

INFORMATICA CORP  
Form DEF 14A  
April 08, 2014

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[Table of Contents](#)

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**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 under §240.14a-12

**Informatica Corporation**

---

(Name of Registrant as Specified In Its Charter)

---

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- 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):

Edgar Filing: INFORMATICA CORP - Form DEF 14A

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o 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

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
to be held May 23, 2014**

Dear Informatica Stockholders:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the "Annual Meeting") of Informatica Corporation, a Delaware corporation ("Informatica"), will be held on Friday, May 23, 2014 at 10:00 a.m., Pacific Time, at Informatica's corporate headquarters, 2100 Seaport Blvd., Redwood City, CA 94063, for the following purposes:

1. To elect the three Class II directors listed in the accompanying Proxy Statement to serve for a term of three years or until their respective successors have been duly elected and qualified.
2. To approve an amendment to Informatica's 2009 Equity Incentive Plan to increase the number of shares of Informatica's common stock reserved for issuance thereunder by 6,300,000 shares.
3. To ratify the appointment of Ernst & Young LLP as Informatica's independent registered public accounting firm for the fiscal year ending December 31, 2014.
4. To approve Informatica's executive compensation.
5. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

These items of business are more fully described in the Proxy Statement accompanying this notice of Annual Meeting.

We are furnishing our proxy materials over the Internet to our stockholders rather than in paper form. We believe that this delivery process reduces our environmental impact and lowers the costs of printing and distributing our proxy materials without affecting our stockholders' timely access to this important information. Accordingly, unless you have previously requested to receive our proxy materials in paper form, you will receive a Notice of Internet Availability of Proxy Materials (the "Notice"), which we expect to mail on or about April 10, 2014.

Only stockholders of record at the close of business on Friday, March 28, 2014 are entitled to vote at the Annual Meeting or any adjournment or postponement of the Annual Meeting.

All stockholders are cordially invited to attend the Annual Meeting in person. However, to ensure your representation at the Annual Meeting, please vote as soon as possible by using the telephone or the Internet, as instructed in the Notice. Alternatively, you may follow the procedures outlined in the Notice to request a paper proxy card to submit your vote by mail. Any stockholder attending the Annual Meeting may vote in person even if he or she has voted using the Internet, telephone or proxy card, and any previous votes that were submitted by the stockholder, whether by Internet, telephone or proxy card, will be superseded by the vote that such stockholder casts at the Annual Meeting. For further details, please see the section entitled "Voting" on page 2 of the accompanying Proxy Statement.

By Order of the Board of Directors of  
Informatica Corporation

Sohaib Abbasi  
*Chairman & Chief Executive Officer*

Redwood City, California  
April 10, 2014

**Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on May 23, 2014:**

**The Proxy Statement and 2013 Annual Report are available at <http://www.viewproxy.com/informatica/2014>.**

---

Table of Contents

## TABLE OF CONTENTS

	Page
<b><u>PROCEDURAL MATTERS</u></b>	1
<i>General</i>	1
<i>Notice of Internet Availability of Proxy Materials</i>	1
<i>Stockholders Entitled to Vote: Record Date</i>	1
<i>Quorum: Required Vote</i>	1
<i>Abstentions and Broker Non-Votes</i>	2
<i>Board of Directors' Recommendations</i>	2
<i>Voting</i>	2
<i>Expenses of Solicitation</i>	4
<i>Procedure for Submitting Stockholder Proposals</i>	4
<i>Delivery of Proxy Materials to Stockholders</i>	5
<b><u>PROPOSAL ONE ELECTION OF DIRECTORS</u></b>	6
<i>General</i>	6
<i>Nominees for Class II Directors</i>	6
<i>Board Composition and Director Biographies</i>	7
<i>Leadership Structure</i>	11
<i>Board Meetings and Committees</i>	12
<i>Director Compensation</i>	14
<i>Corporate Governance Matters</i>	16
<b><u>PROPOSAL TWO AMENDMENT TO 2009 EQUITY INCENTIVE PLAN</u></b>	20
<i>Reasons to Vote for the Amendment</i>	20
<i>Description of the 2009 Plan</i>	22
<i>Number of Awards Granted to Employees and Directors</i>	27
<i>Federal Tax Aspects</i>	28
<b><u>PROPOSAL THREE RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u></b>	31
<i>Accounting Fees</i>	31
<i>Pre-Approval of Audit and Non-Audit Services</i>	32
<b><u>REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS</u></b>	33
<b><u>PROPOSAL FOUR APPROVAL OF EXECUTIVE COMPENSATION</u></b>	34
<b><u>EXECUTIVE COMPENSATION</u></b>	35
<i>Compensation Discussion and Analysis</i>	35
<i>Report of the Compensation Committee of the Board of Directors</i>	52
<i>2013 Summary Compensation Table</i>	53
<i>2013 Grants of Plan-Based Awards Table</i>	54
<i>Outstanding Equity Awards at 2013 Fiscal Year-End</i>	55
<i>2013 Option Exercises and Stock Vested Table</i>	56
<i>Potential Payments Upon Termination or Change of Control</i>	56
<b><u>EQUITY COMPENSATION PLAN INFORMATION</u></b>	60
<b><u>COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION</u></b>	60
<b><u>SECURITY OWNERSHIP BY PRINCIPAL STOCKHOLDERS AND MANAGEMENT</u></b>	61
<b><u>TRANSACTIONS WITH MANAGEMENT</u></b>	62
<i>Policies and Procedures for the Review and Approval of Related Person Transactions</i>	62
<i>Related Person Transactions</i>	63
<b><u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u></b>	63
<b><u>OTHER MATTERS</u></b>	64
<b><u>APPENDIX A: INFORMATICA CORPORATION 2009 EQUITY INCENTIVE PLAN</u></b>	A-1

Table of Contents

---

**PROXY STATEMENT FOR 2014 ANNUAL MEETING OF STOCKHOLDERS**

---

**PROCEDURAL MATTERS**

**General**

This Proxy Statement is being furnished to holders of common stock of Informatica Corporation, a Delaware corporation, in connection with the solicitation of proxies by the Board of Directors of Informatica for use at the Annual Meeting of Stockholders (the "Annual Meeting") to be held on Friday, May 23, 2014 at 10:00 a.m., Pacific Time, and at any adjournment or postponement thereof, for the purpose of considering and acting upon the matters set forth herein. The Annual Meeting will be held at Informatica's corporate offices, located at 2100 Seaport Blvd., Redwood City, CA 94063. The telephone number at that location is (650) 385-5000.

This Proxy Statement and our 2013 Annual Report were first furnished and made available on or about April 10, 2014 to all stockholders entitled to vote at the Annual Meeting.

**Notice of Internet Availability of Proxy Materials**

In accordance with the "notice and access" rules of the U.S. Securities and Exchange Commission (the "SEC"), instead of mailing a printed copy of our Proxy Statement, proxy card and 2013 Annual Report to Stockholders (collectively, the "proxy materials") to stockholders entitled to vote at the Annual Meeting, we are furnishing the proxy materials to our stockholders over the Internet. If you received a Notice of Internet Availability of Proxy Materials (the "Notice") by mail, you will not receive a printed copy of the proxy materials. Instead, the Notice will instruct you as to how you may access and review the proxy materials and submit your vote via the Internet. If you received a Notice by mail and would like to receive a printed copy of the proxy materials, please follow the instructions for requesting such materials included in the Notice.

**Stockholders Entitled to Vote; Record Date**

Only holders of record of Informatica's common stock at the close of business on March 28, 2014 (the "Record Date") are entitled to notice of and to vote at the Annual Meeting. Such stockholders are entitled to cast one vote for each share of common stock held as of the Record Date on all matters properly submitted for the vote of stockholders at the Annual Meeting. As of the Record Date, there were 109,516,329 shares of common stock outstanding and entitled to vote at the Annual Meeting. No shares of preferred stock were outstanding. For information regarding security ownership by management and by the beneficial owners of more than 5% of Informatica's common stock, see the section of this Proxy Statement entitled "Security Ownership by Principal Stockholders and Management."

**Quorum; Required Vote**

The presence of the holders of a majority of the shares of common stock entitled to vote generally at the Annual Meeting is necessary to constitute a quorum at the Annual Meeting. Stockholders are counted as present at the meeting if they are present in person or have voted by proxy by properly submitting a proxy card or voting by telephone or by the Internet.

Table of Contents

A director nominee will be elected if the number of shares voted "for" that nominee exceeds the number of votes cast "against" that nominee (Proposal One). If an incumbent director fails to receive a majority of votes "for" reelection, the Corporate Governance and Nominating Committee will act on an expedited basis to determine whether to accept the director's resignation and will submit such recommendation for prompt consideration by the Board of Directors. See "Proposal One Election of Directors General." You may vote "for," "against" or "abstain" on each of the three nominees for election as a director.

The affirmative vote of a majority of votes present in person or represented by proxy and entitled to vote is required to approve the amendment to the 2009 Equity Incentive Plan (Proposal Two), to ratify the appointment of Ernst & Young LLP as Informatica's independent registered public accounting firm (Proposal Three) and to approve, by non-binding vote, Informatica's executive compensation (Proposal Four). You may vote "for," "against" or "abstain" on each of these proposals.

**Abstentions and Broker Non-Votes**

Under the General Corporation Law of the State of Delaware, an abstaining vote and a broker "non-vote" are counted as present and entitled to vote and are, therefore, included for purposes of determining whether a quorum is present at the Annual Meeting.

An abstention is generally deemed to be a "vote cast" and has the same effect as a vote cast against approval of a proposal requiring approval by a majority of the votes present in person or represented by proxy and entitled to vote. However, pursuant to our bylaws, abstentions are not considered to be votes cast for the election of directors and will not affect the outcome of the election of directors.

Broker non-votes are not deemed to be votes cast. As a result, broker non-votes are not included in the tabulation of the voting results on the election of directors or issues requiring approval of a majority of the votes present in person or represented by proxy and entitled to vote. Therefore, broker non-votes do not have the effect of votes in opposition in such tabulations. A broker non-vote occurs when a nominee 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 item and has not received instructions from the beneficial owner.

**Board of Directors' Recommendations**

The Board of Directors recommends that you vote your shares:

"FOR" the nominees for election as Class II directors (Proposal One);

"FOR" the amendment to the 2009 Equity Incentive Plan (Proposal Two);

"FOR" the ratification of the appointment of Ernst & Young LLP as Informatica's independent registered public accounting firm for the fiscal year ending December 31, 2014 (Proposal Three); and

"FOR" the approval of Informatica's executive compensation (Proposal Four).

**Voting**

All shares entitled to vote and represented by proxies received prior to the Annual Meeting, and not revoked, will be voted at the Annual Meeting in accordance with the instructions indicated. If you submit a proxy via the Internet, by telephone or by mail and do not make any voting selections, the shares represented by that proxy will be voted as recommended by the Board of Directors. If any other matters are properly presented for consideration at the Annual Meeting, including, among other things, consideration of a motion to adjourn the Annual Meeting to another time or place (including, without limitation, for the purpose of soliciting additional proxies), the persons named as proxies and acting thereunder will have discretion to vote on those matters in

Table of Contents

accordance with their best judgment. Informatica does not currently anticipate that any other matters will be raised at the Annual Meeting.

***Stockholder of Record or Beneficial Owner***

Most Informatica stockholders hold their shares through a broker, trustee 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.

*Stockholder of Record.* If your shares are registered directly in your name with Informatica's transfer agent, you are considered, with respect to those shares, the "stockholder of record." If you are a stockholder of record, the Notice has been sent directly to you by Informatica.

*Beneficial Owner.* If your shares are held in a brokerage account or by a bank or another nominee, you are considered the "beneficial owner" of shares held in "street name." The Notice has been forwarded to you by your broker, trustee or nominee who is considered, with respect to those shares, the stockholder of record.

***Methods of Voting***

*Stockholders of Record.* As a stockholder of record, you may instruct the proxy holders how to vote your shares by using the Internet voting site or the toll-free telephone number listed on the Notice or the proxy card, or by requesting a proxy card by telephone at 1-877-777-2857 or by email at requests@viewproxy.com and completing, signing, dating and returning the proxy card in the postage pre-paid envelope provided. Proxy cards submitted by mail must be received by the time of the Annual Meeting in order for your shares to be voted. Specific instructions for using the telephone and Internet voting systems are on the Notice and the proxy card. The telephone and Internet voting systems for stockholders of record will be available until 11:59 p.m. (Eastern time) on May 22, 2014. Whichever of these methods you select to transmit your instructions, the proxy holders will vote your shares in accordance with those instructions. If you sign and return a proxy card without giving specific voting instructions, your shares will be voted as recommended by our Board of Directors.

If you attend the Annual Meeting, you may also submit your vote in person, and any previous votes that you submitted, whether by Internet, telephone or mail, will be superseded by the vote that you cast at the Annual Meeting. If you plan to attend the Annual Meeting, please bring proof of identification for entrance to the Annual Meeting. You may obtain directions to our corporate headquarters in order to attend the Annual Meeting at <http://www.informatica.com/us/company/contact-locations>, or by calling (650) 385-5000.

*Beneficial Owners.* As a beneficial owner, you have the right to direct your broker, trustee or other nominee on how to vote your shares, and you will receive instructions from them that you must follow in order to have your shares voted. The instructions from your broker, bank or other nominee will indicate if Internet and telephone voting are available, and if they are available, will provide details regarding Internet and telephone voting.

Because a beneficial owner is not the stockholder of record, you may not vote these shares in person at the Annual Meeting unless 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 Annual Meeting.

***Changing Your Vote; Revocability of Proxy***

Subject to any rules your broker, trustee or nominee may have, you may change your proxy instructions at any time before your proxy is voted at the Annual Meeting.



Table of Contents

*Stockholders of Record.* If you are a stockholder of record, you may change your vote (1) by delivering to us (Attention: Corporate Secretary, 2100 Seaport Blvd., Redwood City, California 94063), prior to your shares being voted at the Annual Meeting, a later dated written notice of revocation or a duly executed proxy card, or (2) by attending the Annual Meeting and voting in person (although attendance at the Annual Meeting will not, by itself, revoke a proxy). A stockholder of record that has voted on the Internet or by telephone may also change his or her vote by subsequently making a timely and valid later Internet or telephone vote.

*Beneficial Owners.* If you are a beneficial owner of shares held in street name, you may change your vote (1) by submitting new voting instructions to your broker, trustee or nominee, or (2) if you have obtained a legal proxy from the broker, trustee or nominee that holds your shares giving you the right to vote the shares, by attending the Annual Meeting and voting in person.

**Expenses of Solicitation**

Informatica will bear all expenses of this solicitation, including the cost of preparing and mailing this solicitation material. Informatica may reimburse brokerage firms, custodians, nominees, fiduciaries and other persons representing beneficial owners of common stock for their reasonable expenses in forwarding solicitation materials to such beneficial owners. Directors, officers and employees of Informatica may also solicit proxies in person or by telephone, letter, e-mail, telegram, facsimile or other means of communication. Such directors, officers and employees will not be additionally compensated, but they may be reimbursed for reasonable out-of-pocket expenses in connection with such solicitation. Informatica has engaged the services of a professional proxy solicitation firm, Alliance Advisors LLC, to aid in the solicitation of proxies from certain brokers, bank nominees and other institutional owners. Informatica's costs for such services, if retained, will not be significant.

**Procedure for Submitting Stockholder Proposals**

*Requirements for Stockholder Proposals to be Considered for Inclusion in Informatica's Proxy Materials*

Stockholders may present proper proposals for inclusion in Informatica's proxy statement and for consideration at the next annual meeting of its stockholders by submitting their proposals in writing to the Secretary of Informatica in a timely manner. In order to be included in Informatica's proxy materials for the 2015 annual meeting of stockholders, stockholder proposals must be received by the Secretary of Informatica no later than December 11, 2014 and must otherwise comply with the requirements of Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

*Requirements for Stockholder Proposals to be Brought before an Annual Meeting*

In addition, Informatica's Bylaws establish an advance notice procedure for stockholders who wish to present certain matters before an annual meeting of stockholders. In general, nominations for the election of directors may be made by (1) the Board of Directors, (2) the Corporate Governance and Nominating Committee or (3) any stockholder entitled to vote who has delivered written notice to the Secretary of Informatica within the Notice Period (as defined below), which notice must contain specified information concerning the nominees and concerning the stockholder proposing such nominations. However, if a stockholder wishes only to recommend a candidate for consideration by the Corporate Governance and Nominating Committee as a potential nominee for Informatica's Board of Directors, see the procedures discussed in "Proposal One Election of Directors Corporate Governance Matters."

Informatica's Bylaws also provide that the only business that may be conducted at an annual meeting is business that is (1) specified in the notice of meeting given by or at the direction of the Board of Directors, (2) properly brought before the meeting by or at the direction of the Board of Directors, or (3) properly brought

Table of Contents

before the meeting by any stockholder entitled to vote who has delivered written notice to the Secretary of Informatica within the Notice Period (as defined below), which notice must contain specified information concerning the matters to be brought before such meeting and concerning the stockholder proposing such matters.

The "Notice Period" is defined as that period not less than 45 days nor more than 75 days prior to the anniversary of the date on which Informatica first mailed its proxy materials for the previous year's annual meeting of stockholders. As a result, the Notice Period for the 2015 annual stockholder meeting will start on January 25, 2015 and end on February 24, 2015.

If a stockholder who has notified Informatica of his or her intention to present a proposal at an annual meeting does not appear to present his or her proposal at such meeting, Informatica need not present the proposal for vote at such meeting.

A copy of the full text of the Bylaw provisions discussed above may be obtained by writing to the Secretary of Informatica or by accessing Informatica's filings on the SEC's website at [www.sec.gov](http://www.sec.gov). All notices of proposals by stockholders, whether or not included in Informatica's proxy materials, should be sent to Informatica Corporation, 2100 Seaport Blvd., Redwood City, CA 94063, Attention: Corporate Secretary.

**Delivery of Proxy Materials to Stockholders**

If you share an address with another stockholder, each stockholder may not receive a separate copy of the proxy materials. Stockholders who do not receive a separate copy of the proxy materials may request to receive a separate copy of the proxy materials by sending an email to [requests@viewproxy.com](mailto:requests@viewproxy.com), by calling 1-877-777-2857 or by writing to Informatica Corporation, 2100 Seaport Blvd., Redwood City, CA 94063, Attention: Corporate Secretary. Alternatively, stockholders who share an address and receive multiple copies of Informatica's proxy materials can request to receive a single copy by following the same instructions.

Table of Contents

**PROPOSAL ONE  
ELECTION OF DIRECTORS**

**General**

Informatica's Board of Directors is currently comprised of nine members who are divided into three classes with overlapping three-year terms as follows:

<b>Class I Directors (Term Expires in 2016)</b>	<b>Class II Directors (Term Expires in 2014)</b>	<b>Class III Directors (Term Expires in 2015)</b>
Mark Garrett	Mark A. Bertelsen	Sohaib Abbasi
Gerald Held	Hilarie Koplow-McAdams	Amy Chang
Charles J. Robel	A. Brooke Seawell	Geoffrey W. Squire, OBE

A director serves in office until his or her respective successor is duly elected and qualified or until his or her earlier death or resignation. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of an equal number of directors. Three Class II directors shall be elected at the Annual Meeting.

In accordance with our Bylaws and Corporate Governance Principles, if there is no contested election of directors (i.e., the number of candidates for election as directors does not exceed the number of directors to be elected), a nominee for election or reelection to our Board of Directors must receive more votes cast "for" than "against" his/her election or reelection in order to be elected or reelected to the Board. The Board of Directors expects a director to tender his resignation if he/she fails to receive the required number of votes for reelection. If an incumbent director fails to receive the required vote for reelection, the Corporate Governance and Nominating Committee will act on an expedited basis to determine whether to accept the director's resignation and will submit such recommendation for prompt consideration by the Board of Directors.

**Nominees for Class II Directors**

Three Class II directors are to be elected at the Annual Meeting for a three-year term ending in 2017. Upon the recommendation of the Corporate Governance and Nominating Committee, the Board of Directors has nominated **Mark A. Bertelsen, Hilarie Koplow-McAdams and A. Brooke Seawell** for election as Class II directors. Mr. Bertelsen, Ms. Koplow-McAdams and Mr. Seawell are independent directors.

Mr. Bertelsen and Mr. Seawell were elected by the stockholders at the 2011 annual meeting of stockholders. Ms. Koplow-McAdams was appointed to the Board of Directors in March 2014 upon the recommendation of the Corporate Governance and Nominating Committee. Ms. Koplow-McAdams was recommended to the Corporate Governance and Nominating Committee by a third-party search firm. After conducting its evaluation, including interviews with Ms. Koplow-McAdams, the Corporate Governance and Nominating Committee recommended her appointment to the Board of Directors.

Mr. Bertelsen, Ms. Koplow-McAdams and Mr. Seawell have each consented to being named in this proxy statement and to serve as directors if re-elected. However, in the event that any nominee is unable or declines to serve as a director at the time of the meeting, the proxies will be voted for any nominee who shall be designated by the Board of Directors to fill the vacancy. The term of office of each person elected as a director will continue until such director's term expires in 2017 or until such director's successor has been elected and qualified.

*The Board of Directors recommends a vote "FOR" each of the nominees listed above.*



## Edgar Filing: INFORMATICA CORP - Form DEF 14A

### Table of Contents

NAME	AGE	PRINCIPAL OCCUPATION AND BUSINESS EXPERIENCE
------	-----	--

<b>Mark A. Bertelsen</b>	<b>69</b>	<b>Senior Partner, Wilson Sonsini Goodrich &amp; Rosati, Professional Corporation</b>
--------------------------	-----------	---

Mr. Bertelsen joined Wilson Sonsini Goodrich & Rosati in 1972 and was the firm's managing partner from 1990 to 1996. He received his law degree (J.D.) from the University of California Berkeley School of Law in 1969, and a B.A. in political science from the University of California Santa Barbara in 1966. Mr. Bertelsen is a trustee of the University of California, Berkeley Foundation. Mr. Bertelsen is also a member of the executive committee of the U.C. Santa Barbara Foundation and served as its chair from 2001 to 2003. He also serves on the Dean's Cabinet of the College of Engineering and on the Director's Council of the Institute of Energy Efficiency of the University of California Santa Barbara. Mr. Bertelsen also served on the board of directors of Autodesk, Inc. during the past five years.

Mr. Bertelsen has been a director since September 2002.

Among other skills and qualifications, Mr. Bertelsen brings to the Board:

Leadership Expertise former managing partner of national law firm; director of publicly-traded technology companies

Legal and Compliance, Financial, Industry, Corporate Development and M&A Expertise legal advisor to technology and high growth business enterprises for over 30 years

---

<b>Amy Chang</b>	<b>37</b>	<b>Chief Executive Officer and Founder, Accompani, Inc.</b>
------------------	-----------	---

Ms. Chang has been the chief executive officer and founder of Accompani, Inc. since May 2013. Prior to founding Accompani, Ms. Chang was the global head of product, ads measurement and reporting for Google Inc. from 2010 until August 2012. Ms. Chang joined Google in July 2005, and served in various management positions including director of product management, group product manager, senior product manager and product manager. Prior to joining Google, Ms. Chang held various positions at eBay Inc. and McKinsey & Company. Ms. Chang holds a B.S. degree in electrical engineering, hardware, and a M.S. degree in electrical engineering, network systems, from Stanford University. During her time at Stanford, Ms. Chang was an Intel Foundation Scholar and a Mayfield Venture Fund Fellow.

Ms. Chang has been a director since July 2012.

Among other skills and qualifications, Ms. Chang brings to the Board:

Leadership and Global Expertise current CEO; former global division leader for publicly-traded international technology company

Industry, Technology and Go-To-Market Expertise over 10 years in engineering and product strategy at technology and consulting companies; member of several advisory boards of technology companies

---



## Edgar Filing: INFORMATICA CORP - Form DEF 14A

### Table of Contents

NAME	AGE	PRINCIPAL OCCUPATION AND BUSINESS EXPERIENCE
------	-----	--

<i><b>Hilarie Koplow-McAdams</b></i>	<b>50</b>	<b><i>Chief Revenue Officer, New Relic, Inc.</i></b>
--------------------------------------	-----------	--

Ms. Koplow-McAdams has served as the chief revenue officer of New Relic, Inc., since December 2013. Prior to joining New Relic, Ms. Koplow-McAdams served as president, global sales of salesforce.com, inc. from April 2013 to November 2013. Ms. Koplow-McAdams also held a variety of other positions at salesforce, including president, commercial and SMB unit from February 2012 to April 2013; executive vice president, worldwide sales from May 2010 to February 2012; and executive vice president, global corporate sales from May 2008 to May 2010. Prior to salesforce, Ms. Koplow-McAdams was vice president of direct sales at Intuit, Inc. from 2006 to 2008. In addition, Ms. Koplow-McAdams previously served in various senior sales roles at Oracle Corporation. Ms. Koplow-McAdams has a bachelor of arts degree in sociology from Mills College and a master of arts degree in public policy from the University of Chicago.

Ms. Koplow-McAdams has been a director since March 2014.

Among other skills and qualifications, Ms. Koplow-McAdams brings to the Board:

Leadership and Global Expertise current executive; former executive of publicly-traded international technology companies

Industry, Technology and Go-To-Market Expertise over 25 years in senior management of technology companies, including software and emerging technology companies

---

<i><b>Charles J. Robel</b></i>	<b>64</b>	<b><i>Former Chairman of the Board, McAfee, Inc.</i></b>
--------------------------------	-----------	--

Mr. Robel served as the chairman of the board of directors of McAfee, Inc., from October 2006 to February 2011. From June 2000 to December 2005, Mr. Robel was a general partner and chief of operations of Hummer Winblad Venture Partners, a venture capital firm. From January 1974 to May 2000, Mr. Robel was a partner with PricewaterhouseCoopers, LLP. From mid-1995 to May 2000, Mr. Robel led PricewaterhouseCoopers' High Technology Transaction Services Group in Silicon Valley. From May 1985 to mid-1995, Mr. Robel was the partner in charge of the Software Industry Group at PricewaterhouseCoopers, LLP in Silicon Valley, and prior to that, Mr. Robel was with PricewaterhouseCoopers, LLP in Los Angeles and Phoenix. Mr. Robel holds a B.S. degree in accounting from Arizona State University. Mr. Robel serves on the board of directors of Jive Software, Inc., Model N, Inc., Palo Alto Networks, Inc. and a number of privately-held companies. Mr. Robel also served on the board of directors of Autodesk, Inc., and DemandTec, Inc. during the past five years.

Mr. Robel has been a director since November 2005 and lead independent director since January 2009.

Among other skills and qualifications, Mr. Robel brings to the Board:

Leadership, Industry and Corporate Development and M&A Expertise over 30 years in public accounting and advising on strategy, valuation and M&A structuring for technology companies, including software and emerging technology companies

Financial, Legal and Compliance, and Global Expertise former partner of international accounting firm and current audit committee chair/member for publicly-traded software companies

---

Table of Contents

**NAME    AGE    PRINCIPAL OCCUPATION AND BUSINESS EXPERIENCE**

***A. Brooke Seawell    66    Venture Partner, New Enterprise Associates***

Mr. Seawell has been a venture partner with New Enterprise Associates, a venture capital firm, since January 2005. From February 2000 to December 2004, Mr. Seawell was a partner with Technology Crossover Ventures, a venture capital firm. From January 1997 to August 1998, Mr. Seawell was executive vice president of NetDynamics, an applications server software company, which was acquired by Sun Microsystems. From March 1991 to January 1997, Mr. Seawell was senior vice president and chief financial officer of Synopsys, an electronic design automation software company. Mr. Seawell holds a B.A. degree in economics and a M.B.A. degree in finance from Stanford University. Mr. Seawell serves on the Board of Directors of NVIDIA Corporation, Tableau Software, Inc., and a number of privately-held companies. Mr. Seawell also served on the board of directors of Glu Mobile Inc. during the past five years. Mr. Seawell was a member of the Management Board of the Stanford Graduate School of Business from 2008 to 2012 and is currently a member of the Stanford Athletic Board.

Mr. Seawell has been a director since December 1997.

Among other skills and qualifications, Mr. Seawell brings to the Board:

Leadership, Industry and Corporate Development and M&A Expertise    over 30 years in senior management of technology companies, including software and emerging technology companies, and venture capital firms; director of technology companies

Financial, Legal and Compliance, and Global Expertise    former CFO of international publicly-traded companies

---

***Geoffrey W. Squire, OBE    67    Chairman, Kognitio Ltd.***

Mr. Squire is presently the chairman of Kognitio Ltd., a provider of business intelligence services. From May 2002 to January 2009, he was chairman of a UK-based public company, The Innovation Group, a provider of business services to the global insurance community. From April 1997 to June 2005, Mr. Squire was vice chairman of VERITAS, a storage solutions software company. From June 1995 to April 1997, Mr. Squire was CEO of OpenVision, a systems management software company. Prior to OpenVision, Mr. Squire was responsible for the launch of Oracle UK, and served as the chief executive officer of Oracle Europe and president of Oracle Worldwide Operations. A former president of the UK Computing Services & Software Association and the European Information Services Association, Mr. Squire holds an honorary doctorate from Oxford Brookes University and was awarded an Officer of the Order of the British Empire for his contributions to the information industry. Mr. Squire also serves on the Board of Directors of a number of privately-held companies.

Mr. Squire has been a director since October 2005.

Among other skills and qualifications, Mr. Squire brings to the Board:

Leadership and Global Expertise    former executive and director of international companies

Industry, Technology, Go-To-Market and Corporate Development and M&A Expertise    over 20 years in senior management of technology companies, including software and emerging technology companies

---

**Leadership Structure**

At present, Mr. Abbasi serves as our chairman of the board and chief executive officer. Our Corporate Governance Principles provide that our Board of Directors will appoint the chairman and chief executive officer (CEO) positions based upon what it believes is in Informatica's best interests at any point in time. Currently, the Board of Directors does not require separation of the chairman and CEO positions or that the chairman is a



## Edgar Filing: INFORMATICA CORP - Form DEF 14A

### Table of Contents

non-employee director. The Corporate Governance and Nominating Committee annually reviews the combination of the chairman and CEO positions. We currently believe that as CEO, Mr. Abbasi is in the best position to direct the focus and attention of the Board of Directors to the areas most relevant for Informatica and its stockholders. As our CEO, Mr. Abbasi is the most familiar with Informatica's business, industry and strategic priorities. By combining the role of chairman and CEO, Mr. Abbasi is able to provide strong and valuable leadership for Informatica both internally and externally.

In addition, our Corporate Governance Principles provide that the Board of Directors should elect a lead independent director. We have had a lead independent director since 2005. The Corporate Governance and Nominating Committee annually evaluates which non-employee director should serve in such role. At present, Mr. Robel serves as our lead independent director. The lead independent director is primarily responsible for:

communicating with the chairman and CEO, and consulting with the chairman and CEO regarding board meeting agendas and materials;

preparing agendas and approving materials for meetings of the independent directors, leading such meetings and calling additional meetings of the independent directors as necessary;

disseminating information to the other directors; and

facilitating communication between management and the independent directors, and raising issues with management on behalf of the independent directors when appropriate.

Furthermore, from time to time, our lead independent director also meets or otherwise communicates with our stockholders on various corporate governance and executive compensation issues. Also, as discussed in "Board Meetings and Committees" below, all of the directors on the Board's standing committees are independent, and each of these committees is led by a committee chair. Our Board of Directors feels that combining the positions of chairman and CEO, selecting a lead independent director to provide independent leadership and maintaining independent committees with individual chairs is the appropriate leadership structure to encourage the effective, efficient and engaged governance of Informatica by the Board of Directors and management.

### **Board Meetings and Committees**

During 2013, the Board of Directors held seven meetings (including regularly scheduled and special meetings), and no director attended fewer than 75% of the total number of meetings of the Board of Directors and the committees of which he or she was a member.

The Board of Directors currently has four standing committees: an Audit Committee, a Compensation Committee, a Corporate Governance and Nominating Committee and a Strategy Committee.

#### ***Audit Committee***

The Audit Committee, which has been established in accordance with Section 3(a)(58)(A) of the Exchange Act, consists of Messrs. Garrett, Robel and Seawell, each of whom is "independent," as such term is defined for audit committee members by the listing standards of The NASDAQ Stock Market. Mr. Seawell is the Chairman of the Audit Committee. The Board of Directors has determined that each of Messrs. Garrett, Robel and Seawell is an "audit committee financial expert" as defined under the rules of the SEC. The Audit Committee had ten meetings in 2013. The Audit Committee (1) provides oversight of Informatica's accounting and financial reporting processes and of the audit of Informatica's financial statements, (2) assists the Board of Directors in oversight of the integrity of Informatica's financial statements, Informatica's compliance with certain legal and regulatory requirements, the independent registered public accounting firm's qualifications, independence and performance, and Informatica's internal accounting and financial controls, and (3) provides to the Board of

Table of Contents

Directors such information and materials as it may deem necessary to make the Board of Directors aware of significant financial matters that require the attention of the Board of Directors. The Audit Committee acts pursuant to a written charter adopted by the Board of Directors, which is available in the "Investor Relations Corporate Governance" section of our website at [www.informatica.com](http://www.informatica.com).

***Compensation Committee***

The Compensation Committee consists of Ms. Chang, Dr. Held and Mr. Robel, each of whom is "independent" as defined in the listing standards of The NASDAQ Stock Market. Dr. Held is the chairman of the Compensation Committee. Effective April 21, 2014, Ms. Koplow-McAdams will join the Compensation Committee, replacing Mr. Robel. The Compensation Committee had six meetings in 2013. The Compensation Committee reviews and approves the compensation and benefits for Informatica's executive officers and the Board of Directors, administers Informatica's stock plans and performs such other duties as may from time to time be determined by the Board of Directors. The Compensation Committee acts pursuant to a written charter adopted by the Board of Directors, which is available in the "Investor Relations Corporate Governance" section of our website at [www.informatica.com](http://www.informatica.com). The Compensation Discussion and Analysis included in this Proxy Statement includes additional information regarding the Compensation Committee's processes and procedures for considering and determining executive compensation.

***Corporate Governance and Nominating Committee***

The Corporate Governance and Nominating Committee consists of Messrs. Garrett, Robel and Seawell, each of whom is "independent" as defined in the listing standards of The NASDAQ Stock Market. Mr. Robel is the chairman of the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee had four meetings in 2013. This committee is responsible for making recommendations to the Board of Directors on matters concerning corporate governance, evaluating and recommending candidates for election to the Board, reviewing and making recommendations regarding the composition and mandate of Board committees, developing overall governance guidelines, and overseeing the performance of the Board. It is the policy of the Corporate Governance and Nominating Committee to consider recommendations of candidates for the Board of Directors submitted by the stockholders of Informatica; for more information see the discussion in "Corporate Governance Matters." The Corporate Governance and Nominating Committee acts pursuant to a written charter adopted by the Board of Directors, which is available in the "Investor Relations Corporate Governance" section of our website at [www.informatica.com](http://www.informatica.com).

***Strategy Committee***

The Strategy Committee consists of Messrs. Bertelsen, Held, Robel and Squire, each of whom is "independent" as defined in the listing standards of The NASDAQ Stock Market. Mr. Squire is the Chairman of the Strategy Committee. The Strategy Committee is responsible for assisting Informatica's Board of Directors and management to oversee Informatica's strategic plans. The Strategy Committee had three meetings in 2013.

Table of Contents

**Director Compensation**

*Cash Compensation*

Non-employee members of the Board of Directors receive the following cash compensation:

an annual retainer of \$50,000;

\$20,000 for the Lead Independent Director;

\$15,000 per year for each member of the Audit Committee (or \$30,000 if such member is the chairperson);

\$12,500 per year for each member of the Compensation Committee (or \$25,000 if such member is the chairperson);

\$6,000 per year for each member of the Corporate Governance and Nominating Committee (\$12,000 if such member is the chairperson); and

\$6,000 per year for each member of the Strategy Committee (\$12,000 if such member is the chairperson).

In addition, each non-employee director receives \$1,000 for each meeting deemed to be extraordinary based on their relation to special projects which require effort beyond traditional requirements.

*Equity Compensation*

Pursuant to our 2009 Equity Incentive Plan, each non-employee director automatically receives an award upon joining the Board of Directors (the "Initial Grant"). Currently, non-employee directors receive for their Initial Grant an award of options and/or restricted stock units having a total value (as of the grant date) of \$350,000. The Compensation Committee determines the allocation between options and/or restricted stock units. Stock options granted pursuant to the Initial Grant will vest and become exercisable as to 33% of the shares on the first anniversary of the grant date, and as to an additional 2.78% each month thereafter, provided the director continues to serve through such dates. Restricted stock units subject to the Initial Grant will vest as to 33 1/3% of the restricted stock units on each of the first three anniversaries of the vesting commencement date, provided the director continues to serve through such dates.

In addition, each of our non-employee directors automatically receives an award on the date of each annual meeting of stockholders, provided that the non-employee director has served for at least six months prior to the annual meeting (the "Ongoing Grant"). Currently, non-employee directors receive for their Ongoing Grant restricted stock units having a total value (as of the grant date) of \$225,000. Restricted stock units granted pursuant to the Ongoing Grant will vest and become exercisable as to 100% of the shares on the day prior to the date of next year's annual meeting of stockholders, provided the director continues to serve on such date.

In the event of a change of control, each of our non-employee directors will receive immediate vesting as to 100% of the director's unvested equity awards.

The 2009 Equity Incentive Plan provides that the Compensation Committee, in its sole discretion, at any time may change the number and other terms and conditions of future awards to our non-employee directors. In October 2013, the Compensation Committee and Board of Directors determined it was in the best interests of our stockholders to change the number of shares underlying the Initial Grant and the Ongoing Grant and the vesting schedule for the Ongoing Grant to the number of shares and vesting schedule described above. Also in April 2011, the Compensation Committee implemented a provision of the 2009 Equity Incentive Plan that

Table of Contents

permits participants to elect to defer delivery of vested shares issuable thereunder for our non-employee directors and certain of our officers with respect to their restricted stock units.

***Compensation for 2013***

The following table provides information concerning the compensation paid by us to each of our non-employee directors in 2013. Mr. Abbasi does not receive any additional compensation for his service as a director.

Name (1) (2) (3)	Fees Earned or Paid in	Stock Awards	Option Awards	Total (\$)
	Cash (\$)	(\$ (4))	(\$ (4))	
Mark A. Bertelsen	55,250	103,350	105,510	264,110
Amy Chang	60,625	103,350	105,510	269,485
Mark Garrett	70,250	103,350	105,510	279,110
Gerald Held	71,500	103,350	105,510	280,360
Hilarie Koplw-McAdams				
Andrew M. Miller	5,000	173,700	159,825	338,525
Charles J. Robel	103,875	103,350	105,510	312,735
A. Brooke Seawell	80,000	103,350	105,510	288,860
Geoffrey W. Squire	60,500	103,350	105,510	269,360
Godfrey R. Sullivan	37,500			37,500

(1)

Dr. Held became the chairman of the Compensation Committee in May 2013. Ms. Koplw-McAdams joined the Board of Directors in March 2014 and will join the Compensation Committee in April 2014. Mr. Miller joined the Board of Directors in May 2013 and resigned in July 2013. Mr. Miller was a member of the Compensation Committee from May 2013 to July 2013. Mr. Seawell joined the Corporate Governance and Nominating Committee in March 2014. Mr. Sullivan resigned from the Board of Directors in May 2013. Mr. Sullivan was chairman of the Compensation Committee until his resignation in May 2013.

(2)

In 2013, each of our non-employee directors (other than Ms. Koplw-McAdams, Mr. Miller and Mr. Sullivan) received, on May 24, 2013, a restricted stock unit award of 3,000 shares, with a grant date fair value of \$103,350 and an option for 10,000 shares, with a grant date fair value of \$105,510. Upon joining the Board of Directors in May 2013, Mr. Miller received, on May 28, 2013, a restricted stock unit award of 5,000 shares, with a grant date fair value of \$173,700, and an option for 15,000 shares, with a grant date fair value of \$159,825. Mr. Miller forfeited his equity awards when he resigned from the Board of Directors in July 2013.

Table of Contents

- (3) As of December 31, 2013, the aggregate number of shares underlying stock awards and options outstanding for each of our non-employee directors was:

Name	Stock Awards	Options
Mark A. Bertelsen	3,000	45,000
Amy Chang	6,333	25,000
Mark Garrett	9,000	45,000
Gerald Held	9,000	45,000
Hilarie Koplow-McAdams		
Andrew M. Miller		
Charles J. Robel	6,000	45,000
A. Brooke Seawell	3,000	45,000
Geoffrey W. Squire	3,000	45,000
Godfrey R. Sullivan		

## Included

in Mr. Garrett's and Dr. Held's stock awards are 6,000 shares of which they have elected to defer delivery. Included in Mr. Robel's stock awards are 3,000 shares of which he has elected to defer delivery. For more information regarding security ownership by our non-employee directors, see "Security Ownership by Principal Stockholders and Management."

- (4) Reflects the aggregate grant date fair value computed in accordance with Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 718, Stock Compensation. The assumptions used in the valuation of these awards are set forth in the notes to our consolidated financial statements, which are included in our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the SEC on February 21, 2014. These amounts do not necessarily correspond to the actual value that may be recognized by the director.

**Corporate Governance Matters*****Risk Oversight***

Our Board of Directors is responsible for the oversight of our enterprise risk management. Together with its committees, the Board of Directors ensures that any material risks relevant to Informatica or its business are appropriately considered and addressed. Our management is responsible for identifying, assessing, managing and mitigating Informatica's exposure to risk on a day-to-day basis, and the Board of Directors (and its committees) oversees management in its execution of these responsibilities. The Board of Directors reviews the strategic, financial and operational risks inherent in our business through its consideration of the various matters presented to the Board or its committees by management for review or approval. Furthermore, each committee regularly reviews and evaluates various aspects of enterprise risk as part of its specific functions and responsibilities delegated by the Board of Directors, including:

the Audit Committee considers risk in connection with its oversight of our financial review and reporting processes and regulatory and corporate compliance matters. In addition, the Audit Committee is responsible for the oversight and review of certain risk management policies, including our insurance, investment and business continuity policies;

the Compensation Committee considers risk in connection with its oversight of the design and administration of our compensation policies, plans and programs;

Table of Contents

the Corporate Governance and Nominating Committee considers risk in connection with its oversight of our governance structure, policies and processes, including conflicts of interest (other than related party transactions reviewed by the Audit Committee); and

the Strategy Committee considers risk in connection with its oversight of our strategic plans, including mergers, acquisitions, investments and similar transactions.

We believe the Board's role is consistent with our leadership structure, with our CEO and management primarily responsible for enterprise risk management and the Board of Directors and its committees providing oversight of such efforts.

***Code of Business Conduct***

Our Code of Business Conduct applies to all of our directors, officers (including our principal executive officer and senior financial and accounting officers), and employees. You can find the Code of Business Conduct in the "Investor Relations Corporate Governance" section of our website at [www.informatica.com](http://www.informatica.com). We will post any amendments to the Code of Business Conduct, as well as any waivers, that are required to be disclosed by the rules of either the SEC or The NASDAQ Stock Market on such website.

***Corporate Governance Principles***

Our Corporate Governance Principles establish the corporate governance policies pursuant to which the Board of Directors intends to conduct its oversight of our business in accordance with its fiduciary duties. You can find the Corporate Governance Principles in the "Investor Relations Corporate Governance" section of our website at [www.informatica.com](http://www.informatica.com).

***Independence of the Board of Directors***

The Board of Directors has determined that, with the exception of Sohaib Abbasi, who is our chief executive officer and president, all of its members are "independent directors" as defined in the listing standards of The NASDAQ Stock Market.

In making this determination, the Board of Directors considered that Mark A. Bertelsen is a member of the law firm of Wilson Sonsini Goodrich & Rosati, Professional Corporation ("WSGR"). Fees paid by us to WSGR for legal services rendered for the year ended December 31, 2013 were approximately \$1.9 million, which represented significantly less than 1% of WSGR's revenues. We believe the services performed by WSGR were provided in the ordinary course of business on terms no more or less favorable than those available from unrelated parties. In addition, the Board of Directors also considered the annual amount of Informatica's sales to, or purchases from, any company where a non-employee director serves as an executive officer or director or is a substantial stockholder. The Board of Directors determined that any such sales or purchases were made in the ordinary course of business and the amount of such sales or purchases in each of the past three fiscal years was less than 5% of Informatica's or the applicable company's consolidated gross revenues for the applicable year.

***Stock Ownership Guidelines***

We have adopted stock ownership guidelines for our directors and executive officers. For information regarding such guidelines, see the section of this Proxy Statement entitled "Executive Compensation Compensation Discussion and Analysis Stock Ownership Guidelines."

Table of Contents

***Contacting the Board of Directors***

Stockholders and other individuals may communicate with the Board of Directors by submitting either an e-mail to board@informatica.com or a written communication addressed to the Board of Directors (or specific board member), Informatica Corporation, 2100 Seaport Blvd., Redwood City, California 94063. E-mail communications that are intended for a specific director should be sent to the e-mail address above to the attention of the applicable director.

***Attendance at Annual Stockholder Meetings by the Board of Directors***

Although we do not have a formal policy regarding attendance by members of the Board of Directors at our annual meeting of stockholders, we encourage, but do not require, directors to attend. Three directors attended our 2013 annual meeting of stockholders.

***Process for Recommending Candidates for Election to the Board of Directors***

The Corporate Governance and Nominating Committee is responsible for, among other things, determining the criteria for membership to the Board of Directors and recommending candidates for election to the Board of Directors. It is the policy of the Corporate Governance and Nominating Committee to consider recommendations for candidates to the Board of Directors from stockholders. Stockholder recommendations for candidates to the Board of Directors must be directed in writing to Informatica Corporation, Corporate Secretary, 2100 Seaport Blvd., Redwood City, CA 94063 and must include the candidate's name, home and business contact information, detailed biographical data and qualifications, information regarding any relationships between the candidate and Informatica within the last three years, and evidence of the nominating person's ownership of our common stock.

The Corporate Governance and Nominating Committee's general criteria and process for evaluating and identifying the candidates that it recommends to the full Board of Directors for selection as director nominees are as follows:

The Corporate Governance and Nominating Committee regularly reviews the current composition and size of the Board of Directors.

In its evaluation of director candidates, including the members of the Board of Directors eligible for re-election, the Corporate Governance and Nominating Committee seeks to achieve a balance of knowledge, experience and capability on the Board of Directors and considers (1) the current size and composition of the Board of Directors and the needs of the Board of Directors and the respective committees of the Board of Directors, (2) such factors as personal character, judgment, diversity, expertise, business experience, length of service, independence and other commitments, and (3) such other factors as the Corporate Governance and Nominating Committee may consider appropriate.

While the Corporate Governance and Nominating Committee has not established specific minimum qualifications for director candidates, the Corporate Governance and Nominating Committee believes that candidates and nominees must reflect a Board of Directors that is comprised of directors who (1) are predominantly independent, (2) are of high integrity, (3) have broad, business-related knowledge and experience at the policy-making level in business, government or academia, (4) possess strong aptitude for technology, including their understanding of the enterprise software industry and Informatica's business in particular, (5) have qualifications that will increase overall Board effectiveness, and (6) meet other requirements as may be required by applicable rules, such as financial literacy or financial expertise with respect to audit committee members.

In evaluating and identifying candidates, the Corporate Governance and Nominating Committee has the authority to retain third-party search firms with regard to candidates who are properly

Table of Contents

recommended by stockholders or by other means. The Corporate Governance and Nominating Committee will review the qualifications of any such candidate. This review may, in the Corporate Governance and Nominating Committee's discretion, include interviewing references for the candidate, direct interviews with the candidate, or other actions that the Corporate Governance and Nominating Committee deems necessary or proper.

The Corporate Governance and Nominating Committee will apply these same principles when evaluating Board candidates who may be elected initially by the full Board of Directors to fill vacancies or to add additional directors prior to the annual meeting of stockholders at which directors are elected.

After completing its review and evaluation of director candidates, the Corporate Governance and Nominating Committee recommends to the full Board of Directors the director nominees for selection.



Table of Contents

**PROPOSAL TWO  
AMENDMENT TO 2009 EQUITY INCENTIVE PLAN**

We are seeking stockholder approval of an amendment to our 2009 Equity Incentive Plan (the "2009 Plan"). This amendment would increase the number of shares of our common stock reserved for issuance under the 2009 Plan by 6,300,000 shares. The Board of Directors has approved such amendment to the 2009 Plan, subject to approval from our stockholders at the Annual Meeting.

*The Board of Directors recommends a vote "FOR" this proposal.*

**Reasons to Vote for the Amendment**

The amendment to the 2009 Plan, if approved by our stockholders, would add 6,300,000 shares to the 2009 Plan. If the amendment to the 2009 Plan is not approved by stockholders, we will continue to use the current version of the 2009 Plan.

*Our Success Depends on Providing Competitive Equity Compensation to Attract and Retain Employees*

We believe our success is due to our highly talented employee base and that our future success depends on our ability to attract, retain and motivate high caliber personnel. We compete with many technology companies for a limited pool of talented people. We strive to provide our employees with compensation packages that are competitive, that reward performance, enable our retention efforts and align their interests with those of our stockholders. The ability to grant equity awards is a necessary and powerful recruiting and retention tool for us to obtain quality personnel.

We believe that increasing the shares reserved for issuance under the 2009 Plan is necessary for us to continue to offer a competitive equity incentive program in the future. If the stockholders do not approve the proposed share increase, we believe we will not be able to continue to offer competitive equity awards to retain our current employees and hire new employees in future years. This could significantly affect our plans for growth and adversely affect our ability to operate our business and increase stockholder value. In addition, we may need to instead offer material cash incentives to compete for talent, which could negatively impact our quarterly results of operations, and may make us less competitive compared to other technology companies and our peer companies in attracting, retaining and motivating our employees. We also believe that equity awards are an effective way to provide significant long-term retention value and ensure that employee and stockholder interests are closely aligned.

*We Carefully Manage our Equity Incentive Program*

Currently, the maximum number of shares that may be issued under the 2009 Plan is 20,500,000 shares. The 2009 Plan is the only plan from which we currently grant equity awards (other than our employee stock purchase plan). As of February 28, 2014, under the 2009 Plan, there were 9,829,270 shares subject to outstanding options, restricted stock unit awards and performance-based restricted stock unit awards, and 2,803,187 shares remained available for grant.

Further, as of February 28, 2014, under all of our equity compensation plans (other than our employee stock purchase plan), there were:

9,490,150 shares subject to issuance upon exercise of outstanding options, at a weighted average exercise price of \$30.69, and with a weighted average remaining life of 4.06 years;

2,123,416 shares subject to outstanding restricted stock unit awards that remain subject to vesting; and

Table of Contents

a maximum of 637,462 shares subject to outstanding performance-based restricted stock unit awards eligible to be earned.

We focus on effectively managing our annual equity awards, particularly in order to minimize stockholder dilution. Therefore, we consider both our "burn rate," "issued overhang" and "total overhang" in evaluating the impact of our equity award usage and determining proposed share increases to the 2009 Plan. We define "burn rate" as the number of equity awards granted during the year, divided by the weighted average number of shares outstanding. We define "issued overhang" as the number of full value awards and options outstanding, divided by the total number of shares outstanding. We define "total overhang" as the number of full value awards and options outstanding plus shares available for grant, divided by the total number of shares outstanding. Accordingly:

our three-year average "burn rate" for fiscal 2011, 2012 and 2013 was approximately 3.8%;

as of February 28, 2014, our "issued overhang" of approximately 12.3 million shares represented approximately 11.2% of our total outstanding shares; and

as of February 28, 2014, our "total overhang" of approximately 15.1 million shares represented approximately 13.8% of our total outstanding shares.

We had 109,331,732 shares outstanding on February 28, 2014. In addition to our "burn rate" and "overhang" metrics, we also considered a number of other factors when determining the proposed 6,300,000 share increase, such as our expected equity award usage, proxy advisory firm guidelines for our industry, and guidelines and feedback that we gathered from our engagement efforts with our larger stockholders. We currently expect that the proposed 6,300,000 share increase will be sufficient for our equity award usage for the next 12 months, and we anticipate requesting that the stockholders approve an additional share increase for the 2009 Plan at the 2015 annual meeting of stockholders.

We also have an on-going stock repurchase program to help mitigate the dilutive effect of our equity programs. During 2011, 2012 and 2013, we repurchased approximately 1.6 million, 2.4 million and 2.5 million shares, respectively. Our stock repurchase program does not have a specific expiration date. As of December 31, 2013, we had approximately \$4.0 million remaining under the program for future share repurchases. In January 2014, we announced that the Board had authorized an additional \$100 million increase to the program.

***Our 2009 Plan Conforms to Best Practices***

We designed the 2009 Plan to conform to best practices in equity incentive plans. The 2009 Plan is intended to be a broad-based equity plan, and historically, a significant number of awards each year have been granted to non-executive employees. The 2009 Plan contains many features designed to address stockholder concerns related to equity incentive plans, including:

prohibitions on option and stock appreciation right repricing without stockholder consent;

reduced maximum option terms of 7 years (rather than the typical 10 years);

no "evergreen" share reserve increases;

the flexibility of restricted stock, restricted stock units, performance units or performance shares that can be used in lieu of stock options to reduce the total number of our shares necessary to grant competitive equity awards;

awards of restricted stock, restricted stock units, performance units and performance shares are counted against the pool of available shares on a greater than one-for-one basis (see below);



Table of Contents

stock options and stock appreciation rights must have an exercise price that is not less than 100% of the fair market value of the covered stock on the grant date; and

the 2009 Plan does not provide for tax gross-ups of any kind.

**Description of the 2009 Plan**

The 2009 Plan was originally approved by our stockholders in 2009. Our stockholders approved amendments to the 2009 Plan in 2011, 2012 and 2013. The 2009 Plan has not been materially amended since our stockholders last approved amendments to the 2009 Plan.

The following paragraphs provide a summary of the principal features of the 2009 Plan and its operation. The 2009 Plan is set forth in its entirety as Appendix A to this Proxy Statement. The following summary is qualified in its entirety by reference to Appendix A.

The 2009 Plan provides for the grant of the following types of incentive awards: (i) stock options, (ii) stock appreciation rights, (iii) restricted stock, (iv) restricted stock units, (v) performance units and (vi) performance shares. Each of these is referred to individually as an "Award." Those who will be eligible for Awards under the 2009 Plan include employees, non-employee directors and consultants who provide services to Informatica and its affiliates. As of February 28, 2014, approximately 3,310 employees and non-employee directors were eligible to participate in the 2009 Plan.

The 2009 Plan is intended to permit (but not require) us to grant equity compensation awards that are intended to qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), thereby potentially permitting us to receive a full federal income tax deduction in connection with certain awards granted under the 2009 Plan. Under Section 162(m), one of the requirements to qualify as performance-based compensation is that the plan be approved by stockholders.

***Number of Shares of Common Stock Available Under the 2009 Plan***

The Board has reserved 20,500,000 shares of Informatica's common stock for issuance under the 2009 Plan. The shares may be either authorized, but unissued, common stock or treasury shares. Shares subject to full value awards (restricted stock units, restricted stock, performance units or performance shares) currently count against the share reserve as 2.37 shares for every one share subject to such an award. Prior to the amendment of the 2009 Plan in May 2011, shares subject to full value awards counted against the share reserve as 1.52 shares for every one share subject to such an award. To the extent that a share that was subject to an award that counted as 1.52 or 2.37 shares against the 2009 Plan reserve, respectively, are returned to the 2009 Plan, the 2009 Plan reserve will be credited with 1.52 or 2.37 shares, respectively, that will thereafter be available for issuance under the 2009 Plan. If this Proposal Two is approved, the maximum number of shares that may be issued under the 2009 Plan will increase to 26,800,000 shares.

If an Award expires or becomes unexercisable without having been exercised in full, or, with respect to restricted stock, restricted stock units, performance shares or performance units, is forfeited to or repurchased by Informatica, the unpurchased Shares (or for Awards other than options and stock appreciation rights, the forfeited or repurchased shares) will become available for future grant or sale under the 2009 Plan (unless the 2009 Plan has terminated). Awards paid out in cash rather than shares will not reduce the number of shares available for issuance under the 2009 Plan. If a stock appreciation right is settled in shares, such shares as well as shares that represent payment of the exercise price and tax related to the award will cease to be available under the 2009 Plan.

Table of Contents

If Informatica declares a dividend or other distribution or engages in a recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of shares or other securities of Informatica, or other change in the corporate structure of Informatica affecting Informatica's common stock, the Committee will adjust the number and class of shares that may be delivered under the 2009 Plan, the number, class, and price of shares covered by each outstanding Award, and the numerical per-person limits on Awards.

*Administration of the 2009 Plan*

A committee authorized by the Board (the "Committee") will administer the 2009 Plan, which is currently the Compensation Committee. To make grants to certain of Informatica's officers and key employees, the members of the Committee must qualify as "non-employee directors" under Rule 16b-3 of the Securities Exchange Act of 1934, and as "outside directors" under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code") so that Informatica can potentially receive a federal tax deduction for certain compensation paid under the 2009 Plan. Subject to the terms of the 2009 Plan, the Committee has the sole discretion to select the employees, consultants, and non-employee directors who will receive Awards, determine the terms and conditions of Awards, and to interpret the provisions of the 2009 Plan and outstanding Awards. The Committee may not, without the approval of Informatica's stockholders, institute an exchange program under which outstanding Awards are amended to provide for a lower exercise price or surrendered or cancelled in exchange for Awards with a lower exercise price.

*Options*

The Committee is able to grant nonstatutory stock options and incentive stock options under the 2009 Plan. The Committee determines the number of shares subject to each option, although the 2009 Plan provides that an employee or consultant may not receive options (and/or stock appreciation rights) for more than one million (1,000,000) shares in any fiscal year, except in connection with his or her initial service as an employee with Informatica, in which case he or she may be granted an option (and/or stock appreciation rights) to purchase up to an additional two million (2,000,000) shares. In addition, the maximum number of options (and/or stock appreciation rights) that a non-employee director may receive in any fiscal year is limited to one hundred thousand (100,000) shares.

The Committee determines the exercise price of options granted under the 2009 Plan, provided the exercise price must be at least equal to 100% of the fair market value of Informatica's common stock on the date of grant. In addition, the exercise price of an incentive stock option granted to any participant who owns more than 10% of the total voting power of all classes of Informatica's outstanding stock must be at least 110% of the fair market value of the common stock on the grant date.

The term of an option may not exceed seven (7) years, except that, with respect to any participant who owns 10% of the voting power of all classes of Informatica's outstanding capital stock, the term of an incentive stock option may not exceed five years.

After a termination of service with Informatica, a participant will be able to exercise the vested portion of his or her option for the period of time stated in the agreement governing his or her Award. No incentive stock option may be exercised more than three (3) months after the participant's termination of service for any reason other than disability or death (unless the participant dies during such three (3) month period and/or the participant's agreement governing his or her Award, or the Committee, permits later exercise). No incentive stock option may be exercised more than one (1) year after the participant's termination of service due to disability or death (unless the participant's agreement governing his or her Award, or the Committee, permits later exercise). In no event may an option be exercised later than the expiration of its term.

Table of Contents

***Stock Appreciation Rights***

The Committee will be able to grant stock appreciation rights, which are the rights to receive the appreciation in fair market value of common stock between the exercise date and the date of grant. Informatica can pay the appreciation in either cash or shares of common stock or a combination of both. Stock appreciation rights will become exercisable at the times and on the terms established by the Committee, subject to the terms of the 2009 Plan. The Committee, subject to the terms of the 2009 Plan, will have complete discretion to determine the terms and conditions of stock appreciation rights granted under the 2009 Plan; provided, however, that the exercise price may not be less than 100% of the fair market value of a share on the date of grant. The term of a stock appreciation right may not exceed seven (7) years. No employee or consultant will be granted stock appreciation rights (and/or options) covering more than one million (1,000,000) shares during any fiscal year, except that an employee may be granted stock appreciation rights (and/or options) covering up to an additional two million (2,000,000) shares in connection with his or her initial service as an employee with Informatica. In addition, the maximum number of stock appreciation rights (and/or options) that a non-employee director may receive in any fiscal year is limited to one hundred thousand (100,000) shares.

After termination of service with Informatica, a participant will be able to exercise the vested portion of his or her stock appreciation right for the period of time stated in the agreement governing his or her stock appreciation right. If a participant dies prior to the exercise of his or her stock appreciation rights, the Committee, in its discretion, may provide that the stock appreciation rights will be exercisable for up to one (1) year after the date of death. In no event will a stock appreciation right be exercised later than the expiration of its term.

***Restricted Stock***

Awards of restricted stock are rights to acquire or purchase shares of Informatica's common stock, which vest in accordance with the terms and conditions established by the Committee in its sole discretion. For example, the Committee may set restrictions based upon continued employment or service with Informatica, the achievement of specific performance goals, applicable laws, or any other basis determined by the Committee in its discretion. Subject to the provisions of the 2009 Plan, after the grant of restricted stock, the Committee, in its sole discretion, may reduce or waive any restrictions for such Award and may accelerate the time at which any restrictions will lapse at a rate determined by the Committee.

The Award agreement governing the grant of the restricted stock will generally grant Informatica a right to repurchase or reacquire the shares upon the termination of the participant's service with Informatica for any reason (including death or disability). The Committee will determine the number of shares granted pursuant to an Award of restricted stock. With respect to restricted stock intended to qualify as "performance-based compensation" under Section 162(m) of the Code, the Committee, in its discretion, may set restrictions based upon the achievement of specific performance objectives. The Committee shall determine the number of shares of restricted stock granted to any participant, but no employee or consultant will be granted more than three hundred thirty three thousand three hundred thirty three (333,333) shares of restricted stock (and/or performance shares and/or restricted stock units) during any fiscal year, except that an employee may be granted up to an additional six hundred sixty six thousand six hundred sixty seven (666,667) shares of restricted stock (and/or performance shares and/or restricted stock units) in connection with his or her initial employment with Informatica. In addition, the maximum number of restricted stock (and/or performance shares and/or restricted stock units) that a non-employee director may receive in any fiscal year is limited to fifty thousand (50,000) shares.

***Restricted Stock Units***

Awards of restricted stock units result in a payment to a participant only if the vesting criteria the Committee establishes is satisfied. For example, the Committee may set restrictions based on the achievement of

Table of Contents

specific performance goals or upon continued employment or service with Informatica. Upon satisfying the applicable vesting criteria, the participant will be entitled to the payout specified in the Award agreement. Subject to the provisions of the 2009 Plan, after the grant of restricted stock units, the Committee, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such Award and may accelerate the time at which any restrictions will lapse at a rate determined by the Committee.

The Committee, in its sole discretion, may pay earned restricted stock units in cash, shares, or a combination thereof. Restricted stock units that are fully paid in cash will not reduce the number of shares available for grant under the 2009 Plan. On the date set forth in the Award agreement, all unearned restricted stock units will be forfeited to Informatica. The Committee determines the number of restricted stock units granted to any participant. With respect to restricted stock units intended to qualify as "performance-based compensation" under Section 162(m) of the Code, the Committee, in its discretion, may set restrictions based upon the achievement of specific performance objectives. The Committee shall determine the number of restricted stock units granted to any participant, but no employee or consultant may be granted more than three hundred thirty three thousand three hundred thirty three (333,333) restricted stock units (and/or shares of restricted stock and/or performance shares) during any fiscal year, except that an employee may be granted up to an additional six hundred sixty six thousand six hundred sixty seven (666,667) restricted stock units (and/or shares of restricted stock and/or performance shares) in connection with his or her initial employment with Informatica. In addition, the maximum number of restricted stock units (and/or shares of restricted stock and/or performance shares) that a non-employee director may receive in any fiscal year is limited to fifty thousand (50,000) shares.

*Performance Units and Performance Shares*

The Committee will be able to grant performance units and performance shares, which are Awards that will result in a payment to a participant only if the performance goals or other vesting criteria the Committee may establish are achieved or the Awards otherwise vest. The Committee will establish performance or other vesting criteria in its discretion, which, depending on the extent to which they are met, will determine the number and/or the value of performance units and performance shares to be paid out to participants. Subject to the provisions of the 2009 Plan, after the grant of performance units or performance shares, the Committee, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such Award and may accelerate the time at which any restrictions will lapse at a rate determined by the Committee.

The Committee determines the number of performance units and performance shares granted to any participant. With respect to performance units and performance shares intended to qualify as "performance-based compensation" under Section 162(m) of the Code, the Committee, in its discretion, may determine that the performance objectives applicable to the performance units and performance shares shall be based on the achievement of performance goals. During any fiscal year, no employee or consultant will receive more than three hundred thirty three thousand three hundred thirty three (333,333) performance shares (and/or shares of restricted stock and/or restricted stock units) and no employee or consultant will receive performance units having an initial value greater than three million dollars (\$3,000,000), except that in the first year a participant becomes an employee, a participant may be granted performance shares (and/or shares of restricted stock and/or restricted stock units) covering up to an additional six hundred sixty six thousand six hundred sixty seven (666,667) shares or performance units having an initial value up to an additional three million dollars (\$3,000,000). Performance units will have an initial dollar value established by the Committee on or before the date of grant. Performance shares will have an initial value equal to the fair market value of a share of Informatica's common stock on the grant date. In addition, the maximum value of performance units that a non-employee director may receive in any fiscal year is limited to five hundred thousand dollars (\$500,000), and the maximum number of performance shares (and/or shares of restricted stock and/or restricted stock units) that a non-employee director may receive in any fiscal year is limited to fifty thousand (50,000) shares.

Table of Contents

***Performance Goals***

Awards of restricted stock, restricted stock units, performance shares, and performance units under the 2009 Plan may be made subject to the attainment of performance goals relating to one or more business criteria within the meaning of Section 162(m) of the Code and may provide for a targeted level or levels of achievement including: (i) profit, (ii) revenue, (iii) operating income, (iv) earnings per share, and (v) total shareholder return. Any criteria used may be (i) measured in absolute terms, (ii) in relative terms (including, but not limited to, passage of time and/or against another company or companies), (iii) on a per-share basis, (iv) against the performance of Informatica as a whole or a business unit of Informatica, and/or (v) on a pre-tax or after-tax basis. In granting Awards that are intended to qualify under Section 162(m) of the Code, the Committee will follow any procedures determined by it from time to time to be necessary or appropriate to comply with the requirements of Section 162(m) of the Code.

***Awards to Non-Employee Directors***

The 2009 Plan provides for automatic grants to non-employee directors, in addition to the potential discretionary grants that are described above. The 2009 Plan provides that the Committee, in its sole discretion, at any time may change the number, type and other terms and conditions of the Awards to be granted in the future automatically to non-employee directors. As of the date of this proxy statement, each non-employee director receives an initial grant having a grant date total value of \$350,000 and each continuing non-employee director receives a grant having a grant date total value of \$225,000. See "Proposal One Election of Directors Director Compensation Equity Compensation," for more details on the grants that currently are made to non-employee directors.

***Transferability of Awards***

Awards granted under the 2009 Plan are generally not transferable, and all rights with respect to an Award granted to a participant generally will be available during a participant's lifetime only to the participant. If the Committee makes an Award transferable, such Award will contain such additional terms and conditions as the Committee deems appropriate.

***Amendment and Termination of the 2009 Plan***

The Committee will have the authority to amend, suspend or terminate the 2009 Plan. No amendment, suspension or termination of the 2009 Plan will impair the rights of any participant, without the consent of the participant. The 2009 Plan will remain in effect until terminated pursuant to the provisions of the 2009 Plan; provided, however, that without further stockholder approval, no incentive stock options may be granted under the 2009 Plan after April 28, 2019.

***Change of Control***

In the event of a "change of control", as defined in the 2009 Plan, each outstanding Award will be treated as the Committee determines, including, without limitation, that each Award be assumed or an equivalent option or right substituted by the successor corporation or a parent or subsidiary of the successor corporation. The Committee will not be required to treat all Awards similarly in the transaction. In the event that the successor corporation refuses to assume or substitute for the Award, the participant will fully vest in and have the right to exercise all of his or her outstanding options or stock appreciation rights, including shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on restricted stock and restricted stock units will lapse, and, with respect to Awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met. In addition, if an option or stock appreciation right is not assumed or substituted for, the



Table of Contents

Committee will notify the participant in writing or electronically that the option or stock appreciation right will be fully vested and exercisable for a period of time determined by the Committee in its sole discretion, and the option or stock appreciation right will terminate upon the expiration of such period. The above provisions will apply only upon the consummation of a change of control, and will not apply to a proposed or potential change of control.

**Number of Awards Granted to Employees and Directors**

The number of Awards that an employee, director or consultant may receive under the 2009 Plan is at the discretion of the Committee and therefore cannot be determined in advance. Our executive officers and non-employee directors have an interest in this proposal because they are eligible to receive Awards under the 2009 Plan. For illustrative purposes only, the following table sets forth information with respect to the grant of

Edgar Filing: INFORMATICA CORP - Form DEF 14A

Table of Contents

options and restricted stock unit awards under the 2009 Plan in 2013 (no other type of award was granted during this time):

	Options Granted (#)	Weighted Average Exercise Price Per Share (\$)	Restricted Stock Units Granted (#)	Weighted Average Dollar Value of RSUs Granted (\$)	Performance -Based Restricted Stock Units Granted (#) (1)	Weighted Average Dollar Value of RSUs Granted (\$)
Sohaib Abbasi <i>Chairman of the Board, Chief Executive Officer and President</i>	80,000	37.43			81,000	37.43
Earl Fry <i>Chief Financial Officer, Chief Administration Officer, Executive Vice President, Global Customer Support and Services and Secretary</i>	77,000	37.43			23,000	37.43
Anil Chakravarthy <i>Executive Vice President and Chief Product Officer</i>	175,000	38.11	75,000	38.11		
Ivan Chong <i>Executive Vice President and Chief Strategy Officer</i>	42,000	37.43			12,500	37.43
John McGee <i>Executive Vice President, Worldwide Field Operations</i>	66,000	37.43			20,000	37.43
Girish Pancha <i>Former Executive Vice President and Chief Product Officer</i>	66,000	37.43			20,000	37.43
All current executive officers as a group (6 people)	440,000	37.70	75,000	38.11	149,000	37.43
All non-employee directors as a group (8 people) (2)	70,000	34.45	21,000	34.45		
All employees who are not executive officers as a group	1,634,152	37.78	733,950	35.27	468,400	37.42

(1) Reflects the target number of PSUs granted.

(2) For further information, see "Proposal One Election of Directors Director Compensation Equity Compensation."

**Federal Tax Aspects**

The following paragraphs are a summary of the general U.S. federal income tax consequences to U.S. taxpayers and Informatica of Awards granted under the 2009 Plan. Tax consequences for any particular individual may be different.

Table of Contents

***Nonstatutory Stock Options***

No taxable income is reportable when a nonstatutory stock option with an exercise price equal to the fair market value of the underlying stock on the date of grant is granted to a participant. Upon exercise, the participant will recognize ordinary income in an amount equal to the excess of the fair market value (on the exercise date) of the shares purchased over the exercise price of the option. Any taxable income recognized in connection with an option exercise by an employee of Informatica is subject to tax withholding by Informatica. Any additional gain or loss recognized upon any later disposition of the shares would be capital gain or loss.

***Incentive Stock Options***

No taxable income is reportable when an incentive stock option is granted or exercised (except for purposes of the alternative minimum tax, in which case taxation is the same as for nonstatutory stock options). If the participant exercises the option and then later sells or otherwise disposes of the shares more than two years after the grant date and more than one year after the exercise date, the difference between the sale price and the exercise price will be taxed as capital gain or loss. If the participant exercises the option and then later sells or otherwise disposes of the shares before the end of the two- or one-year holding periods described above, he or she generally will have ordinary income at the time of the sale equal to the fair market value of the shares on the exercise date (or the sale price, if less) minus the exercise price of the option. This taxable income is not subject to income tax withholding.

***Stock Appreciation Rights***

No taxable income is reportable when a stock appreciation right with an exercise price equal to the fair market value of the underlying stock on the date of grant is granted to a participant. Upon exercise, the participant will recognize ordinary income (subject to withholding) in an amount equal to the amount of cash received and the fair market value of any shares received. Any additional gain or loss recognized upon any later disposition of the shares would be capital gain or loss.

***Restricted Stock, Restricted Stock Units, Performance Units and Performance Shares***

A participant generally will not have taxable income at the time an Award of restricted stock, restricted stock units, performance shares or performance units are granted. Instead, he or she will recognize ordinary income in the first taxable year in which his or her interest in the shares underlying the Award becomes either (i) freely transferable, or (ii) no longer subject to substantial risk of forfeiture.

***Tax Effect for Informatica***

Informatica generally will be entitled to a tax deduction in connection with an Award under the 2009 Plan in an amount equal to the ordinary income realized by a participant and at the time the participant recognizes such income (for example, the exercise of a nonstatutory stock option). Special rules limit the deductibility of compensation paid to Informatica's Chief Executive Officer and to each of its three most highly compensated executive officers other than our Chief Financial Officer. Under Section 162(m) of the Code, the annual compensation paid to any of these specified executives will be deductible only to the extent that it does not exceed \$1,000,000 for any such person. However, Informatica can preserve the deductibility of certain compensation in excess of \$1,000,000 if the conditions of Section 162(m) are met. These conditions include stockholder approval of the 2009 Plan, setting limits on the number of Awards that any individual may receive and for Awards other than certain stock options, establishing performance criteria that must be met before the Award actually will vest or be paid. The 2009 Plan has been designed to permit the Committee, in its discretion, to choose to grant Awards that are intended to qualify as performance-based for purposes of satisfying the

Table of Contents

conditions of Section 162(m), thereby permitting Informatica to continue to receive a federal income tax deduction in connection with such Awards.

THE FOREGOING IS ONLY A SUMMARY OF THE EFFECT OF FEDERAL INCOME TAXATION UPON PARTICIPANTS AND INFORMATICA WITH RESPECT TO THE GRANT AND EXERCISE OF AWARDS UNDER THE 2009 PLAN. IT DOES NOT PURPORT TO BE COMPLETE, AND DOES NOT DISCUSS THE TAX CONSEQUENCES OF A PARTICIPANT'S DEATH OR THE PROVISIONS OF THE INCOME TAX LAWS OF ANY MUNICIPALITY, STATE OR FOREIGN COUNTRY IN WHICH THE PARTICIPANT MAY RESIDE.

Table of Contents

**PROPOSAL THREE**  
**RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee appointed Ernst & Young LLP ("EY") as the independent registered public accounting firm of Informatica for the fiscal year ending December 31, 2014. Although ratification by stockholders is not required by any applicable legal requirements, the Board of Directors has determined that it is desirable to request ratification of this selection by the stockholders. Notwithstanding its selection, the Audit Committee, in its discretion, may appoint a new independent registered public accounting firm at any time during the year if the Audit Committee believes that such a change would be in the best interest of Informatica and its stockholders. If the stockholders do not ratify the appointment of EY, the Audit Committee may reconsider its selection.

EY has audited Informatica's financial statements since our inception. A representative of EY is expected to be present at the Annual Meeting with the opportunity to make a statement if he or she desires to do so, and is expected to be available to respond to appropriate questions.

*The Board of Directors recommends a vote "FOR" this proposal.*

**Accounting Fees**

The following table shows the fees paid or accrued by Informatica for the audit and other services provided by EY for 2012 and 2013.

	2012 (\$)	2013 (\$)
Audit Fees (1)	1,800,000	1,889,000
Audit-Related Fees (2)	272,000	168,000
Tax Fees (3)	1,440,000	1,293,000
All Other Fees		
<b>Total</b>	<b>3,512,000</b>	<b>3,350,000</b>

- (1) Audit fees consist of professional services rendered for the audit of Informatica's annual financial statements and reviews of its quarterly financial statements. Audit fees also include fees for international statutory audits, consents, assistance with and review of documents filed with the SEC, attest services, work done by tax professionals in connection with the audit or quarterly reviews and attestation-related services in connection with Section 404 of the Sarbanes-Oxley Act of 2002.
- (2) Audit-related fees consist of assurance and related services performed by EY that are reasonably related to the performance of the audit or review of Informatica's financial statements, which include fees for accounting consultations, internal control reviews and attest services not required by statute or regulation.
- (3) Tax fees consist of professional services performed by EY with respect to tax compliance and tax planning and advice. Tax compliance includes preparation of original and amended tax returns for Informatica, research and development credit study, tax accounting method change, intangible property valuation, and tax audit assistance. Tax compliance fees totaled approximately \$865,000 and \$677,000 for 2012 and 2013, respectively. Tax planning and advice includes tax strategy planning and modeling, cash repatriation planning, merger and acquisition related projects, intellectual property tax issues, intercompany and transfer pricing design and foreign employee tax matters. Tax planning and advice totaled \$575,000 and \$616,000 for 2012 and 2013, respectively.

Table of Contents

**Pre-Approval of Audit and Non-Audit Services**

All audit and non-audit services provided by EY to Informatica must be pre-approved by the Audit Committee. The Audit Committee utilizes the following procedures in pre-approving all audit and non-audit services provided by EY. In the first and third quarters of the fiscal year, the Audit Committee is presented with a detailed listing of the individual audit and non-audit services and fees (separately describing audit-related services, tax services and other services) expected to be provided by EY for that year. On an as-needed basis, during subsequent Audit Committee meetings throughout the year, the Audit Committee is presented with an updated listing of approved services highlighting any new audit and non-audit services to be provided by EY. The Audit Committee reviews these listings and approves the services outlined therein if such services are acceptable to the Audit Committee.

To ensure prompt handling of unexpected matters, the Audit Committee delegates to the Chairman of the Audit Committee the authority to amend or modify the list of audit and non-audit services and approve additional fees of up to \$50,000; provided, however, that such additional or amended services may not affect EY's independence under applicable SEC rules. The Chairman reports any such action taken to the Audit Committee at the subsequent Audit Committee meeting.

All EY services and fees in 2012 and 2013 were pre-approved by the Audit Committee.

Table of Contents

**REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

With respect to Informatica's financial reporting process, the management of Informatica is responsible for (1) establishing and maintaining internal controls, and (2) preparing our consolidated financial statements. Informatica's independent registered public accounting firm, EY, is responsible for auditing these financial statements and performing an attestation of our internal controls. It is the responsibility of the Audit Committee to oversee these activities. It is not the responsibility of the Audit Committee to prepare or certify our financial statements or guarantee the audits or reports of the independent auditors. These are the fundamental responsibilities of Company management and our independent registered public accounting firm. In the performance of its oversight function, the Audit Committee has:

reviewed and discussed the audited financial statements with EY and management;

discussed with EY the matters required to be discussed under the rules adopted by the Public Company Accounting Oversight Board ("PCAOB"); and

received the written disclosures and the letter from EY required by applicable requirements of the PCAOB regarding EY's communications with the Audit Committee concerning independence, and has discussed with EY its independence.

Based upon such review and discussions, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in Informatica's Annual Report on Form 10-K for the year ended December 31, 2013 for filing with the SEC.

**AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

A. Brooke Seawell (Chair)  
Mark Garrett  
Charles J. Robel

Table of Contents

**PROPOSAL FOUR  
APPROVAL OF EXECUTIVE COMPENSATION**

In accordance with SEC rules, we are providing our stockholders with the opportunity to vote to approve, on an advisory or non-binding basis, the compensation of our named executive officers as disclosed in accordance with the SEC's rules in the "Executive Compensation" section of this Proxy Statement beginning on page 35. This proposal, commonly known as a "say-on-pay" proposal, gives our stockholders the opportunity to express their views on our named executive officers' compensation as a whole. This vote is not intended to address any specific item of compensation or any specific named executive officer, but rather the overall compensation of all of our named executive officers and the philosophy, policies and practices described in this Proxy Statement.

The say-on-pay vote is advisory, and therefore not binding on Informatica, the Compensation Committee or our Board of Directors. The say-on-pay vote will, however, provide information to us regarding investor sentiment about our executive compensation philosophy, policies and practices, which the Compensation Committee will be able to consider when determining executive compensation for the remainder of the current fiscal year and beyond. Approximately 96% of the votes cast on the say-on-pay proposal in 2013 were voted in favor of the proposal. Our Board of Directors and our Compensation Committee value the opinions of our stockholders and to the extent there is any significant vote against the named executive officer compensation as disclosed in this Proxy Statement, we will communicate directly with stockholders to better understand the concerns that influenced the vote, consider our stockholders' concerns and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

We believe that the information we've provided in the "Executive Compensation" section of this Proxy Statement, and in particular the information discussed in "Executive Compensation Compensation Discussion and Analysis Executive Summary" beginning on page 35, demonstrates that our executive compensation program was designed appropriately and is working to ensure management's interests are aligned with our stockholders' interests to support long-term value creation. Accordingly, we ask our stockholders to vote "FOR" the following resolution at the Annual Meeting:

"RESOLVED, that Informatica's stockholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in Informatica's Proxy Statement for the 2014 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, the compensation tables and narrative discussion, and the other related disclosure."

*The Board of Directors recommends a vote "FOR" this proposal.*



Table of Contents

**EXECUTIVE COMPENSATION**

**Compensation Discussion and Analysis**

This section discusses our executive compensation programs, policies and decisions relating to our chief executive officer, chief financial officer and four other most highly compensated executive officers (collectively referred to as our "named executive officers"). For 2013, our named executive officers were:

Sohaib Abbasi, our chairman of the board, chief executive officer and president;

Earl Fry, our chief financial officer, chief administration officer, executive vice president, global customer support and services, and secretary;

Anil Chakravarthy, our executive vice president and chief product officer;

Ivan Chong, our executive vice president and chief strategy officer;

John McGee, our executive vice president, worldwide field operations; and

Girish Pancha, our former executive vice president and chief product officer.

***Executive Summary***

*Pay-for Performance.* The principal objectives of our compensation programs are to attract and retain top-tier talent and to motivate and reward employees who continually drive strong results for Informatica and its stockholders. A central goal of our executive compensation program is to pay for performance, in order to align the interests of our executive officers with those of our stockholders. We believe our record over the past several years demonstrates that we have accomplished this goal. For example, we believe the charts below demonstrate the strong correlation between our revenue, net income and stock price growth and the compensation we paid to Mr. Abbasi over the last five years.

**CEO Pay-For-Performance: Revenue**



Table of Contents

**CEO Pay-For-Performance: Net Income**

**CEO Pay-For-Performance: Stock Price**

---

\* CEO compensation is calculated on the same basis as in the 2013 Summary Compensation Table on page 53.

(1) Reflects non-equity incentive plan compensation.

(2) Reflects the aggregate grant date fair value of stock awards and option awards computed in accordance with FASB ASC Topic 718. For 2012, excludes the aggregate grant date fair value of approximately \$0.6 million for performance-based restricted stock units that were not earned (and therefore were not eligible to vest).

(3) Reflects the closing stock price on the last trading day of the fiscal year.



Table of Contents

*2013 Financial Highlights.* In 2013, we reported record annual revenues of approximately \$948 million, an increase of 17% from 2012. The following table illustrates our 2013 results in terms of revenue, net income, diluted earnings per share and stock price relative to 2011 and 2012:

	2011	2012	2013
Revenue	\$783.8 million	\$811.6 million	\$948.2 million
Net Income	\$117.5 million	\$93.2 million	\$86.4 million
Diluted Earnings per Share	\$1.05	\$0.83	\$0.78
Closing Stock Price (on last trading day)	\$36.93	\$30.32	\$41.50

In addition to the results reflected in the table above, non-GAAP net income increased 9% from 2012 to 2013. Also, non-GAAP net income per diluted share increased 10% from 2012 to 2013.

*Significant 2013 Compensation Decisions.* We continually make refinements to our executive compensation program in order to achieve our compensation-related objectives and ensure that they align with the interests of our stockholders. At our 2013 annual meeting of stockholders, we held an advisory vote on our 2012 executive compensation. Approximately 96% of the votes cast on the proposal were voted in support. We believe this result, as well as the positive results from prior-year advisory votes, validates our general approach to executive compensation. When planning for 2013, we also considered our 2012 financial performance and our total stockholder return. In order to motivate our executive officers to continually advance our long-term strategic priorities and build stockholder value, as well as to demonstrate our long-standing commitment to pay for performance and positive compensation practices, we refined our executive compensation program for 2013 by:

not increasing the base salary or target cash incentive award from 2012 levels for Mr. Abbasi;

not increasing the base salaries of our other executive officers from 2012 levels and making only limited increases in the target cash incentive awards for certain of our other executive officers;

establishing aggressive performance goal targets for the payment of cash incentive awards under our corporate bonus plan that reflect the achievement of the appropriate level of corporate performance;

significantly altering the mix of equity awards granted to our executive officers in utilizing a blend of options and a much larger component of performance-based restricted stock units ("PSUs"); and

focusing the objective of the 2013 equity awards on enhancing performance, by granting only equity awards (options and PSUs) that we believe contain a performance-based component.

We believe the design of our executive compensation program, and the resulting compensation paid to our executive officers for 2013 (particularly for Mr. Abbasi), illustrate that we adhere to our central goal to pay for performance.

*Mix of Compensation Elements.* Our executive compensation program continues to consist of three principal elements: base salary, short-term cash incentive awards and long-term equity-based incentive awards. Consistent with our pay for performance philosophy, a significant portion of our named executive officers' compensation in 2013 consisted of incentive awards, particularly long-term equity-based incentive awards (options, restricted stock units ("RSUs") and PSUs). By using a significant equity-based element, we believe we create an incentive for our executive officers to achieve long-term stockholder value. If our stock price declines or stays flat, our executive officers realize little to no benefit from their outstanding options. Therefore, we believe that options present a substantial incentive to maximize performance, and we utilize a mix of equity awards significantly weighted towards options.

Table of Contents

The chart below illustrates the overall mix of compensation components for our named executive officers in 2013:

**2013 Executive Compensation Mix**

- 
- (1) Includes the value of option, RSU and PSU awards granted in 2013. Value is based on the aggregate grant date fair value computed in accordance with FASB ASC Topic 718.

*2014 CEO Compensation Highlights.* In planning for 2014 executive compensation, we considered our 2013 financial performance as well as total stockholder return, including total stockholder return over a three-year period. As a result, we made certain refinements to our executive compensation program for 2014. Particularly with respect to CEO compensation, we demonstrated our continued commitment to ensuring that we emphasize pay for performance principles by:

not increasing Mr. Abbasi's base salary from the 2013 level of \$700,000;

making a limited increase in Mr. Abbasi's target cash incentive award, from 105% of base salary in 2013 (or \$735,000) to 115% of base salary (or \$805,000) for 2014; and

maintaining a performance-oriented mix of equity awards granted to Mr. Abbasi by utilizing a blend of options and PSUs (with Mr. Abbasi receiving an option for 91,000 shares and a target PSU award for 92,000 shares in 2014).

*Comparison of CEO Target Compensation.* The following table compares Mr. Abbasi's target compensation for 2013 and 2014, assuming achievement at 100% of the target award:

	2013 Target (\$ (1))	% of 2013 Total Target	2014 Target (\$)	% of 2014 Total Target	% Change 2013 to 2014
Base Salary	700,000	13.1	700,000	11.5	
Cash Incentive Compensation	735,000	13.7	805,000	13.2	9.5
Value of Equity-Based Incentive Awards (2)					
Options	894,680	16.7	1,058,740	17.4	18.3
Time-Based RSUs					
Performance-Based RSUs	3,031,830	56.5	3,519,000	57.9	16.1
<b>Total Target Compensation</b>	<b>5,361,510</b>		<b>6,082,740</b>		<b>13.5</b>

---

Edgar Filing: INFORMATICA CORP - Form DEF 14A

- (1) Mr. Abbasi's actual compensation in 2013 was \$5,174,085, as set forth in the 2013 Summary Compensation Table on page 53.
- (2) Reflects the aggregate grant date fair value computed in accordance with FASB ASC Topic 718.

Table of Contents

In addition, the charts below illustrate the mix of Mr. Abbasi's target compensation components for 2013 and 2014:

**2013 CEO Target Compensation Mix**

**2014 CEO Target Compensation Mix**

- 
- (1) Assumes achievement at 100% of target.
- (2) Reflects the aggregate grant date fair value computed in accordance with FASB ASC Topic 718.

*Positive Compensation Practices.* We continually monitor trends and developments in compensation practices to enhance the effectiveness of our compensation philosophy and our corporate governance objectives. In addition to the decisions and highlights described above, we have adopted the following practices:

all of our executive officers are employed "at will";

our severance agreements with our executive officers (other than our chief executive officer) generally feature "double-trigger" severance benefits (that is, the payment of severance benefits is triggered only upon certain terminations of employment following a change in control of Informatica);

none of our severance agreements provide for potential tax "gross-up" payments;

we maintain robust stock ownership guidelines for our executive officers and directors;



## Edgar Filing: INFORMATICA CORP - Form DEF 14A

our employees (including our executive officers) and directors are prohibited from margining our securities, short selling our securities or trading in derivative securities;

our equity incentive plan prohibits us from instituting any program to reprice or exchange equity awards for awards with a lower exercise price without stockholder approval; and

we hold an annual stockholder advisory vote on executive compensation and often solicit feedback from our stockholders on the effectiveness of our compensation philosophy and programs.

Table of Contents

***Philosophy of Compensation Program***

Our compensation program is grounded in the belief that employee performance and success will result in our economic growth, which will have the effect of increasing stockholder value. Our executive officers are compensated under the same programs as other employees, although certain executive compensation elements are more heavily weighted towards our overall performance as compared to achievement of individual objectives. Rewarding strong performance and contribution, regardless of seniority within Informatica, is an important part of our culture and core values.

A significant portion of the executive officers' compensation is directly tied to our performance, ensuring that executive compensation, our financial results and stockholder value are properly aligned. We maintain a balance between short-term and long-term performance by rewarding executive officers both on the achievement of our current business plan objectives, as well as on the achievement of long-term growth, profitability and improvement in stockholder value.

We consider each of the following components as an integral part of the overall total compensation package:

- base salary;
- short-term cash incentive awards;
- long-term equity-based incentive awards;
- benefits under generally available programs; and
- severance arrangements.

The Compensation Committee considers each of the above items in determining the compensation package for each executive officer. Further detail on each component is provided below.

***Role of the Compensation Committee***

Our Compensation Committee acts for the Board of Directors to oversee the design of, and to evaluate and approve, our compensation plans, policies and programs. The Compensation Committee is empowered to review and approve, or when appropriate recommend for the approval by the independent members of the Board of Directors, the annual compensation for and compensation policies applicable to our executive officers, including our chief executive officer.

The Compensation Committee meets at least quarterly. Members of the Compensation Committee also meet with our management and other employees as a part of the compensation planning and administration process throughout the year. In January, the Compensation Committee typically reviews and approves for all employees the compensation philosophy with respect to target compensation, equity award ranges for hiring and retention, bonus metrics and benefits, and also finalizes executive compensation plans for the current fiscal year.

The Compensation Committee consists of Ms. Chang, Dr. Held and Mr. Robel. Dr. Held is the chairman of the Compensation Committee. Each member of the Compensation Committee is independent as that term is defined pursuant to the Compensation Committee's charter in terms of the independence requirements of The NASDAQ Stock Market, the non-employee director definition under Section 16 of the Exchange Act and the outside director definition in Section 162(m) of the Internal Revenue Code of 1986, as amended. No Compensation Committee member is a former or current officer or employee of Informatica or any of its subsidiaries. Members of the Compensation Committee serve at the discretion of our Board of Directors.

Table of Contents

In carrying out its responsibilities, the Compensation Committee consults with Mr. Abbasi, our human resources personnel, and when appropriate, with external independent compensation consultants or other members of management, to assist in the evaluation of and recommendations related to our compensation programs. While the Compensation Committee may, from time to time, consult with Mr. Abbasi, Mr. Fry or other members of management in connection with the planning or evaluation of compensation program-related matters, the Compensation Committee is responsible for oversight and approval of our programs and the individual elements of those programs.

***Role of Executive Officers in Compensation Decisions***

The Compensation Committee meets with Mr. Abbasi to obtain recommendations regarding the compensation of our executive officers, particularly with respect to base salaries, cash incentive awards and equity incentive awards. The Compensation Committee considers, but is not bound to and does not always accept, Mr. Abbasi's recommendations. While the Compensation Committee may solicit input from Mr. Abbasi on his expectations regarding his own compensation, the Compensation Committee deliberates and makes decisions with respect to his compensation without him present. Mr. Abbasi and other executive officers attend some of the Compensation Committee's meetings, but leave the meetings as appropriate when matters of executive compensation specific to them are discussed.

***Role of the Independent Compensation Consultant***

An independent compensation consultant is retained each year by the Compensation Committee to analyze and benchmark our executive officers' compensation package, including base salary, variable pay and equity awards. Additionally, such consultant may be asked to review and benchmark the competitive structure of equity programs, benefits or severance provisions on an as needed basis. The independent compensation consultant serves at the discretion of the Compensation Committee. The Compensation Committee typically requests that representatives of the independent compensation consultant attend the Compensation Committee's meetings, as appropriate.

For 2013, Radford, an AonHewitt Company, provided independent compensation consulting services to the Compensation Committee with respect to our executive officer and director compensation programs and policies and with respect to our equity compensation programs and policies for the broader employee base. Radford was originally engaged by the Compensation Committee in 2009 following a review of the compensation consultant relationship as part of their governance process and an evaluation of a number of consultants. The Compensation Committee reviews, on an annual basis, the independence of Radford in accordance with the rules and regulations of the SEC.

***Peer Companies***

On an annual basis, the Compensation Committee asks Radford to develop a peer group of software and technology companies for further analysis. In evaluating potential peer companies, Radford solicits input from the Compensation Committee, as well as from members of management, on the appropriate parameters for comparison. The specific criteria for selection into the peer group are set annually by the Compensation Committee. In selecting a peer group, we consider software and technology companies that, in our view, compete with us for talent and have financial or other organizational metrics generally similar to ours. Accordingly, our peer group includes a blend of mid-size companies and larger companies serving the data integration market or adjacent markets, as well as other comparably sized software companies. The selection criteria for our peer group includes headquarters location, revenue and revenue growth rates, market capitalization and number of employees. When the peer group is reviewed each year, companies may be removed for failure to meet the selection criteria or new companies may be added as necessary to ensure a significant sample size of companies.

Table of Contents

*2013 Peer Companies.* Our peer group for 2013 consisted of the following companies:

<b>2013 Peer Group</b>		
Akamai Technologies, Inc.	NeuStar, Inc.	Quest Software, Inc.
Cadence Design Systems, Inc.	Nuance Communications, Inc.	Red Hat, Inc.
Concur Technologies, Inc.	Open Text Corporation	salesforce.com, inc.
JDA Software Group, Inc.	PTC Inc.	Synopsys, Inc.
MicroStrategy Incorporated	Pegasystems, Inc.	Tibco Software Inc.
NetSuite Inc.	Qlik Technologies Inc.	VeriSign, Inc.

For 2013, Ariba, Inc., Fair Isaac Corporation and Progress Software Corporation were removed from our 2013 peer group. Ariba was acquired, and Fair Isaac and Progress Software failed to meet the criteria for revenue growth and market capitalization. In addition, Cadence Design Systems, Inc., Pegasystems, Inc., Qlik Technologies Inc. and Synopsys, Inc. were added.

***Stockholder Advisory Vote on Executive Compensation***

We hold an annual stockholder advisory vote on executive compensation (the "say-on-pay proposal"). Approximately 96% of the votes cast on the say-on-pay proposal at the 2013 annual meeting were voted in favor of the proposal. In addition, approximately 96% of the votes cast on the say-on-pay proposal at the 2012 annual meeting were voted in favor of the proposal.

In establishing 2013 compensation, the Compensation Committee considered the results from 2012 annual meeting. The Compensation Committee believes that these results affirm our stockholders' support for our executive compensation decisions and policies, and as such, the Compensation Committee did not materially change its approach to 2013 executive compensation in response to the say-on-pay proposal. In addition, the results from the 2013 annual meeting were evaluated by the Compensation Committee when establishing 2014 executive compensation, and similarly did not result in a material change to our executive compensation philosophy.

The Compensation Committee will continue to consider the results of future say-on-pay proposals when making executive compensation decisions and policies. We continually refine our executive compensation program in order to achieve our principal compensation objectives and ensure alignment with our stockholders' interests. We also engage in an annual dialogue with some of our larger stockholders on corporate governance and compensation matters and often solicit their feedback on various aspects of our compensation programs, particularly our equity compensation programs.

***Target Compensation***

We look at three elements of compensation (base salary, target total cash, and long-term incentives) as compared to our peer group. For 2013, we targeted base salary at the 55<sup>th</sup> percentile, target total cash (salary plus cash incentive awards) at the 65<sup>th</sup> percentile and long-term incentives at the 65<sup>th</sup> percentile within dilution constraints. We use above-median targets to assist with attracting and retaining key employees and offering competitive compensation. The Compensation Committee also believes that targeting higher total cash and long-term incentives (which includes equity-based incentive awards) furthers our pay-for-performance philosophy. We also use above-median targets to maintain consistency with our internal operating plan, which is intentionally challenging and designed to require significant effort and skill by the company to achieve. By

Table of Contents

targeting above-median compensation, we ensure that if we achieve our internal goals and objectives for our business, our overall compensation will align with our performance.

***New Executive Officer Compensation***

One of our named executive officers, Mr. Chakravarthy, joined us in 2013. In determining and negotiating Mr. Chakravarthy's compensation, the Compensation Committee and management reviewed and considered his qualifications and experience, his anticipated duties and responsibilities at Informatica, the overall compensation necessary to encourage and incentivize Mr. Chakravarthy to join Informatica, and the compensation that Mr. Chakravarthy was receiving from his then-current employer. The Compensation Committee and management also consulted with Radford regarding the appropriate compensation for such duties and responsibilities relative to our peer group and our target percentiles.

***Base Salary***

Annual base salaries for our executive officers are determined primarily on the basis of the executive officer's level of responsibility, general salary practices of the peer group and the individual officer's specific qualifications and experience. Base salaries are reviewed annually by the Compensation Committee and any variances between the salary levels of each executive officer and those of the companies included in the benchmarks are reviewed. The Compensation Committee also reviews recommendations made by Mr. Abbasi for each executive officer (other than himself). Salaries may be adjusted based on certain criteria including our recent financial performance, the executive officer's individual performance, the functions performed by the executive officer, the scope of the executive officer's on-going duties and any general changes in the compensation data from the peer companies. In determining any merit salary increase, the relative importance of each factor may vary from individual to individual.

*2013 Base Salaries.* In the fourth quarter of 2012 and the first quarter of 2013, the Compensation Committee reviewed data provided by Radford, including the analysis of each named executive officer's base salary against our selected peer group. In addition to reviewing the data provided by Radford, the Compensation Committee considered our 2012 financial performance and the current position of base salaries within the percentile target. As a result, no increases were made to the base salaries for any of our executive officers for 2013.

For 2013, the base salaries of our named executive officers were as follows:

<b>Named Executive Officer</b>	<b>2012 Base Salary (\$)</b>	<b>2013 Base Salary (\$)</b>	<b>% Change</b>
Sohaib Abbasi	700,000	700,000	
Earl Fry	417,000	417,000	
Anil Chakravarthy (1)		410,000	
Ivan Chong (2)	335,000	335,000	
John McGee	400,000	400,000	
Girish Pancha (3)	390,000	390,000	

(1) Mr. Chakravarthy joined us in September 2013. Mr. Chakravarthy's base salary was negotiated in connection with his hiring.

(2) Mr. Chong's base salary was increased to \$375,000 in November 2013 in connection with his assumption of the chief strategy officer role and responsibilities.

Table of Contents

- (3) Mr. Pancha was on a leave of absence from April 2013 to September 2013. He left Informatica in October 2013.

**Short-Term Cash Incentive Awards**

In addition to base salaries, we pay short-term cash incentive awards pursuant to our corporate bonus plan and individual variable compensation plans. As a result, a substantial portion of each named executive officer's total cash compensation is tied to our performance, in order to focus each executive officer on the importance of achieving our top-line and bottom-line objectives. We refer to these cash incentive awards as a bonus.

*Target Bonus.* The target bonus for each named executive officer is determined using competitive market data provided by our independent compensation consultant, evaluated against a number of criteria including functional responsibilities and the scope of the executive officer's position and on-going duties, and is expressed as a percentage of base salary. The Compensation Committee also reviews recommendations made by Mr. Abbasi for each executive officer (other than himself).

*2013 Target Bonus.* The Compensation Committee approved a 10% increase in the 2013 target bonus percentages for Mr. Fry and Mr. Pancha and a 5% increase in the 2013 bonus percentage for Mr. Chong, in order to maintain their total cash compensation at the targeted 65<sup>th</sup> percentile, ensure internal parity among their peers and incentivize them to achieve our growth strategies and maximize stockholder value. No changes were made to the target bonus percentages for Mr. Abbasi and Mr. McGee for 2013.

For 2013, each named executive officer's target bonus was:

<b>Named Executive Officer</b>	<b>2012 Target Bonus (as a % of Base Salary)</b>	<b>2013 Target Bonus (as a % of Base Salary)</b>	<b>2013 Target Bonus (\$)</b>
Sohaib Abbasi	105%	105%	735,000
Earl Fry	80%	90%	375,300
Anil Chakravarthy (1)		90%	123,000
Ivan Chong (2)	75%	80%	284,000
John McGee	90%	90%	360,000
Girish Pancha (3)	80%	90%	351,000

- (1) Mr. Chakravarthy joined us in September 2013. Mr. Chakravarthy's target bonus percentage was negotiated in connection with his hiring. The table above reflects a prorated target bonus based on his start date.
- (2) Mr. Chong's 2013 target bonus (\$) reflects the increase in his base salary in November 2013.
- (3) Mr. Pancha was on a leave of absence from April 2013 to September 2013. He left us in October 2013.

*Corporate Bonus Plan.* Our corporate bonus plan focuses on the achievement of key fiscal year business objectives around growth and profitability. All of our employees participate in this bonus plan, including our executive officers, which directly rewards achievement against semi-annual performance goals. The performance goals are determined by the Compensation Committee in consultation with the Board of Directors, Mr. Abbasi and Mr. Fry. These performance goals are specifically tied to two key corporate performance objectives: license bookings and non-GAAP operating income. For purposes of the corporate bonus plan, GAAP operating income is adjusted for certain items. Non-GAAP operating income excludes charges and benefits related to the



Table of Contents

amortization of acquired technology and intangible assets, facilities restructuring and facility lease termination costs, building operating expense, acquisitions and other charges, and stock-based compensation expense.

The target levels of the performance goals are measured on a semi-annual basis. Bonuses are paid out after the second calendar quarter for performance achieved in the first half of the year, and after the fourth calendar quarter for performance achieved in the second half of the year. The corporate bonus plan has a minimum payout threshold, with zero payout for achievement at 80% or less of the target level for that semi-annual period. In addition, it is possible to exceed the target level of achievement and receive a bonus payout in excess of the amount payable at the target level, up to a maximum of 200% of the target bonus amount. The Compensation Committee reviews, approves and has discretion to adjust the actual achievement levels and the bonus payments for all participants.

The target levels of the performance goals are derived from our internal operating plan for the fiscal year. Our annual operating plan sets forth our internal goals and objectives for the overall growth and development of Informatica, and therefore is intentionally challenging and designed to require significant effort and skill by the company to achieve. As a result, the likelihood of achieving the performance targets reflects the challenges inherent in achieving the goals and objectives in our internal operating plan. We also adjust the payout levels under the corporate bonus plan from year-to-year based on the likelihood of achievement of the performance goals. In addition, we evaluate and adjust payout levels based on an assessment of our peer group's financial targets for the current fiscal year.

The Compensation Committee considers the likelihood of achievement when approving the target levels and performance goals, including historical levels of achievement by our executive officers. Achievement of 120% of the performance goal target level would be required in order to achieve a maximum payout of 200% of the target bonus. Historically, this maximum level of achievement has never been attained. Achievement of a maximum bonus payout would require significant skill and effort on the part of an executive officer and very high levels of corporate performance that the Compensation Committee believes are possible but unlikely to be achieved.

*2013 Corporate Bonus Plan.* For 2013, 50% of each employee's target bonus (including our named executive officers) was attributable to the performance goal related to license bookings and the remaining 50% to the performance goal related to non-GAAP operating income. Achievement of the target level of the performance goals for 2013 would have required aggressive growth and significant improvement from the prior fiscal year – very high levels of both individual and corporate performance that we believed were possible but difficult to achieve. In addition, when we evaluated the target levels of the performance goals relative to the peer group for 2013, we believed that our non-GAAP operating income target was consistent with the peer group's targets for the year but that our license booking target was aggressive in comparison.



Table of Contents

As a result, we maintained the payout levels with respect to the non-GAAP operating income performance goal and adjusted upward the payout levels with respect to the license bookings performance goal as compared to 2012:

Achievement Level per Performance Goal	2012 Payout Level of Target Bonus (1)	2013 Payout Level of Target Bonus (1)	
		License Bookings	Non-GAAP Operating Income
Threshold (80% or less)	0%	0%	0%
85%	25%	40%	25%
90%	50%	80%	50%
95%	75%	100%	75%
Target (100%)	100%	120%	100%
105%	125%	140%	125%
110%	150%	160%	150%
115%	175%	180%	175%
Maximum (120%)	200%	200%	200%

(1) Payments are linear between payout levels.

*2013 Bonuses.* For 2013, the achievement (compared to our internal operating plan) and payout levels of the performance goals under the corporate bonus plan approved by the Compensation Committee were:

Performance Goal	First Half 2013 Achievement	First Half 2013 Payout	Second Half 2013 Achievement	Second Half 2013 Payout
Corporate Bonus Plan:				
License Bookings	88%	64%	89%	72%
Non-GAAP Operating Income	99%	95%	93%	65%

These results combined for a total payout level of 80% for the first half of 2013 and 69% for the second half of 2013, representing a 74.5% payout level for the entire fiscal year.

Table of Contents

For fiscal 2013, the actual bonuses approved by the Compensation Committee were:

<b>Named Executive Officer</b>	<b>Total First Half Award (\$)</b>	<b>Total Second Half Award (\$)</b>	<b>Total 2013 Award (\$)</b>	<b>Total 2013 Award (as a % of Base Salary)</b>	<b>Total 2013 Award (as a % of Target Bonus)</b>
Sohaib Abbasi	294,000	253,575	547,575	78.2	74.5
Earl Fry	150,120	129,479	279,599	67.1	74.5
Anil Chakravarthy (1)		98,400	98,400	24.0	80.0
Ivan Chong (2)	107,200	103,500	210,700	56.2	74.2
John McGee	144,000	124,200	268,200	67.1	74.5
Girish Pancha (3)	93,600		93,600	24.0	26.7

- (1) Mr. Chakravarthy joined us in September 2013. In connection with his hiring, Mr. Chakravarthy was guaranteed a minimum bonus payout of 80% of his pro-rated target bonus as an incentive to join Informatica.
- (2) Mr. Chong's total 2013 award as a percentage of base salary and target bonus reflects the increase in his base salary in November 2013.
- (3) Mr. Pancha was on a leave of absence from April 2013 to September 2013. He left Informatica in October 2013.

***Equity Incentive Awards***

Informatica's equity incentive plans are a critical component of the compensation program. We believe awarding equity compensation incentivizes our executive officers and key employees to focus on building stockholder value through meeting long-term financial and strategic goals. We grant stock options, RSUs and PSUs to executive officers and other employees under our equity incentive plan. We also sponsor an employee stock purchase plan ("ESPP"). All full time employees (except employees in geographies where participation is restricted by local statute or regulations) are eligible to participate in our ESPP, which provides a fifteen percent (15%) discount on the purchase of shares twice a year. Executive officers may participate in this plan on the same terms as all other employees. Offering these equity alternatives are critical elements in attracting and retaining high caliber employees, including executive level talent, in the competitive technology labor market.

*Equity Grant Process.* At the start of each fiscal year, the Compensation Committee reviews our hiring and growth plans for the year ahead and approves an equity budget presented by human resources management. The Compensation Committee also approves equity guidelines for hiring and retention purposes for management to work within during the fiscal year ahead. Equity grant ranges are set for each job function, level and position within Informatica for both new hire grants and annual refresh grants, and are reviewed and approved by the Compensation Committee at the start of each fiscal year. Ranges are set to balance the need to use equity grants to provide significant attraction and retention value against the need to limit dilution of shareholder interests by working within our target dilution rate. We develop our target dilution rate each year by taking into account the guidelines of our larger stockholders, proxy advisory firm guidelines for our industry, peer group data, the impact on our financial metrics and our hiring and growth plans. These equity ranges provide reference guidelines for Mr. Abbasi, our human resources personnel, the Compensation Committee and the Board of Directors when hiring new executive officers and key management. Additionally, the Compensation Committee uses data provided by Radford to ensure that new hire and any refresh grants for executive officers are within the target positioning levels in our peer group.

Table of Contents

Our equity incentive plan authorizes the Compensation Committee to grant awards to our executive officers and as such, the Compensation Committee approves grants to new executive officers as well as approving refresh and promotional grants to existing executive officers. The principal factors considered in granting new employee equity grants to our executive officers are: (i) level of responsibility of the executive officer's position, (ii) total compensation profile, and (iii) the executive officer's ability to influence our long-term growth and profitability. Additional factors considered when reviewing annual refresh grants include: (i) performance, (ii) the existing levels of stock ownership and equity awards that the particular executive officer holds, and associated retention value, among the executive officers relative to each other and to our employees as a whole, (iii) our target dilution rate and (iv) peer group practices. The Compensation Committee also reviews recommendations made by Mr. Abbasi for each executive officer (other than himself).

*2013 Equity Awards and 2013 PSU Program.* In the fourth quarter of 2012 and the first quarter of 2013, Radford provided the Compensation Committee with recommendations for equity awards for each executive officer based on consideration of the factors detailed above and to align with the target percentile for long-term equity based incentives. The Compensation Committee also considered the retention value of the named executive officers' current equity awards, and discussed with Mr. Abbasi his recommendations for the executive officers (other than himself).

With respect to the mix of equity awards to be granted, the Compensation Committee decided to retain the PSU program for 2013. However, in consideration of our commitment to pay for performance and in light of our 2012 financial performance and our stock price performance, the Compensation Committee determined for 2013 to place a greater emphasis on the use of PSUs and focus the objective of the 2013 equity awards on enhancing performance. As a result, in addition to the continued use of options, the Compensation Committee increased the proportion of PSUs awarded in comparison to 2012. The Compensation Committee opted not to award any time-based RSUs in 2013, other than to Mr. Chakravarthy in connection with his hiring.

In 2013, each named executive officer received the following equity awards:

<b>Named Executive Officer</b>	<b>Grant Date</b>	<b>Options (#) (1)</b>	<b>RSUs (#) (2)</b>	<b>Target PSU Award (#)</b>
Sohaib Abbasi	02/01/13	80,000		81,000
Earl Fry	02/01/13	77,000		23,000
Anil Chakravarthy (3)	11/01/13	175,000	75,000	
Ivan Chong	02/01/13	42,000		12,500
John McGee	02/01/13	66,000		20,000
Girish Pancha	02/01/13	66,000		20,000

(1) Except for Mr. Chakravarthy, options vest over a four-year period, at a rate of 1/48<sup>th</sup> per month. Mr. Chakravarthy's options vest over a four-year period, with 25% of the shares vesting on the first anniversary of the grant date and then at a rate of 1/48<sup>th</sup> per month thereafter.

(2) RSUs vest over a four-year period, at a rate of 25% on the each anniversary of the grant date.

(3) Mr. Chakravarthy joined us in September 2013 and was not eligible to participate in the 2013 PSU Program.

Under the PSU program, a target number of PSUs will be eligible to vest if applicable performance criteria are met during a specified performance period. The actual number of PSUs which may be earned (and therefore be eligible to vest) depends upon the level of achievement with respect to the performance criteria specified by the Compensation Committee at the time of grant. If the target level of achievement is not met, no PSUs will be earned. At or above the minimum level of achievement, the actual number of PSUs earned may range from 50%

Table of Contents

to 125% of the target PSU award. Once the actual number of PSUs earned has been determined, the PSUs will vest over a four-year period, at a rate of 25% on the each anniversary of the grant date.

The performance period for the 2013 target PSU awards was the 2013 fiscal year. 75% of the target PSU award was measured on the basis of our total revenue (compared to our internal operating plan) for the performance period and 25% of the target PSU award was measured on the basis of non-GAAP operating income (compared to our internal operating plan) for the performance period. The Compensation Committee selected these performance goals to align with our key business objectives around growth and profitability as well as increasing stockholder value. In addition, the thresholds for the percentage of target PSU awards earned were evaluated and adjusted based on an assessment of our peer group's financial targets and our targeted 65<sup>th</sup> percentile for long-term incentives.

## Revenue Performance Goal:

<b>Achievement Level</b>	<b>% of Target PSU Award Earned (1)</b>
Below 94%	0%
94%	50%
96%	75%
98%	100%
100%	110%
102%	115%
At or above 105%	125%

## Non-GAAP Operating Income Performance Goal:

<b>Achievement Level</b>	<b>% of Target PSU Award Earned (1)</b>
Below 60%	0%
60%	50%
90%	70%
93%	80%
95%	100%
100%	110%
102%	115%
At or above 105%	125%

---

(1)

The actual number of PSUs earned is not linear between thresholds.

Table of Contents

In January 2014, the Compensation Committee approved the achievement level (compared to our internal operating plan) of the performance goals under the PSU program and the percentage of PSUs actually earned (and eligible to vest):

<b>Performance Goal</b>	<b>2013 Achievement</b>	<b>2013% of Target PSUs Earned</b>
<b>PSU Program:</b>		
Revenue	99%	100%
Non-GAAP Operating Income	95%	100%

As a result, each named executive officer earned the following PSU awards:

<b>Named Executive Officer</b>	<b>2013 Actual PSUs Earned Revenue (#)</b>	<b>2013 Actual PSUs Earned Non-GAAP Operating Income (#)</b>	<b>Total 2013 Actual PSUs Earned (#)</b>
Sohaib Abbasi	60,750	20,250	81,000
Earl Fry	17,250	5,750	23,000
Anil Chakravarthy (1)			
Ivan Chong	9,375	3,125	12,500
John McGee	15,000	5,000	20,000

Girish Pancha (2)

(1) Mr. Chakravarthy joined us in September 2013 and was not eligible to participate in the 2013 PSU Program.

(2) Mr. Pancha forfeited his target PSU award when he left Informatica in October 2013.

***Benefits***

We have adopted certain general employee benefits plans in which executive officers also participate under the same terms as other employees. The benefits plans vary by geography to account for statutory requirements and local market practices. The primary benefit plans that are available to all U.S. employees who work at least twenty-four hours per week include:

flexible time off for vacation, care of a family member, or for a personal or family illness;

medical, dental and vision coverage;

disability insurance with the same relative coverage and payout levels regardless of seniority;

basic life and accidental death & dismemberment insurance with the same relative coverage and payout levels regardless of seniority;

Edgar Filing: INFORMATICA CORP - Form DEF 14A

401(k) savings plan with a matching contribution by us of up to \$4,000; and

our ESPP.

We do not currently offer any non-qualified deferred compensation plans or supplemental retirement plans to our executive officers. Also, we do not provide any pension arrangements or other similar benefits to our executives or employees, other than the 401(k) plan referenced above.

Table of Contents

In addition, we do not have a general program of perquisites that are available to our executive officers. However, to ensure that Mr. McGee would be able to successfully fulfill our expectations for his role and responsibilities when he joined us in July 2012, we agreed to cover the costs associated with his relocation to California, including support with the sale process of his Connecticut home, temporary housing, assistance with shipping of household goods and destination management services, as well as up to \$100,000 of transactional costs from the sale of his Connecticut home and/or closing costs from the purchase of his California home. We paid relocation expenses of approximately \$157,889 in 2013, which includes the tax reimbursement associated with such relocation expenses. Furthermore, Mr. McGee received a car allowance of \$10,000 in 2013.

***Severance Arrangements***

We have entered into agreements with our named executive officers regarding severance arrangements. Such agreements are standard in our industry and are necessary in order to attract and retain the best talent for these executive officer positions. See "Potential Payments on Termination or Change of Control" below for a summary of the material terms and conditions of these severance arrangements.

***Stock Ownership Guidelines***

To further align the interests of the executive officers and members of the Board of Directors with those of our stockholders, we have adopted stock ownership guidelines for our executive officers and directors. Directors and executive officers are expected to meet a minimum ownership level equal to:

chief executive officer 5x annual base salary;

other executive officers 3x annual base salary; and

directors 5x annual retainer.

Executive officers and directors will be expected to meet 50% of these ownership levels within three years from the date of their appointment as an executive officer or election to the Board of Directors, and 100% of these ownership levels within five years of such date. Minimum ownership levels are calculated annually based on the executive officer's base salary or director's annual retainer in effect as of the end of the fiscal year and the closing price of our common stock on the last business day of the fiscal year. Shares counted towards the minimum ownership levels include all shares beneficially owned by the executive officer or director, including shares beneficially owned by the executive officer's or director's immediate family, but exclude unvested restricted stock, shares underlying unvested restricted stock units and shares underlying unexercised option grants.

***Accounting and Tax Considerations***

We generally consider tax and accounting implications in designing our compensation programs, and aim to keep the compensation expense associated with such programs within reasonable levels. For example, in selecting equity based compensation elements, the Compensation Committee reviews the projected expense amounts and expense timing associated with equity awards. In addition, Section 162(m) of the Internal Revenue Code of 1986, as amended, disallows a deduction by us for compensation exceeding \$1.0 million paid to certain executive officers, excluding, among other things, performance-based compensation. To maintain flexibility in compensating executive officers in a manner designed to promote varying corporate goals, we have not adopted a policy that all compensation must be deductible.

Table of Contents

**Report of the Compensation Committee of the Board of Directors**

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with Informatica's management. Based on such review and discussion, the Compensation Committee recommended to Informatica's Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

**COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS**

Gerald Held (Chair)  
Amy Chang  
Charles J. Robel\*

---

\*

Mr. Robel was appointed to the Compensation Committee in October 2013. In 2013, Mr. Sullivan served on the Compensation Committee through May 2013, and Mr. Miller served on the Compensation Committee from May 2013 to July 2013. Ms. Koplou-McAdams will join the Compensation Committee in April 2014.



Table of Contents**2013 Summary Compensation Table**

The following table presents information concerning the compensation of the named executive officers for the fiscal year ended December 31, 2013.

Name and Principal Position	Year	Salary (\$)	Bonus (\$ (1))	Stock Awards (\$ (2))	Option Awards (\$ (2))	Non-Equity Incentive		Total (\$)
						Plan Compensation (\$)	All Other Compensation (\$ (3))	
Sohaib Abbasi	2013	700,000		3,031,830	894,680	547,575		5,174,085
<i>Chairman and</i>	2012	700,000		1,453,980	2,671,300	102,900		4,928,180
<i>Chief Executive Officer</i>	2011	675,000		777,182	3,059,798	641,250		5,153,230
Earl Fry	2013	417,000		860,890	861,130	279,599	4,000	2,422,619
<i>Chief Financial Officer,</i>	2012	417,000		647,682	1,095,233	46,704	3,500	2,210,119
<i>Chief Administration</i>	2011	405,000		336,762	1,325,912	288,563	3,000	2,359,237
<i>Officer, Executive Vice President, Global Customer Support and Services, and Secretary</i>								
Anil Chakravarthy (4)	2013	133,513		2,858,250	2,063,530	98,400	2,562	5,156,255
<i>Executive Vice President and Chief Product Officer</i>								
Ivan Chong	2013	341,667		467,875	469,707	210,700	4,000	1,493,949
<i>Executive Vice</i>								
<i>President</i>	2012	335,000		480,254	587,686	35,175	3,500	1,441,615
<i>and Chief Strategy</i>	2011	315,000		233,150	917,939	209,476	3,000	1,678,565
<i>Officer</i>								
John McGee (5)	2013	400,000		748,600	738,111	268,200	177,495	2,332,406
<i>Executive Vice</i>								
<i>President,</i>	2012	175,641	125,000	1,464,000	1,705,953		60,197	3,530,791
<i>Worldwide Field Operations</i>								
Girish Pancha (6)	2013	170,000		748,600	738,111	93,600	4,000	1,754,311
<i>Former Executive Vice</i>	2012	390,000		647,682	1,095,233	43,680	3,500	2,180,095
<i>President and Chief</i>	2011	360,000		284,956	1,121,926	239,400	3,000	2,009,282
<i>Product Officer</i>								

- (1) Reflects a discretionary bonus for Mr. McGee in 2012.
- (2) Reflects the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. The assumptions used in the valuation of these awards are set forth in the notes to our consolidated financial statements, which are included in our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the SEC on February 21, 2014. These amounts do not necessarily correspond to the actual value that may be recognized by the named executive officer.
- (3) Reflects 401(k) matching contributions by Informatica, and for Mr. McGee, (i) relocation expenses of \$56,697 for 2012 and \$82,765 for 2013, (ii) tax reimbursement for expenses associated with his and his spouse's attendance at our annual sales achievement event of \$5,606 for 2013, (iii) tax reimbursement for expenses associated with his relocation of \$75,124 in 2013, and (iv) a car allowance of \$10,000 for 2013.
- (4)

Edgar Filing: INFORMATICA CORP - Form DEF 14A

Mr. Chakravarthy joined us in September 2013.

(5)

Mr. McGee joined us in July 2012.

(6)

Mr. Pancha was on a leave of absence from April 2013 to September 2013. He left Informatica in October 2013.

Table of Contents

**2013 Grants of Plan-Based Awards Table**

The following table presents information concerning each grant of an award made to a named executive officer in 2013 under any plan.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (\$) (1)		Estimated Future Payouts Under Equity Incentive Plan Awards (#) (2)		All Other Stock Awards: Number of Shares of Stocks or Units (#)	All Other Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$)	Grant Date Fair Value of Stock and Option Awards (\$) (3)
		Target	Maximum	Target	Maximum				
Sohaib Abbasi	02/01/13	735,000	1,470,000	81,000	101,250				3,031,830
	02/01/13								80,000
Earl Fry	02/01/13	375,300	750,600	23,000	28,750				860,890
	02/01/13								77,000
Anil Chakravarthy	11/01/13	123,000	246,000			75,000			2,858,250
	11/01/13								175,000
Ivan Chong	02/01/13	284,000	568,000	12,500	15,625				467,875
	02/01/13								42,000
John McGee	02/01/13	360,000	720,000	20,000	25,000				748,600
	02/01/13								66,000
Girish Pancha	02/01/13	351,000	702,000	20,000	25,000				748,600
	02/01/13								66,000

(1) Reflects target and maximum cash incentive award amounts for 2013 performance under our corporate bonus plan, as described in "Compensation Discussion and Analysis – Short-Term Cash Incentive Awards." For Mr. Chakravarthy, reflects prorated amounts based on his start date. Mr. Chakravarthy joined us in September 2013. In connection with his hiring, Mr. Chakravarthy was guaranteed a minimum bonus payout of 80% of his pro-rated target bonus (\$98,400). Mr. Chong's target and maximum cash incentive awards reflect the increase in his base salary in November 2013. Except for Mr. Chakravarthy, there is no threshold payout amount, as the minimum amount payable under the plan is \$0. The actual cash incentive award amounts paid for 2013 are reflected in the "Non-Equity Incentive Plan Compensation" column of the "2013 Summary Compensation Table."

(2) Reflects target and maximum number of performance-based restricted stock units for 2013 performance granted under the 2009 Equity Incentive Plan, as described in "Compensation Discussion and Analysis – Equity Incentive Awards." There is no threshold payout amount, as the minimum amount of performance-based restricted stock units that may be earned is zero. For 2013, the actual number of performance-based restricted stock units that were earned were as follows:

Sohaib Abbasi	81,000
Earl Fry	23,000
Anil Chakravarthy	
Ivan Chong	12,500
John McGee	20,000
Girish Pancha	

(3)

Reflects the grant date fair value of each equity award computed in accordance with FASB ASC Topic 718. The assumptions used in the valuation of these awards are set forth in the notes to our consolidated financial statements, which are included in our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the SEC on February 21, 2014. These amounts do not necessarily correspond to the actual value that may be recognized by the named executive officer.

Edgar Filing: INFORMATICA CORP - Form DEF 14A

Table of Contents

**Outstanding Equity Awards at 2013 Fiscal Year-End**

The following table presents information concerning unexercised options and stock that has not vested for each named executive officer outstanding as of the end of 2013.

Name	Grant Date (1)	Option Awards				Stock Awards			
		Number of Securities Underlying Unexercised Options (#)		Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Number of Unearned Shares or Units of Stock That Have Not Vested (#)	Market Value of Unearned Shares or Units of Stock That Have Not Vested (\$)
		Exercisable	Unexercisable						
Sohaib Abbasi	07/19/04	1,339,104		5.69	07/19/14				
	02/01/07	179,885		12.64	02/01/14				
	02/01/08	400,000		18.54	02/01/15				
	02/01/10	287,500	12,500	24.38	02/01/17				
	02/01/11	159,375	65,625	46.63	02/01/18				
	02/01/12	91,666	108,334	44.06	02/01/19				
	02/01/13	16,666	63,334	37.43	02/01/20				
	02/01/10					8,333	345,820		
	02/01/11					8,333	345,820		
	02/01/12					15,000	622,500		
	02/01/13							81,000	3,361,500
Earl Fry	02/01/08	125,000		18.54	02/01/15				
	02/01/10	143,750	6,250	24.38	02/01/17				
	02/01/11	69,062	28,438	46.63	02/01/18				
	02/01/12	37,583	44,417	44.06	02/01/19				
	02/01/13	16,041	60,959	37.43	02/01/20				
	02/01/10					4,166	172,889		
	02/01/11					3,610	149,815		
	02/01/12					6,150	255,225		
	02/01/13							23,000	954,500
Anil Chakravarty	11/01/13		175,000	38.11	11/01/20				
	11/01/13					75,000	3,112,500		
Ivan Chong	05/01/07	26,000		14.95	05/01/14				
	02/01/08	50,000		18.54	02/01/15				
	02/01/10	71,875	3,125	24.38	02/01/17				
	02/01/11	47,812	19,688	46.63	02/01/18				
	02/01/12	20,166	23,834	44.06	02/01/19				
	02/01/13	8,750	33,250	37.43	02/01/20				
	02/01/10					2,083	86,445		
	02/01/11					2,500	103,750		
	02/01/12					3,300	136,950		
	02/01/13							12,500	518,750
John McGee	08/01/12	61,979	113,021	29.28	08/01/19				
	02/01/13	13,750	52,250	37.43	02/01/20				
	08/01/12					37,500	1,556,250		
	02/01/13							20,000	830,000
Girish Pancha	02/01/08	37,482		18.54	02/01/15				
	02/01/10	9,766		24.38	02/01/17				
	02/01/11	55,000		46.63	02/01/18				
	02/01/12	34,166		44.06	02/01/19				
	02/01/13	11,000		37.43	02/01/20				

(1)

Except for Mr. Chakravarthy's 2013 option awards and Mr. McGee's 2012 option awards, all option awards vest over a four-year period at a rate of 1/48th per month. Mr. Chakravarthy's 2013 option awards and Mr. McGee's 2012 option awards vest over a four-year period, at a rate of 25% on the first anniversary of the grant date and then at a rate of 1/48th per month thereafter. Restricted stock unit awards vest over a four-year period, at a rate of 25% on the each anniversary of the vesting commencement date. The vesting commencement date for restricted stock unit awards is the grant date. Performance share units vest over a four-year period, at a rate of 25% on each anniversary of the grant date.

Table of Contents

- (2) Market value of shares or units of stock that have not vested is computed by multiplying (i) \$41.50, the closing price on the NASDAQ Global Select Market of our common stock on December 31, 2013, the last trading day of 2013, by (ii) the number of shares or units of stock.
- (3) Reflects target number of performance share units for 2013 performance granted under the 2009 Equity Incentive Plan, as described in "Compensation Discussion and Analysis – Equity Incentive Awards."

**2013 Option Exercises and Stock Vested Table**

The following table presents information concerning the exercise of options and the vesting of stock awards during 2013 for each of the named executive officers.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$ (1))	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$ (2))
Sohaib Abbasi	710,411	21,726,669	47,500	1,777,925
Earl Fry	260,000	5,808,384	18,023	674,601
Anil Chakravarthy				
Ivan Chong	25,000	532,910	9,433	353,077
John McGee			12,500	489,750
Girish Pancha	120,387	1,693,598	14,932	558,905

- (1) Reflects the difference between the market price of our common stock at the time of exercise on the exercise date and the exercise price of the option.
- (2) Reflects the market price of our common stock on the vesting date.

**Potential Payments upon Termination or Change in Control**

We have entered into agreements with our named executive officers regarding payments upon termination (with respect to our chief executive officer) or upon a change in control (with respect to all of our named executive officers). Such agreements are standard within our industry and are necessary in order to attract the best talent for these positions.

***Employment Agreement with Sohaib Abbasi***

We have entered into an employment agreement, as amended, with Mr. Abbasi. Mr. Abbasi's employment agreement provides that, if we terminate Mr. Abbasi's employment without cause or he resigns for good reason, he will receive severance benefits including:

continued payment of his base salary for twelve months;

a lump-sum payment, paid at the time fiscal year bonuses are paid to other executive officers, equal to 100% of his then-current target bonus;

reimbursement for benefits premiums for a maximum of twelve months (to cease once eligible for similar benefits from another employer); and

twelve months accelerated vesting for unvested equity awards.



Table of Contents

If Mr. Abbasi is terminated without cause or he resigns for good reason, and such termination occurs within the time period beginning on the date three months preceding a change of control and ending on the date twelve months following a change of control, he will receive severance benefits including:

continued payment of his base salary for eighteen months;

a lump-sum payment, paid at the time fiscal year bonuses are paid to other executive officers, equal to 150% of his then-current target bonus;

reimbursement for benefits premiums for a maximum of eighteen months (to cease once eligible for similar benefits from another employer); and

immediate vesting with respect to all unvested equity awards.

The severance payments, continued benefits, and accelerated vesting will be subject to Mr. Abbasi entering into and not subsequently revoking: (1) a separation agreement and release of claims in a form satisfactory to us and him; (2) a non-compete and non-solicitation agreement that would be in effect during the 18-month period in which he receives continuing salary from us; and (3) a non-disparagement agreement.

***Executive Severance Agreements***

In addition, we have entered into executive severance agreements with Mr. Fry, Mr. Chakravarthy, Mr. Chong and Mr. McGee. These executive severance agreements provide that, if we terminate such officer's employment without cause or he resigns for good reason, and such termination occurs within the time period beginning on the date three months preceding a change of control and ending on the date twelve months following a change of control, he will receive severance benefits including:

continued payment of his base salary for a period of twelve months;

a lump-sum payment equal to 100% of his annual on-target bonus, commissions or variable earnings, assuming performance at 100% of target for bonus determination;

reimbursement for benefits premiums for a maximum of twelve months (to cease once eligible for similar benefits from another employer); and

immediate vesting with respect to all unvested equity awards.

In addition, Mr. Chakravarthy's executive severance agreement provides that, if we terminate Mr. Chakravarthy's employment without cause or he resigns for good reason between September 4, 2013 and September 4, 2014, he will receive severance benefits including:

a lump-sum payment of his base salary for six months;

a lump-sum payment equal to 50% of his annual on-target bonus, commissions or variable earnings, assuming performance at 100% of target for bonus determination; and

## Edgar Filing: INFORMATICA CORP - Form DEF 14A

reimbursement for benefits premiums for a maximum of six months (to cease once eligible for similar benefits from another employer).

The severance payments, continued benefits, and accelerated vesting will be subject to the executive officer entering into and not subsequently revoking: (1) a separation agreement and release of claims in a form satisfactory to us and the executive officer; (2) a non-compete and non-solicitation agreement that would be in effect during the 12 month period in which the executive officer receives continuing salary from us; and (3) a non-disparagement agreement.

Table of Contents***Definitions of Cause and Good Reason***

For purposes of Mr. Abbasi's employment agreement and the executive severance agreements, "cause" is generally defined as (i) an executive officer's act of dishonesty or fraud in connection with the performance of his responsibilities to us with the intention that such act results in an executive officer's substantial personal enrichment, (ii) an executive officer's conviction of, or plea of nolo contendere to, a felony, (iii) an executive officer's willful failure to perform his duties or responsibilities, or (iv) an executive officer's violation or breach of an executive officer's employee proprietary information and inventions agreement; provided that if any of the foregoing events is capable of being cured, we will provide notice to the executive officer describing the nature of such event and the executive officer will thereafter have 30 days to cure such event.

In addition, "good reason" is generally defined as the occurrence of any of the following without an executive officer's express written consent: (i) a reduction (or series of reductions) of the executive's base salary or target bonus that singly or in the aggregate constitute a material reduction, other than a one-time reduction of up to 10% that also is applied to substantially all of our other senior executives, (ii) a reduction in an executive officer's base salary other than a one-time reduction of not more than 10% that also is applied to substantially all of our other executive officers, (iii) a material reduction in the aggregate level of benefits made available to the executive officer other than a reduction that also is applied to substantially all of our other executive officers, or (iv) relocation of an executive officer's primary place of business for the performance of his duties to us to a location that is more than 35 miles from its prior location.

***Estimated Payments Upon Termination or Change of Control***

The following table provides information concerning the estimated payments and benefits that would be provided in the circumstances described above for each of the named executive officers. Payments and benefits are estimated assuming that the triggering event took place on the last business day of 2013 (December 31, 2013), and the price per share of our common stock is the closing price on the NASDAQ Global Select Market as of that date (\$41.50). There can be no assurance that a triggering event would produce the same or similar results as those estimated below if such event occurs on any other date or at any other price, or if any other assumption used to estimate potential payments and benefits is not correct. Due to the number of factors that affect the nature and amount of any potential payments or benefits, any actual payments and benefits may be different.

Name	Type of Benefit	Potential Payments Upon:			
		Termination Without Cause		Resignation for Good Reason	
		Not Related to Change in Control (\$)	Within 3 Months Before or 12 Month After a Change in Control (\$)	Not Related to Change in Control (\$)	Within 3 Months Before or 12 Month After a Change in Control (\$)
Sohaib Abbasi	Salary	700,000	1,050,000	700,000	1,050,000
	Value of Accelerated Options (1)	295,400	471,769	295,400	471,769
	Value of Accelerated RSUs (1)	726,250	1,314,139	726,250	1,314,139
	Value of Accelerated PSUs (1)	840,375	3,361,500	840,375	3,361,500
	Bonus	735,000	1,102,500	735,000	1,102,500
	Reimbursement of Health Insurance Premiums (2)	22,692	34,039	22,692	34,039
	<b>Total Termination Benefits</b>		<b>3,319,717</b>	<b>7,333,947</b>	<b>3,319,717</b>
Earl Fry	Salary		417,000		417,000
	Value of Accelerated Options (1)		355,103		355,103
	Value of Accelerated RSUs (1)		577,929		577,929
	Value of Accelerated PSUs (1)		954,500		954,500
	Bonus		375,300		375,300
	Reimbursement of Health Insurance Premiums (2)		22,692		22,692

Edgar Filing: INFORMATICA CORP - Form DEF 14A

Total Termination Benefits

2,702,524

2,702,524

58

---

Edgar Filing: INFORMATICA CORP - Form DEF 14A

Table of Contents

Name	Type of Benefit	Potential Payments Upon:			
		Termination Without Cause	Resignation for Good Reason	Termination Without Cause	Resignation for Good Reason
		Not Related to Change in Control (\$)	Within 3 Months Before or 12 Month After a Change in Control (\$)	Not Related to Change in Control (\$)	Within 3 Months Before or 12 Month After a Change in Control (\$)
Anil Chakravarth	Salary	205,000	410,000	205,000	410,000
	Value of Accelerated Options (1)		593,250		593,250
	Value of Accelerated RSUs (1)		3,112,500		3,112,500
	Value of Accelerated PSUs (1)				
	Bonus	184,500	369,000	184,500	369,000
	Reimbursement of Health Insurance Premiums (2)	11,346	22,692	11,346	22,692
<b>Total Termination Benefits</b>		<b>400,846</b>	<b>4,507,442</b>	<b>400,846</b>	<b>4,507,442</b>
Ivan Chong	Salary		375,000		375,000
	Value of Accelerated Options (1)		188,828		188,828
	Value of Accelerated RSUs (1)		327,145		327,145
	Value of Accelerated PSUs (1)		518,750		518,750
	Bonus		300,000		300,000
	Reimbursement of Health Insurance Premiums (2)		22,879		22,879
<b>Total Termination Benefits</b>			<b>1,732,602</b>		<b>1,732,602</b>
John McGee	Salary		400,000		400,000
	Value of Accelerated Options (1)		1,593,774		1,593,774
	Value of Accelerated RSUs (1)		1,556,250		1,556,250
	Value of Accelerated PSUs (1)		830,000		830,000
	Bonus		360,000		360,000
	Reimbursement of Health Insurance Premiums (2)		22,692		22,692
<b>Total Termination Benefits</b>			<b>4,762,716</b>		<b>4,762,716</b>
Girish Pancha (3)	Salary				
	Value of Accelerated Options (1)				
	Value of Accelerated RSUs (1)				
	Value of Accelerated PSUs (1)				
	Bonus				
	Reimbursement of Health Insurance Premiums (2)				
<b>Total Termination Benefits</b>					

(1) Reflects the aggregate market value of unvested option grants, unvested restricted stock unit awards and unvested performance-based restricted stock unit awards. For unvested option grants, aggregate market value is computed by multiplying (i) the number of shares underlying unvested options at December 31, 2013 by (ii) the difference between \$41.50 and the exercise price of such option. Outstanding options that have an exercise price in excess of \$41.50 are not included in the calculation. For unvested restricted stock

## Edgar Filing: INFORMATICA CORP - Form DEF 14A

unit awards, aggregate market value is computed by multiplying (i) the number of unvested shares at December 31, 2013 by (ii) \$41.50. For unvested performance-based restricted stock unit awards, aggregate market value is computed by multiplying (i) the target number of unvested shares at December 31, 2013 by (ii) \$41.50.

(2)

Reflects the cost of COBRA coverage to maintain the benefits currently provided.

(3)

Mr. Pancha left Informatica in October 2013.

Table of Contents**EQUITY COMPENSATION PLAN INFORMATION**

The following table provides information as of December 31, 2013 with respect to the shares of Informatica's common stock that may be issued under Informatica's existing equity compensation plans.

<b>Plan Category</b>	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</b>	<b>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column(a))</b>
Equity compensation plans approved by stockholders (1)	11,866,558(2) \$	29.05(3)	10,996,344(4)
Equity compensation plans not approved by stockholders			
<b>Total</b>	<b>11,866,558(5)</b>		<b>10,996,344</b>

(1) Includes 12,295 shares available to be issued upon exercise of outstanding options with a weighted-average exercise price of \$8.88 related to equity compensation plans assumed in connection with previous acquisitions.

(2) Includes, as of December 31, 2013:

1,792,562 shares that may be issued under restricted stock unit awards; and

a maximum of 649,900 shares subject to outstanding performance-based restricted stock unit awards eligible to be earned.

(3) Excludes, as of December 31, 2013:

1,792,562 shares that may be issued under restricted stock unit awards; and

a maximum of 649,900 shares subject to outstanding performance-based restricted stock unit awards eligible to be earned.

(4) Includes 6,172,544 shares available for issuance under our employee stock purchase plan.

(5) As of February 28, 2014, under all of our equity compensation plans (excluding our employee stock purchase plan), there were:

9,490,150 shares subject to issuance upon exercise of outstanding options, at a weighted average exercise price of \$30.69, and with a weighted average remaining life of 4.06 years;

2,123,416 shares subject to outstanding restricted stock unit awards that remain subject to vesting;

a maximum of 637,462 shares subject to outstanding performance-based restricted stock unit awards eligible to be earned; and

2,803,187 shares available for grant under our 2009 Equity Incentive Plan.

#### **COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

Informatica's Compensation Committee is currently composed of Ms. Chang, Dr. Held and Mr. Robel. No interlocking relationship exists between any member of Informatica's Compensation Committee and any member of the compensation committee of any other company, nor has any such interlocking relationship existed in the past. No member of the Compensation Committee is or was formerly an officer or an employee of Informatica.



Table of Contents**SECURITY OWNERSHIP BY PRINCIPAL STOCKHOLDERS AND MANAGEMENT**

The following table sets forth certain information concerning the beneficial ownership of Informatica's common stock as of February 28, 2014 for the following: (1) each person or entity who is known by Informatica to own beneficially more than 5% of the outstanding shares of Informatica's common stock; (2) each of Informatica's directors; (3) each of the executive officers named in the 2013 Summary Compensation Table; and (4) all directors and current executive officers of Informatica as a group.

Name	Common Stock Beneficially Owned (1)	Percentage Beneficially Owned (1) (2)
<b>5% Stockholders:</b>		
BlackRock, Inc. (3)	7,507,682	6.9%
Columbia Wanger Asset Management, LLC (4)	7,624,500	7.0%
Janus Capital Management LLC (5)	5,878,948	5.4%
The Vanguard Group, Inc. (6)	6,117,081	5.6%
<b>Directors:</b>		
Mark A. Bertelsen (7)	42,000	*
Amy Chang (8)	10,413	*
Mark Garrett (9)	42,667	*
Gerald Held (10)	42,667	*
Hilarie Koplow-McAdams		
Charles J. Robel (11)	50,920	*
A. Brooke Seawell (12)	46,000	*
Geoffrey W. Squire (13)	142,667	*
<b>Named Executive Officers:</b>		
Sohaib Abbasi (14)	2,668,309	2.4%
Earl E. Fry (15)	680,189	*
Anil Chakravarthy (16)	1,666	*
Ivan Chong (17)	268,616	*
John McGee (18)	111,860	*
Girish Pancha	80	*
All directors and current executive officers as a group (14 persons) (19)	4,165,988	3.7%

\*  
Less than one percent.

(1) The number and percentage of shares beneficially owned is determined in accordance with Rule 13d-3 of the Exchange Act, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rule, beneficial ownership includes any shares over which the individual or entity has voting power or investment power and any shares of common stock that the individual has the right to acquire within 60 days of February 28, 2014 through the exercise of any stock option or other right. Unless otherwise indicated in the footnotes, each person or entity has sole voting and investment power (or shares such powers with his or her spouse) with respect to the shares shown as beneficially owned.

(2) The total number of shares of common stock outstanding as of February 28, 2014 was 109,331,732.

## Edgar Filing: INFORMATICA CORP - Form DEF 14A

### Table of Contents

- (3) The address of BlackRock, Inc. is 40 East 52nd Street, New York, NY 10022. This information was obtained from a filing made with the SEC pursuant to Section 13(g) of the Exchange Act on January 29, 2014.
- (4) The address of Columbia Wanger Asset Management, LLC. is 227 West Monroe Street, Suite 3000, Chicago, IL 60606. This information was obtained from a filing made with the SEC pursuant to Section 13(g) of the Exchange Act on February 6, 2014.
- (5) The address of Janus Capital Management LLC is 151 Detroit Street, Denver, CO 80206. This information was obtained from a filing made with the SEC pursuant to Section 13(g) of the Exchange Act on February 14, 2014.
- (6) The address of The Vanguard Group, Inc. is 100 Vanguard Blvd., Malvern, PA 19355. This information was obtained from a filing made with the SEC pursuant to Section 13(g) of the Exchange Act on February 11, 2014.
- (7) Includes 20,000 shares subject to options that vest within 60 days of February 28, 2014.
- (8) Includes 8,746 shares subject to options that vest within 60 days of February 28, 2014.
- (9) Includes 35,000 shares subject to options that vest within 60 days of February 28, 2014 and 6,000 shares of which he has elected to defer delivery.
- (10) Includes 35,000 shares subject to options that vest within 60 days of February 28, 2014 and 6,000 shares of which he has elected to defer delivery.
- (11) Includes 35,000 shares subject to options that vest within 60 days of February 28, 2014 and 3,000 shares of which he has elected to defer delivery.
- (12) Includes 35,000 shares subject to options that vest within 60 days of February 28, 2014.
- (13) Includes 35,000 shares subject to options that vest within 60 days of February 28, 2014.
- (14) Includes 2,129,502 shares subject to options that vest within 60 days of February 28, 2014.
- (15) Includes 423,227 shares subject to options that vest within 60 days of February 28, 2014.
- (16) Includes 1,666 shares subject to options that vest within 60 days of February 28, 2014.
- (17) Includes 228,811 shares subject to options that vest within 60 days of February 28, 2014.
- (18) Includes 98,353 shares subject to options that vest within 60 days of February 28, 2014.
- (19) Includes 3,130,096 shares subject to options that vest within 60 days of February 28, 2014.

**TRANSACTIONS WITH MANAGEMENT**

**Policies and Procedures for the Review and Approval of Related Person Transactions**

In accordance with Informatica's Code of Business Conduct, directors, officers and employees should generally avoid conducting Informatica business in which a family member is associated in any significant role, or with other related parties. In addition, pursuant to the charter of Informatica's Audit Committee, the Audit Committee reviews and approves in advance any proposed related person transactions.

The Audit Committee has adopted a Related Person Transaction Policy to assist the Audit Committee with fulfilling this approval responsibility. The policy addresses the identification and evaluation of related person transactions, as well as guidelines for pre-approved transactions, transactions that may be approved by the chair of the Audit Committee, the employment of immediate family members, and the evaluation criteria the Audit

Table of Contents

Committee uses in assessing a related person transaction brought before it for approval. These factors include, without limitation: the commercial reasonableness of the transaction and whether the transaction was undertaken in the ordinary course of business; how the transaction was initiated and by whom; the purpose and potential benefits and materiality of the transaction to Informatica; the approximate dollar value of the transaction; the extent to which the related person has an interest in the transaction; the impact of the transaction on any non-employees director's independence; actual or apparent conflicts of interest as a result of the transaction; and any other factors deemed relevant by the Audit Committee. The Audit Committee determines whether the related person has a material interest in the transaction and may then approve, ratify, rescind or take other action with respect to the transaction in its discretion.

Related person transactions will be disclosed in the applicable SEC filing as required by the rules of the SEC. For purposes of these procedures, "related person" and "transaction" have the meanings contained in Item 404 of Regulation S-K promulgated by the SEC. The individuals and entities that are considered "related persons" include:

directors, nominees for director and executive officers of Informatica;

any person known to be the beneficial owner of five percent or more of Informatica's common stock (a "5% Stockholder");  
and

any immediate family member, as defined in Item 404(a) of Regulation S-K, of a director, nominee for director, executive officer and 5% Stockholder.

**Related Person Transactions**

There have been no reportable related person transactions since the beginning of 2013.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act ("Section 16(a)") requires Informatica's executive officers and directors, and certain persons who own more than 10% of a registered class of Informatica's equity securities ("10% Stockholders"), to file reports of ownership on Form 3 and changes in ownership on Forms 4 or 5 with the SEC. Such executive officers, directors and 10% Stockholders are also required by SEC rules to furnish Informatica with copies of all Section 16(a) forms they file.

Based solely on its review of the copies of such reports furnished to Informatica and written representations that no other reports were required to be filed during 2013, we believe that our executive officers, directors and 10% Stockholders have complied with all Section 16(a) filing requirements applicable to them.

Table of Contents

**OTHER MATTERS**

The Board of Directors does not know of any other matters to be presented at the Annual Meeting. If any additional matters are properly presented at the Annual Meeting, the persons named in the enclosed proxy card will have discretion to vote shares they represent in accordance with their own judgment on such matters.

It is important that your shares be represented at the Annual Meeting, regardless of the number of shares that you hold. You are, therefore, urged to vote by telephone or by using the Internet as instructed on the enclosed proxy card or execute and return, at your earliest convenience, the enclosed proxy card in the envelope that has also been provided.

**THE BOARD OF DIRECTORS**

Redwood City, California  
April 10, 2014

Table of Contents

**APPENDIX A**

**INFORMATICA CORPORATION  
2009 EQUITY INCENTIVE PLAN**

(Effective April 28, 2009)

(As amended effective May 23, 2014)

**SECTION 1**

**BACKGROUND AND PURPOSE**

1.1 Background and Effective Date. The Plan permits the grant of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units, and Performance Shares. This amended Plan is effective as of May 23, 2014 upon approval by an affirmative vote of the holders of a majority of the Shares that are present or in person or by proxy and entitled to vote at the 2014 Annual Meeting of Stockholders of the Company.

1.2 Purpose of the Plan. The Plan is intended to attract, motivate, and retain (a) employees of the Company and its Affiliates, (b) consultants who provide significant services to the Company and its Affiliates, and (c) directors of the Company who are employees of neither the Company nor any Affiliate. The Plan also is designed to encourage stock ownership by Participants, thereby aligning their interests with those of the Company's shareholders and to permit the payment of compensation that qualifies as performance-based compensation under Section 162(m) of the Code.

**SECTION 2**

**DEFINITIONS**

The following words and phrases shall have the following meanings unless a different meaning is plainly required by the context:

2.1 "1934 Act" means the Securities Exchange Act of 1934, as amended. Reference to a specific section of the 1934 Act or regulation thereunder shall include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

2.2 "Affiliate" means any corporation or any other entity (including, but not limited to, partnerships and joint ventures) controlling, controlled by, or under common control with the Company.

2.3 "Award" means, individually or collectively, a grant under the Plan of Options, SARs, Restricted Stock, Restricted Stock Units, Performance Units, or Performance Shares.

2.4 "Award Agreement" means the written agreement setting forth the terms and conditions applicable to each Award granted under the Plan.

2.5 "Board" or "Board of Directors" means the Board of Directors of the Company.

Table of Contents

2.6 "Change of Control" means the occurrence of any of the following events: (a) a change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group, ("Person") acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection (a), the acquisition of additional stock by any one Person, who is considered to own more than 50% of the total voting power of the stock of the Company shall not be considered a Change of Control; (b) a change in the effective control of the Company which occurs on the date that a majority of the members of the Board are replaced during any twelve (12) month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this clause (b), if any Person is considered to effectively control the Company, the acquisition of additional control of the Company by the same Person shall not be considered a Change of Control; or (c) a change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (c), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. For purposes of this Section 2.6, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company. Notwithstanding the foregoing, a transaction will not be deemed a Change of Control unless the transaction qualifies as a change in control event within the meaning of Code Section 409A, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.

2.7 "Code" means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder shall include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

2.8 "Committee" means the committee appointed by the Board (pursuant to Section 3.1) to administer the Plan.

2.9 "Company" means Informatica Corporation, a Delaware corporation, or any successor thereto.

2.10 "Consultant" means any consultant, independent contractor, or other person who provides significant services to the Company or its Affiliates, but who is neither an Employee nor a Director.

2.11 "Determination Date" means the latest possible date that will not jeopardize the qualification of an Award granted under the Plan as "performance-based compensation" under Section 162(m) of the Code.

2.12 "Director" means any individual who is a member of the Board of Directors of the Company.

2.13 "Disability" means a permanent disability in accordance with a policy or policies established by the Committee (in its discretion) from time to time.

2.14 "Employee" means any employee of the Company or of an Affiliate, whether such employee is so employed at the time the Plan is adopted or becomes so employed subsequent to the adoption of the Plan.

2.15 "Exchange Program" means a program established by the Committee under which outstanding Awards are amended to provide for a lower Exercise Price or surrendered or cancelled in exchange for cash or

## Edgar Filing: INFORMATICA CORP - Form DEF 14A

### Table of Contents

Awards with a lower Exercise Price. Notwithstanding the preceding, the term Exchange Program does not include any (a) action described in Section 4.4 or 4.5, nor (b) transfer or other disposition permitted under Section 12.6 or 12.7.

2.16 "Exercise Price" means the price at which a Share may be purchased by a Participant pursuant to the exercise of an Option.

2.17 "Fair Market Value" means the closing per share selling price for Shares on Nasdaq on the relevant date, or if there were no sales on such date, the average of the closing sales prices on the immediately following and preceding trading dates, in either case as reported by The Wall Street Journal or such other source selected in the discretion of the Committee (or its delegate). Notwithstanding the preceding, for federal, state, and local income tax reporting purposes, fair market value shall be determined by the Company in accordance with uniform and nondiscriminatory standards adopted by it from time to time.

2.18 "Fiscal Quarter" means a fiscal quarter of the Company.

2.19 "Fiscal Year" means the fiscal year of the Company.

2.20 "Grant Date" means, with respect to an Award, the date that the Award was granted. The Grant Date of an Award shall not be earlier than the date the Award is approved by the Committee.

2.21 "Incentive Stock Option" means an Option to purchase Shares that is designated as an Incentive Stock Option and is intended to meet the requirements of Section 422 of the Code.

2.22 "Non-employee Director" means a Director who is an employee of neither the Company nor of any Affiliate.

2.23 "Nonqualified Stock Option" means an option to purchase Shares that is not intended to be an Incentive Stock Option.

2.24 "Option" means an Incentive Stock Option or a Nonqualified Stock Option.

2.25 "Participant" means an Employee, Consultant, or Non-employee Director who has an outstanding Award.

2.26 "Performance Goals" means the goal(s) (or combined goal(s)) determined by the Committee (in its discretion) to be applicable to a Participant with respect to an Award. As determined by the Committee, the Performance Goals applicable to an Award may provide for a targeted level or levels of achievement using one or more of the following measures: (a) Profit, (b) Revenue, and (c) Total Shareholder Return. The Performance Goals may differ from Participant to Participant and from Award to Award. Any criteria used may be measured, as applicable, (i) in absolute terms, (ii) in relative terms (including, but not limited to, passage of time and/or against another company or companies), (iii) on a per-share basis, (iv) against the performance of the Company as a whole or a business unit of the Company and/or (v) on a pre-tax or after-tax basis. Prior to the Determination Date, the Committee shall determine whether any element(s) or item(s) shall be included in or excluded from the calculation of any Performance Goal with respect to any Participants.

2.27 "Performance Period" means any Fiscal Quarter or such longer period as determined by the Committee in its sole discretion.

2.28 "Performance Share" means an Award granted to a Participant pursuant to Section 9.



Table of Contents

2.29 "Performance Unit" means an Award granted to a Participant pursuant to Section 8.

2.30 "Period of Restriction" means the period during which the transfer of Shares of Restricted Stock are subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. As provided in Section 7, such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Committee, in its discretion.

2.31 "Plan" means the Informatica Corporation 2009 Equity Incentive Plan, as set forth in this instrument and as hereafter amended from time to time.

2.32 "Profit" means as to any Performance Period, the Company's income, determined in accordance with generally accepted accounting principles.

2.33 "Restricted Stock" means an Award granted to a Participant pursuant to Section 7.

2.34 "Restricted Stock Unit" or "RSU" means an Award granted to a Participant pursuant to Section 10.

2.35 "Revenue" means as to any Performance Period, the Company's net revenues generated from third parties, determined in accordance with generally accepted accounting principles.

2.36 "RSU Vesting Commencement Date" means the first day of the second month of the quarter in which the RSU was granted to a Participant pursuant to the Plan.

2.37 "Rule 16b-3" means Rule 16b-3 promulgated under the 1934 Act, and any future regulation amending, supplementing or superseding such regulation.

2.38 "Section 16 Person" means a person who, with respect to the Shares, is subject to Section 16 of the 1934 Act.

2.39 "Shares" means the shares of common stock of the Company.

2.40 "Stock Appreciation Right" or "SAR" means an Award, granted alone or in connection with a related Option, that pursuant to Section 6 is designated as an SAR.

2.41 "Subsidiary" means any corporation in an unbroken chain of corporations beginning with the Company as the corporation at the top of the chain, but only if each of the corporations below the Company (other than the last corporation in the unbroken chain) then owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

2.42 "Tax Obligations" means tax and social insurance liability obligations and requirements in connection with the Awards, including, without limitation, (a) all federal, state, and local taxes (including the Participant's FICA obligation) that are required to be withheld by the Company or the employing Affiliate, (b) the Participant's and, to the extent required by the Company (or the employing Affiliate), the Company's (or the employing Affiliate's) fringe benefit tax liability, if any, associated with the grant, vesting, or sale of Shares, and (c) any other Company (or employing Affiliate) taxes the responsibility for which the Participant has agreed to bear with respect to such Award (or exercise thereof or issuance of Shares thereunder).

2.43 "Termination of Service" means (a) in the case of an Employee, a cessation of the employee-employer relationship between the Employee and the Company or an Affiliate for any reason, including, but not by way of limitation, a termination by resignation, discharge, death, Disability, retirement, or the disaffiliation of an Affiliate, but excluding any such termination where there is a simultaneous reemployment by the Company or

Table of Contents

an Affiliate; (b) in the case of a Consultant, a cessation of the service relationship between the Consultant and the Company or an Affiliate for any reason, including, but not by way of limitation, a termination by resignation, discharge, death, Disability, or the disaffiliation of an Affiliate, but excluding any such termination where there is a simultaneous re-engagement of the consultant by the Company or an Affiliate; and (c) in the case of a Non-employee Director, a cessation of the Director's service on the Board for any reason, including, but not by way of limitation, a termination by resignation, death, Disability, retirement or non-reelection to the Board.

2.44 "Total Shareholder Return" means as to any Performance Period, the total return (change in share price plus reinvestment of any dividends) of a Share.

**SECTION 3**

**ADMINISTRATION**

3.1 The Committee. The Plan shall be administered by the Committee. The Committee shall consist of not less than two (2) Directors who shall be appointed from time to time by, and shall serve at the pleasure of, the Board of Directors. The Committee shall be comprised solely of Directors who are (a) "outside directors" under Section 162(m), and (b) "non-employee directors" under Rule 16b-3.

3.2 Authority of the Committee. It shall be the duty of the Committee to administer the Plan in accordance with the Plan's provisions. The Committee shall have all powers and discretion necessary or appropriate to administer the Plan and to control its operation, including, but not limited to, the power to (a) determine which Employees, Consultants and Directors shall be granted Awards, (b) prescribe the terms and conditions of the Awards, (c) interpret the Plan and the Awards, (d) adopt such procedures and subplans as are necessary or appropriate to permit participation in the Plan by Employees, Consultants and Directors who are foreign nationals or employed outside of the United States, (e) adopt rules for the administration, interpretation and application of the Plan as are consistent therewith, (f) subject to the provisions of Section 4.5.5. of the Plan, accelerate the exercisability of any outstanding Awards, and (g) interpret, amend or revoke any such rules. Notwithstanding the preceding, the Committee shall not implement an Exchange Program without the approval of the holders of a majority of the Shares that are present in person or by proxy and entitled to vote at any Annual or Special Meeting of Stockholders of the Company.

3.3 Delegation by the Committee. The Committee, in its sole discretion and on such terms and conditions as it may provide, may delegate all or any part of its authority and powers under the Plan to one or more Directors or officers of the Company. Notwithstanding the foregoing, with respect to Awards that are intended to qualify as performance-based compensation under Section 162(m) of the Code, the Committee may not delegate its authority and powers with respect to such Awards if such delegation would cause the Awards to fail to so qualify.

3.4 Decisions Binding. All determinations and decisions made by the Committee, the Board, and any delegate of the Committee pursuant to the provisions of the Plan shall be final, conclusive, and binding on all persons, and shall be given the maximum deference permitted by law.

**SECTION 4**

**SHARES SUBJECT TO THE PLAN**

4.1 Number of Shares. Subject to adjustment as provided in Section 4.4, the total number of Shares available issuance under the Plan shall not exceed twenty-six million eight hundred thousand (26,800,000). Shares granted under the Plan may be either authorized but unissued Shares or treasury Shares.

Table of Contents

4.2 Full Value Awards. Any Shares subject to all Awards except Options and SARs shall be counted against the numerical limits of Section 4.1 as two and thirty seven hundredths (2.37) Shares for every one (1) Share subject thereto. Further, if Shares acquired pursuant to any Awards of Restricted Stock, Restricted Stock Units, Performance Units, and Performance Shares are forfeited or repurchased by the Company and would otherwise return to the Plan pursuant to Section 4.3, two and thirty seven hundredths (2.37) times the number of Shares so forfeited or repurchased shall return to the Plan and shall again become available for issuance. For Awards granted prior to May 26, 2011, any Shares subject to all Awards except Options and SARs shall be counted against the numerical limits of Section 4.1 as one and fifty-two hundredths (1.52) Shares for every one (1) Share subject thereto. Further, for Awards granted prior to May 26, 2011, if Shares acquired pursuant to any Awards of Restricted Stock, Restricted Stock Units, Performance Units, and Performance Shares are forfeited or repurchased by the Company and would otherwise return to the Plan pursuant to Section 4.3, one and fifty-two hundredths (1.52) times the number of Shares so forfeited or repurchased shall return to the Plan and shall again become available for issuance.

4.3 Lapsed Awards. If an Award is settled in cash, or is cancelled, terminates, expires, or lapses for any reason, any Shares subject to such Award again shall be available to be the subject of an Award. Shares that are used to pay the exercise or purchase price of an Award and/or to satisfy the tax withholding obligations related to an Award will not become available for future grant or sale under the Plan. Shares that have actually been issued under the Plan under any Award shall not be returned to the Plan and shall not become available for future distribution under the Plan; provided, however, that if unvested Shares of Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units never vest and/or are forfeited to the Company, such Shares will become available for future grant under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment shall not reduce the number of Shares available for issuance under the Plan. Notwithstanding the foregoing and, subject to adjustment provided in Section 4.4, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options shall equal the aggregate Share number stated in Section 4.1, plus, to the extent allowable under Section 422 of the Code, any Shares that become available for issuance under the Plan under this Section 4.3. The following shares shall not be available for future grant: (i) shares tendered in payment of the exercise price of an option; and (ii) shares withheld by the Company or otherwise received by the Company to satisfy tax withholding obligations.

4.4 Adjustments in Awards and Authorized Shares. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares such that an adjustment is determined by the Committee (in its sole discretion) to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust the number and class of Shares that may be delivered under the Plan, the number, class, and price of Shares (or other property or cash) subject to outstanding Awards, and the numerical limits of Sections 5.1, 6.1, 7.1, 8.1, 9.1, 10.1 and 11.1. Notwithstanding the preceding, the number of Shares subject to any Award always shall be a whole number.

4.5 Change of Control.

4.5.1 In the event of a Change of Control, each outstanding Award shall be treated as the Committee determines, including, without limitation, that each Award be assumed or an equivalent option or right be substituted by the successor corporation or a parent or subsidiary of the successor corporation. The Committee shall not be required to treat all Awards similarly in the transaction.

Table of Contents

4.5.2 In the event that the successor corporation does not assume or substitute for the Award, the Participant shall fully vest in and have the right to exercise all of his or her outstanding Options and SARs, including Shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on Awards other than Options and SARs shall lapse, and, with respect to Awards with performance-based vesting, all performance goals or other vesting criteria shall be deemed achieved at 100% on-target levels and all other terms and conditions met. In addition, if an Option or SAR is not assumed or substituted in the event of a Change of Control, the Committee shall notify the Participant in writing or electronically that the Option or SAR shall be exercisable for a period of time determined by the Committee in its sole discretion, and the Option or SAR shall terminate upon the expiration of such period. Each Award other than an Option and SAR shall terminate at the time determined by the Committee in its sole discretion (but only after (a) the vesting and the lifting of all restrictions as described in this Section 4.5, and (b) full payment for the Award).

4.5.3 For the purposes of this Section 4.5, an Award shall be considered assumed if, following the Change of Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change of Control, the consideration (whether stock, cash, or other securities or property) received in the Change of Control by holders of the Shares held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change of Control is not solely common stock of the successor corporation or its parent, the Committee may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or SAR or upon the payout of a Restricted Stock Unit, Restricted Stock, Performance Unit or Performance Share, for each Share subject to such Award, to be solely common stock of the successor corporation or its parent equal in fair market value to the per share consideration received by holders of Shares in the Change of Control.

4.5.4 Notwithstanding anything in this Section 4.5 to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more performance goals will not be considered assumed if the Company or its successor modifies any of such performance goals without the Participant's consent; provided, however, a modification to such performance goals only to reflect the successor corporation's post-Change of Control corporate structure shall not be deemed to invalidate an otherwise valid Award assumption.

4.5.5 Further, and notwithstanding anything in this Section 4.5 to the contrary, the provisions of this Section 4.5 only shall apply upon the consummation of a Change of Control, and shall not apply to a proposed or potential Change of Control.

## SECTION 5

### STOCK OPTIONS

5.1 Grant of Options. Subject to the terms and provisions of the Plan, Options may be granted to Employees, Directors and Consultants at any time and from time to time as determined by the Committee in its sole discretion. The Committee, in its sole discretion, shall determine the number of Shares subject to each Option, provided that during any Fiscal Year, no Participant who is an Employee or a Consultant shall be granted Options (and/or SARs) covering more than a total of one million (1,000,000) Shares, and no Participant who is a Non-employee Director shall be granted Options (and/or SARs) covering more than one hundred thousand (100,000) Shares. Notwithstanding the foregoing, during the Fiscal Year in which a Participant first becomes an Employee, he or she may be granted Options (and/or SARs) to purchase up to a total of an additional two million (2,000,000) Shares. Subject to the terms of Section 5, the Committee may grant Incentive Stock Options, Nonqualified Stock Options, or a combination thereof.

5.2 Award Agreement. Each Option shall be evidenced by an Award Agreement that shall specify the Exercise Price, the expiration date of the Option, the number of Shares covered by the Option, any conditions to

Table of Contents

exercise the Option, and such other terms and conditions as the Committee, in its discretion, shall determine. The Award Agreement shall also specify whether the Option is intended to be an Incentive Stock Option or a Nonqualified Stock Option.

5.3 Exercise Price. Subject to the provisions of this Section 5.3, the Exercise Price for each Option shall be determined by the Committee in its sole discretion.

5.3.1 Nonqualified Stock Options. The Exercise Price of each Nonqualified Stock option shall be determined by the Committee in its discretion but shall be not less than one hundred percent (100%) of the Fair Market Value of a Share on the Grant Date.

5.3.2 Incentive Stock Options. In the case of an Incentive Stock Option, the Exercise Price shall be not less than one hundred percent (100%) of the Fair Market Value of a Share on the Grant Date; provided, however, that if on the Grant Date, the Employee (together with persons whose stock ownership is attributed to the Employee pursuant to Section 424(d) of the Code) owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any of its Subsidiaries, the Exercise Price shall be not less than one hundred and ten percent (110%) of the Fair Market Value of a Share on the Grant Date.

5.3.3 Substitute Options. Notwithstanding the provisions of Section 5.3.2, in the event that the Company or an Affiliate consummates a transaction described in Section 424(a) of the Code (e.g., the acquisition of property or stock from an unrelated corporation), persons who become Employees, Non-employee Directors or Consultants on account of such transaction may be granted Options in substitution for options granted by their former employer. If such substitute Options are granted, the Committee, in its sole discretion and consistent with Section 424(a) of the Code, may determine that such substitute Options shall have an exercise price less than one hundred percent (100%) of the Fair Market Value of the Shares on the Grant Date.

5.4 Expiration of Options.

5.4.1 Expiration Dates. Each Option shall terminate no later than the first to occur of the following events:

- (a) The date for termination of the Option set forth in the written Award Agreement; or
- (b) The expiration of seven (7) years from the Grant Date.

5.4.2 Death or Disability of Participant. Subject to Section 5.4.1, if a Participant dies or becomes disabled prior to the expiration of his or her Options, the Committee, in its discretion, may provide that his or her Options shall be exercisable for up to one (1) year after the date of death.

5.4.3 Committee Discretion. Subject to the seven (7) year limit of Sections 5.4.1, the Committee, in its sole discretion, (a) shall provide in each Award Agreement when each Option expires and becomes unexercisable, and (b) may, after an Option is granted, extend the maximum term of the Option (subject to Section 5.8.4 regarding Incentive Stock Options).

5.5 Exercisability of Options. Options granted under the Plan shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall determine in its sole discretion. Subject to the provisions of Section 4.5.5 of the Plan, after an Option is granted, the Committee, in its sole discretion, may accelerate the exercisability of the Option.

Table of Contents

5.6 Payment. Options shall be exercised by the Participant giving notice and following such procedures as the Company (or its designee) may specify from time to time. Exercise of an Option also requires that the Participant make arrangements satisfactory to the Company for full payment of the Exercise Price for the Shares. All exercise notices shall be given in the form and manner specified by the Company from time to time. The Exercise Price shall be payable to the Company in full in cash or its equivalent. The Committee, in its sole discretion, also may permit exercise (a) by tendering previously acquired Shares having an aggregate Fair Market Value at the time of exercise equal to the total Exercise Price, or (b) by any other means which the Committee, in its sole discretion, determines to both provide legal consideration for the Shares, and to be consistent with the purposes of the Plan. As soon as practicable after receipt of a notification of exercise satisfactory to the Company and full payment for the Shares purchased, the Company shall deliver to the Participant (or the Participant's designated broker), Share certificates (which may be in book entry form) representing such Shares.

5.7 Restrictions on Share Transferability. The Committee may impose such restrictions on any Shares acquired pursuant to the exercise of an Option as it may deem advisable, including, but not limited to, restrictions related to applicable federal securities laws, the requirements of any national securities exchange or system upon which Shares are then listed or traded, or any blue sky or state securities laws.

5.8 Certain Additional Provisions for Incentive Stock Options.

5.8.1 Exercisability. The aggregate Fair Market Value (determined on the Grant Date(s)) of the Shares with respect to which Incentive Stock Options are exercisable for the first time by any Employee during any calendar year (under all plans of the Company and its Subsidiaries) shall not exceed \$100,000.

5.8.2 Termination of Service. No Incentive Stock Option may be exercised more than three (3) months after the Participant's Termination of Service for any reason other than Disability or death, unless (a) the Participant dies during such three-month period, and/or (b) the Award Agreement or the Committee permits later exercise (in which case the Option instead may be deemed to be a Nonqualified Stock Option). No Incentive Stock Option may be exercised more than one (1) year after the Participant's Termination of Service on account of Disability, unless (a) the Participant dies during such one-year period, and/or (b) the Award Agreement or the Committee permit later exercise (in which case the option instead may be deemed to be a Nonqualified Stock Option).

5.8.3 Employees Only. Incentive Stock Options may be granted only to persons who are employees of the Company or a Subsidiary on the Grant Date.

5.8.4 Expiration. No Incentive Stock Option may be exercised after the expiration of ten (10) years from the Grant Date as required by Section 422 of the Code; provided, however, that if the Option is granted to an Employee who, together with persons whose stock ownership is attributed to the Employee pursuant to Section 424(d) of the Code, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of the stock of the Company or any of its Subsidiaries, the Option may not be exercised after the expiration of five (5) years from the Grant Date.

**SECTION 6**

**STOCK APPRECIATION RIGHTS**

6.1 Grant of SARs. Subject to the terms and conditions of the Plan, a SAR may be granted to Employees, Directors and Consultants at any time and from time to time as shall be determined by the Committee, in its sole discretion.

Table of Contents

6.1.1 Number of Shares. The Committee shall have complete discretion to determine the number of SARs granted to any Participant, provided that during any Fiscal Year, no Participant who is an Employee or a Consultant shall be granted SARs (and/or Options) covering more than a total of one million (1,000,000) Shares, and no Participant who is a Non-employee Director shall be granted SARs (and/or Options) covering more than one hundred thousand (100,000) Shares. Notwithstanding the foregoing, during the Fiscal Year in which a Participant first becomes an Employee, he or she may be granted SARs (and/or Options) covering up to a total of an additional two million (2,000,000) Shares.

6.1.2 Exercise Price and Other Terms. The Committee, subject to the provisions of the Plan, shall have complete discretion to determine the terms and conditions of SARs granted under the Plan. The Exercise Price of each SAR shall be determined by the Committee in its discretion but shall not be less than one hundred percent (100%) of the Fair Market Value of a Share on the Grant Date.

6.2 SAR Agreement. Each SAR grant shall be evidenced by an Award Agreement that shall specify the exercise price, the term of the SAR, the conditions of exercise, and such other terms and conditions as the Committee, in its sole discretion, shall determine.

6.3 Expiration of SARs. An SAR granted under the Plan shall expire upon the date determined by the Committee, in its sole discretion, and set forth in the Award Agreement. Notwithstanding the foregoing, the rules of Section 5.4 also shall apply to SARs.

6.4 Payment of SAR Amount. Upon exercise of an SAR, a Participant shall be entitled to receive payment from the Company in an amount determined by multiplying:

(a) The Fair Market Value of a Share on the date of exercise (or, if so specified in the Award Agreement, on the date immediately preceding the date of exercise) minus the exercise price; times

(b) The number of Shares with respect to which the SAR is exercised. At the discretion of the Committee, the payment upon SAR exercise may be in cash, in Shares of equal value, or in some combination thereof.

**SECTION 7**

**RESTRICTED STOCK**

7.1 Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Shares of Restricted Stock to Employees, Directors and Consultants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of Shares to be granted to each Participant, provided that during any Fiscal Year, no Participant who is an Employee or a Consultant shall receive more than a total of three hundred thirty three thousand three hundred thirty three (333,333) Shares of Restricted Stock (and/or Performance Shares or Restricted Stock Units), and no Participant who is a Non-employee Director shall be granted more than a total of fifty thousand (50,000) Shares of Restricted Stock (and/or Performance Shares or Restricted Stock Units). Notwithstanding the foregoing, during the Fiscal Year in which a Participant first becomes an Employee, he or she may be granted up to a total of an additional six hundred sixty six thousand six hundred sixty seven (666,667) Shares of Restricted Stock (and/or Performance Shares or Restricted Stock Units).

7.2 Restricted Stock Agreement. Each Award of Restricted Stock shall be evidenced by an Award Agreement that shall specify the Period of Restriction, the number of Shares granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine. Unless the Committee determines otherwise,

Table of Contents

Shares of Restricted Stock shall be held by the Company as escrow agent until the restrictions on such Shares have lapsed.

**7.3 Transferability.** Except as provided in this Section 7, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction.

**7.4 Other Restrictions.** The Committee, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate, in accordance with this Section 7.4.

**7.4.1 General Restrictions.** The Committee may set restrictions based upon continued employment or service with the Company and its affiliates, the achievement of specific performance objectives (Company-wide, departmental, or individual), applicable federal or state securities laws, or any other basis determined by the Committee in its discretion.

**7.4.2 Section 162(m) Performance Restrictions.** For purposes of qualifying grants of Restricted Stock as "performance-based compensation" under Section 162(m) of the Code, the Committee, in its discretion, may set restrictions based upon the achievement of Performance Goals. The Performance Goals shall be set by the Committee on or before the latest date permissible to enable the Restricted Stock to qualify as "performance-based compensation" under Section 162(m) of the Code. In granting Restricted Stock which is intended to qualify under Section 162(m) of the Code, the Committee shall follow any procedures determined by it from time to time to be necessary or appropriate to ensure qualification of the Restricted Stock under Section 162(m) of the Code (e.g., in determining the Performance Goals).

**7.4.3 Legend on Certificates.** The Committee, in its discretion, may legend the certificates representing Restricted Stock to give appropriate notice of such restrictions.

**7.5 Removal of Restrictions.** Except as otherwise provided in this Section 7, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan shall be released from escrow as soon as practicable after the last day of the Period of Restriction. Subject to the provisions of Section 4.5.5. of the Plan, the Committee, in its discretion, may accelerate the time at which any restrictions shall lapse or be removed. After the restrictions have lapsed, the Participant shall be entitled to have any legend or legends under Section 7.4.3 removed from his or her Share certificate, and the Shares shall be freely transferable by the Participant. The Committee (in its discretion) may establish procedures regarding the release of Shares from escrow and the removal of legends, as necessary or appropriate to minimize administrative burdens on the Company.

**7.6 Voting Rights.** During the Period of Restriction, Participants holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Committee determines otherwise.

**7.7 Dividends and Other Distributions.** During the Period of Restriction, Participants holding Shares of Restricted Stock shall be entitled to receive all dividends and other distributions paid with respect to such Shares unless otherwise provided in the Award Agreement. Any such dividends or distribution shall be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid, unless otherwise provided in the Award Agreement.

**7.8 Return of Restricted Stock to Company.** On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed shall revert to the Company and again shall become available for grant under the Plan.



Table of Contents

**SECTION 8**

**PERFORMANCE UNITS**

8.1 Grant of Performance Units. Performance Units may be granted to Employees, Directors and Consultants at any time and from time to time, as shall be determined by the Committee, in its sole discretion. The Committee shall have complete discretion in determining the number of Performance Units granted to each Participant provided that during any Fiscal Year, no Participant who is an Employee or a Consultant shall receive Performance Units having an initial value greater than three million dollars (\$3,000,000), and no Participant who is a Non-employee Director shall receive Performance Units having an initial value greater than five hundred thousand dollars (\$500,000). Notwithstanding the foregoing, during the Fiscal Year in which a Participant first becomes an Employee, he or she may be granted additional Performance Shares having an initial value of up to three million dollars (\$3,000,000).

8.2 Value of Performance Units. Each Performance Unit shall have an initial value that is established by the Committee on or before the Grant Date.

8.3 Performance Objectives and Other Terms. The Committee, in its discretion, shall set performance objectives or other vesting criteria which, depending on the extent to which they are met, will determine the number or value of Performance Units that will be paid out to the Participants. Each Award of Performance Units shall be evidenced by an Award Agreement that shall specify the Performance Period, and such other terms and conditions as the Committee, in its sole discretion, shall determine.

8.3.1 General Performance Objectives or Vesting Criteria. The Committee may set performance objectives or vesting criteria based upon the achievement of Company-wide, departmental, or individual goals, applicable federal or state securities laws, or any other basis determined by the Committee in its discretion (for example, but not by way of limitation, continuous service as an Employee, Director or Consultant).

8.3.2 Section 162(m) Performance Objectives. For purposes of qualifying grants of Performance Units as "performance-based compensation" under Section 162(m) of the Code, the Committee, in its discretion, may determine that the performance objectives applicable to Performance Units shall be based on the achievement of Performance Goals. The Performance Goals shall be set by the Committee on or before the latest date permissible to enable the Performance Units to qualify as "performance-based compensation" under Section 162(m) of the Code. In granting Performance Units that are intended to qualify under Section 162(m) of the Code, the Committee shall follow any procedures determined by it from time to time to be necessary or appropriate to ensure qualification of the Performance Units under Section 162(m) of the Code (e.g., in determining the Performance Goals).

8.4 Earning of Performance Units. After the applicable Performance Period has ended, the holder of Performance Units shall be entitled to receive a payout of the number of Performance Units earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding performance objectives have been achieved. Subject to the provisions of Section 4.5.5 of the Plan, after the grant of a Performance Unit, the Committee, in its sole discretion, may reduce or waive any performance objectives for such Performance Unit.

8.5 Form and Timing of Payment of Performance Units. Payment of earned Performance Units shall be made as soon as practicable after the expiration of the applicable Performance Period. The Committee, in its sole discretion, may pay earned Performance Units in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Units at the close of the applicable Performance Period) or in a combination thereof.

Table of Contents

8.6 Cancellation of Performance Units. On the date set forth in the Award Agreement, all unearned or unvested Performance Units shall be forfeited to the Company, and again shall be available for grant under the Plan.

**SECTION 9**

**PERFORMANCE SHARES**

9.1 Grant of Performance Shares. Performance Shares may be granted to Employees, Directors and Consultants at any time and from time to time, as shall be determined by the Committee, in its sole discretion. The Committee shall have complete discretion in determining the number of Performance Shares granted to each Participant, provided that during any Fiscal Year, no Participant who is an Employee or a Consultant shall be granted more than a total of three hundred thirty three thousand three hundred thirty three (333,333) Performance Shares (and/or Shares of Restricted Stock or Restricted Stock Units), and no Participant who is a Non-employee Director shall be granted more than a total of fifty thousand (50,000) Performance Shares (and/or Shares of Restricted Stock or Restricted Stock Units). Notwithstanding the foregoing, during the Fiscal Year in which a Participant first becomes an Employee, he or she may be granted up to a total of an additional six hundred sixty six thousand six hundred sixty seven (666,667) Performance Shares (and/or Shares of Restricted Stock or Restricted Stock Units).

9.2 Value of Performance Shares. Each Performance Share shall have an initial value equal to the Fair Market Value of a Share on the Grant Date.

9.3 Performance Share Agreement. Each Award of Performance Shares shall be evidenced by an Award Agreement that shall specify any vesting conditions, the number of Performance Shares granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine.

9.4 Performance Objectives and Other Terms. The Committee, in its discretion, shall set performance objectives or other vesting criteria which, depending on the extent to which they are met, will determine the number or value of Performance Shares that will be paid out to the Participants. Each Award of Performance Shares shall be evidenced by an Award Agreement that shall specify the Performance Period, and such other terms and conditions as the Committee, in its sole discretion, shall determine.

9.4.1 General Performance Objectives or Vesting Criteria. The Committee may set performance objectives or vesting criteria based upon the achievement of Company-wide, departmental, or individual goals, applicable federal or state securities laws, or any other basis determined by the Committee in its discretion (for example, but not by way of limitation, continuous service as an Employee, Director or Consultant).

9.4.2 Section 162(m) Performance Objectives. For purposes of qualifying grants of Performance Shares as "performance-based compensation" under Section 162(m) of the Code, the Committee, in its discretion, may determine that the performance objectives applicable to Performance Shares shall be based on the achievement of Performance Goals. The Performance Goals shall be set by the Committee on or before the latest date permissible to enable the Performance Shares to qualify as "performance-based compensation" under Section 162(m) of the Code. In granting Performance Shares that are intended to qualify under Section 162(m) of the Code, the Committee shall follow any procedures determined by it from time to time to be necessary or appropriate to ensure qualification of the Performance Shares under Section 162(m) of the Code (e.g., in determining the Performance Goals).

Table of Contents

9.5 Earning of Performance Shares. After the applicable Performance Period has ended, the holder of Performance Shares shall be entitled to receive a payout of the number of Performance Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding performance objectives have been achieved. Subject to the provisions of Section 4.5.5. of the Plan, after the grant of a Performance Share, the Committee, in its sole discretion, may reduce or waive any performance objectives for such Performance Share.

9.6 Form and Timing of Payment of Performance Shares. Payment of vested Performance Shares shall be made as soon as practicable after vesting (subject to any deferral permitted under Section 12.1). The Committee, in its sole discretion, may pay Performance Shares in the form of cash, in Shares or in a combination thereof.

9.7 Cancellation of Performance Shares. On the date set forth in the Award Agreement, all unvested Performance Shares shall be forfeited to the Company, and except as otherwise determined by the Committee, again shall be available for grant under the Plan.

**SECTION 10**

**RESTRICTED STOCK UNITS**

10.1 Grant of RSUs. Restricted Stock Units may be granted to Employees, Directors and Consultants at any time and from time to time, as shall be determined by the Committee, in its sole discretion. The Committee shall have complete discretion in determining the number of Restricted Stock Units granted to each Participant, provided that during any Fiscal Year, no Participant who is an Employee or a Consultant shall be granted more than a total of three hundred thirty three thousand three hundred thirty three (333,333) Restricted Stock Units (and/or Shares of Restricted Stock or Performance Shares), and no Participant who is a Non-employee Director shall be granted more than a total of fifty thousand (50,000) Restricted Stock Units (and/or Shares of Restricted Stock or Performance Shares). Notwithstanding the foregoing, during the Fiscal Year in which a Participant first becomes an Employee, he or she may be granted up to a total of an additional six hundred sixty six thousand six hundred sixty seven (666,667) Restricted Stock Units (and/or Shares of Restricted Stock or Performance Shares).

10.2 Value of RSUs. Each Restricted Stock Unit shall have an initial value equal to the Fair Market Value of a Share on the Grant Date.

10.3 RSU Agreement. Each Award of Restricted Stock Units shall be evidenced by an Award Agreement that shall specify any vesting conditions, the number of Restricted Stock Units granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine.

10.4 Earning of RSUs. After the applicable vesting period has ended, the holder of Restricted Stock Units shall be entitled to receive a payout of the number of Restricted Stock Units earned by the Participant over the vesting period. Subject to the provisions of Section 4.5.5. of the Plan, after the grant of a Restricted Stock Unit, the Committee, in its sole discretion, may reduce or waive any vesting condition for such Restricted Stock Unit.

10.5 Form and Timing of Payment of RSUs. Payment of vested Restricted Stock Units shall be made as soon as practicable after vesting (subject to any deferral permitted under Section 12.1). The Committee, in its sole discretion, may pay Restricted Stock Units in the form of cash, in Shares or in a combination thereof.

10.6 Cancellation of RSUs. On the date set forth in the Award Agreement, all unvested Restricted Stock Units shall be forfeited to the Company, and except as otherwise determined by the Committee, again shall be available for grant under the Plan.

Table of Contents

10.7 Section 162(m) Performance Restrictions. For purposes of qualifying grants of Restricted Stock Units as "performance-based compensation" under Section 162(m) of the Code, the Committee, in its discretion, may set restrictions based upon the achievement of Performance Goals. The Performance Goals shall be set by the Committee on or before the latest date permissible to enable the Restricted Stock Units to qualify as "performance-based compensation" under Section 162(m) of the Code. In granting Restricted Stock Units which are intended to qualify under Section 162(m) of the Code, the Committee shall follow any procedures determined by it from time to time to be necessary or appropriate to ensure qualification of the Restricted Stock Units under Section 162(m) of the Code (e.g., in determining the Performance Goals).

**SECTION 11**

**NON-EMPLOYEE DIRECTOR AWARDS**

The provisions of this Section 11 are applicable only to Awards granted to Non-employee Directors.

11.1 Granting of Awards. Each Non-employee Director will be eligible for Awards under this Section 11 to the extent provided below.

11.1.1 Initial Grants. Each individual who first becomes a Non-employee Director on or after March 14, 2014, shall receive, as of the date that the individual first is appointed or elected as a Non-employee Director, an Award of Options and/or an Award of Restricted Stock Units having a total value (as of the Grant Date) of \$350,000. The Committee, in its sole discretion, shall determine (no later than the Grant Date) the allocation between Options and/or RSUs. The value of an Option for purposes of this Section 11.1.1 shall be determined using the option valuation methodology and assumptions used by the Company (as of the Grant Date) in its financial statements. For purposes of valuing Awards of RSUs under this Section 11.1.1, the value of the Award shall be determined by multiplying the number of Shares covered by the Award, times the Fair Market Value of a share on the Grant Date.

11.1.2 Ongoing Grants. Each Non-employee Director who both is a Non-employee Director on the date of an Annual Meeting of Stockholders of the Company, and has served as a Non-employee Director for at least six (6) months prior to such Annual Meeting, automatically shall receive, as of the date of such Annual Meeting, an Award of Restricted Stock Units having a total value (as of the Grant Date) of \$225,000. For purposes of valuing Awards of RSUs under this Section 11.1.2, the value of the Award shall be determined by multiplying the number of Shares covered by the Award, times the Fair Market Value of a share on the Grant Date.

11.2 Terms of Awards.

11.2.1 Agreement. Each Award granted pursuant to this Section 11 shall be evidenced by a written Award Agreement between the Participant and the Company.

11.2.2 Exercise Price. The Exercise Price for the Shares subject to each Option granted pursuant to this Section 11 shall be one hundred percent (100%) of the Fair Market Value of such Shares on the Grant Date.

11.2.3 Exercisability and Vesting.

(a) Each Option granted pursuant to Section 11.1.1 shall become exercisable as to thirty three percent (33%) of the Shares on the first anniversary of the Grant Date, as to an additional two and seventy eight one-hundredths percent (2.78%) on each monthly thereafter until one hundred percent (100%) of the Shares have vested.

Table of Contents

(b) Each Award of Restricted Stock Units granted pursuant to Section 11.1.1 shall vest as to thirty three and one third percent (33 1/3%) of the Restricted Stock Units on each of the first anniversary, second anniversary and third anniversary of the RSU Vesting Commencement Date, respectively.

(c) Each Option granted pursuant to Section 11.1.2 shall become exercisable as to one hundred percent (100%) of the Shares on the first anniversary of the Grant Date.

(d) Each Award of Restricted Stock Units granted pursuant to Section 11.1.2 shall vest as to one hundred percent (100%) of the Restricted Stock Units on the day that immediately precedes the Annual Meeting of Stockholders that occurs in the year following the year of the Grant Date.

Notwithstanding the preceding, once a Participant ceases to be a Director, his or her Options which are not then exercisable shall never become exercisable and shall be immediately forfeited and his or her unvested Restricted Stock Units shall be forfeited to the Company.

11.2.4 Expiration of Options. Each Option granted pursuant to this Section 11 shall terminate upon the first to occur of the following events:

(a) The expiration of seven (7) years from the Grant Date; or

(b) The expiration of three (3) months from the date of the Participant's Termination of Service for any reason other than the Participant's death or Disability;

(c) The expiration of one (1) year from the date of the Participant's Termination of Service by reason of Disability or death.

11.2.5 Nonqualified Stock Options. Options granted pursuant to this Section 11 shall be designated as Nonqualified Stock Options.

11.2.6 Other Terms. All provisions of the Plan not inconsistent with this Section 11 shall apply to Awards granted to Non-employee Directors.

11.3 Committee Discretion. The Committee, in its sole discretion, at any time may change the number, type, and other terms and conditions of the Awards subject to future grants under this Section 11. The Committee (in its sole discretion) also may grant Awards to Non-employee Directors under the other provisions of the Plan.

## SECTION 12

### MISCELLANEOUS

12.1 Deferrals. The Committee, in its sole discretion, may permit a Participant to defer receipt of the payment of cash or the delivery of Shares that otherwise would be due to such Participant under an Award. Any such deferral elections shall be subject to such rules and procedures as shall be determined by the Committee in its sole discretion.

12.2 No Effect on Employment or Service. Nothing in the Plan shall interfere with or limit in any way the right of the Company or an Affiliate to terminate any Participant's employment or service at any time, with or without cause. For purposes of the Plan, transfer of employment of a Participant between the Company and any one of its Affiliates (or between Affiliates) shall not be deemed a Termination of Service. Employment with the Company and its Affiliates is on an at-will basis only.

Table of Contents

12.3 Participation. No Employee, Director or Consultant shall have the right to be selected to receive an Award under this Plan, or, having been so selected, to be selected to receive a future Award.

12.4 Indemnification. Each person who is or shall have been a member of the Committee, or of the Board, shall be indemnified and held harmless by the Company against and from (a) any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan or any Award Agreement, and (b) from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such claim, action, suit, or proceeding against him or her, provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation or Bylaws, by contract, as a matter of law, or otherwise, or under any power that the Company may have to indemnify them or hold them harmless.

12.5 Successors. All obligations of the Company under the Plan, with respect to Awards granted hereunder, shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business or assets of the Company.

12.6 Beneficiary Designations. If permitted by the Committee, a Participant under the Plan may name a beneficiary or beneficiaries to whom any vested but unpaid Award shall be paid in the event of the Participant's death. Each such designation shall revoke all prior designations by the Participant and shall be effective only if given in a form and manner acceptable to the Committee. In the absence of any such designation, any vested benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate and, subject to the terms of the Plan and of the applicable Award Agreement, any unexercised vested Award may be exercised by the administrator or executor of the Participant's estate.

12.7 Limited Transferability of Awards. No Award granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will, by the laws of descent and distribution, or to the limited extent provided in Section 12.6. All rights with respect to an Award granted to a Participant shall be available during his or her lifetime only to the Participant. Notwithstanding the foregoing, the Participant may, in a manner specified by the Committee, if the Committee (in its discretion) so permits, (a) transfer an Award to a Participant's spouse, former spouse or dependent pursuant to a court-approved domestic relations order which relates to the provision of child support, alimony payments or marital property rights, and (b) transfer an Award by bona fide gift and not for any consideration, to (i) a member or members of the Participant's immediate family, (ii) a trust established for the exclusive benefit of the Participant and/or member(s) of the Participant's immediate family, (iii) a partnership, limited liability company or other entity whose only partners or members are the Participant and/or member(s) of the Participant's immediate family, or (iv) a foundation in which the Participant and/or member(s) of the Participant's immediate family control the management of the foundation's assets. Any such transfer shall be made in accordance with such procedures as the Committee may specify from time to time.

12.8 No Rights as Stockholder. No Participant (nor any beneficiary) shall have any of the rights or privileges of a stockholder of the Company with respect to any Shares issuable pursuant to an Award (or exercise thereof), unless and until certificates representing such Shares shall have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to the Participant (or beneficiary).

Table of Contents

**SECTION 13**

**AMENDMENT, TERMINATION, AND DURATION**

13.1 Amendment, Suspension, or Termination. The Board, in its sole discretion, may amend, suspend or terminate the Plan, or any part thereof, at any time and for any reason. The amendment, suspension, or termination of the Plan shall not, without the consent of the Participant, alter or impair any rights or obligations under any Award theretofore granted to such Participant. No Award may be granted during any period of suspension or after termination of the Plan.

13.2 Duration of the Plan. The Plan shall be effective as of April 28, 2009, and subject to Section 13.1 (regarding the Board's right to amend or terminate the Plan), shall remain in effect thereafter. However, without further stockholder approval, no Incentive Stock Option may be granted under the Plan after April 28, 2019.

**SECTION 14**

**TAX WITHHOLDING**

14.1 Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof), the Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes (including the Participant's FICA obligation) required to be withheld with respect to such Award (or exercise thereof).

14.2 Withholding Arrangements. The Committee, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such Tax Obligations, in whole or in part by (a) electing to have the Company withhold otherwise deliverable Shares, or (b) delivering to the Company already-owned Shares having a Fair Market Value equal to the amount required to be withheld or remitted. The amount of the Tax Obligations shall be deemed to include any amount which the Committee agrees may be withheld at the time the election is made, not to exceed the amount determined by using the maximum federal, state or local marginal income tax rates applicable to the Participant or the Company, as applicable, with respect to the Award on the date that the amount of tax or social insurance liability to be withheld or remitted is to be determined. The Fair Market Value of the Shares to be withheld or delivered shall be determined as of the date that the Tax Obligations are required to be withheld.

**SECTION 15**

**LEGAL CONSTRUCTION**

15.1 Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

15.2 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

15.3 Requirements of Law. The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

Table of Contents

15.4 Securities Law Compliance. With respect to Section 16 Persons, transactions under this Plan are intended to qualify for the exemption provided by Rule 16b-3. To the extent any provision of the Plan, Award Agreement or action by the Committee fails to so comply, it shall be deemed null and void, to the extent permitted by law and deemed advisable or appropriate by the Committee.

15.5 Code Section 409A. Unless otherwise specifically determined by the Committee, the Committee shall comply with Code Section 409A in establishing the rules and procedures applicable to deferrals in accordance with Section 12.1 and taking or permitting such other actions under the terms of the Plan that otherwise would result in a deferral of compensation subject to Code Section 409A.

15.6 Governing Law. The Plan and all Award Agreements shall be construed in accordance with and governed by the laws of the State of California (with the exception of its conflict of laws provisions).

15.7 Captions. Captions are provided herein for convenience only, and shall not serve as a basis for interpretation or construction of the Plan.













