to shareholder approval as required under the 2006 Plan, including as required by applicable law, stock exchange or other regulatory rules. However, no amendment or termination of the 2006 Plan may reduce the rights under awards already granted to a participant prior to such amendment or termination unless consented to by the affected participant.

U.S. Federal Income Tax Consequences Associated with the 2006 Plan