LogMeIn, Inc.
Form DEF 14A
April 06, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE

SECURITIES EXCHANGE ACT OF 1934

(Amendment No.)

Filed by the Registrant þ 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))**
þ Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material under Rule 14a-12

LOGMEIN, INC.

(Name of the 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):

þ No fee required.

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1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

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1) Amount previously paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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Notice of 2015 Annual Meeting of Stockholders and Proxy Statement

Thursday, May 21, 2015 at 9:00 a.m., Eastern Time

Offices of Latham & Watkins LLP,

John Hancock Tower, 20th Floor, 200 Clarendon Street

Boston, MA 02116

April 6, 2015

Dear Fellow Stockholders:

We are pleased to invite you to our 2015 Annual Meeting of Stockholders, which will take place on Thursday, May 21, 2015 at 9:00 AM, Eastern Time, at the offices of Latham & Watkins LLP, John Hancock Tower, 20th Floor, 200 Clarendon Street, Boston MA 02116. Annual meetings play an important role in maintaining communications and understanding among our management, board of directors and stockholders, and we hope you will join us.

On the pages following this letter you will find the notice of our 2015 Annual Meeting of Stockholders, which lists the items of business to be considered at the Annual Meeting, and our proxy materials, which describe the items of business listed in the notice and provide other information you may find useful in deciding how to vote. We have elected to provide our proxy materials over the Internet under the Securities and Exchange Commission s notice and access rules. Consequently, most stockholders will not receive paper copies of our proxy materials. We will instead send to these stockholders a Notice Regarding the Availability of Proxy Materials (the Notice) with instructions for accessing the proxy materials, including our proxy statement and Annual Report to Stockholders, and for voting via the Internet. Providing our proxy materials to stockholders electronically allows us to conserve natural resources and reduce our printing and mailing costs related to the distribution of our proxy materials. If you wish to receive paper copies of our proxy materials you may do so by following the instructions contained in the Notice.

The ability to have your vote counted at the Annual Meeting is an important stockholder right. Regardless of the number of shares you hold or whether you plan to attend the meeting, we hope that you will promptly cast your vote. You may vote over the Internet, or, if you received printed proxy materials, by mailing a proxy or voting instruction card. Please review the instructions on each of your voting options described in our proxy statement, as well as in the Notice.

Thank you for your ongoing support and continued interest in LogMeIn.

Sincerely,

Michael K. Simon

Chief Executive Officer

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Notice of Annual Meeting of Stockholders

To Be Held on Thursday, May 21, 2015

Notice is hereby given that the 2015 Annual Meeting of Stockholders will be held at the offices of Latham & Watkins LLP, John Hancock Tower, 20th Floor, 200 Clarendon Street, Boston MA 02116, on Thursday, May 21, 2015, at 9:00 AM, Eastern Time, for the following purposes:

1. To elect the three nominees identified in the attached proxy statement as members of our board of directors to serve as class III directors for a term of three years;

2. To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015;

3. To approve an amendment and restatement of our 2009 Stock Incentive Plan that will increase the number of shares of common stock that may be issued under the plan by an additional 1,300,000 shares;

4. To approve, on an advisory basis, the compensation of our named executive officers; and

5. To transact other business, if any, that may properly come before the Annual Meeting of Stockholders or any adjournment of the Annual Meeting of Stockholders.

Stockholders of record at the close of business on our record date, Wednesday, April 1, 2015, are entitled to receive this notice of our Annual Meeting of Stockholders and to vote at the Annual Meeting of Stockholders and at any adjournments of such meeting. The stock transfer books of LogMeIn will remain open between the record date and the date of the Annual Meeting for any stockholder to examine for any purpose germane to the Annual Meeting. These books will also be available to stockholders for any such purpose at the Annual Meeting.

For this year s Annual Meeting, we are taking advantage of the Securities and Exchange Commission rules that allow us to furnish proxy materials to you via the Internet. We believe this will allow us to provide you with the information you need, in a manner that is convenient and familiar to you, while also helping us lower our costs to deliver these materials and reduce the environmental impact of our Annual Meeting. On or about April 6, 2015, we will mail to our stockholders a Notice Regarding the Availability of Proxy Materials (the Notice) containing instructions on how to access our proxy statement for our Annual Meeting and our Annual Report to Stockholders for the year ending December 31, 2014, which contains our audited consolidated financial statements and other information of interest to our stockholders. The Notice will also provide instructions on how to vote online or by telephone and includes instructions on how to request a paper copy of the proxy materials by mail.

Your vote is important. Whether or not you plan to attend the Annual Meeting of Stockholders, we urge you to cast your vote and submit your proxy as soon as possible by one of the methods below:

1. Vote over the Internet. You may vote your shares by following the Internet voting instructions provided in the Notice you received. Please see the section of this proxy statement entitled INFORMATION ABOUT THE ANNUAL MEETING AND VOTING How do I vote? for additional information.

2. Vote by mail. If you received your proxy materials by mail, you may vote by completing and signing the proxy card delivered with those materials and returning it in the postage pre-paid envelope we provided.

3. Vote in person. If you are attending the 2015 Annual Meeting of Stockholders, you may vote by delivering a completed proxy card in person or by completing and submitting a ballot, which will be provided at the 2015 Annual Meeting of Stockholders.

If you are a registered stockholder (that is, you hold your shares in your name), you must present valid identification to vote at the Annual Meeting. If you are a beneficial stockholder (that is, your shares are held in the name of a broker, bank or other holder of record), you will also need to obtain a legal proxy from the holder of record to vote at the Annual Meeting.

By Order of the Board of Directors,

Michael K. Simon

As Secretary

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Proxy Statement Summary

The below summary is intended to highlight certain key information contained in this Proxy Statement. As it is only a summary, it does not contain all of the information that you should consider. We strongly encourage you to read the complete Proxy Statement as well as our 2014 Annual Report to Stockholders before casting your vote.

LogMeIn Inc. 2015 Annual Meeting of Stockholders

Date & Time:	**Record Date:**
May 21, 2015 at 9:00 AM, Eastern Time	April 1, 2015
Place:	**Voting:**
The Offices of Latham & Watkins LLP John Hancock Tower, 20th Floor 200 Clarendon Street Boston, MA 02116	Stockholders as of the record date are entitled to vote. Each share of our common stock that you owned on the record date entitles you to one vote on each matter that is voted on at the 2015 Annual Meeting of Stockholders

Voting Matters & Board Recommendations

Proposal	Description:	Board s Recommendation	Page
1	Election of three Class III director nominees: Michael K. Simon; Steven G. Chambers; and Edwin J. Gillis	**FOR** each nominee	24
2	Ratification of appointment of Deloitte & Touche LLP as independent auditors for fiscal 2015	**FOR**	24
3	Approval of amendment and restatement of 2009 Stock Incentive Plan	**FOR**	24
4	Advisory approval of executive compensation	**FOR**	32

Significant 2014 Business Highlights

(1) Adjusted EBITDA is GAAP net income (loss) excluding benefit from (provision for) income taxes, interest income, net, other expenses, depreciation and amortization, acquisition-related costs, stock-based compensation, and litigation-related expenses. FY 2014 GAAP Net Income was $8M.

LogMeIn delivered another year of strong financial performance in fiscal 2014, with highlights that included:

- 34% year-over-year revenue growth to $222.0 million in 2014 from $166.3 million in 2013;
- Adjusted EBITDA of $49.5 million and adjusted EBITDA margin of 22.3%, compared to $34.5 million and 20.8% in fiscal year 2013; and
- A 147% increase in GAAP cash flow from operations to $74.2 million in 2014 up from $30.0 million in fiscal year 2013.

This strong financial performance helped drive stockholder value as our stockholders saw a 47% increase in the value of our common stock from the closing market price on the last trading day of fiscal 2013 to the closing market price on the last trading day of fiscal 2014. We also returned over $36.5 million to stockholders in fiscal 2014 by repurchasing 843,574 shares of our common stock through our stock repurchase program.

Results of Last Year s Stockholder Say-on-Pay Vote

At our 2014 Annual Meeting of Stockholders, we conducted our annual non-binding advisory vote on the compensation of our named executive officers, commonly referred to as a say-on-pay vote, in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Approximately 90% of the votes cast by stockholders on this proposal were cast in support of the fiscal 2013 compensation of our named executive officers. While these votes are considered to be a non-binding advisory vote, the compensation committee and our board of directors seriously consider the voting results. Given the strong level of support evidenced by last year s say-on-pay vote, the compensation committee determined that our stockholders were supportive of our current executive compensation philosophy and program. As a result, the compensation committee decided to maintain our general approach to executive compensation and made no significant changes to our executive compensation program. Nevertheless, the compensation committee will continue to monitor the executive compensation program to ensure it aligns the interests of our executive officers with the interests of our stockholders and adequately addresses any stockholder concerns that may be expressed in future votes.

Please see the section entitled Executive Compensation Discussion & Analysis Executive Summary on page 36 of this Proxy Statement for additional information about our executive compensation program and policies.

Corporate Governance Highlights

We believe that good corporate governance is important to achieve business success and to ensure that we are managed for the long-term benefit of our stockholders. We believe that the following corporate governance policies, guidelines and practices adopted by our board of directors reflect many current best practices, including:

- A majority of votes voting standard and a director resignation policy for directors in uncontested elections
- Seven out of nine directors are independent
- An independent lead director presides over all executive sessions of the board of directors and helps set board and committee meeting agendas
- Three standing board committees comprised solely of independent directors
- Directors have full and free access to management and, as necessary and appropriate, independent advisors
- All current directors then serving attended the 2014 Annual Meeting of Stockholders
- All directors attended greater than 75% of board meetings held during 2014
- An insider trading policy that prohibits executives and directors from hedging or pledging LogMeIn stock
- Directors are subject to stock ownership guidelines
- At least annually, the board of directors and its committees conduct a self-evaluation to determine whether they are functioning effectively

Please see the section entitled Our Commitment to Corporate Governance, beginning on page 21 of this Proxy Statement for additional information about our Corporate Governance practices.

Executive Compensation Highlights

Summary of 2014 Executive Compensation Program

We believe that the compensation paid to executive officers should closely align their interests with the interests of their stockholders. Therefore, our compensation committee designs our executive compensation programs with the goal of attracting, retaining and motivating talented executives, while simultaneously promoting the achievement of key financial and strategic performance measures by linking a portion of executive compensation to the achievement of measurable corporate performance goals, and thereby aligning the incentives of our executives with the creation of value for our stockholders.

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Proxy Statement Summary (continued)

Below we summarize those executive compensation practices we have implemented to help drive executive performance, as well as practices we have chosen not to implement because we believe such practices do not support our stockholders long-term interests:

What We Do

ü **Emphasize Pay-for-Performance** All of our named executive officers participate in our annual performance-based cash incentive bonus plan, which compensates executives for the Company s achievement of strategic, operational and financial goals thereby aligning our executive incentives with the financial performance of our Company and the creation of stockholder value. Additionally, 50% of our CEO s total target compensation opportunity consisted of performance-based pay in fiscal 2014.	ü **Offer Both Equity and Cash Incentives** the compensation packages offered to our executives consist of a combination of base salary, equity-based awards and performance-based cash incentives, which we believe incentivizes our executive officers to achieve performance results that deliver both short-term and long-term stockholder value.
ü **Utilize Double-Trigger Change-in-Control Provisions** the equity awards granted to our named executive officers that provide for accelerated vesting in the event of a change-in-control have a double-trigger, instead of a single trigger.	ü **Clawback Policy** the incentive-based cash compensation paid to our executive officers in connection with our annual cash incentive bonus plan is subject to an executive compensation recovery, or clawback, policy which requires the reimbursement of excess compensation in the event that we are required to prepare an accounting restatement due to the fraud or misconduct of any one of our executive officers.
ü **Equity Ownership Guidelines** All of our Section 16 executive officers are required to, by the later of November 14, 2018 (the date five years from the guidelines implementation date) or within five (5) years from the date of his/her hire or promotion, own shares of our common stock having an aggregate value at least equal to: (i) three times his base salary for our CEO and (ii) one time the base salary for all other executive officers.	ü **Engage an Independent Compensation Consultant** the compensation committee has retained a nationally recognized compensation consulting firm to serve as its independent compensation consultant. The compensation consultant reports directly to the compensation committee and provides the committee with useful competitive market data and information needed to make educated compensation decisions.
ü **Annual Say-on-Pay Vote** we conduct our say-on-pay vote on an annual basis to allow our stockholders to provide us with their direct input on our compensation philosophies, policies and practices as disclosed in our proxy statement each year.	ü **Avoid Undue Risk-taking** our compensation policies and practices are designed to discourage our executive officers from taking on or creating risks that are reasonably likely to have a material adverse effect on the Company.

What We Don t Do

û **No Re-pricing Stock Options** we do not re-price our stock options and would not do so without stockholder approval.	û **No Excise Tax Gross-Ups** we do not provide our executive officers with excise tax gross-ups.
û **No Hedging or Pledging** we prohibit our executive officers from engaging in margin, hedging, pledging or other similar transactions in the Company s securities.	û **No Dividend Equivalents** we do not provide dividend equivalents on unvested equity awards.
û **No Resetting of 2014 Performance Targets** we did not reset or amend any of the performance goals or targets used to set executive compensation programs in fiscal 2014.	û **No Significant Perquisites** we do not provide our executives with significant perquisites.
û **No Formal Employment Agreements** None of our executives are currently party to an employment agreement that provides for automatic or pre-scheduled increases in their base salary.	

Proxy Statement Summary (continued)

Summary of Chief Executive Officer 2014 Compensation

Name:	Michael K. Simon
Age:	50
Title(s):	co-founder, Chief Executive Officer and Chairman of our Board of Directors
Tenure:	12 years, since the Company s inception in 2003

Mr. Simon does not receive any compensation for his services as the Chairman of our Board of Directors. Below is a summary of the compensation that Mr. Simon received during fiscal 2014 for his service as our President and Chief Executive Officer:

Name	Year	Salary ($)	Stock Awards ($)[1]	Option Awards ($)[2]	Non-Equity Incentive Plan Compensation ($)[3]	All Other Compensation ($)[4]	Total ($)
Michael K. Simon	2014	$ 400,000	$ 3,454,570	$	$ 611,559	$ 12,831	$ 4,478,960

(1) The amount shown in this column represents the grant date fair value of an equity award granted to Mr. Simon in fiscal 2014 comprised of 50% performance-based restricted stock units that vest based on LogMeIn s achievement of a specified total stockholder return goal and 50% time-based restricted stock units, calculated in accordance with applicable accounting guidance for equity awards, but excluding the effect of any estimated forfeitures. The time-based RSUs vest in three equal installments over a three-year period commencing on the first anniversary of the date of grant so that 100% of the RSUs will be vested as of May 22, 2017. The individual shares underlying the fiscal 2014 performance-based RSU awards vest upon the Company s achievement of pre-established relative TSR performance goals as measured over (i) a two-year performance period beginning May 1, 2014 and ending on May 1, 2016, and (ii) a three-year performance period beginning on May 1, 2014 and ending on May 1, 2017. The amounts shown in this column do not represent the actual amounts paid to or realized by Mr. Simon during fiscal 2014. The assumptions used by us with respect to the valuation of equity grants are set forth in Note 10 to our financial statements included in our Annual Report on Form 10-K, filed with the SEC on February 20, 2015.

(2) Mr. Simon did not receive any stock option awards in fiscal 2014.

(3) The amount shown in this column consists of the performance-based cash bonus awarded to Mr. Simon under our annual cash incentive bonus program for fiscal 2014 based on the Company s achievement of certain performance goals established by the compensation committee.

(4) The amount shown in this column consists of medical, life insurance and disability insurance premiums paid by us on behalf of the Mr. Simon for fiscal 2014.

For the second year in a row, the total target number of shares underlying the equity incentive awards granted to Mr. Simon decreased year-over-year, as the 68,000 shares underlying his fiscal 2014 equity incentive awards represents an approximately 37% year-over-year decrease from the 108,000 shares underlying his fiscal 2013 equity incentive awards. This decrease in the number of shares underlying Mr. Simon s equity incentive award also resulted in an approximately 18% year-over-year decrease in the grant date fair value of his equity incentive award to $3,454,507 in fiscal 2014 from $4,198,580 in fiscal 2013.

2014 CEO Total Direct Compensation Pay Mix

The compensation committee bases its executive compensation decisions on each named executive officer s total direct compensation opportunity. The total direct compensation opportunities of our named executive officers is generally comprised of a mix of cash compensation, in the form of base salaries and annual cash incentive bonuses, and equity compensation. In recent years, this total direct compensation mix has been designed so that the elements of variable pay, such as our annual cash incentive bonus awards and equity incentive awards, represent a substantial portion of the total direct compensation opportunity awarded to our named executive officers. By dedicating a large percentage of their total direct compensation opportunity to variable pay elements, such as long-term equity incentive awards, rather than fixed pay elements, like base salary, the compensation committee believes that we are able to maximize retention while also linking executive incentives with the Company s performance.

Much like in fiscal 2013, the fiscal 2014 equity incentive awards granted to our CEO and CFO were comprised of 50% performance-based RSU awards and 50% time-based RSU awards, with the performance-based RSU awards tied to the Company s achievement of a specified total stockholder return goal, as further described below in the section entitled Equity Incentive Awards Performance Based Restricted Stock Unit Awards. In fiscal 2014, the compensation committee also expanded this practice to include the equity incentive award granted to our COO. The compensation committee believes that including performance-based RSU awards in the target total direct compensation opportunities of our CEO, CFO and COO, whose individual performances and decisions have a direct impact on our Company s performance, strengthens our pay-for-performance alignment by increasing the percentage of their target total direct compensation opportunity that is directly tied to the Company s performance, thereby ensuring that a substantial portion of their compensation is aligned with the interests of our stockholders.

Proxy Statement Summary (continued)

The following charts illustrate the breakdown of the total direct compensation pay mix awarded to our CEO, Michael Simon, for fiscal 2014:

Please see the Compensation Discussion and Analysis section beginning on page 36 of this Proxy Statement for a more detailed description of the compensation paid to our CEO and other named executive officers during fiscal 2014.

Information about the Annual Meeting and Voting

Q. **What is the purpose of the Annual Meeting?**

A. At the 2015 Annual Meeting of Stockholders, stockholders will consider and vote on the following matters:

To elect the three nominees identified in this proxy statement as members of our board of directors who will serve as class III directors for a term of three years;

To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015;

To approve an amendment and restatement of our 2009 Stock Incentive Plan that will increase the number of shares of common stock that may be issued under the plan by an additional 1,300,000 shares;

To approve, on an advisory basis, the compensation of our named executive officers; and

To transact other business, if any, that may properly come before the 2015 Annual Meeting of Stockholders or during any adjournment of the meeting.

Q. **Who is entitled to vote?**

A. To be able to vote on the above matters, you must have been a stockholder of record at the close of business on Wednesday, April 1, 2015, the record date for the 2015 Annual Meeting of Stockholders. The aggregate number of shares entitled to vote at this meeting is 24,664,811 shares of our common stock, which is the number of shares that were outstanding as of the record date.

Q. **How many votes do I have?**

A. Each share of our common stock that you owned as of the close of business on the record date entitles you to one vote on each matter that is voted on at the 2015 Annual Meeting of Stockholders.

Q. **Is my vote important?**

A. Your vote is important regardless of how many shares you own or whether you plan to attend the Annual Meeting in person. Please take the time to read the instructions below and vote. Choose the method of voting that is easiest and most convenient for you and, if you vote by mail, please cast your vote as soon as possible.

Q. **How do I vote?**

A. *Stockholder of record: Shares registered in your name.* If you are a stockholder of record (that is, your shares are registered in your own name, not in street name by a bank, brokerage firm or other intermediary), the Notice instructs you as to how (i) you may access and review all of the proxy materials on the Internet, (ii) you may submit your proxy, and (iii) to receive paper copies of the proxy materials if you wish. No printed materials will be available unless you specifically request them by following the instructions in the Notice Regarding the Availability of Proxy Materials.

1. *You may vote via the Internet.* To vote via the Internet, log on to the website listed on the Notice or your proxy card and follow the on-screen instructions, using the Company Number and Account Number shown on your proxy card when prompted. We permit Internet proxy voting to allow you to vote your shares on-line, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. You must submit your Internet proxy before 11:59 p.m., Eastern Time, on May 20, 2015, the day before the 2015 Annual Meeting of Stockholders, for your proxy and your vote to be counted. Please be aware that you must bear any costs associated with your Internet access, such as usage charges from Internet access providers and telephone companies.

2. *You may vote by mail.* If you received our proxy materials by mail, you may complete, date and sign the proxy card that accompanies our proxy statement and promptly mail it to American Stock Transfer & Trust Company, or AST, in the enclosed postage pre-paid envelope so that it is received prior to the 2015 Annual Meeting of Stockholders. You do not need to put a stamp on the enclosed envelope if you mail it from within the United States. The persons named in the proxy card will vote the shares you own in accordance with your instructions on the proxy card you mail. If you return the proxy card, but do not give any instructions on a particular matter to be to be voted on at the Annual Meeting, the persons named in the proxy card will vote the shares you own in accordance with the recommendations of our board of directors. Our board of directors recommends that you vote **FOR** the election of each of the director nominees set forth in Proposal 1 and **FOR** Proposals 2, 3 and 4. AST must receive your proxy card no later than May 20, 2015, the day before the Annual Meeting, for your proxy and your vote to be counted.

3. *You may vote in person.* To vote in person, attend the Annual Meeting and vote by delivering your completed proxy card in person or by completing and submitting a ballot, which will be provided at the meeting. If you wish to attend the 2015 Annual Meeting of Stockholders to personally vote your shares held in street name by a bank, brokerage firm or other intermediary, you will need to obtain a proxy card from the holder of record (*i.e.* your bank, brokerage firm or other intermediary); a broker s proxy card is not the form of proxy card enclosed with this proxy statement.

Information about the Annual Meeting and Voting (continued)

Beneficial owner: Shares held in street name. If the shares you own are held in street name by a bank, brokerage firm or other intermediary, then your bank, brokerage firm or other intermediary, as the record holder of your shares, is required to vote your shares according to your instructions. In order to vote your shares, you will need to follow the voting instructions your bank, brokerage firm or other intermediary provides you. Many banks, brokerage firms and other intermediaries also offer the option of voting over the Internet or by telephone, instructions for which would be provided to you by your bank, brokerage firm or other intermediary. If you do not instruct your bank, brokerage firm or other intermediary accordingly, it will still be able to vote your shares with respect to certain discretionary items, but will not be allowed to vote your shares with respect to certain non-discretionary items. Of the proposals to be considered at the meeting, only the ratification of the appointment of our independent registered accounting firm is a discretionary item. Accordingly, your bank, brokerage firm or other intermediary may exercise its discretionary authority with respect to Proposal 2 (the ratification of the appointment of our independent registered accounting firm) if you do not provide voting instructions. In the case of the non-discretionary items, Proposal 1 (the election of directors), Proposal 3 (the amendment and restatement of our 2009 Stock Incentive Plan), and Proposal 4 (to approve an advisory vote on executive compensation), the shares will be treated as broker non-votes. Broker non-votes are shares that are held in street name by a bank, brokerage firm or other intermediary that indicates on its proxy that it does not have discretionary authority to vote on a particular matter.

If you wish to attend the 2015 Annual Meeting of Stockholders to personally vote your shares held in street name, you will need to obtain a proxy card from the holder of record (*i.e.* your bank, brokerage firm or other intermediary).

Q. **May I revoke my proxy or change my vote after I have voted?**

A. Yes. If you are a stockholder of record, you may revoke your earlier proxy and/or change your vote at any time before the Annual Meeting by taking one of the following actions (only your latest-dated proxy that we receive prior to the Annual Meeting will be counted):

- completing, signing, dating and mailing another proxy card with a later date;
- voting again via the Internet;
- giving our corporate secretary written notice that you want to revoke your proxy, at the address below under How and when may I submit a stockholder proposal for the 2016 Annual Meeting? ; or
- attending the meeting, notifying our corporate secretary that you are present and then voting in person. Your attendance at the meeting alone will not revoke your proxy; you must vote again or specifically request that your prior proxy be revoked.

If you own shares in street name, your bank, brokerage firm or other intermediary should provide you with appropriate instructions for changing or revoking your vote.

Q. **What constitutes a quorum?**

A. In order for business to be conducted at the 2015 Annual Meeting of Stockholders, our by-laws require that a quorum must be present. A quorum consists of the holders of a majority of the shares of our common stock outstanding and entitled to vote at the Annual Meeting; that is, at least 12,332,407 shares. Shares of our common stock present in person or represented by proxy (including shares that reflect abstentions, broker non-votes and votes withheld for director nominees) will be counted for the purpose of determining whether a quorum exists.

If a quorum is not present, the Annual Meeting will be adjourned until a quorum is obtained.

Q. **What vote is required to approve each item?**

A. The Company has adopted a majority vote standard for non-contested director elections and a plurality vote standard for contested director elections. The voting standard is discussed further under the section entitled Proposal No. 1 Election of Directors Voting Standard.

All other proposals require the affirmative vote of a majority of outstanding shares present in person or by proxy and entitled to vote at the Annual Meeting. Abstentions have the same effect as negative votes on such proposals. Broker non-votes are not counted for any purpose in determining whether proposals have been approved.

Q. **How will votes be counted?**

A. Each share of common stock voted at the Annual Meeting will be counted as one vote. A share will not be voted in favor of a matter, and will not be counted as voting on a particular matter, if either (1) the holder of the share withholds authority in the proxy card to vote for a particular director nominee or nominees or abstains from voting on a particular matter or (2) the share constitutes a broker non-vote. As a result, withheld shares, abstentions and broker non-votes will have no effect on the outcome of voting on any proposal at the Annual Meeting.

Q. **Who will count the votes?**

A. Our transfer agent and registrar, American Stock Transfer & Trust Company, will count, tabulate and certify the votes. A representative of American Stock Transfer & Trust Company will serve as inspector of elections at the Annual Meeting.

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Information about the Annual Meeting and Voting (continued)

Q. **How does the board of directors recommend that I vote on the proposals?**

A. Our board of directors recommends that you vote:

FOR Proposal 1 to elect the three nominees identified in this proxy statement as class III director nominees;

FOR Proposal 2 to ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015;

FOR Proposal 3 to approve an amendment and restatement of our 2009 Stock Incentive Plan; and

FOR Proposal 4 to approve, on an advisory basis, the compensation of our named executive officers.

Q. **Will any other business be conducted at the Annual Meeting or will other matters be voted on?**

A. We are not currently aware of any other business to be conducted or matters to be voted on at the Annual Meeting. However, if any other matter properly comes before the Annual Meeting or any postponement or adjournment thereof, the person(s) named in the proxy card that accompanies this proxy statement will vote, or otherwise act, at the meeting to their best judgment with respect to the shares they have authority to vote. A stockholder proposal or information about a proposed director candidate for potential inclusion in the proxy statement for our 2016 Annual Meeting of Stockholders must be submitted in accordance with the procedures outlined under How and when may I submit a stockholder proposal for the 2016 Annual Meeting?

Q. **When and where can I find the voting results?**

A. We expect to announce preliminary voting results at the 2015 Annual Meeting of Stockholders. We will also report the voting results from the Annual Meeting in a Current Report on Form 8-K filed with the Securities and Exchange Commission, or SEC, within four business days after the conclusion of the Annual Meeting. Otherwise, if final voting results are not available to us in time to file a Current Report on Form 8-K within four business days after the conclusion of the Annual Meeting, we intend to file a Current Report on Form 8-K to publish preliminary results and, within four business days after the final results are known to us, file an additional Current Report on Form 8-K to publish the final results.

Q. **May I recommend a candidate for LogMeIn s board of directors?**

A. Yes. Stockholders may recommend director candidates for consideration by the nominating and corporate governance committee of our board of directors by sending a written notice to our corporate secretary at the address below under How and when may I submit a stockholder proposal for the 2016 Annual Meeting? Our by-laws specify the information that must be included in any such notice, including (i) the stockholder s name, address and number of shares of LogMeIn stock held, and (ii) the director candidate s name, age, address, principal occupation and number of shares of LogMeIn stock held. If a common stockholder would like a director candidate to be considered for inclusion in the proxy statement for our 2016 Annual Meeting, the stockholder must follow the procedures for stockholder proposals outlined immediately below under How and when may I submit a stockholder proposal for the 2016 Annual Meeting? You can find more detailed information on our process for selecting board members and our criteria for board nominees in the section of this proxy statement entitled BOARD OF DIRECTORS, CORPORATE GOVERNANCE AND RELATED MATTERS Director Nomination Process and in the Corporate Governance Guidelines posted on the Investor-Corporate Governance-Documents & Charters section of our website, located at *www.logmein.com*.

Alternatively, our by-laws provide that stockholders may nominate director candidates for consideration at the 2016 Annual Meeting directly, without approval of the nominating and corporate governance committee. In order to nominate candidates directly, stockholders must follow the procedures outlined in How and when may I submit a stockholder proposal for the 2016 Annual Meeting? immediately below.

Q. **How and when may I submit a stockholder proposal for the 2016 Annual Meeting?**

A. If you are interested in submitting a proposal or information about a proposed director candidate for potential inclusion in the proxy statement for our 2016 Annual Meeting of Stockholders, you must follow the procedures outlined in Rule 14a-8 of the Securities Exchange Act of 1934, as amended, or the Exchange Act. To be eligible for inclusion in the proxy statement, we must receive your stockholder proposal or information about your proposed director candidate at the address noted below no later than December 8, 2015. However, if the 2016 Annual Meeting of Stockholders is held before April 21, 2016 or after June 20, 2016, then we must receive your stockholder proposal or information about your proposed director candidate at the address noted below a reasonable time before we begin to print and mail our proxy materials for the 2016 Annual Meeting of Stockholders.

If you wish to present a proposal or a proposed director candidate at the 2016 Annual Meeting of Stockholders, but do not wish to have the proposal or director candidate considered for inclusion in the proxy statement and proxy card, you must also give written notice to our corporate secretary at the address noted below. We must receive this required notice by February 21, 2016, but no sooner than January 22, 2016. However, if the 2016 Annual Meeting of Stockholders is held before May 1, 2016 or after July 20, 2016, then we must receive the required notice of a proposal or proposed director candidate no earlier than the 120th day prior to the 2016 Annual Meeting and no later than the close of business on the later of (1) the 90th day prior to the 2016 Annual Meeting of Stockholders and (2) the 10th day following the date on which notice of the date of the 2016 Annual Meeting of Stockholders was mailed or public disclosure was made, whichever occurs first.

Any proposals, notices or information about proposed director candidates should be sent to:

LogMeIn, Inc.

320 Summer Street

Boston, Massachusetts 02210

Attention: Corporate Secretary

Q. **Who bears the costs of soliciting these proxies?**

A. We will bear the costs of soliciting proxies. We are soliciting proxies for the 2015 Annual Meeting of Stockholders in the following ways:

- We have retained a third party proxy consultant, Alliance Advisors, L.L.C., to solicit proxies on our behalf;

- Our directors, officers and employees may, without additional pay, solicit proxies by telephone, facsimile, email and personal interviews; and

- We will request brokerage houses, custodians, nominees and fiduciaries to forward copies of the proxy materials to the persons for whom they hold shares and request instructions for voting the proxies. We will reimburse the brokerage houses and other persons for their reasonable expenses in connection with this distribution.

Q. **Whom should I contact if I have any questions?**

A. If you have any questions about the 2015 Annual Meeting or your ownership of our common stock, please contact our Investor Relations Department at:

LogMeIn, Inc.

320 Summer Street

Boston Massachusetts 02210

Attention: Investor Relations

InvestorRelations@logmein.com

781-897-0694

Q. **What is householding and how may I receive a separate copy of the proxy statement or Annual Report to Stockholders?**

A. Some banks, brokers and other nominee record holders may be participating in the practice of householding proxy statements and annual reports. This means that only one copy of our proxy statement and Annual Report to Stockholders may have been sent to multiple stockholders in your household. We will promptly deliver a separate copy of either document to you if our Investor Relations Department receives a call or written request from you at the address, telephone number or email address indicated above. If you want to receive separate copies of our proxy statement or Annual Report to Stockholders in the future, or if you are receiving multiple copies and would like to receive only one copy per household, you should contact your bank, broker, or other nominee record holder.

Board of Directors, Corporate Governance and Related Matters

Our Board of Directors

The principal responsibility of our board of directors is to oversee the risk management of the company and, in so doing, serve the best interests of the company and its stockholders. The size of our board of directors is set at nine directors. In accordance with the terms of our certificate of incorporation and by-laws, our board of directors is divided into three classes. The members of each class serve for staggered three-year terms. At each Annual Meeting of Stockholders, the successors to directors whose terms then expire will be elected to serve from the time of their election and qualification until the third Annual Meeting following their election. We believe that having a staggered board of directors divided by classes is in the best interest of both the company and its stockholders because it provides for greater stability and continuity on our board of directors. The table below provides summary information about the composition of our board of directors:

Director Name	Age	Director Since	Director Class	Term Expires	Principal Occupation
Michael K. Simon(1)(2)	50	2003	Class III	2015	Chief Executive Officer, LogMeIn, Inc.
Steven J. Benson(2)	56	2004	Class II	2017	General Partner, Prism VentureWorks
Steven G. Chambers(2)	52	2014	Class III	2015	President and Chief Executive Officer, Jibo, Inc.
Michael J. Christenson(2)	56	2010	Class II	2017	Managing Director, Allen & Company
Edwin J. Gillis(3)	66	2007	Class III	2015	Consultant and Former Chief Financial Officer, Veritas Software
Gregory W. Hughes	52	2011	Class I	2016	President and Chief Executive Officer, Serena Software, Inc.
Marilyn Matz	61	2014	Class I	2016	Chief Executive Officer and Co-Founder, Paradigm4, Inc.
Irfan Salim	62	2006	Class I	2016	Consultant and Former Chief Executive Officer, MarkMonitor, Inc.
William R. Wagner	48	2015	Class II	2017	President and Chief Operating Officer, LogMeIn, Inc.

(1) Chairman of the Board of Directors
(2) Messrs. Simon, Chambers and Gillis are Class III director nominees up for re-election at this Annual Meeting of Stockholders
(3) Lead Independent Director

Our certificate of incorporation and our by-laws provide that the authorized number of directors may be changed only by resolution of our board of directors. Our certificate of incorporation and by-laws provide that our directors may be removed only for cause by the affirmative vote of the holders of at least 75% of the votes that all of our stockholders would be entitled to cast in an annual election of directors. Any vacancy on our board of directors, including a vacancy resulting from an enlargement of our board of directors, may be filled only by vote of a majority of our directors then in office. Upon the expiration of the term of a class of directors, directors in that class will be eligible to be elected for a new three-year term at the Annual Meeting of Stockholders in the year in which their term expires. Our class III directors, Messrs. Simon, Chambers and Gillis, are up for re-election at this Annual Meeting of Stockholders.

Director Biographies and Qualifications

The following paragraphs provide information as of the date of this proxy statement about each of our director nominees and current directors. The information presented includes length of service as a director of LogMeIn, as well as information each director has given us about their age as of April 1, 2015, all positions held, principal occupation and business experience for the past five years, and the names of other publicly-held companies of which they currently serve as a director or have served as a director during the past five years. There are no family relationships among any of our directors, nominees for director, or executive officers. We have also included information about each nominee s specific experience, qualifications, attributes, or skills that led our board to conclude that he or she should serve as a director of LogMeIn at the time we file our proxy statement, in light of our business and structure. In addition to the information presented below regarding each nominee s specific experience, qualifications, attributes and skills, we also believe that all of our director nominees have a reputation for integrity, honesty and adherence to high ethical standards. They each have demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment of service to our company and our board. Finally, we value their significant experience on other public company boards of directors and board committees.

Michael K. Simon, age 50, co-founded LogMeIn and has served as our Chief Executive Officer and Secretary and as Chairman of our board of directors since our inception in February 2003. Mr. Simon also serves as a director of HubSpot, Inc., a leading provider of inbound marketing software. Prior to founding LogMeIn, Mr. Simon served as Chairman of the board of directors of Fathom Technology ApS, a software outsourcing company sold to EPAM Systems, Inc. in March 2004. In 1995, Mr. Simon founded Uproar, Inc., a publicly-traded provider of online game shows and interactive games acquired by Vivendi Universal Games, Inc. in March 2001. Mr. Simon holds a B.S. in Electrical Engineering from the University of Notre Dame and an M.B.A. from Washington University in St. Louis. We believe Mr. Simon s qualifications to sit on our board include his extensive experience in the software industry and knowledge of the cloud-based connectivity and software-as-a-service industries.

Board of Directors, Corporate Governance and Related Matters (continued)

Steven J. Benson, age 56, has served as a Director since October 2004. Mr. Benson also has served as a General Partner of Prism VentureWorks, a venture capital firm, since March 2004, as an Executive in Residence at Bentley University since January 2009 and as a contributor to Bloomberg Radio since August 2014. Prior to working at Prism, Mr. Benson served as the Chief Executive Officer of MCK Communications from 1997 to 2002. Mr. Benson holds a B.S in Business Communication from Bentley College. We believe Mr. Benson s qualifications to sit on our board include his software-as-a-service industry related experience and his extensive experience as an operating executive, entrepreneur, board member and board advisor.

Steven G. Chambers, age 52, has served as a Director since August 2014. Mr. Chambers has been President and Chief Executive Officer of Jibo, Inc., a robotics development company, since January 2015. Prior to Jibo, Mr. Chambers held various leadership positions at Nuance Communications, Inc., a developer of speech and imaging applications, from September 2005 to April 2014, serving most recently as President, Worldwide Sales & Marketing and Chief Marketing Officer from late 2011 to April 2014. From September 1999 through September 2005, Mr. Chambers served in various management capacities, including President of Speech Solutions, at SpeechWorks International, Inc., which was acquired by ScanSoft, Inc. in April 2003 and later merged with Nuance Communications, Inc. in September 2005. Mr. Chambers also serves as a director of Jibo, Inc. and CallMiner, Inc., a provider of cloud-based conversational analytics solutions. Mr. Chambers holds an M.B.A. from Boston University School of Management, an M.S. in Communications from Boston University, and a B.A. in English and Computer Science from Wesleyan University. We believe Mr. Chambers qualifications to serve on the Board of Directors include his extensive experience in the high-tech and software industries, as well as his experiences in the Internet of Things market.

Michael J. Christenson, age 56, has served as a Director since August 2010. Mr. Christenson has been a Managing Director at Allen & Company, a New York investment bank, since June 2010. From April 2006 to May 2010, Mr. Christenson served as the President and Chief Operating Officer of CA, Inc., an IT management software and solutions company. From February 2005 to April 2006, Mr. Christenson served as CA, Inc. s Executive Vice President of Strategy and Business Development. Prior to joining CA, Inc., Mr. Christenson held a number of leadership positions at Citigroup Global Markets, Inc. from 1987 to 2004. Mr. Christenson holds a B.A. in Chemistry from Rutgers University and an M.B.A. from New York University. We believe Mr. Christenson s qualifications to sit on our board include his extensive investment banking background, as well as his experience in the software industry and as an operating executive.

Edwin J. Gillis, age 66, has served as a Director since November 2007. Mr. Gillis has worked as a business consultant and private investor since January 2006. From July 2005 to December 2005, Mr. Gillis served as the Senior Vice President of Administration and Integration of Symantec Corporation, a publicly-traded Internet security company. From November 2002 to July 2005, Mr. Gillis was Executive Vice President and Chief Financial Officer of Veritas Software Corporation. Prior to Veritas, Mr. Gillis served as Chief Financial Officer of Parametric Technology Corporation and Lotus Development Corporation and as a partner at Coopers & Lybrand L.L.P. from August 1976 to June 1991. Mr. Gillis currently also serves as a director of Teradyne, Inc., a global supplier of automatic test equipment, and several private companies. Mr. Gillis holds a B.A. from Clark University, an M.A. in International Relations from the University of Southern California and an M.B.A. from Harvard Business School. We believe Mr. Gillis qualifications to sit on our board include his extensive experience on public company boards, his experience as an operating executive and his financial and accounting expertise.

Gregory W. Hughes, age 52, has served as a Director since January 2011. Mr. Hughes has served as the President and Chief Executive Officer of Serena Software, Inc., an enterprise software provider, since January 2013. From March 2011 to April 2014, Mr. Hughes was a Director at Silver Lake Partners, a private investment firm. From July 2005 to June 2010, Mr. Hughes held various leadership positions at Symantec Corporation, a leading storage, security, and systems management software company, serving most recently as Group President of Symantec s Enterprise Product Group from January 2009 to June 2010. Mr. Hughes first joined Symantec in July 2005 as part of their acquisition of Veritas Software Corporation, where he had held the position of Executive Vice President, Global Services since October 2003. From 1993 until 2003, Mr. Hughes held various leadership positions at McKinsey & Company, most recently as partner and leader of the North American software industry practice. Prior to joining the board of LogMeIn, Mr. Hughes was previously a board member at Art Technology Group and the Huawei-Symantec joint venture. Mr. Hughes holds an M.B.A. from Stanford University Graduate School of Business and a B.S. and M.S. in Electrical Engineering and Computer Science from the Massachusetts Institute of Technology. We believe Mr. Hughes qualifications to sit on our board include his experience working at a number of successful software businesses and his significant business-to-consumer and business-to-business experience in the software industry.

Marilyn Matz, age 61, has served as a Director since August 2014. Ms. Matz has served as Chief Executive Officer, co-founder and chair of the Board of Directors of Paradigm4, Inc., a big data analytics software company, since December 2009. She is co-chair of the Massachusetts Technology Leadership Council s Big Data Cluster. In 1981, Ms. Matz co-founded Cognex Corporation, a public company that manufactures machine vision systems, for which she served in various leadership capacities through 2008, including Global VP of Software Engineering and GM of the Vision Software Business Unit. Ms. Matz holds an M.S. in Computer Science from the Massachusetts Institute of Technology and a B.S. in Computer Science from Syracuse University. We believe Ms. Matz s qualifications to serve on the Board of Directors include her extensive leadership experience in the fields of technology development and research.

Board of Directors, Corporate Governance and Related Matters (continued)

Irfan Salim, age 62, has served as a Director since July 2006. Mr. Salim currently serves as a business consultant and on the boards of a number of private companies. From October 2006 to April 2013, Mr. Salim served as President, Chief Executive Officer and a Director of Mark Monitor, Inc., an online corporate identity protection company, which was acquired by Thompson Reuters in July 2012. From August 2005 to June 2006, Mr. Salim served as President and Chief Executive Officer of Tenebril Inc., an Internet security and privacy company. From March 2001 to July 2005, Mr. Salim served as President and Chief Operating Officer of Zone Labs, Inc., an Internet security company. Mr. Salim holds a B.sc. in Aeronautical Engineering from Imperial College, England, and an M.B.A. from Manchester Business School, England. We believe Mr. Salim s qualifications to sit on our board include his extensive experience in the field of data security and privacy, as an operating executive, entrepreneur and board member.

William R. Wagner, age 48, has served as a Director since March 2015 and has served as our President and Chief Operating Officer since January 2015. From May 2013 to January 2015, Mr. Wagner served as our Chief Operating Officer. Prior to joining LogMeIn, Mr. Wagner served as the Chief Operating Officer at Vocus, Inc., a leading cloud marketing software provider, from October 2010 to November 2012 and as Vocus s Chief Marketing Officer from July 2006 to October 2010. Prior to joining Vocus, Mr. Wagner had served as the Chief Marketing Officer at Fiberlink Communications, from February 2000 to June 2006. Mr. Wagner holds a B.A. in History from Lafayette College and an M.B.A. from Wharton School of Business. We believe Mr. Wagner s qualifications to sit on our board include his extensive sales and marketing leadership experience working at a number of successful technology and software-as-a-service businesses, as well as his current experience as an operating executive in the software industry and at the Company.

Board Leadership Structure

Our board has implemented a leadership structure comprised of both a Chairman, our Chief Executive Officer Michael Simon, and a lead independent director, Edwin Gillis.

Chairman

The chairman of our board, among other things, is responsible for presiding over and managing the board and setting agendas for our board meetings. Our board of directors believes that Mr. Simon s service as both Chairman of the board and Chief Executive Officer is in the best interest of the Company and its stockholders. Mr. Simon possesses detailed and in-depth knowledge of the issues, opportunities and challenges facing the Company, its business and its industry and is thus best positioned to develop agendas that ensure that the board s time and attention are focused on the most critical matters and to communicate strategic proposals with respect to such issues, opportunities and challenges with the board. The board believes this combined role enables decisive leadership, ensures clear accountability, and enhances the Company s ability to communicate its message and strategy clearly and consistently to the Company s stockholders, employees and customers. In addition, the majority of our directors, other than Messrs. Simon and Wagner, are independent, and the board believes that these independent directors provide effective oversight of management.

Lead Independent Director

Edwin J. Gillis, an independent director who serves as chairman of the audit committee and as a member of the nominating and corporate governance committee, was selected by our board of directors to serve as the Lead Director for all meetings of the non-management directors held in executive session. The Lead Director has the responsibility of presiding at all executive sessions of the board of directors, consulting with the Chairman and Chief Executive Officer on board and committee meeting agendas, acting as a liaison between management and the non-management directors, including maintaining frequent contact with the Chairman and Chief Executive Officer and advising him on the efficiency of the board meetings, facilitating teamwork and communication between the non-management directors and management, as well as additional responsibilities that are more fully described in our Corporate Governance Guidelines, posted on the Investor-Corporate Governance-Documents & Charters section of our website, located at *www.logmein.com*.

Director Independence

Under Rule 5605(b)(1) of the NASDAQ Marketplace Rules, independent directors must comprise a majority of a listed company s board of directors within one year of listing. In addition, NASDAQ Marketplace Rules require that, subject to specified exceptions, each member of a listed company s audit, compensation and nominating and corporate governance committees must be independent. Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended. Under NASDAQ Marketplace Rule 5605(a)(2), a director will only qualify as an independent director if, in the opinion of that company s board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not,

Board of Directors, Corporate Governance and Related Matters (continued)

other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee: (1) accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries; or (2) be an affiliated person of the listed company or any of its subsidiaries.

Our board of directors has determined that neither Messrs. Benson, Chambers, Christenson, Gillis, Hughes, Salim nor Ms. Matz, representing seven of our nine directors, have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is independent as that term is defined under NASDAQ Marketplace Rule 5605(a)(2). Our board of directors has also determined that Mr. Benson, Mr. Gillis and Ms. Matz, who comprise our audit committee, Messrs. Benson, Hughes and Salim, who comprise our compensation committee, and Messrs. Christenson, Gillis and Salim, who comprise our nominating and corporate governance committee, satisfy the independence standards for those committees established by applicable SEC rules and the NASDAQ Marketplace Rules. In making this determination, our board of directors considered the relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director.

Board Committees

While our board is ultimately responsible for risk oversight, our board committees assist the board in fulfilling its oversight responsibilities in certain areas of risk that are within the respective areas of oversight of each committee. Our board of directors has three standing committees, an audit committee, a compensation committee and a nominating and corporate governance committee. Each committee operates under a charter that has been approved by our board of directors in compliance with the NASDAQ Marketplace Rules. Each of the board committee charters are available under the Investor Corporate Governance-Documents & Charters section on our website, located at *www.logmein.com*. The following table indicates the members of each board committee as of March 24, 2015:

	Audit	Compensation	Nominating & Corporate Governance
Michael K. Simon «			
Steven J. Benson			
Steven G. Chambers			
Michael J. Christenson			
Edwin J. Gillis ¨			
Gregory W. Hughes			
Marilyn Matz			
Irfan Salim			
William R. Wagner			

« = Chairman of the Board ¨ = Lead Independent Director = Committee Chair = Committee member

Audit Committee

Our audit committee met six times during the year ended December 31, 2014. During fiscal 2014 our audit committee was comprised of Messrs. Benson, Gillis and Hughes. Ms. Matz replaced Mr. Hughes on the audit committee effective March 24, 2015. Mr. Gillis chairs the audit committee. Our board of directors has determined that each audit committee member satisfies the requirements for financial literacy under the current requirements of the NASDAQ Marketplace Rules. Mr. Gillis is an audit committee financial expert, as defined by SEC rules, and satisfies the financial sophistication requirements of the NASDAQ Global Select Market. Our audit committee assists our board of directors in its oversight of our accounting and financial reporting process and the audits of our financial statements. The audit committee s responsibilities include:

- appointing, approving the compensation of, and assessing the independence of our independent registered public accounting firm;
- overseeing the work of our independent registered public accounting firm, including through the receipt and consideration of reports from such firm;
- reviewing and discussing with management and the independent registered public accounting firm our annual and quarterly financial statements and related disclosures;

- monitoring our internal control over financial reporting, disclosure controls and procedures, and Code of Business Conduct and Ethics;
- discussing our risk-management policies;
- establishing policies regarding hiring employees from the independent registered public accounting firm and procedures for the receipt and resolution of accounting-related complaints and concerns;

Board of Directors, Corporate Governance and Related Matters (continued)

- meeting independently with our independent registered public accounting firm and management;
- reviewing and approving or ratifying any related-person transactions; and
- preparing the annual audit committee report required by SEC rules.

All audit and non-audit services, other than *de minimis* non-audit services, to be provided to us by our independent registered public accounting firm must be approved in advance by our audit committee.

Compensation Committee

Our compensation committee met six times during the year ended December 31, 2014. The members of our compensation committee are Messrs. Benson, Hughes and Salim. Mr. Benson chairs the compensation committee. The compensation committee s responsibilities include:

- annually reviewing and approving corporate goals and objectives relevant to Chief Executive Officer compensation;
- determining our Chief Executive Officer s compensation;
- reviewing and approving, or making recommendations to our board of directors with respect to, the compensation of our other executive officers;
- overseeing an evaluation of our senior executives;
- overseeing and administering our cash and equity incentive plans;
- reviewing and making recommendations to our board of directors with respect to director compensation;
- reviewing and discussing annually with management our Compensation Discussion and Analysis disclosure required by SEC rules; and
- preparing the annual compensation committee report required by SEC rules.

The compensation committee has the authority to retain compensation consultants and other outside advisors to assist in the evaluation of executive officer compensation. The processes and procedures followed by our compensation committee in considering and determining executive compensation are described beginning on page 36 under the heading Executive Compensation Discussion and Analysis.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee met two times during the year ended December 31, 2014. The members of our nominating and corporate governance committee are Messrs. Christenson, Gillis and Salim. Mr. Salim chairs the nominating and corporate governance committee. The nominating and corporate governance committee s responsibilities include:

- identifying individuals qualified to become members of our board of directors;
- recommending to our board of directors the persons to be nominated for election as directors and to each board committee;
- reviewing and making recommendations to our board of directors with respect to management succession planning;
- developing and recommending corporate governance principles to our board of directors; and
- overseeing an annual evaluation of our board of directors.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves as a member of the board of directors or compensation committee, or other committee serving an equivalent function, of any entity that has one or more executive officers who serve as members of our board of directors or our compensation committee. None of the members of our compensation committee is an officer or employee of our company, nor have they ever been an officer or employee of our company.

Board Meetings and Attendance

Our board met five times during the year ended December 31, 2014. During 2014, each incumbent director attended at least 75% of the board meetings held during the period for which he or she has been a director. During 2014, each incumbent director attended at least 75% of the number of meetings held by all committees of the board on which he or she then served.

Director Attendance at Annual Meeting

Our Corporate Governance Guidelines, posted on the Investor-Corporate Governance-Documents & Charters section of our website, located at *www.logmein.com,* provide that directors are responsible for attending the Annual Meeting of Stockholders. All of our then-serving directors attended the Annual Meeting of Stockholders in 2014.

Board of Directors, Corporate Governance and Related Matters (continued)

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics that applies to all of our employees, officers and directors, including those officers responsible for financial reporting. The Code of Business Conduct and Ethics is available under the Investor Corporate Governance Documents & Charters section on our website, located at *www.logmein.com*. Any amendments to the code, or any waivers of its requirements, will be disclosed on our website.

Director Compensation

Overview of Director Compensation Program

We use a combination of cash and stock-based compensation to attract and retain qualified persons to serve on our board of directors. The form and amount of director compensation is determined by the board, based upon the recommendations of our compensation committee. When setting compensation levels for our non-employee directors, our compensation committee considers factors such as the time commitment and prior experience levels of our directors.

Mr. Simon, our Chairman and Chief Executive Officer, and Mr. Wagner, our President and Chief Operating Officer, do not receive any compensation in connection with their service as directors. The compensation that we pay to Messrs. Simon and Wagner as our employees is discussed in the Executive Compensation Discussion and Analysis section beginning on page 36.

Director Cash Compensation

We pay each non-employee director an annual retainer of $35,000. Each non-employee director is also entitled to receive an additional annual fee of $5,000 for service on the audit committee, $5,000 for service on the compensation committee and $5,000 for service on the nominating and corporate governance committee. In lieu of these additional annual fees for service on the committees, the chairman of the audit committee is entitled to receive an additional annual retainer of $20,000, the chairman of the compensation committee is entitled to receive an additional annual retainer of $20,000, and the chairman of the nominating and corporate governance committee is entitled to receive an additional annual retainer of $10,000. Our lead independent director is also entitled to receive an additional annual retainer of $15,000. We also reimburse each non-employee director for any out-of-pocket expenses incurred in connection with their attending our board and committee meetings. In calculating the cash compensation we pay our non-employee directors, our compensation committee retained independent compensation consultant, Compensia, Inc., or Compensia, who presented competitive market data and ranges for cash compensation that are consistent with our compensation peer group.

Director Stock Based Compensation

In addition to cash compensation, we also grant our non-employee directors RSU awards under our Amended and Restated 2009 Stock Incentive Plan. In reaching its decision to grant RSUs to our non-employee directors, the compensation committee reviewed competitive market data provided by Compensia and considered a number of factors, including the compensation mix in the director compensation packages offered by the other companies included within our fiscal 2014 compensation peer group, the benefits of granting RSUs versus stock options, including the fact that RSUs would be less dilutive to the Company s earnings per share, the effectiveness of RSUs as a retention tool for retaining our non-employee directors, and current market practices and trends in our industry and region. The compensation committee also considered the fact that because RSU awards have value to the recipient even in the absence of stock price appreciation, we would be able to retain and incentivize our non-employee directors while using fewer shares of our common stock. In determining the amounts of RSU awards to be granted to our non-employee directors, the compensation committee generally plans to grant awards that are deemed to be competitive with the equity awards granted by the other companies within our compensation peer group and other companies within our industry and region.

In fiscal 2014, each of our non-employee directors were awarded a time-based RSU award with vesting conditions which were subject to their continued service as a director through their applicable vesting date. Pursuant to the individual award agreements, vesting rights typically cease shortly after termination of service except in the case of death or disability. Prior to the vesting of an RSU, the holder has no rights as a stockholder with respect to the shares subject to such RSU, including voting rights and the right to receive dividends or dividend equivalents.

Board of Directors, Corporate Governance and Related Matters (continued)

In fiscal 2014, the following time-based RSU awards were granted to our non-employee directors:

Non- Employee Director	Shares of Common Stock Subject to Time-Based RSU Awards (#)
Steven J. Benson	4,750(2)
Steven G. Chambers	10,500(3)
Michael J. Christenson	4,750(2)
Edwin J. Gillis	4,750(2)
Gregory W. Hughes	4,750(2)
Marilyn Matz	10,500(3)
Irfan Salim	4,750(2)
Hilary A. Schneider(1)	4,750(2)

(1) Ms. Schneider resigned from our board of directors effective August 22, 2014.

(2) The 2014 RSU awards granted to Messrs. Benson, Christenson, Gillis, Hughes, Salim and Ms. Schneider were awarded at the May 22, 2014 meeting of our board of directors and had a one-year cliff vesting condition whereby the shares underlying these awards will become fully vested on the first anniversary of the date of grant, subject to their continued service through such date.

(3) The 2014 RSU awards granted to Mr. Chambers and Ms. Matz were awarded at the September 11, 2014 meeting of our board of directors in connection with their appointment to the board. These awards each vest in two equal installments over a two year period, with 50% of the RSUs becoming vested on September 11, 2015 and the remaining 50% becoming vested on September 11, 2016, subject to their continued service through each such date.

Director Stock Ownership Guidelines

Our board of directors has adopted stock ownership guidelines for our non-employee directors. Pursuant to these stock ownership guidelines, each current non-employee director and any newly appointed non-employee director is required to, by the later of November 14, 2016 (the date three years from the guidelines implementation date) or, for newly elected directors, the date three (3) years from the date of his or her election to the board, own shares of the company s common stock having an aggregate value at least equal to one times the amount of the annual cash retainer that we currently pay our non-employee directors for general service on our board, excluding any additional retainers paid for serving on committees or as lead director. For purposes of this calculation, shares of the company s common stock held directly or indirectly by the non-employee director are included, including vested RSU awards, while any outstanding and unvested RSU awards or any outstanding and unvested or vested but unexercised stock option awards are excluded.

Director Compensation in Fiscal 2014

The following table sets forth information regarding compensation earned by our non-employee directors during 2014:

Name	Fees Earned or Paid in Cash(2)	Stock Awards ($)(4)(5)	Total ($)
Steven J. Benson	$ 60,000	$ 205,485(6)	$ 265,485
Steven G. Chambers	$ 17,500(3)	$ 476,070(7)	$ 493,570
Michael J. Christenson	$ 40,000	$ 205,485(6)	$ 245,485
Edwin J. Gillis	$ 75,000	$ 205,485(6)	$ 280,485
Gregory W. Hughes	$ 45,000	$ 205,485(6)	$ 250,485
Marilyn Matz	$ 17,500(3)	$ 476,070(7)	$ 493,570
Irfan Salim	$ 50,000	$ 205,485(6)	$ 255,485
Hilary A. Schneider(1)	$ 16,250	$ 205,485(6)	$ 221,735

(1) Ms. Schneider resigned from our board of directors effective August 22, 2014 and therefore her fiscal 2014 annual retainer fee of $35,000 was pro-rated based on her actual service to our company during fiscal 2014.
(2) The amounts reported in this column represent the aggregate dollar amount of all fees earned or paid in cash to each non-employee director in fiscal 2014 for their service as a director, including any annual retainer fees, committee and/or chairmanship fees and lead director fees.
(3) Mr. Chambers and Ms. Matz were appointed to our board of directors on August 22, 2014 and therefore their fiscal 2014 annual retainer fees of $35,000 were pro-rated based on their actual service to our company during fiscal 2014.
(4) The amounts shown in this column represent the grant date fair value calculated in accordance with the provisions of FASB ASC Topic 718. The valuation assumptions used in determining such amounts are described in Note 10 to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

Board of Directors, Corporate Governance and Related Matters (continued)

(5) The following table shows the aggregate number of stock awards and stock option awards held as of December 31, 2014 by each of our non-employee directors who served during 2014:

Name	Stock Awards (#)	Option Awards (#)
Steven J. Benson	4,750	30,000
Steven G. Chambers	10,500	
Michael J. Christenson	4,750	90,000
Edwin J. Gillis	4,750	
Gregory W. Hughes	4,750	60,000
Marilyn Matz	10,500	
Irfan Salim	4,750	60,000
Hilary A. Schneider*		

* Ms. Schneider resigned from our board of directors effective August 22, 2014.

(6) Represents 4,750 RSU awards granted to Messrs. Benson, Christenson, Gillis, Hughes, Salim and Ms. Schneider at the May 22, 2014 meeting of our board of directors, which have a one-year cliff vesting condition and become fully vested on the first anniversary of the date of grant.

(7) Represents 10,500 RSU awards granted to Mr. Chambers and Ms. Matz at the September 11, 2014 meeting of our board of directors in connection with their appointment to the board. These awards each vest in two equal installments over a two year period, with 50% of the RSUs becoming vested on September 11, 2015 and the remaining 50% becoming vested on September 11, 2016, each vesting subject to their continued service as a director.

Director Nomination Process

The process followed by our nominating and corporate governance committee to identify and evaluate director candidates includes requests to board members and others for recommendations; meetings from time-to-time to evaluate biographical information and background material relating to potential candidates; and interviews of selected candidates by members of the nominating and corporate governance committee, the board of directors and members of senior management. The nominating and corporate governance committee also has the authority to retain the services of an executive search firm to help identify and evaluate potential director candidates.

In considering whether to recommend any particular candidate for inclusion in the board of directors slate of recommended director nominees, our nominating and corporate governance committee applies the criteria set forth in our Corporate Governance Guidelines, posted on the Investor-Corporate Governance-Documents & Charters section of our website, located at *www.logmein.com*. These criteria include the candidate s integrity, business acumen, knowledge of our business and industry, experience, diligence, conflicts of interest and the ability to act in the interests of all stockholders. Our Corporate Governance Guidelines specify that the value of diversity on the board should be considered by the nominating and corporate governance committee in the director identification and nomination process. The committee seeks nominees with a broad diversity of experience, professions, skills, geographic representation and backgrounds. The committee does not assign specific weights to particular criteria and no particular criterion is a prerequisite for any prospective nominee. Our board of directors believes that the backgrounds and qualifications of its directors, considered as a group, should provide a significant breadth of experience, knowledge and abilities that will allow it to fulfill its responsibilities. Nominees are not discriminated against on the basis of race, religion, national origin, sexual orientation, disability or any other basis proscribed by law.

When recommending to the board of directors the nominees for election as directors, our nominating and corporate governance committee shall consider candidates proposed by stockholders, and shall apply the same criteria and follow substantially the same process in considering such candidates as it does in considering other candidates. Stockholders nominating director candidates must follow the procedures set forth under INFORMATION ABOUT THE ANNUAL MEETING AND VOTING May I recommend a candidate for LogMeIn s board of directors? and How and when may I submit a stockholder proposal for the 2016 Annual Meeting?

You can find more detailed information on our process for selecting board members and our criteria for board nominees in our Corporate Governance Guidelines, posted on the Investor Corporate Governance- Documents & Charters section of our website, located at *www.logmein.com*.

Voting Standard and Required Vote

Our by-laws provide that, in an uncontested election, each director will be elected by a majority of votes cast. A majority of votes cast means the number of shares voted for a director exceeds the number of votes cast against that director. In addition, our Corporate Governance Guidelines include a director resignation policy that provides that, in uncontested elections, an incumbent director nominee who does not receive the required votes for re-election is expected to tender his or her resignation to the board. The nominating and corporate governance committee, or another duly authorized committee of the board, will determine whether to accept or reject the tendered resignation generally within ninety days after certification of the election results. No director who failed to receive the required votes for re-election may participate in the consideration of the matter. The Company will publicly disclose the nominating and corporate governance committee s (or other responsible committee s) decision.

Board of Directors, Corporate Governance and Related Matters (continued)

The majority voting standard does not apply, however, if the board of directors determines that the number of nominees for director exceeds the number of directors to be elected. In such circumstances, even if the number of nominees for director later no longer exceeds the number of directors to be elected, directors will instead be elected by a plurality of the votes cast, meaning that the nominees receiving the most votes will be elected.

Communicating with our Board of Directors

Our board of directors will give appropriate attention to written communications that are submitted by stockholders, and will respond if and as appropriate. The chairman of the nominating and corporate governance committee, subject to the advice and assistance of our general counsel, is primarily responsible for monitoring communications from stockholders and for providing copies or summaries to the other directors as he or she considers appropriate.

Communications are forwarded to all directors if they relate to important substantive matters and include suggestions or comments that the chairman of the nominating and corporate governance committee considers to be important for the directors to review. In general, communications relating to corporate governance and corporate strategy are more likely to be forwarded than communications relating to ordinary business affairs, personal grievances and matters as to which we receive repetitive or duplicative communications.

Stockholders who wish to send communications on any topic to our board should address such communications to: LogMeIn, Inc., 320 Summer Street, Boston, Massachusetts 02210, Attention: Board of Directors, c/o Corporate Secretary.

Our Commitment to Corporate Governance

The principal responsibility of our board of directors is to oversee the management of the company and, in so doing, serve the best interests of the Company and its stockholders. To help fulfill this responsibility, our board of directors has adopted formal Corporate Governance Guidelines and a Code of Business Conduct and Ethics to assist in the exercise of its duties and responsibilities. We believe that the corporate governance policies and guidelines adopted by our board of directors reflect many current best practices, including:

- A majority of votes voting standard and a director resignation policy for directors in uncontested elections
- Seven out of nine directors are independent
- An independent lead director presides over all executive sessions of the board of directors and helps set board and committee meeting agendas
- Three standing board committees comprised solely of independent directors
- Directors have full and free access to management and, as necessary and appropriate, independent advisors
- All current directors then serving attended the 2014 Annual Meeting of Stockholders
- All directors attended greater than 75% of board meetings held during 2014
- An insider trading policy that prohibits executives and directors from hedging or pledging LogMeIn stock
- Directors are subject to stock ownership guidelines
- At least annually, the board of directors and its committees conduct a self-evaluation to determine whether they are functioning effectively

Corporate Governance Materials

Complete copies of our Corporate Governance Guidelines, Code of Business Conduct and Ethics, and the charters for our audit, compensation, and nominating and corporate governance committees are available on the Investors Corporate Governance-Documents & Charters section of our website, *www.logmein.com*. Alternatively, you may request a copy of any of these documents free of charge by writing to:

LogMeIn, Inc.

320 Summer Street

Boston, Massachusetts 02210

Attention: Investor Relations

Compensation Risk Assessment

Consistent with the SEC s disclosure requirements, we have assessed our compensation programs for all employees. We have concluded that our compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on us. Management has evaluated our executive and employee compensation and benefits programs to determine if these programs provisions and operations create undesired or unintentional risk of a material nature. The risk assessment process includes a review of program policies and practices; analysis to identify risks and risk controls related to our compensation programs; and determinations as to the sufficiency of risk identification, the balance of potential risk to potential reward, the effectiveness of our risk controls and the impacts of our compensation programs and their risks to

Board of Directors, Corporate Governance and Related Matters (continued)

LogMeIn strategy. Although we periodically review all compensation programs, we focus on the programs with variability of payout, with the ability of a participant to directly affect payout and the controls on participant action and payout. In relation to this, we believe that our incentive compensation arrangements provide incentives that do not encourage risk taking beyond our ability to effectively identify and manage significant risks and are compatible with effective internal controls and the risk management practices of LogMeIn.

The compensation committee monitors our compensation programs on an annual basis and expects to make modifications as necessary to address any changes in the Company s business or risk profile.

Transactions with Related Persons

Since January 1, 2014, we have not engaged in any transactions with our directors, executive officers and holders of more than 5% of our voting securities, and affiliates or immediately family members of our directors, executive officers or holders of more than 5% of our voting securities.

Policies and Procedures for Transactions with Related Persons

Our board of directors has adopted written policies and procedures for the review of any transaction, arrangement or relationship in which we are a participant, the amount involved exceeds $120,000, and one of our executive officers, directors, director nominees or 5% stockholders (or their immediate family members), each of whom we refer to as a related person, has a direct or indirect material interest.

If a related person proposes to enter into such a transaction, arrangement or relationship, which we refer to as a related person transaction, the related person must report the proposed related person transaction to our general counsel. The policy calls for the proposed related person transaction to be reviewed and, if deemed appropriate, approved by the audit committee of our board of directors. Whenever practicable, the reporting, review and approval will occur prior to entry into the transaction. If advance review and approval is not practicable, the audit committee will review, and, in its discretion, may ratify the related person transaction. The policy also permits the chairman of the audit committee to review and, if deemed appropriate, approve proposed related person transactions that arise between audit committee meetings, subject to ratification by the audit committee at its next meeting. Any related person transactions that are ongoing in nature will be reviewed annually.

A related person transaction reviewed under the policy will be considered approved or ratified if it is authorized by the audit committee after full disclosure of the related person s interest in the transaction. As appropriate for the circumstances, the audit committee will review and consider:

- the related person s interest in the related person transaction;
- the approximate dollar value of the amount involved in the related person transaction;
- the approximate dollar value of the amount of the related person s interest in the transaction without regard to the amount of any profit or loss;
- whether the transaction was undertaken in the ordinary course of our business;
- whether the terms of the transaction are no less favorable to us than terms that could have been reached with an unrelated third party;
- the purpose of, and the potential benefits to us of, the transaction; and
- any other information regarding the related person transaction or the related person in the context of the proposed transaction that would be material to investors in light of the circumstances of the particular transaction.

The audit committee may approve or ratify the transaction only if it determines that, under all of the circumstances, the transaction is consistent with our best interests. The audit committee may impose any conditions on the related-person transaction that it deems appropriate.

In addition to the transactions that are excluded by the instructions to the SEC s related-person transaction disclosure rule, our board of directors has determined that the following transactions do not create a material direct or indirect interest on behalf of related persons and, therefore, are not related-person transactions for purposes of this policy:

- interests arising solely from the related person s position as an executive officer of another entity (whether or not the person is also a director of such entity), that is a participant in the transaction, where (a) the related person and all other related persons own in the aggregate less than a 10% equity interest in such entity, (b) the related person and his or her immediate family members are not involved in the negotiation of the terms of the transaction and do not receive any

special benefits as a result of the transaction, (c) the amount involved in the transaction equals less than the greater of $1.0 million or 2% of the annual consolidated gross revenues of the other entity that is a party to the transaction, and (d) the amount involved in the transaction equals less than 2% of our annual consolidated gross revenues; and
- a transaction that is specifically contemplated by provisions of our charter or by-laws.

The policy provides that transactions involving compensation of executive officers shall be reviewed and approved by the compensation committee in the manner specified in its charter.

Audit-Related Matters

Audit Committee Report

The audit committee has reviewed and discussed with our management our audited consolidated financial statements for the year ended December 31, 2014. The audit committee has also reviewed and discussed with Deloitte & Touche LLP, our independent registered public accounting firm, our audited consolidated financial statements and the matters required by Statement on Auditing Standards No. 61 (Communications with Audit Committees), or SAS No. 61, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T. SAS No. 61 requires our independent registered public accounting firm to discuss with the audit committee, among other things, the following to the extent applicable or relevant:

- methods to account for significant unusual transactions;
- the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;
- the process used by management in formulating particularly sensitive accounting estimates and the basis for the auditors conclusions regarding the reasonableness of those estimates; and
- disagreements with management, if any, over the application of accounting principles, the basis for management s accounting estimates and the disclosures in the financial statements.

The audit committee has also received from Deloitte & Touche LLP the written disclosures and the letter required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant s communications with the audit committee concerning independence. The audit committee has discussed with Deloitte & Touche LLP the matters disclosed in the letter and its independence with respect to LogMeIn, including a review of audit and non-audit fees and services, and concluded that Deloitte & Touche LLP is independent.

Based on its discussions with management and Deloitte & Touche LLP, and its review of the representations and information referred to above provided by management and Deloitte & Touche LLP, the audit committee recommended to the board of directors that our audited consolidated financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2014 for filing with the SEC.

By the Audit Committee of the Board of Directors of LogMeIn, Inc.,

Edwin J. Gillis, Chairman

Steven J. Benson

Marilyn Matz

Auditor Fees and Services

The following table presents the aggregate fees of Deloitte & Touche LLP, our independent registered public accounting firm, incurred by us for the years ended December 31, 2013 and 2014:

Fee Category	2013	2014
Audit Fees[(1)]	$ 572,326	$ 753,016
Tax Fees[(2)]	162,867	210,858
All Other Fees[(3)]	58,282	81,416
Total Fees	$ 793,475	$ 1,045,290

(1) Audit fees consisted of fees for the audit of our annual financial statements, the review of our interim financial statements, the review of financial information included in our filings with the SEC, an assessment of the effectiveness of our internal controls over financial reporting in connection with Section 404 of the Sarbanes-Oxley Act of 2002 and other professional services provided in connection with statutory and regulatory filings or engagements.

(2) Tax fees consisted of fees for tax compliance, tax advice and tax planning services.
(3) All other fees included fees related to expat tax and related services, government grant review and subscription for an accounting research tool.

The audit committee of our board of directors believes that the non-audit services described above did not compromise Deloitte & Touche LLP s independence.

The audit committee s charter, a copy of which can be found on the Investors-Corporate Governance-Documents & Charters section of our website, *www.logmein.com*, requires that all proposals to engage Deloitte & Touche LLP for services, and all proposed fees for these services, be submitted to the audit committee for approval before Deloitte & Touche LLP may provide the services. From time to time, our audit committee may pre-approve specified types of services that are expected to be provided to us by our registered public accounting firm during the next twelve months. Any pre-approval is also generally subject to a maximum dollar amount, and the audit committee is informed of each service once it has been provided.

Matters to Be Voted on at the 2015 Annual Meeting of Stockholders

PROPOSAL 1 ELECTION OF DIRECTORS

The size of our board of directors is set at eight directors, who are divided into three classes, with one class being elected each year and members of each class holding office for a three-year term. We believe that having a staggered board of directors divided by classes is in the best interest of both the Company and its stockholders because it provides for greater stability and continuity on our board of directors. We have three Class I directors, whose terms expire at our 2016 Annual Meeting of Stockholders; three Class II directors, whose terms expire at the 2017 Annual Meeting of Stockholders; and three Class III directors, whose terms expire at this Annual Meeting of Stockholders.

At this Annual Meeting, our stockholders will have an opportunity to vote for three nominees for Class III directors: Michael K. Simon, Steven G. Chambers and Edwin J. Gillis. All nominees are currently directors of LogMeIn. Additional information about Mr. Simon, Mr. Chambers and Mr. Gillis can be found in the section of this proxy statement entitled BOARD OF DIRECTORS, CORPORATE GOVERNANCE AND RELATED MATTERS Our Board of Directors.

The persons named in the enclosed proxy card will cast your vote to elect these three nominees as Class III directors, unless you vote against individual nominees or all nominees by marking the proxy card to that effect. If elected, each nominee for Class III director will hold office until the 2018 Annual Meeting of Stockholders or until his or her successor is elected and qualified. Each of the nominees has indicated his willingness to serve if elected. However, if any nominee should be unable to serve, the persons named in the proxy card may vote the proxy for a substitute nominee nominated by our board of directors, or our board of directors may reduce the number of directors.

Our board of directors recommends a vote **FOR** each of the nominees.

PROPOSAL 2 RATIFICATION OF THE APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The audit committee of our board of directors has selected Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2015. Although stockholder approval of our audit committee s selection of Deloitte & Touche LLP is not required by law, we believe that it is advisable to give stockholders an opportunity to ratify this selection. If our stockholders do not ratify this selection, our audit committee will take that into consideration and may reconsider the selection. We expect that a representative of Deloitte & Touche LLP, which served as our independent registered public accounting firm for the year ended December 31, 2014, will be present at the Annual Meeting to respond to appropriate questions and to make a statement if he or she wishes.

Our board of directors recommends a vote **FOR** this proposal.

PROPOSAL 3 APPROVAL OF AN AMENDMENT AND RESTATEMENT OF THE 2009 STOCK INCENTIVE PLAN

Summary of the Proposed Changes to the 2009 Stock Incentive Plan

On March 24, 2015, upon the recommendation of the compensation committee, our board of directors adopted the Amended and Restated 2009 Stock Incentive Plan, or the Restated Plan, subject to stockholder approval, which is intended to amend and restate in its entirety our 2009 Stock Incentive Plan, or the 2009 Plan, which was originally adopted by our board of directors on June 9, 2009 and approved by our stockholders on June 12, 2009, and subsequently amended and restated at: (i) our 2010 Annual Meeting of Stockholders on May 27, 2010; (ii) our 2012 Annual Meeting of Stockholders on May 24, 2012; (iii) our 2013 Annual Meeting of Stockholders on May 23, 2013; and (iv) our 2014 Annual Meeting of Stockholders on May 22, 2014. Upon stockholder approval of the Restated Plan, the Restated Plan will become effective and will supersede in its entirety the 2009 Plan. If the stockholders do not approve the Restated Plan, the Restated Plan will not become effective, the 2009 Plan will continue in effect pursuant to its prior terms and conditions, and we may continue to grant awards under the 2009 Plan, subject to its terms, conditions and limitations.

The Restated Plan is substantially similar to the current 2009 Plan, except that the Restated Plan increases the number of shares of common stock that may be issued under the 2009 Plan from 7,323,996 shares to 8,623,996 shares under the Restated Plan, an increase of 1,300,000 shares. Our board of directors is requesting this vote by the stockholders to approve the increase of 1,300,000 shares available for issuance under the Restated Plan and satisfy the stockholder approval requirements of Section 162(m) of the Internal Revenue Code of 1986, as amended, or the Code.

A copy of the Restated Plan is attached as *Appendix A* to this proxy statement. *Appendix A* is marked to show the changes implemented by the amendment and restatement. If the Restated Plan is approved by our stockholders, then it will become effective immediately following the Annual Meeting. Below is a summary of certain key provisions of the Restated Plan. The summary is qualified in its entirety by reference to the full text of the Restated Plan.

Matters to Be Voted on at the 2015 Annual Meeting of Stockholders (continued)

Reasons for the Proposed Change to the 2009 Stock Incentive Plan

The 2009 Plan, which became effective upon the closing of our initial public offering, or IPO, was adopted by our board of directors on June 9, 2009, approved by our stockholders on June 12, 2009, and subsequently amended and restated at our 2010 Annual Meeting of Stockholders on May 27, 2010, at our 2012 Annual Meeting of Stockholders on May 24, 2012, at our 2013 Annual Meeting of Stockholders on May 23, 2013, and at our 2014 Annual Meeting of Stockholders on May 22, 2014. The 2009 Plan is currently our only equity plan for issuing equity incentive compensation to eligible employees, non-employee directors, advisors and consultants.

Our board of directors believes that the amendment and restatement of the 2009 Plan is in the best interest of our stockholders and the Company, as equity awards granted under the plan help to attract, motivate, and retain talented employees, non-employee directors, advisors and consultants, align employee and stockholder interests, link employee compensation with company performance, and maintain a culture based on employee stock ownership. Equity is a significant component of total compensation for our employees as LogMeIn employees at all levels are granted equity awards, thereby tying a portion of their overall compensation to the Company s performance. If we grant fewer equity awards to employees, we believe that we would need to provide compensation in other forms (such as cash) to provide a total compensation package that is competitive with other companies in our industry and region. As a company growing in size in the competitive technology market present in Massachusetts that is constantly seeking to add new and talented employees and board members, we believe the requested share increase is necessary to continue to attract, motivate, and retain talented employees and non-employee directors.

The 2009 Plan currently provides for an aggregate of 7,323,996 shares to be issued under the 2009 Plan. As of February 28, 2015, 2,098,438 shares remained available for grant under the 2009 Plan. Further, as of February 28, 2015, there were a total of (i) 1,206,980 shares subject to issuance upon exercise of outstanding stock options under all of our equity compensation plans at a weighted average exercise price of $29.54 and a weighted average remaining life of 5.9 years; and (ii) 1,276,992 shares subject to outstanding restricted stock unit awards at a weighted average grant date fair value of $39.40.

In its determination to approve the Restated Plan, our board of directors reviewed reports prepared by Compensia, our compensation consultant and Alliance Advisors, our proxy consultant, each of which included an analysis of certain burn rate, dilution and overhang metrics. Specifically, our board of directors considered that:

- If we do not increase the shares available for issuance under our 2009 Plan, then, based on historical usage rates of shares under our 2009 Plan, we could potentially exhaust the share limit under our 2009 Plan before our next opportunity to ask for an increase at our 2016 Annual Meeting of Stockholders, at which time we would lose an important compensation tool aligned with stockholder interests to attract, motivate and retain highly qualified talent.
- In fiscal 2014, 2013 and 2012, we granted equity awards representing a total of approximately 1,302,392, 1,712,146 and 2,367,014 shares, respectively, after giving effect to full value award multipliers. This level of equity awards represents a three-year adjusted average burn rate of approximately 7.32% of fully diluted common shares outstanding.
- In 2014, 2013 and 2012, our end-of-year overhang rate, which is calculated by dividing (i) the number of shares subject to equity awards outstanding at the end of the fiscal year, plus the number of shares remaining available for issuance under our 2009 Plan by (ii) the number of our shares outstanding at the end of the fiscal year, was approximately 20%, 22% and 20%, respectively.

If this Proposal 3 is adopted, a maximum of 8,623,996 shares of common stock will be reserved for issuance under the Restated Plan. If approved, the issuance of the 1,300,000 additional shares to be reserved under the Restated Plan, when combined with the shares underlying equity awards currently outstanding and the shares currently remaining available for grant under the 2009 Plan, would dilute the holdings of stockholders by approximately 19.1% on a fully diluted basis, based on 24,664,616 shares of our common stock outstanding as of March 20, 2015. In light of the factors described above, our board of directors believes this number represents reasonable potential equity dilution and provides a significant incentive for officers, employees, non-employee directors, advisors and consultants to increase the value of LogMeIn for all stockholders.

In addition, approval of the Restated Plan by our stockholders will extend the period of time during which we may grant awards under the Restated Plan qualifying as performance-based compensation under Section 162(m) of the Code through the first to occur of a change in the material terms of the potential performance goals under the Restated Plan or the first meeting of our stockholders that occurs during the fifth year following our 2015 Annual Meeting of Stockholders. If the Restated Plan is not approved, the 2009 Plan will remain in effect in accordance with its present terms.

Matters to Be Voted on at the 2015 Annual Meeting of Stockholders (continued)

Summary of Amended and Restated 2009 Stock Incentive Plan

Section 162(m)

Our board of directors continues to believe that it is in our best interests and those of our stockholders to continue to provide for an equity incentive plan under which stock-based compensation awards made to LogMeIn s executive officers can qualify for deductibility by LogMeIn for federal income tax purposes. Accordingly, like the 2009 Plan, the Restated Plan has been structured in a manner such that awards under it may satisfy the requirements for performance-based compensation within the meaning of Section 162(m) of the Code (Section 162(m)). In general, under Section 162(m), in order for LogMeIn to be able to deduct compensation in excess of $1 million paid in any one year to LogMeIn s Chief Executive Officer or any of LogMeIn s three other most highly compensated executive officers (other than the Company s Chief Financial Officer), such compensation must qualify as performance-based. One of the requirements of performance-based compensation for purposes of Section 162(m) is that the material terms of the performance goals under which compensation may be paid be disclosed to and approved by LogMeIn s stockholders. For purposes of Section 162(m), the material terms include (i) the employees eligible to receive compensation, (ii) a description of the business criteria on which the performance goal is based and (iii) the maximum amount of compensation that can be paid to an employee under the performance goal. With respect to the various types of awards under the Restated Plan, each of these aspects is discussed below and stockholder approval of the Restated Plan will be deemed to constitute approval of each of these aspects of the Restated Plan for purposes of the approval requirements of Section 162(m).

Types of Awards and Shares Available for Issuance

The Restated Plan provides for the grant of non-statutory stock options, restricted stock awards, restricted stock unit awards, stock appreciation rights, or SARs, and other stock-based awards.

The aggregate number of shares of our common stock that may be issued under the Restated Plan would be 8,623,996, provided that the aggregate number of shares of our common stock available for issuance under the Restated Plan is (i) reduced by 1.62 shares of common stock for each share of restricted stock or each share delivered in settlement of RSUs or other stock-based awards other than options and SARs, and (ii) reduced by one share of common stock for each share delivered in settlement of options or SARs.

Generally, shares subject to an award under the Restated Plan that terminate, expire or lapse for any reason are made available for issuance again under the Restated Plan, except that each share of restricted stock or share subject to an RSU or other stock-based award other than options and SARs that terminates, expires, or lapses for any reason will increase the number of shares that can be issued under the Restated Plan by 1.62 shares.

The following shares of common stock may not again be made available for issuance as awards under the Restated Plan: (i) shares that were subject to a stock-settled SAR and were not issued upon the net settlement or net exercise of such SAR, (ii) shares used to pay the exercise price of an option, (iii) shares delivered to or withheld by us to pay the withholding taxes related to an option or a SAR, or (iv) shares repurchased on the open market with the proceeds of an option exercise.

Eligibility to Receive Awards

Our employees, officers, directors, consultants and advisors are eligible to receive awards under the Restated Plan. As of March 20, 2015, approximately 918 persons were eligible to receive awards under the 2009 Plan, including 7 executive officers, 856 non-executive employees, 7 non-employee directors and 48 consultants and advisors. To date, we have not granted any awards under the 2009 Plan to any consultants or advisors. The maximum number of shares of common stock with respect to which awards may be granted to any participant under the plan is 1,000,000 per calendar year. The granting of awards under the Restated Plan to directors, officers, employees and consultants is discretionary, and we cannot determine the number or type of awards to be granted in the future to any particular person or group.

Matters to Be Voted on at the 2015 Annual Meeting of Stockholders (continued)

The following table sets forth, as of March 20, 2015, the equity award grants made under the 2009 Plan since its adoption:

	Equity Awards Granted Under 2009 Plan[1]	
	No. Options	No. of RSUs
Named Executive Officers :		
Michael K. Simon	299,000	251,000
James F. Kelliher[2]	135,000	132,500
William R. Wagner	70,000	119,000
W. Sean Ford	35,000	35,000
Edward K. Herdiech	38,835	78,250
All Current Executive Officers as a Group (7 persons):	539,835[3]	655,800[3]
Non-Executive Directors as a Group (*7 persons*):	352,500	51,000
Director Nominees:		
Michael K. Simon	299,000[4]	251,000[4]
Steven G. Chambers		10,500
Edwin J. Gillis	70,000	4,750
All Non-Executive Officer Employees as a Group:	2,328,426	1,972,694

(1) On March 20, 2015, the last reported sale price of our common stock on the NASDAQ Global Select Market was $57.21 per share.
(2) Mr. Kelliher ceased serving as our Chief Financial Officer effective January 16, 2015. Even though Mr. Kelliher was not an executive officer as of March 20, 2015, we have included Mr. Kelliher in the table above because he was a named executive officer for fiscal 2014.
(3) Excludes 135,000 stock options and 132,500 RSUs awarded to Mr. Kelliher under the 2009 Plan as he is no longer a current executive officer as of March 20, 2015.
(4) Mr. Simon was awarded these shares in his capacity as the company s Chief Executive Officer. Mr. Simon does not receive any compensation for his services as the Chairman of our Board of Directors.

Awards

The Restated Plan provides for grants of options (only non-statutory stock options), SARs, restricted stock, RSUs and other stock-based awards. Each award must be evidenced by a written award agreement with terms and conditions consistent with the Restated Plan. Upon the exercise or vesting of an award, the exercise or purchase price must be paid in full by: (i) cash or check; (ii) (A) delivery of an irrevocable and unconditional undertaking by a creditworthy broker to deliver promptly to LogMeIn sufficient funds, or (B) delivery to LogMeIn of a copy of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to LogMeIn cash or a check sufficient; (iii) delivery (either by actual delivery or attestation) of shares of common stock owned by the participant valued at their fair market value as determined by (or in a manner approved by) our board of directors, provided (A) such method of payment is then permitted under applicable law, (B) such common stock, if acquired directly from LogMeIn, was owned by the participant for such minimum period of time, if any, as may be established by our board of directors in its discretion and (C) such common stock is not subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements; (iv) (A) delivery of a promissory note to LogMeIn on terms determined by our board of directors, or (B) payment of such other lawful consideration as our board of directors may determine; or (v) any combination of the above permitted forms of payment. Any withholding obligations may be satisfied in our board of directors sole discretion by withholding from any amount payable to a participant in salary or wages, or LogMeIn may require a participant to pay or have a broker tender to LogMeIn cash equal to such amount as may be necessary for LogMeIn to comply with the applicable requirements of any federal, provincial, state, local or foreign law, or any administrative policy of any applicable tax authority.

No determination has been made as to the types or amounts of awards that will be granted to specific individuals pursuant to the Restated Plan.

Non-Employee Director Awards. The amounts and types of equity incentive awards to be granted to our non-employee directors will be determined pursuant to a separate written formula established by our board of directors and the compensation committee that is outside of the Restated Plan, in their sole discretion, subject to the limitations set forth in the Restated Plan. No non-employee director will be granted awards under the Restated Plan for services as a non-employee director for any one year covering more than 100,000 shares of our common stock, provided that a non-employee director may be granted Awards under the Plan for services as a non-employee director for any one year in excess of such amount if the total awards granted to such non-employee director under the Restated Plan for services as a non-employee director in such year do not have a grant date fair value, as determined in accordance with FASB Topic 718, in excess of $1,000,000.

Options. Non-statutory stock options may be granted pursuant to the Restated Plan. The exercise price of non-statutory stock options granted pursuant to the Restated Plan may not be less than the fair market value of the common stock on the date of grant. Non-statutory stock options may be exercised as determined by our board of directors, but in no event after the tenth anniversary of the date of grant.

Matters to Be Voted on at the 2015 Annual Meeting of Stockholders (continued)

Stock Appreciation Rights. SARs may be granted pursuant to the Restated Plan. A SAR is the right to receive payment of an amount equal to (i) the excess of (A) the fair market value of a share of common stock on the date of exercise of the SAR over (B) the fair market value of a share of common stock on the date of grant of the SAR, multiplied by (ii) the aggregate number of shares of common stock subject to the SAR. Such payment will be in the form of cash, common stock or a combination of cash and common stock, as determined by our board of directors, and SARs settled in common stock will satisfy all of the restrictions imposed by the Restated Plan upon stock option grants. Our board of directors will determine the time or times at which a SAR may be exercised in whole or in part, provided that the term of any SAR will not exceed ten years.

Restricted Stock. Restricted stock awards may be granted pursuant to the Restated Plan. A restricted stock award is the grant of shares of common stock at a price determined by our board of directors (including zero), that is subject to transfer restrictions and may be subject to substantial risk of forfeiture until specific conditions are met. Conditions may be based on continuing employment or achieving performance goals. During the period of restriction, participants holding shares of restricted stock may have full voting rights with respect to such shares. In addition, unless otherwise provided in the applicable award agreement, dividends declared and paid by LogMeIn shall only be paid to holders of restricted stock when such shares become free from the restrictions. In addition, with respect to restricted stock that is subject to performance-based vesting, dividends which are paid prior to vesting will only be paid out to the extent that the performance-based vesting conditions are subsequently satisfied and the restricted stock vests.

Restricted Stock Units. RSUs may be granted pursuant to the Restated Plan at a price determined by our board of directors (including zero). RSUs may be subject to vesting conditions including continued employment or achievement of performance criteria established by our board of directors. Upon the vesting and/or lapsing of any other restrictions, each RSU will be paid in the form of cash, common stock or a combination of cash and common stock, as determined by our board of directors. Our board of directors may provide that settlement of RSUs will be deferred on a mandatory basis or at the election of the holder. Like restricted stock, RSUs may not be sold or otherwise transferred or hypothecated until vesting conditions are removed or expire. Unlike restricted stock, the common stock underlying RSUs will not be issued until the RSUs have vested, and recipients of RSUs generally will have no voting rights prior to the time when vesting conditions are satisfied. The board of directors may also provide that holders of RSUs have the right to receive dividend equivalents. Dividend equivalents are rights to receive the equivalent value (in cash or common stock) of dividends paid on common stock. Dividend equivalents represent the value of the dividends per share of common stock paid by LogMeIn, calculated with reference to the number of shares that are subject to any RSU held by the participant. Dividend equivalents are converted to cash or additional shares of common stock and may be subject to the same restrictions as the RSUs with respect to which paid, in each case as determined by our board of directors in their sole discretion. In addition, with respect to RSUs that are subject to performance-based vesting, dividend equivalents that are based on dividends which are paid prior to vesting will only be paid out to the extent that the performance-based vesting conditions are subsequently satisfied and the RSUs vest.

Performance Awards. Awards of performance awards, including restricted stock awards or other stock-based awards, are denominated in shares of common stock, and may be linked to any one or more performance criteria determined appropriate by our board of directors, in each case on a specified date or dates or over any period or periods determined by our board of directors. With respect to shares underlying a performance award, dividends and/or dividend equivalents which are paid prior to vesting shall only be paid out to the extent that the performance-based vesting conditions are subsequently satisfied and the performance award vests. Any performance award to a covered employee within the meaning of Section 162(m) of the Code may be a performance-based award as described below.

Other Stock-Based Awards . Stock payments include payments in the form of common stock, and other awards that are valued in whole or in part by reference to, or are otherwise based on, shares of common stock or other property, including without limitation awards entitling recipients to receive shares of common stock to be delivered in the future. The number of shares will be determined by our board of directors and may be based upon performance criteria determined appropriate by our board of directors, determined on the date such stock payment is made or on any date thereafter. Unless otherwise provided by our board of directors, a holder of a stock payment shall have no rights as a Company stockholder with respect to such stock payment until such time as the stock payment has vested and the shares underlying the award have been issued to the holder.

Performance-Based Awards. Our compensation committee (or a sub-committee comprised of solely two or more directors eligible to serve on a committee making awards eligible as performance-based compensation under Section 162(m) of the Code), collectively referred to as the committee, may grant awards to employees who are or may be covered employees, as defined in Section 162(m) of the Code, that are intended to be qualified performance-based compensation within the meaning of Section 162(m) of the Code in order to preserve the deductibility of these awards for federal income tax purposes. Participants are generally only entitled to receive payment for a performance-based award for any given performance period to the extent that pre-established performance goals set by our board of directors for the period are satisfied. With regard to a particular performance period, the committee will have the discretion to select the length of the performance period, the type of performance-based awards to be granted, and the goals that will be used to measure the performance for the period. In determining

Matters to Be Voted on at the 2015 Annual Meeting of Stockholders (continued)

the actual size of an individual performance-based award for a performance period, the committee may generally only reduce or eliminate (but not increase) the award, to the extent the award is intended to be qualified performance-based compensation. Generally, a participant will have to be employed by LogMeIn or any qualifying subsidiaries on the date the performance-based award is paid to be eligible for a performance-based award for any period. Stock options and SARs granted under the Restated Plan are intended to satisfy the exception for qualified performance-based compensation if they are made by a qualifying administrator, like the committee, do not exceed the maximum number of shares of common stock which may be subject to awards granted to any one participant during any calendar year, and the per share exercise price of options and SARs is at least equal to the fair market value of a share of Common Stock on the date of grant.

Pre-established performance goals for awards, other than options and SARs, intended to be qualified performance-based compensation within the meaning of Section 162(m) of the Code must be based on one or more of the following performance criteria: net income, earnings before or after discontinued operations, interest, taxes, depreciation and/or amortization, operating profit before or after discontinued operations and/or taxes, sales, sales growth, earnings growth, cash flow or cash position, gross margins, stock price, market share, return on sales, assets, equity or investment, improvement of financial ratings, achievement of balance sheet or income statement objectives or total stockholder return. Such goals may reflect absolute entity or business unit performance or a relative comparison to the performance of a peer group of entities or other external measure of the selected performance criteria and may be absolute in their terms or measured against or in relationship to other companies comparably, similarly or otherwise situated. In addition, the committee may specify that such goals will be adjusted to exclude any extraordinary items, gains or losses on the dispositions of discontinued operations, the cumulative effects of changes in accounting principles, the writedown of any asset, fluctuation in foreign currency exchange rates, and charges for restructuring and rationalization programs.

Repricing

Our board of directors cannot, without stockholder approval, authorize the amendment of the terms to any outstanding option or SAR to reduce its price per share or cancel any option or SAR in exchange for cash or another stock award with an exercise price that is less than the exercise price of the original options or SARs, except in connection with a corporate transaction involving LogMeIn (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization or reorganization event).

Transferability of Awards

Except as our board of directors may otherwise determine or provide in an award, awards may not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, except by will or the laws of descent and distribution or pursuant to a qualified domestic relations order. During the life of the participant, awards are exercisable only by the participant.

Administration of the Restated Plan

Pursuant to the terms of the Restated Plan, our board of directors or a committee thereof shall administer the Restated Plan (all references to our board of directors in this proposal summary include any such delegatee). Our board of directors selects the recipients of awards, has the authority to interpret the terms of the Restated Plan, may amend and repeal any rules, guidelines and practices relating to the Restated Plan, may correct any defect or reconcile any inconsistency in the Restated Plan or any award granted hereunder, and determine:

- the number of shares of our common stock covered by options and the dates upon which the options become exercisable;
- the exercise price of options;
- the duration of the options; and
- the number of shares of our common stock subject to any restricted stock, restricted stock unit, or other stock-based awards and the terms and conditions of such awards, including conditions for repurchase, issue price and repurchase price.

If our board of directors delegates authority to an executive officer to grant awards under the Restated Plan, the executive officer has the power to make awards to all of our employees, except executive officers. In such a delegation of authority to an officer, our board of directors will fix the material terms of the awards to be granted by such executive officer, including the exercise price of such awards, and the maximum number of shares subject to awards that such executive officer may grant.

Adjustments to Awards

If there is a stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any dividend or distribution to holders of common stock other than an ordinary cash dividend, then our board directors will make equitable adjustments to the aggregate number of shares available for issuance under the Restated Plan, the number and type of securities subject to each outstanding award under the Restated Plan, the exercise price or grant price of such outstanding award (if applicable), and the terms and conditions of any outstanding awards. Without limiting the generality of the foregoing, in the event LogMeIn effects a split of the common stock by means of a stock dividend and the exercise price of and the number of shares subject to an outstanding option are adjusted as of the date of the distribution of the dividend (rather than as of the record date for such dividend), then an optionee who exercises an option between the record date and the distribution date for such stock dividend will receive, on the distribution date, the stock dividend with respect to the shares of common stock acquired upon such Option exercise.

The Restated Plan does not provide for any automatic single trigger acceleration upon a merger or other reorganization event. Instead, upon a merger or other reorganization event, our board of directors, may, in its sole discretion, take any one or more of the following actions pursuant to our Restated Plan, as to some or all outstanding awards (other than restricted stock and restricted stock unit awards):

- provide that all outstanding awards shall be assumed or substituted by the successor corporation;
- upon written notice to a participant, provide that the participant s unexercised options or awards will terminate immediately prior to the consummation of such transaction unless exercised by the participant;
- provide that outstanding awards will become exercisable, realizable or deliverable, or restrictions applicable to an award will lapse, in whole or in part, prior to or upon the reorganization event;
- in the event of a reorganization event pursuant to which holders of shares of our common stock will receive a cash payment for each share surrendered in the reorganization event, make or provide for a cash payment to the participants equal to the excess, if any, of the acquisition price times the number of shares of our common stock subject to such outstanding awards (to the extent then exercisable at prices not in excess of the acquisition price), over the aggregate exercise price of all such outstanding awards and any applicable tax withholdings, in exchange for the termination of such awards; and
- provide that, in connection with a liquidation or dissolution, awards convert into the right to receive liquidation proceeds (if applicable, net of any exercise price and applicable tax withholdings).

Upon the occurrence of a reorganization event other than a liquidation or dissolution, the repurchase and other rights under each outstanding restricted stock and restricted stock unit award may continue for the benefit of the successor company and will, unless the board of directors may otherwise determine, apply to the cash, securities or other property into which shares of our common stock are converted pursuant to the reorganization event. Upon the occurrence of a reorganization event involving a liquidation or dissolution, all conditions on each outstanding restricted stock and restricted stock unit award will automatically be deemed terminated or satisfied, unless otherwise provided in the agreement evidencing the restricted stock and restricted stock unit award.

Termination or Amendment of Restated Plan

No award may be granted under the Restated Plan on or after June 8, 2019. Our board of directors may amend, suspend or terminate the Restated Plan at any time, except that stockholder approval will be required to comply with applicable law or stock market requirements.

Federal Income Tax Consequences

The following generally summarizes the U.S. federal income tax consequences that generally will arise with respect to awards granted under the Restated Plan. This summary is based on the federal tax laws in effect as of the date of this proxy statement. Changes to these laws could alter the tax consequences described below. This summary is not intended to be exhaustive and, among other considerations, does not describe state, local, or foreign tax consequences. Tax considerations may vary from locality to locality and depending on individual circumstances.

Section 409A of the Code. Certain types of awards under the Restated Plan, including RSUs, may constitute, or provide for, a deferral of compensation subject to Section 409A of the Code. Unless certain requirements set forth in Section 409A of the Code are complied with, holders of such awards may be taxed earlier than would otherwise be the case (e.g., at the time of vesting instead of the time of payment) and may be subject to an additional 20% penalty tax (and, potentially, certain interest penalties). To the extent applicable, the Restated Plan and awards granted under the Restated Plan are intended to be structured and interpreted to comply with, or be exempt from, Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance that may be issued under Section 409A of the Code. To the extent determined necessary or appropriate by the board of directors, the Restated Plan and applicable award agreements may be amended without award holder consent to exempt the applicable awards from Section 409A of the Code or to comply with Section 409A.

Non-statutory Stock Options. A participant will not have income upon the grant of a non-statutory stock option. A participant will have compensation income upon the exercise of a non-statutory stock option equal to the value of the stock on the day the participant exercised the option less the exercise price. Upon sale of the stock, the participant will have capital gain or loss equal to the difference between the sales proceeds and the value of the stock on the day the option was exercised. This capital gain or loss will be long-term if the participant has held the stock for more than one year and otherwise will be short-term.

Matters to Be Voted on at the 2015 Annual Meeting of Stockholders (continued)

Restricted Stock. A participant will not have income upon the grant of restricted stock unless an election under Section 83(b) of the Code is made within 30 days of the date of grant. If a timely Section 83(b) of the Code election is made, then a participant will have compensation income equal to the value of the stock less the purchase price, if any. When the stock is sold, the participant will have capital gain or loss equal to the difference between the sales proceeds and the value of the stock on the date of grant. If the participant does not make a Section 83(b) of the Code election, then when the stock vests the participant will have compensation income equal to the value of the stock on the vesting date less the purchase price. When the stock is sold, the participant will have capital gain or loss equal to the sales proceeds less the value of the stock on the vesting date. Any capital gain or loss will be long-term if the participant held the stock for more than one year and otherwise will be short-term.

Restricted Stock Units. A participant will not have income upon the grant of an RSU. A participant is not permitted to make a Section 83(b) of the Code election with respect to an RSU. When the RSU vests, the participant will have income on the date of distribution of the related shares in an amount equal to the fair market value of the stock on such date less the purchase price, if any. When the stock is sold, the participant will have capital gain or loss equal to the sales proceeds less the value of the stock on the distribution date. Any capital gain or loss will be long-term if the participant held the stock for more than one year and otherwise will be short-term.

Dividend Equivalents. A participant generally will not realize taxable income at the time of the grant of the dividend equivalents, and LogMeIn will not be entitled to a deduction at that time. When a dividend equivalent is paid, a participant will recognize ordinary income. In the event that any dividend equivalent rights are granted they shall be subject to the same restrictions and risks of forfeiture as the underlying award and any unvested or unearned performance based awards shall not be entitled to receive any dividend equivalent rights.

Stock Appreciation Rights. A participant will not have income upon a grant of a SAR. A participant will recognize compensation income upon the exercise of an SAR equal to the amount of cash and the fair market value of any stock received. Upon the sale of the stock, the participant will have capital gain or loss equal to the difference between the sales proceeds and the value of the stock on the day the SAR was exercised. This capital gain or loss will be long-term if the participant held the stock for more than one year and otherwise will be short-term.

Other Stock-Based Awards. The tax consequences associated with any other stock-based award granted under the Restated Plan will vary depending on the specific terms of such award. Among the relevant factors are whether or not the award has a readily ascertainable fair market value, whether or not the award is subject to forfeiture provisions or restrictions on transfer, the nature of the property to be received by the participant under the award and the participant s holding period and tax basis for the award or underlying common stock.

Performance Awards. A participant generally will not realize taxable income at the time of the grant of the performance award. When the award is paid, whether in cash or common stock, a participant will have ordinary income.

Section 162(m) of the Code. As described above, in general, under Section 162(m) of the Code, income tax deductions of publicly-held corporations may be limited to the extent total compensation (including base salary, annual bonus, stock option exercises and non-qualified benefits) for certain executive officers exceeds $1.0 million (less the amount of any excess parachute payments as defined in Section 280G of the Code) in any taxable year of the corporation. However, under Section 162(m) of the Code, the deduction limit does not apply to certain qualified performance-based compensation.

In order to qualify for the exemption for qualified performance-based compensation, Section 162(m) of the Code generally requires that:

- The compensation be paid solely upon account of the attainment of one or more pre-established objective performance goals;
- The performance goals must be established by a compensation committee comprised of two or more outside directors;
- The material terms of the performance goals must be disclosed to and approved by the stockholders; and
- The compensation committee of outside directors must certify that the performance goals have indeed been met prior to payment.

Pursuant to a special rule under Section 162(m), stock options and SARs will satisfy the qualified performance-based compensation exception if (i) the awards are made by a qualifying compensation committee, (ii) the plan sets the maximum number of shares that can be granted to any person within a specified period and (iii) the compensation is based solely on an increase in the stock price after the grant date. The Restated Plan has been designed to permit our board of directors to grant stock options and SARs which are intended to qualify as qualified performance-based compensation.

Tax Consequences to LogMeIn. LogMeIn should be entitled to a deduction when a participant has compensation income. Any such deduction will be subject to the limitations of Section 162(m) of the Code.

New Plan Benefits

The effectiveness of the Restated Plan is dependent on receiving stockholder approval. The granting of awards under the Restated Plan to directors, officers, employees and consultants is discretionary, and we cannot now determine the number or type of awards to be granted in the future to any particular person or group of employees under the Restated Plan.

Matters to Be Voted on at the 2015 Annual Meeting of Stockholders (continued)

Awards Granted Under the 2009 Plan

The following table shows the number of awards that were granted to the foregoing persons under the 2009 Plan during the fiscal year ended December 31, 2014 and their aggregate grant date fair value:

	No. of Securities Underlying Options(#)	No. of Shares of Stock or Units(#)	Grant Date Fair Value ($)[1]
Named Executive Officers :			
Michael K. Simon		68,000	$ 3,454,570
James F. Kelliher[2]		50,000	2,540,125
William R. Wagner		24,000	1,219,260
W. Sean Ford	35,000	35,000	2,198,350
Edward K. Herdiech		22,000	924,960
All Current Executive Officers as a Group (8 persons)[3]:	35,000	241,000(4)	12,127,425(4)
Non-Executive Directors as a Group (*7 persons*):		44,750(5)	1,979,565(5)
Director Nominees :			
Michael K. Simon		68,000(6)	3,454,570
Steven G. Chambers		10,500	476,070
Edwin J. Gillis		4,750	205,485
All Non-Executive Officer Employees as a Group :		414,196	$ 17,899,622

(1) Represents the grant date fair value calculated in accordance with the provisions of FASB ASC Topic 718. The valuation assumptions used in determining such amounts are described in Note 10 to our consolidated financial statements included in the company s Annual Report on Form 10-K for the fiscal year ended December 31, 2014.
(2) Mr. Kelliher ceased serving as our Chief Financial Officer effective January 16, 2015.
(3) Although Mr. Kelliher is not currently an executive officer of the company, he has been included in the group of All Current Executive Officers as a Group above because he was an executive officer as of the effective date of the table (December 31, 2014).
(4) Includes the 50,000 RSUs awarded to Mr. Kelliher in fiscal 2014 because although these RSUs were forfeited when he ceased serving as our Chief Financial Officer effective January 16, 2015, such RSUs were outstanding as of December 31, 2014.
(5) Excludes 4,750 RSUs awarded to Hilary Schneider in May 2014. Ms. Schneider resigned from our board of directors effective August 2014.
(6) Mr. Simon was awarded these shares in his capacity as the company s Chief Executive Officer. Mr. Simon does not receive any compensation for his services as the Chairman of our Board of Directors.

Board Recommendation

Stockholders are being asked to approve the Restated Plan so that we can continue to attract and retain outstanding and highly skilled employees, non-employee directors and other service providers. Our board of directors believes that the implementation of the Restated Plan is necessary for the company to offer a competitive equity incentive program. If approved, the Restated Plan will be a critical factor in attracting, retaining, and rewarding the high caliber employees, officers, consultants, advisors and directors that are essential to our future success. If the stockholders do not approve the Restated Plan, the 2009 Plan will not be amended or restated, but will continue in effect in accordance with its existing terms.

Therefore, our board of directors recommends a vote **FOR** this proposal to approve the company s Amended and Restated 2009 Stock Incentive Plan.

PROPOSAL 4 ADVISORY VOTE ON EXECUTIVE COMPENSATION (A SAY ON PAY)

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, enables our stockholders to vote to approve, on an advisory (non-binding) basis, the compensation of our named executive officers as disclosed in this proxy statement.

Our objectives with respect to executive compensation are to (i) attract, motivate, and retain talented executive officers, (ii) promote the achievement of key financial and strategic performance measures by linking short- and long-term cash and equity incentives to the achievement of measurable corporate and, in some cases, individual performance goals and (iii) align the incentives of our executives with the creation of value for our stockholders. Under these programs, our named executive officers are rewarded for the achievement of specific annual, long-term and other business-related goals, and the realization of increased stockholder value. To achieve these objectives, our compensation committee, in conjunction with a third-party compensation consultant, reviews and evaluates our executive compensation program with the goal of setting compensation at levels the committee believes are competitive in our industry and region. In addition, our executive compensation program ties a substantial portion of each executive s overall compensation to key financial and operational goals such as our financial and operational performance. We also provide a portion of our executive compensation in the form of time-based equity incentive awards that vest over time, which we believe helps to retain our executives and aligns their interests with those of our stockholders by allowing them to participate in the longer-term success of our company as reflected in stock price appreciation. The Executive Compensation Discussion and Analysis section of this proxy statement, beginning on page 36, describes in detail our executive compensation programs and the decisions made by the compensation committee and our board of directors, with respect to the fiscal year ended December 31, 2014.

Matters to Be Voted on at the 2015 Annual Meeting of Stockholders (continued)

We are asking our stockholders to indicate their support and approval for our named executive officer compensation as described herein. 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. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this proxy statement. Our board of directors is asking stockholders to approve a non-binding advisory vote on the following resolution:

RESOLVED, that, pursuant to Section 14A of the Exchange Act, the compensation paid to the Company s named executive officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the compensation discussion and analysis, the compensation tables and any related material disclosed in this proxy statement, is hereby approved.

The say-on-pay vote is advisory, and therefore not binding on the Company, the compensation committee or our board of directors. However, 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, they will consider any stockholders concerns and the compensation committee will evaluate whether any actions are necessary to address those concerns. Consistent with the stated preference of a majority of the our stockholders, the compensation committee determined that we will hold a say-on-pay vote every year, the next say-on-pay advisory vote will be held at the 2016 Annual Meeting of Stockholders.

Our board of directors recommends a vote **FOR** the approval of the compensation of the named executive officers.

Executive Officers

Our executive officers and their respective ages and positions as of our record date, April 1, 2015, are as follows:

Name	Age	Employee Since	Title
Michael K. Simon	50	2003	Chief Executive Officer and Secretary
William R. Wagner	48	2013	President and Chief Operating Officer
Edward K. Herdiech	48	2006	Chief Financial Officer and Treasurer
Lawrence M. D Angelo	51	2011	Senior Vice President, Sales
Michael J. Donahue	41	2007	Senior Vice President and General Counsel
W. Sean Ford	46	2014	Senior Vice President and Chief Marketing Officer
Matthew P. Kaplan	49	2012	Senior Vice President, Products

Executive Officer Biographies

Michael K. Simon co-founded LogMeIn and has served as our Chief Executive Officer and Secretary and as Chairman of our board of directors since our inception in February 2003. Mr. Simon also served as our President until January 2015. Mr. Simon also currently serves as a director of HubSpot, Inc., a public company that provides inbound marketing software. Prior to founding LogMeIn, Mr. Simon served as Chairman of the board of directors of Fathom Technology ApS, a software outsourcing company sold to EPAM Systems, Inc. in March 2004. In 1995, Mr. Simon founded Uproar, Inc., a publicly-traded provider of online game shows and interactive games acquired by Vivendi Universal Games, Inc. in March 2001. Mr. Simon holds a B.S. in Electrical Engineering from the University of Notre Dame and an M.B.A. from Washington University in St. Louis. We believe Mr. Simon s qualifications to sit on our board include his extensive experience in the software industry and knowledge of the cloud-based connectivity and software-as-a-service industries.

William R. Wagner has served as our President and Chief Operating Officer since January 2015 and has served on our board of directors since March 2015. Mr. Wagner joined LogMeIn in May 2013 and previously served as our Chief Operating Officer. Prior to joining LogMeIn, Mr. Wagner served as the Chief Operating Officer at Vocus, Inc., a leading cloud marketing software provider, from October 2010 to November 2012 and as Vocus s Chief Marketing Officer from July 2006 to October 2010. Prior to joining Vocus, Mr. Wagner had served as the Chief Marketing Officer at Fiberlink Communications, from February 2000 to June 2006. Mr. Wagner holds a B.A. in History from Lafayette College and an M.B.A. from Wharton School of Business.

Edward K. Herdiech has served as our Chief Financial Officer and Treasurer since January 2015. Mr. Herdiech joined the Company in December 2006 and has previously served in a number of key financial roles, including most recently as Senior Vice President, Finance from January 2014 to January 2015. Prior to joining LogMeIn, Mr. Herdiech held a number of finance positions at Parametric Technology Corporation, a leading provider of 3D design software, product lifecycle management software and service management solutions. Mr. Herdiech holds a B.S. in Business Administration with a concentration in Accounting from the University of Vermont.

Lawrence M. D Angelo has served as our Senior Vice President, Sales since June 2013. Mr. D Angelo joined the Company in October 2011 and previously served as our Vice President of North American Sales. Prior to joining LogMeIn, Mr. D Angelo served as the Vice President, Sales at Digital Reef, Inc., a leading provider of eDiscovery and information governance SaaS solutions, from 2009 to October 2011. Mr. D Angelo served as the Vice President of Business Operations at Makana Solutions from 2008 until they were acquired by Salary.com in September 2009. Mr. D Angelo holds a B.S. in Optical Engineering from the University of Rochester.

Michael J. Donahue has served as our Senior Vice President and General Counsel since September 2013. Mr. Donahue joined LogMeIn in June 2007 and previously served as our Vice President and General Counsel. From August 2005 to June 2007, Mr. Donahue served as Vice President and General Counsel of C.P. Baker & Company, Ltd., a Boston-based private equity firm. From September 1999 to August 2005, Mr. Donahue was a corporate lawyer at Wilmer Cutler Pickering Hale and Dorr LLP. Mr. Donahue holds a B.A. in Philosophy from Boston College and a J.D. from the Northeastern University School of Law.

Executive Officers (continued)

W. Sean Ford has served as our Senior Vice President and Chief Marketing Officer since January 2014. Prior to joining LogMeIn, Mr. Ford served as Vice President, Worldwide Marketing, and Chief Marketing Officer of Avid Technology, Inc., a video and audio production technology company, from August 2012 to January 2014. From August 2011 to July 2012, Mr. Ford served as the Chief Operating Officer and Chief Marketing Officer of Zmags, Inc., a provider of digital publishing software for catalogs, magazines and other online publications. Prior to Zmags, Mr. Ford had served as Chief Marketing Officer for Syncsort, Inc. from December 2009 to August 2011. He also served in a number of marketing roles, including Vice President, Global Business Unit Marketing, for Oracle Corporation, from April 2006 to December 2009. Mr. Ford holds a B.A. in English from Williams College and an M.B.A. from Harvard Business School.

Matthew P. Kaplan has served as our Senior Vice President, Products, since January 2014. Mr. Kaplan had initially served as our Vice President, Access and Collaboration Products from February 2012 to January 2014. Prior to joining LogMeIn, Mr. Kaplan served as Vice President, Product Management at KnowledgeVision Systems, Inc., a provider of online presentation technology from April 2011 to February 2012. From February 2010 to April 2011, Mr. Kaplan served as a product director for a start-up of Pearson Education, Inc., a leading provider of educational services, during which time he helped Pearson launch a new on-line service. From October 2009 to February 2010 Mr. Kaplan served as the Vice President of Marketing and Chief Strategy Officer at VisibleGains, a provider of online video services. Mr. Kaplan holds a B.S. in Mathematics from Massachusetts Institute of Technology.

Executive Compensation Discussion and Analysis

This Executive Compensation Discussion and Analysis describes the material elements of our 2014 executive compensation program, including our executive compensation philosophy, policies and practices, and also details the 2014 compensation paid to those individuals who served as our principal executive officer and principal financial officer during the year ended December 31, 2014 as well as the three executive officers (other than our principal executive officer and principal financial officer) who were our next most highly compensated executive officers as of December 31, 2014. These individuals were as follows:

Name	FY2014 Title
Michael K. Simon	President and Chief Executive Officer (our CEO)
James F. Kelliher	Chief Financial Officer (our CFO[1])
William R. Wagner	Chief Operating Officer (our COO[2])
W. Sean Ford	Senior Vice President and Chief Marketing Officer
Edward K. Herdiech	Senior Vice President, Finance[3]

(1) Mr. Kelliher ceased serving as our Chief Financial Officer effective January 16, 2015.
(2) Mr. Wagner was promoted to President and Chief Operating Officer effective January 21, 2015 and Mr. Simon s title was changed to Chief Executive Officer.
(3) Mr. Herdiech was promoted to Chief Financial Officer effective January 16, 2015 to replace Mr. Kelliher.

These executives represent our named executive officers for the fiscal year ended December 31, 2014. In this Compensation Discussion and Analysis, LogMeIn may also be referred to as our, us, we, or the Company.

Executive Summary

Our Executive Compensation Philosophy

We believe that the compensation paid to executive officers should closely align their interests with the interests of their stockholders. Therefore, our compensation committee designs our executive compensation programs with the goal of attracting, retaining and motivating talented executives, while simultaneously promoting the achievement of key financial and strategic performance measures by linking a portion of executive compensation to the achievement of measurable corporate performance goals, thereby aligning the incentives of our executives with the creation of value for our stockholders. We compete with many other public and private companies within our region and across the country for executive personnel. Accordingly, the compensation committee generally targets overall compensation for executives to be competitive in our industry and region. Variations to this targeted compensation may occur depending on the experience level of the individual and other market factors, such as the demand for executives with certain skills and experience and the costs associated with recruiting qualified executives from other established companies.

Results of Last Year s Stockholder Say-on-Pay Vote

At our 2014 Annual Meeting of Stockholders, we conducted our annual non-binding advisory vote on the compensation of our named executive officers, commonly referred to as a say-on-pay vote, in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Approximately 90% of the votes cast by stockholders on this proposal were cast in support of the fiscal 2013 compensation of our named executive officers. While these votes are considered to be a non-binding advisory vote, the compensation committee and our board of directors seriously consider the voting results. Given the strong level of support evidenced by last year s say-on-pay vote, the compensation committee determined that our stockholders were supportive of our current executive compensation philosophy and program. As a result, the compensation committee decided to maintain our general approach to executive compensation and made no significant changes to our executive compensation program. Nevertheless, the compensation committee will continue to monitor the executive compensation program to ensure it aligns the interests of our executive officers with the interests of our stockholders and adequately addresses any stockholder concerns that may be expressed in future votes.

Executive Compensation Discussion and Analysis (continued)

Significant 2014 Business Highlights

(1) Adjusted EBITDA is GAAP net income (loss) excluding benefit from (provision for) income taxes, interest income, net, other expenses, depreciation and amortization, acquisition-related costs, stock-based compensation, and litigation-related expenses. FY 2014 GAAP Net Income was $8M.

LogMeIn delivered another year of strong financial performance in fiscal 2014, with highlights that included:

- 34% year-over-year revenue growth to $222.0 million in 2014 from $166.3 million in 2013;
- Adjusted EBITDA of $49.5 million and adjusted EBITDA margin of 22.3%, compared to $34.5 million and 20.8% in fiscal year 2013; and
- A 147% increase in GAAP cash flow from operations to $74.2 million in 2014 up from $30.0 million in fiscal year 2013.

This strong financial performance helped drive stockholder value as our stockholders saw a 47% increase in the value of our common stock from the closing market price on the last trading day of fiscal 2013 to the closing market price on the last trading day of fiscal 2014. We also returned over $36.5 million to stockholders in fiscal 2014 by repurchasing 843,574 shares of our common stock through our stock repurchase program.

How We Set our Executive Compensation Program

Role of Stockholder Engagement

We believe in engaging with, and listening to, our stockholders. In recent years we have proactively reached out to many of our larger stockholders to solicit their feedback regarding our executive compensation program, disclosure practices and corporate governance in order to gain a better understanding of what practices they value. To date, our stockholder engagement team has consisted of one or more members of our legal, investor relations and finance teams. In fiscal 2014, this team reached out to and corresponded with a number of our larger institutional stockholders through a combination of in-person meetings, conference calls and email exchanges.

In recent years, stockholder feedback has influenced certain of our executive compensation program changes, including the introduction of performance-based RSU awards to the total direct compensation pay mix of our CEO, CFO and COO, the implementation of an executive compensation recovery, or clawback, policy, and the establishment of stock ownership guidelines for our executive officers and non-employee directors.

Role of the Compensation Committee

The compensation committee of our board of directors oversees our executive compensation program. In this role, the compensation committee annually reviews and approves all executive compensation decisions. The compensation committee meets near the beginning of each fiscal year to review the executive compensation program, establish the company-wide performance measures used to set the annual cash bonus opportunities for such fiscal year and review the total compensation for our executive officers to ensure consistency with our overall compensation philosophy. As part of their executive compensation review, the compensation committee is provided with relevant information, such as the competitive market data described further below, to use as a reference when setting each individual compensation element and total executive compensation levels.

Role of Our Chief Executive Officer and Other Senior Executive Officers

Our Chief Executive Officer, Mr. Michael Simon, also serves as the Chairman of our board of directors. By serving multiple roles, Mr. Simon is uniquely positioned to help the board and the compensation committee in many of its compensation decisions as he possesses detailed knowledge of the issues, opportunities and challenges facing the Company, its business and its industry, which help him to identify the key performance measures and indicators that may be used in setting incentive-based compensation. In his role as our CEO, Mr. Simon is also close enough to the Company s day-to-day operations to be able to identify key contributors and top performers within the Company, so as to ensure that their compensation accurately reflects their responsibilities, performance, future expectations and experience levels. While Mr. Simon recuses himself from any board discussions that involve his own compensation, his recommendations and feedback, along with the feedback and recommendations of our other senior executive officers, are often taken into consideration by the board and the compensation committee when setting compensation levels.

Executive Compensation Discussion and Analysis (continued)

Role of the Compensation Consultant

Our compensation committee has retained Compensia, a nationally recognized compensation consulting firm, to serve as its compensation consultant. In compliance with the disclosure requirements of the SEC regarding the independence of compensation consultants, the compensation committee has assessed each of the six independence factors established by the SEC and has determined that the engagement of Compensia does not raise any conflicts of interest or similar concerns. In addition, the compensation committee evaluated the independence of its other outside advisors to the compensation committee, including outside legal counsel, considering the same independence factors and concluded their work for the compensation committee does not raise any conflicts of interest.

Compensia reports directly to the compensation committee and does not provide any non-compensation related services to the Company. Compensia does not make specific base salary and/or short-term and long-term incentive award recommendations, although it does use the competitive market data described below to provide ranges for base salary and short-term and long-term incentive awards that are consistent with the Company s compensation peer group for the compensation committee to consider and also reviews the compensation committee s proposed compensation decisions.

In fiscal 2014, Compensia also continued to provide advice to the compensation committee and management as part of our efforts to better align our executive compensation with our Company s performance. Compensia attends certain compensation committee meetings, executive sessions and preparatory meetings with the committee chair, as requested by the compensation committee.

Executive Compensation Discussion and Analysis (continued)

Use of Competitive Market Data and Peer Groups

The compensation committee directs Compensia to provide it with market data and analysis based on a select group of peer companies, as well as information about current market practices and trends, compensation structures and peer group compensation ranges. The comparative market data Compensia provides is based on a compensation peer group selected by our compensation committee with input and guidance from Compensia. Typically, this compensation peer group is comprised of software-as-a-services companies that are considered similar to us as of the end of the previous fiscal year based on various financial measures such as revenue, market capitalization and growth history and potential.

For fiscal 2014, the compensation peer group differed from our fiscal 2013 compensation peer group due to certain companies being acquired (i.e., Keynote Systems) and certain companies who were no longer comparable in terms of revenue and market capitalization (i.e., Saba Software, Ultimate Software Group and Vocus) based on our fiscal 2013 results. As a result, the fiscal 2014 compensation peer group consisted of the following software-as-a-services companies (the 2014 Peer Group):

Accelrys, Inc.
Brightcove, Inc.
comScore, Inc.
Constant Contact, Inc.
Demandware, Inc.
Ebix, Inc.
Infoblox, Inc.
Jive Software
LivePerson, Inc.
OpenTable, Inc.
Responsys, Inc.
SolarWinds, Inc.
SPS Commerce
Support.com
Synchronoss Technologies, Inc.

Our positioning with respect to the 2014 Peer Group expressed in terms of their revenue and market capitalization as of December 31, 2013, is reflected in the table below:

Company	Last Four Quarters Revenue ($MM)
Synchronoss Technologies	$ 349.0
SolarWinds	$ 335.4
comScore	$ 286.9
Constant Contact	$ 285.4
Infoblox	$ 239.1
Ebix	$ 204.7
OpenTable	$ 190.0
LivePerson	$ 177.8
Accelrys	$ 168.5

LogMeIn	**$**	**166.3**
Jive Software	$	145.8
Callidus Software	$	112.3
Brightcove	$	109.9
SPS Commerce	$	104.4
Demandware	$	103.7
Support.com	$	88.2
Responsys		N/A
75th Percentile	$	262.2
Median	$	177.8
25th Percentile	$	111.1

Company		Market Capitalization ($MM)
SolarWinds	$	2,837.6
Demandware	$	2,197.3
OpenTable	$	1,844.2
Infoblox	$	1,746.2
Synchronoss Technologies	$	1,263.4
SPS Commerce	$	1,050.8
comScore	$	1,007.5
Constant Contact	$	969.5
LogMeIn	**$**	**808.7**
LivePerson	$	807.5
Jive Software	$	783.6
Callidus Software	$	624.4
Ebix	$	559.7
Accelrys	$	532.1
Brightcove	$	410.6
Support.com	$	201.9
Responsys		N/A
75th Percentile	$	1,504.8
Median	$	969.5
25th Percentile	$	592.0

* Financial data for Responsys, Inc. was not available as of December 31, 2013 due to their being acquired prior to the end of fiscal 2013. However, Responsys was included in the 2014 Peer Group due to the fact that at the time of the compensation committee s selection and approval of the 2014 Peer Group, Responsys was still independent.

Executive Compensation Discussion and Analysis (continued)

What We Do vs. What We Don t Do

We believe that the compensation paid to executive officers should closely align their interests with the interests of their stockholders. Therefore, our compensation committee designs our executive compensation programs with the goal of attracting, retaining and motivating talented executives, while simultaneously promoting the achievement of key financial and strategic performance measures by linking a portion of executive compensation to the achievement of measurable corporate performance goals, and thereby aligning the incentives of our executives with the creation of value for our stockholders.

Below we summarize those executive compensation practices we have implemented to help drive executive performance, as well as practices we have chosen not to implement because we believe such practices do not support our stockholders long-term interests:

What We Do	
ü **Emphasize Pay-for-Performance** All of our named executive officers participate in our annual performance-based cash incentive bonus plan, which compensates executives for the Company s achievement of strategic, operational and financial goals thereby aligning our executive incentives with the financial performance of our Company and the creation of stockholder value. Additionally, 50% of our CEO s total target compensation opportunity consisted of performance-based pay in fiscal 2014.	ü **Offer Both Equity and Cash Incentives** the compensation packages offered to our executives consist of a combination of base salary, equity-based awards and performance-based cash incentives, which we believe incentivizes our executive officers to achieve performance results that deliver both short-term and long-term stockholder value.
ü **Utilize Double-Trigger Change-in-Control Provisions** the equity awards granted to our named executive officers that provide for accelerated vesting in the event of a change-in-control have a double-trigger, instead of a single trigger.	ü **Clawback Policy** the incentive-based cash compensation paid to our executive officers in connection with our annual cash incentive bonus plan is subject to an executive compensation recovery, or clawback, policy which requires the reimbursement of excess compensation in the event that we are required to prepare an accounting restatement due to the fraud or misconduct of any one of our executive officers.
ü **Equity Ownership Guidelines** All of our Section 16 executive officers are required to, by the later of November 14, 2018 (the date five years from the guidelines implementation date) or within five (5) years from the date of his/her hire or promotion, own shares of our common stock having an aggregate value at least equal to: (i) three times his base salary for our CEO and (ii) one time the base salary for all other executive officers.	ü **Engage an Independent Compensation Consultant** the compensation committee has retained a nationally recognized compensation consulting firm to serve as its independent compensation consultant. The compensation consultant reports directly to the compensation committee and provides the committee with useful competitive market data and information needed to make educated compensation decisions.
ü **Annual Say-on-Pay Vote** we conduct our say-on-pay vote on an annual basis to allow our stockholders to provide us with their direct input on our compensation philosophies, policies and practices as disclosed in our proxy statement each year.	ü **Avoid Undue Risk-taking** our compensation policies and practices are designed to discourage our executive officers from taking on or creating risks that are reasonably likely to have a material adverse effect on the Company.

What We Don t Do	
û **No Re-pricing Stock Options** we do not re-price our stock options and would not do so without stockholder approval.	û **No Excise Tax Gross-Ups** we do not provide our executive officers with excise tax gross-ups.
û **No Hedging or Pledging** we prohibit our executive officers from engaging in margin, hedging, pledging or other similar transactions in the Company s securities.	û **No Dividend Equivalents** we do not provide dividend equivalents on unvested equity awards.
û **No Resetting of 2014 Performance Targets** we did not reset or amend any of the performance goals or targets used to set executive compensation programs in fiscal 2014.	û **No Significant Perquisites** we do not provide our executives with significant perquisites.
û **No Formal Employment Agreements** None of our executives are currently party to an employment agreement that provides for automatic or pre-scheduled increases in their base salary.	

Executive Compensation Discussion and Analysis (continued)

Elements of Our Executive Compensation Program

The summary table below and the Executive Compensation Program Narrative that follows identify and describe the key elements of our executive compensation program:

Element	Form of Compensation	Objectives & Factors
Base Salary	A fixed cash payment	Designed to establish a compensation foundation at levels that are competitive enough with our peers to attract and retain talented executives. Factors considered when setting base salary levels include experience, scope and importance of job responsibilities, the relative ease or difficulty of replacing the individual with a well-qualified person compensation history, peer group data and compensation ranges, and individual and company performance. Base salaries are evaluated on an annual basis and adjusted where deemed appropriate.
Annual Cash Incentive Bonus	A variable cash payment based on the company s level of achievement against pre-established performance objectives	Designed to motivate and reward executives for the achievement of key pre-established company strategic, operational and financial performance objectives for the applicable fiscal year as set by the compensation committee. Factors considered when setting target bonus levels include experience, scope and importance of job responsibilities, the relative ease or difficulty of replacing the individual with a well-qualified person, compensation history, peer group data and compensation ranges, and individual and company performance. Target bonus levels are set as a percentage of base salary and are evaluated on an annual basis and adjusted where deemed appropriate.
Equity Incentive Awards	Equity compensation in the form of stock options, time-based RSUs and performance-based RSUs, the values of which may vary depending on the Company s overall performance	Designed to retain and motivate executives and align their interests with those of our stockholders by linking a percentage of their compensation with the creation of value for our stockholders. Factors considered when determining equity award types and amounts include the grant date fair value of equity awards using the Black-Scholes valuation model or, where applicable, a Monte Carlo simulation, the current and projected value of existing equity awards and the percentage of such existing equity awards that have vested, peer group data and compensation ranges, and individual as well as company performance. It is in the discretion of our board of directors or compensation committee to determine the amounts and types of equity incentive awards to be granted.
Other Benefits	Consists of general employee benefit plans such as medical and dental care plans, life insurance	These other benefits are offered to all employees and are designed to provide basic employee benefits generally consistent with those offered by

	and disability insurance, as well as an employee assistance program, maternity and paternity leave plans and a Section 401(k) plan	other members of our peer group. Our Section 401(k) plan allows for matching contributions to be made by us. To date, we have not matched any employee contributions.

Executive Compensation Discussion and Analysis (continued)

Target Total Direct Compensation and Our Pay-for-Performance Alignment

The compensation committee bases its executive compensation decisions on each named executive officer s total direct compensation opportunity. The total direct compensation opportunities of our named executive officers is generally comprised of a mix of cash compensation, in the form of base salaries and annual cash incentive bonuses, and equity compensation. In recent years, this total direct compensation mix has been designed so that the elements of variable pay, such as our annual cash incentive bonus awards and equity incentive awards, represent a substantial portion of the total direct compensation opportunity awarded to our named executive officers. By dedicating a large percentage of their total direct compensation opportunity to variable pay elements the compensation committee believes that we are able to maximize retention while also linking executive incentives with the Company s performance.

Much like in fiscal 2013, the fiscal 2014 equity incentive awards granted to our CEO and CFO were comprised of 50% performance-based RSU awards and 50% time-based RSU awards, with the performance-based RSU awards tied to the Company s achievement of a specified total stockholder return goal, as further described below in the section entitled Equity Incentive Awards Performance Based Restricted Stock Unit Awards. In fiscal 2014, the compensation committee also expanded this practice to include the equity incentive award granted to our COO. The compensation committee believes that including performance-based RSU awards in the target total direct compensation opportunities of our CEO, CFO and COO, whose individual performances and decisions have a direct impact on our Company s performance, strengthens our pay-for-performance alignment by increasing the percentage of their target total direct compensation opportunity that is directly tied to the Company s performance, thereby ensuring that a substantial portion of their compensation is aligned with the interests of our stockholders.

The following charts illustrate the breakdown of the total direct compensation pay mix awarded to our CEO, Michael Simon, in fiscal 2014:

Executive Compensation Discussion and Analysis (continued)

Executive Compensation Program Narrative

Base Salaries

To ensure that we continue to attract, retain and motivate our executive officers, we believe that we must offer base salaries that are competitive with those base salaries offered by other companies in our industry and region. We believe that our base salaries are representative of the overall experience, skills, knowledge and responsibilities required of all our employees, including our named executive officers. Typically, the base salaries of our executive officers are established in an offer letter to the executive officer at the outset of employment, which is the case with Messrs. Simon, Kelliher, Wagner, Ford, and Herdiech. None of our executives are currently party to an employment agreement that provides for automatic or scheduled increases in their base salary.

Base salaries are reviewed by our compensation committee at least annually and are adjusted from time-to-time to align with the competitive market and current market practices and trends, while also taking into consideration our company s overall performance and the individual executive officer s responsibilities, past performance, future expectations and experience.

Fiscal 2014 Base Salaries

In establishing the base salaries for our named executive officers for fiscal 2014, our compensation committee considered the following factors:

- our Company s overall performance against its stated goals, such as growth in sales and revenue;
- each named executive officer s position, functional role and seniority;
- the relative ease or difficulty of replacing the individual with a well-qualified person and the number of well-qualified candidates available to assume the individual s role;
- the individuals overall job performance and level of responsibility; and
- the competitive market data provided to the compensation committee by Compensia, as described above.

The following table sets forth the fiscal 2014 base salaries and the percentage increase over their fiscal 2013 base salaries for each of our named executive officers for the year ended December 31, 2014:

Name	2014 Base Salary	Percentage Increase Over 2013 Base Salary
Michael K. Simon	$ 400,000	8.1%
James F. Kelliher	$ 340,000	23.6%
William R. Wagner	$ 410,000	2.5%
W. Sean Ford	$ 299,653[(1)]	N/A
Edward K. Herdiech	$ 228,000	7.5%

(1) Mr. Ford was appointed our SVP and Chief Marketing Officer effective January 21, 2014 and therefore his annual base salary of $315,000 was pro-rated based on his actual service to our company during fiscal 2014 and no percentage increase is available.

After evaluating the CEO and CFO base salaries of the members of our 2014 Peer Group, and also considering other factors such as the strong performance of the Company in fiscal 2013 and the fact that both Mr. Simon and Mr. Kelliher did not receive base salary increases from fiscal 2012 to fiscal 2013, the compensation committee determined to increase the base salaries of Messrs. Simon and Kelliher by 8.1% and 23.6%, respectively.

In increasing Mr. Wagner s base salary by 2.5%, our compensation committee determined that Mr. Wagner had performed well in his first year as our Chief Operating Officer, helping the Company to achieve its fiscal 2013 business goals. We believe that the 2.5% year-over-year increase over Mr. Wagner s fiscal 2013 base salary accurately reflects his strong job performance in fiscal 2013 and his importance to the Company s overall business goals going forward.

Mr. Ford joined our company in January 2014 as our Senior Vice President and Chief Marketing Officer. As part of our search to fill our open Chief Marketing Officer role, LogMeIn retained an external executive recruiting firm to identify qualified potential candidates. Once Mr. Ford was selected as LogMeIn s top candidate, our compensation committee, working with Mr. Simon and the external executive recruiting firm, formulated a compensation package designed to attract and retain Mr. Ford. In setting Mr. Ford s compensation package, the compensation committee considered factors such as Mr. Ford s previous compensation package, his level of experience, the anticipated scope of Mr. Ford s responsibilities and the importance of his expected contributions to the Company s overall business goals. As a result of the arms-length negotiations between Mr. Ford and the Company, Mr. Ford s 2014 base salary was ultimately set at $315,000, which we believe represents a salary that is fair and necessary to attract someone of Mr. Ford s caliber and experience to LogMeIn.

Executive Compensation Discussion and Analysis (continued)

In January 2014, Mr. Herdiech was promoted from Vice President, Finance to Senior Vice President, Finance and received a 7.5% base salary increase. We believe that the 7.5% year-over-year increase over his fiscal 2013 base salary is representative of Mr. Herdiech s increased responsibilities within the Company and his growing importance to the Company s overall business goals during fiscal 2014.

Annual Cash Incentive Bonuses

Fiscal 2014 Annual Performance-Based Cash Incentive Bonus Plan

All of our named executive officers are eligible to earn an annual cash bonus under our performance-based cash incentive bonus plan. Our performance-based cash incentive bonuses are intended to compensate for the achievement of company strategic, operational and financial performance goals and objectives for the applicable fiscal year. The target annual cash bonus opportunity (assuming achievement of 100% of our goals) for each named executive officer is set by the compensation committee at the beginning of each fiscal year. Typically, these target bonus opportunities are expressed as a percentage of the applicable executive officer s base salary, with those higher ranked executives typically having a higher potential cash bonus opportunity. For fiscal 2014, each of our named executive officers were eligible to earn a cash incentive bonus equal to the following percentages of his 2014 base salary:

Name of Executive Officer	2014 Cash Incentive Bonus Opportunity (as a percentage of 2014 Base Salary)	2014 Cash Bonus Opportunity (Assuming 100% Achievement of performance levels)	
Michael K. Simon	100%	$	400,000
James F. Kelliher	60%	$	204,000
William R. Wagner	50%	$	205,000
W. Sean Ford	47.6%	$	150,000(1)
Edward K. Herdiech	40%	$	91,200

(1) Mr. Ford was appointed our SVP and Chief Marketing Officer effective January 2014 and his fiscal 2014 target cash bonus opportunity was negotiated in connection with his hire. This amount represents Mr. Ford s annualized fiscal 2014 cash bonus opportunity based on his annualized fiscal 2014 base salary of $315,000; Mr. Ford received a pro-rated portion of this cash bonus opportunity based on his length of service with the company in fiscal 2014.

At the beginning of each fiscal year, the compensation committee establishes the target performance levels for the Company based on the Company s satisfaction of certain key performance measures selected in advance by the compensation committee, working with our CEO. In determining the applicable target performance levels, the compensation committee considers factors such as our historical performance, growth rates and current market conditions. The target performance levels established by the compensation committee for each applicable performance measure are designed to be aggressive performance goals that should require sufficient effort and operational success on the part of our executive officers and the Company as a whole. Typically, annual cash incentive bonuses are paid after the completion of the applicable fiscal year, based on the Company s actual results versus the compensation committee s established target performance levels. In the event that the Company s actual results exceed or fall short of the target performance levels, cash incentive bonus amounts are increased or decreased accordingly.

In January 2014, the compensation committee established the target performance levels for the Company s fiscal 2014 annual cash incentive bonus plan based on three performance measures:

- *Revenue,* which means our GAAP revenues;
- *Non-GAAP operating income,* which is defined as our non-GAAP income from operations (i.e., revenues less costs of stock-based compensation expense, patent litigation related expenses and acquisition related costs and amortization, all calculated before income taxes); and

Sales bookings, which is an internal performance measure that tracks the total contract value associated with subscription business closed during the fiscal year. This sales bookings measure is an internal measure that we use to monitor our business and is not publicly disclosed in any form. We keep the target level for this measure confidential for both operational and competitive reasons, but generally consider the sales bookings target levels that we set to be challenging, yet attainable by the Company provided that the Company s executive officers demonstrate sufficient effort and skill.

Our compensation committee believes that basing the annual cash incentive bonus plan on these measures helps to align our executive incentives with the interests of our stockholders as these measures are recognized indicators of overall company performance and therefore our Company s achievement of the performance levels set by the compensation committee should also translate into stockholder value.

For fiscal 2014, the target performance levels for the revenue, non-GAAP operating income and sales bookings measures were each weighted as being worth 25%, 25% and 50%, respectively, of the potential 2014 cash incentive bonus opportunity for each named executive officer. For the purposes of calculating the 2014 annual cash incentive bonuses, the portion of each named executive officer s potential 2014 cash incentive bonus opportunity that was tied to the revenue and non-GAAP operating income performance measures were both capped at 100%

of the target performance levels, while the sales bookings measure was left uncapped, meaning that participants could potentially earn greater than 100% of their target cash incentive bonus opportunity if the Company over-performed against the sales bookings target level established by the compensation committee. For achievement levels beyond 100% of the sales bookings target performance level, the applicable cash incentive bonus payment to be paid to each named executive officer was to be increased by a specified percentage, which varied for each named executive officer with our more senior executive officers receiving a greater potential percentage increase, for every percentage point achieved above the target performance level.

For fiscal 2014, our actual 2014 results versus the compensation committee s pre-established target performance levels for revenue and non-GAAP operating income were as follows:

Fiscal 2014 Performance Metrics	Target Performance Level (in millions)	Actual 2014 Results (in millions)
Revenue	$ 198.5	$ 222.0
Non-GAAP Operating Income	$ 34.0	$ 42.2

Both revenue and non-GAAP operating income target performance levels were achieved in fiscal 2014, which meant that the portion of each named executive officer s potential 2014 cash incentive bonus opportunity that was tied to the revenue and non-GAAP operating income performance measures were earned. In addition to the revenue and non-GAAP operating income results set forth above, we also achieved 108% of our sales bookings performance measure, which meant that the Company achieved greater than 100% of the target performance levels established by the compensation committee. As a result of the over-performance, the 2014 annual cash incentive bonuses for our named executive officers were awarded at 153% of the established target performance levels. Accordingly, the cash incentive bonuses paid to our named executive officers for their fiscal 2014 performance were as follows:

Named Executive Officer	Fiscal 2014 Bonus Payment(1)
Michael K. Simon	$ 611,559
James F. Kelliher	$ 312,803
William R. Wagner	$ 313,424
W. Sean Ford	$ 229,339(2)
Edward K. Herdiech	$ 139,441

(1) These amounts represent cash incentive bonuses that were earned in fiscal 2014 but paid in February 2015.
(2) Mr. Ford was appointed our SVP and Chief Marketing Officer effective January 2014 and therefore his fiscal 2014 cash incentive bonus was pro-rated based on his actual base salary earnings during fiscal 2014.

Equity Incentive Awards

Our equity incentive award program is the primary vehicle for offering long-term incentives to our executive officers. We grant all of our employees, including our executive officers, stock-based awards pursuant to our 2009 Plan. We believe that equity incentive awards provide our executive officers with a strong link to our Company s long-term performance, create an ownership culture within our Company and help to further align the interests of our executive officers with those of our stockholders through the creation of stockholder value. In addition, we believe the time-based vesting feature of our equity incentive awards helps to further our executive retention objectives by providing an incentive for our executive officers to remain in our employment throughout the duration of the vesting period.

In determining the types and amounts of equity incentive awards to be granted to our executive officers, our compensation committee reviews competitive market data provided by Compensia and grant awards that are intended to be competitive with the equity awards granted by the other companies included within our compensation peer group, industry and region. In addition to the competitive market data provided by Compensia, our compensation committee also considers a number of other factors including the recommendations of our CEO and other senior executive officers, our overall Company performance, the individual executive officer s performance, the amount of equity previously awarded to the executive as well as the portion of previously awarded equity that remains unvested.

Fiscal 2014 Stock Option Awards

We typically make an initial equity incentive award of stock options to new executive officers upon the start of their employment. Our compensation committee believes that options to purchase shares of our common stock, with an exercise price equal to the closing market price of our common stock on the date of grant, are a valuable tool to motivate our executive officers to build stockholder value since the options have no value unless the market price of our common stock increases during the period that the option is outstanding. Typically, the stock options we have granted to our executive officers have vested as to 25% of such awards at the end of each year for a period of four years, subject to the

Executive Compensation Discussion and Analysis (continued)

executive officer s continued service through each such vesting date. This vesting schedule is consistent with the vesting of stock options granted to other employees. Pursuant to the award agreements, vesting and exercise rights typically cease shortly after termination of employment except in the case of death or disability.

In fiscal 2014, the only named executive officer who received a stock option award was Mr. Ford, who received an initial option grant in connection with his hire in January 2014. When determining the size of the stock option to be granted to Mr. Ford, our compensation committee used the Black-Scholes option pricing model to estimate the grant date fair value of the potential equity incentive award to be granted and considered a number of other factors such as the importance of Mr. Ford and the Chief Marketing Officer role to LogMeIn s success, his expected contributions to the Company s overall business goals in fiscal 2014 and the difficulty that LogMeIn had previously had attracting and retaining a qualified Chief Marketing Officer candidate such as Mr. Ford. The compensation committee also considered competitive market data provided by Compensia. Based on these considerations, the compensation committee granted the following initial stock option award to Mr. Ford in fiscal 2014:

Named Executive Officer	Shares of our Common Stock Subject to Stock Options (#)
W. Sean Ford	35,000[(1)]

(1) These options had an effective grant date of February 18, 2014 and an exercise price of $41.03 per share, which represents the closing price of our common stock on the NASDAQ Global Select Market on February 18, 2014. 25% of the shares subject to this option will vest on February 18, 2015, and an additional 25% of the shares subject to this option will vest annually thereafter, such that 100% of the shares subject to this option will be fully vested on February 18, 2018.

Fiscal 2014 Restricted Stock Unit Awards

We issue RSUs awards to all of our employees, including our executive officers, as part of our annual compensation program. The compensation committee believes that RSUs awards are a valuable compensation tool for a number of reasons, including the fact that the majority of executive compensation packages offered by the companies in our compensation peer group include RSUs, the benefit of granting RSUs versus stock options, including the fact that RSUs are less dilutive to the Company s earnings per share, and the effectiveness of RSUs as a retention tool for retaining executive officers and other key employees. The compensation committee also values the fact that because RSU awards have value to the recipient even in the absence of stock price appreciation, we would be able to retain and incentivize our executive officers and other key employees while using fewer shares of our common stock.

When determining the size of the RSU awards to be granted to our named executive officers, our compensation committee generally estimates the grant date fair value of potential stock awards to be granted and, in addition to the factors described under Stock Options above, also considers other factors such as the importance of each named executive officer to LogMeIn s success and their expected contributions to the Company s overall business goals, the need to retain these individuals in a competitive public company environment, the portion of their existing equity incentive awards that have not yet vested, and the overall value of granting RSU awards as a retention tool. The compensation committee also considers competitive market data provided by Compensia, which includes an analysis of executive equity incentive awards as a percentage of our issued and outstanding shares of common stock, the equity incentive awards granted to our named executive officers as a percentage of the total equity granted, the value of equity incentive awards granted to our named executive officers as a percentage of the total value of all equity granted and the Company s annual equity burn rates.

Executive Compensation Discussion and Analysis (continued)

Fiscal 2014 Time-Based RSU Awards

Generally, the RSUs awarded to our executive officer s and non-executive employees are subject to time-based vesting conditions and vest in three equal installments over a three-year period beginning on the first anniversary of the effective date of grant, subject to the recipient s continued service through each such vesting date. Pursuant to the individual award agreements, vesting rights typically cease shortly after termination of employment except in the case of death or disability.

In fiscal 2014, our compensation committee granted the following time-based RSU awards to our named executive officers:

Named Executive Officer	Shares of Common Stock Subject to Time-Based RSU Awards (#)
Michael K. Simon	34,000(1)
James F. Kelliher	25,000(1)
William R. Wagner	12,000(1)
W. Sean Ford	35,000(2)
Edward K. Herdiech	22,000(3)

(1) The 2014 annual equity incentive awards granted to Messrs. Simon, Kelliher and Wagner were awarded at the May 22, 2014 meeting of our board of directors and were comprised of 50% time-based RSUs and 50% performance-based RSUs. The time-based RSUs vest in three equal installments over a three-year period commencing on the first anniversary of the date of grant so that 100% of the RSUs will be vested as of May 22, 2017. See the Performance Based Restricted Stock Unit Awards narrative below for a description of the performance-based portion of this award.

(2) In connection with his hire, Mr. Ford was granted an initial time-based RSU award for 35,000 shares of our common stock on February 18, 2014. The RSUs vest in three equal installments over a three-year period commencing on the first anniversary of the date of grant so that 100% of the RSUs will be vested as of February 18, 2017.

(3) Mr. Herdiech was granted a time-based RSU award for 12,000 shares of our common stock on February 18, 2014 in connection with his promotion to Senior Vice President, Finance, which vests in three equal installments over a three-year period commencing on the first anniversary of the date of grant so that 100% of the RSUs will be vested as of February 18, 2017. He also received a time-based RSU award for 10,000 shares of our common stock on May 22, 2014 for his annual equity incentive award grant, which vests in three equal installments over a three-year period commencing on the first anniversary of the date of grant so that 100% of the RSUs will be vested as of May 22, 2017.

Fiscal 2014 Performance-Based Restricted Stock Unit Awards

In keeping with the Company s pay-for-performance philosophy, the fiscal 2014 equity incentive awards granted to Messrs. Simon, Kelliher and Wagner were comprised of 50% time-based RSUs and 50% performance-based RSUs, or PRSUs, which have a market-based vesting condition tied to the Company s achievement of a specified total stockholder return goal, as described further below. In deciding to grant only Messrs. Simon, Kelliher and Wagner PRSU awards, our compensation committee determined that, as our CEO, CFO and COO, respectively, they were each uniquely positioned to have their individual performances and decisions directly influence our Company s performance and therefore it was especially important to align their interests with those of our stockholders by linking a significant percentage of their target total direct compensation with the creation of value for our stockholders.

The number of shares of our common stock underlying the PRSU awards granted to Messrs. Simon, Kelliher and Wagner were as follows:

Name	Minimum Number of Actual Shares (#)(1)	Target Number of Performance Shares (#)(2)	Maximum Number of Actual Shares (#)(3)
	Shares of Common Stock Subject to Performance-Based RSU Awards		
Michael K. Simon	0	34,000	68,000
James F. Kelliher	0	25,000	50,000
William R. Wagner	0	12,000	24,000

(1) Assumes a relative performance percentage (as described further below) of 50% or less.
(2) Assumes a relative performance percentage (as described further below) of at least 100%.
(3) Assumes a relative performance percentage (as described further below) of greater than 150%.

The fiscal 2014 PRSUs granted to Messrs. Simon, Kelliher and Wagner provide that each executive officer will earn a specified number of shares of the Company s common stock based on the Company s relative total stockholder return, or TSR, performance. Generally, the vesting of the PRSUs is tied to (a) the individual s continued service with the Company through the applicable performance period and (b) the level of TSR realized by the Company s stockholders over (i) a two-year performance period beginning May 1, 2014 and ending on May 1, 2016, and (ii) a three-year performance period beginning on May 1, 2014 and ending on May 1, 2017, as compared to the TSR realized for that same period by the Russell 2000 Index, which was selected by the compensation committee due to the fact that it is a well-known index that would be relatively simple for stockholders to track for the purposes of measuring the Company s performance. In deciding to measure the Company s performance over the two and three-year performance periods, the compensation committee determined that positioning the PRSUs as two and three-year long-term equity incentive awards would help to maximize the retention value of these awards.

Executive Compensation Discussion and Analysis (continued)

For the purposes of calculating the actual number of shares of the Company s common stock that may be earned pursuant to the PRSUs, 50% of the target number of shares underlying the fiscal 2014 PRSUs may be earned for the two-year performance period, while the remaining 50% of the target number of shares underlying the fiscal 2014 PRSUs may be earned for the three-year performance period. Any shares that are not earned during the two-year performance period are forfeited and do not carry-over, or get applied, to the three-year performance period. Upon the conclusion of each performance period, the compensation committee shall determine the number of shares of our common stock earned by using the following formula:

Relative Performance Percentage = 100% + (the Company s TSR the Index s TSR)

Once the applicable Relative Performance Percentage is calculated, the compensation committee will use this percentage to determine the actual number of shares of the Company s common stock earned, which may range from 0% to 200% of the target number of shares granted depending on the Company s level of achievement, as follows:

- If the Relative Performance Percentage equals 50% or less, 0 shares subject to the PRSU shall vest;
- If the Relative Performance Percentage falls between 51% 100%, then 100% of the target number of shares shall vest, minus 2% of the target number of shares for every 1% Relative Performance Percentage below 100%;
- If the Relative Performance Percentage equals 100%, then 100% of the target number of shares shall vest;
- If the Relative Performance Percentage falls between 100% 150%, then 100% of the target number of shares shall vest, plus an additional 2% of the target number of shares for every 1% Relative Performance Percentage above 100%, up to 150%.
- If the Relative Performance Percentage equals 150% or more, then 200% of the target number of shares shall vest. In no event shall the total number of shares that vest under each PRSU award exceed 200% of the target number of shares.

Based on the above formula, if the performance period were to end as of March 31, 2015, our Relative Performance Percentage would be greater than 150%, which would result in 200% of the target number of shares underlying the fiscal 2014 PRSUs being earned.

Mr. Simon s Fiscal 2014 Equity Incentive Award

In recent years, the compensation committee has focused its efforts on more closely aligning the interests of our executive officers with the interests of our stockholders, which we believe is reflected in the equity incentive awards which have recently been granted to our CEO, Mr. Simon. Much like the equity incentive awards granted to Mr. Simon in fiscal 2013, 50% of the equity incentive awards granted to Mr. Simon in fiscal 2014 are performance-based and vest upon the Company s achievement of specified TSR goals. Additionally, for the second year in a row, the total target number of shares underlying the equity incentive awards granted to Mr. Simon decreased year-over-year, as the 68,000 shares underlying his fiscal 2014 equity incentive awards represents an approximately 37% year-over-year decrease from the 108,000 shares underlying his fiscal 2013 equity incentive awards. This decrease in the number of shares underlying Mr. Simon s equity incentive award also resulted in an approximately 18% year-over-year decrease in the grant date fair value of his equity incentive award to $3,454,507 in fiscal 2014 from $4,198,580 in fiscal 2013.

Tax Considerations for Equity Awards

Generally, Section 162(m) of the Internal Revenue Code disallows a tax deduction for compensation in excess of $1.0 million paid to our Chief Executive Officer and our three other most highly compensated executive officers (other than our Chief Financial Officer) whose compensation is required to be disclosed to stockholders under the Exchange Act. Qualifying performance-based compensation is not subject to the deduction limitation if specified requirements are met. The compensation committee may, in its judgment, authorize compensation payments that do not comply with an exemption from Section 162(m) when it believes that such payments are appropriate to attract and retain executive talent and are in the best interests of the Company and our stockholders.

Other Benefits and Perquisites

Mr. Ford s 2014 Signing Bonus

As part of the arms-length negotiations between Mr. Ford and the Company in connection with his hire in January 2014, Mr. Ford negotiated a $128,000 signing bonus, $88,000 of which was paid to Mr. Ford in the first payroll period after his start date, with the remaining $40,000 paid in two $20,000 increments on the three and six month anniversaries of his start date. Signing bonuses are not typically paid to our executives upon hire, however, the compensation committee believed that an exception needed to be made in order to entice Mr. Ford to join LogMeIn and compensate him for the pending bonus that Mr. Ford would be leaving behind at his previous employer. Mr. Ford s signing bonus has been included in the Bonus column in the Summary Compensation table on page 50.

Executive Compensation Discussion and Analysis (continued)

General Employee Wellness Benefits

We also maintain general broad-based benefits that are provided to all of our employees, including health and dental insurance, life and disability insurance, a Section 401(k) plan, customary maternity and paternity leave plans, paid time off and standard Company holidays. Our executive officers are eligible to participate in all of these employee benefits, in each case on the same basis as other non-executive employees.

Other Compensation Policies

Compensation Recovery (Clawback) Policy

Our board of directors has adopted an executive compensation recovery, or clawback, policy in connection with our annual cash incentive bonus plan. This policy requires the reimbursement of excess incentive-based cash compensation paid to all of our executive officers in the event that we are required to prepare an accounting restatement due to the fraud or misconduct of any one of our executive officers. Pursuant to this policy, the Company may clawback the portion of any incentive-based cash compensation from our executive officers to the extent that the cash compensation paid was in excess of what would have been paid under the accounting restatement. This policy is applicable to all incentive-based cash compensation paid after the date of adoption of the policy (November 14, 2013) and it covers the three-year period preceding the date on which we are required to prepare the accounting restatement.

We also continue to monitor the SEC s actions and will amend the policy to comply with the final regulations under Section 954 of the Dodd-Frank Wall Street Reform Act when they are adopted by the SEC.

In addition, if we are required, as a result of misconduct, to restate our financial results due to our material noncompliance with any financial reporting requirements under the federal securities laws, our CEO and CFO may be legally required to reimburse the Company for any bonus or other incentive-based compensation they received pursuant to the provisions of Section 304 of the Sarbanes-Oxley Act of 2002.

Stock Ownership Guidelines

Each current executive officer (defined for purposes of the ownership guidelines as each executive officer subject to Section 16 of the Exchange Act) or newly appointed executive officer is required to own, by the later of November 14, 2018 (the date five years from the guidelines implementation date) or within five (5) years from the date of his/her hire or promotion, shares of our common stock having an aggregate value at least equal to: (i) three times his base salary for our CEO and (ii) one time the base salary for all other executive officers. For purposes of this calculation, shares of the Company s common stock held directly or indirectly by the executive officer are included, including vested RSUs, while any shares of our common stock subject to outstanding and unvested RSU awards or any outstanding and unvested, or vested but unexercised, stock option awards are excluded. Each executive officer remains subject to the stock ownership guidelines as long as they continue to be employed by the Company as an executive officer. Exceptions to the guidelines may be made in the case of extraordinary circumstances, such as personal hardship, in the compensation committee s sole discretion.

Anti-Hedging and Pledging Policy

Our insider trading policy prohibits any employee, including the named executive officers, and any member of the board of directors from hedging ownership of company securities by engaging in short sales or trading in any puts, calls and other derivatives involving company securities. In addition, all of our executive officers and members of our board of directors are prohibited from purchasing company securities on margin, borrowing against company securities held in a margin account and pledging company securities as collateral for a loan.

Equity Award Grant Policy

We do not currently have a program, plan or practice of selecting grant dates for equity compensation to our executive officers in coordination with the release of material non-public information. Equity award grants are made from time-to-time in the discretion of our board of directors or compensation committee consistent with our incentive compensation program objectives. The exercise price of any non-statutory stock options granted pursuant to the Restated Plan may not be less than the fair market value of the common stock on the date of grant.

Severance and Change in Control Benefits

Certain equity awards granted to our executive officers include a double trigger vesting provision in the event of a change of control. Mr. Ford and Mr. Wagner also negotiated additional salary-based severance benefits in connection with their hires. We believe that, when used properly, these severance benefits can play a valuable role in attracting and retaining key executive officers. Additionally, severance benefits in a change in control context can help ensure leadership continuity during a time of transition. For more detail regarding these benefits, please refer to the section entitled Potential Payments Upon Termination or Change of Control below.

Executive Compensation Discussion and Analysis (continued)

Fiscal 2014 Executive Compensation Tables

Summary Compensation Table

The following table sets forth information regarding the compensation earned by our named executive officers during fiscal 2014, fiscal 2013 and fiscal 2012.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)[6]	Option Awards ($)[8]	Non-Equity Incentive Plan Compensation ($)[9]	All Other Compensation ($)[10]	Total ($)
Michael K. Simon	2014	$ 400,000	$	$ 3,454,570[7]	$	$ 611,559	$ 12,831	$ 4,478,960
President and Chief Executive Officer	2013	371,000		4,198,580[7]		555,141	13,513	5,138,234
	2012	371,000		2,430,300	1,530,900	208,688	13,352	4,554,240
James F. Kelliher	2014	340,000		2,540,125[7]		312,803	13,557	3,206,485
Former Chief Financial Officer[1]	2013	275,000		1,555,400[7]		222,054	13,690	2,066,144
	2012	275,000		1,370,150	765,450	83,475	13,668	2,507,743
William R. Wagner	2014	410,000		1,219,260[7]		313,424	13,599	1,956,283
Chief Operating Officer	2013	262,308[3]		1,714,300	894,600	199,510	29,026[11]	3,099,743
W. Sean Ford	2014	299,653[4]	128,000[5]	1,436,050	762,300	229,339	13,599	2,868,941
SVP and Chief Marketing Officer								
Edward K. Herdiech	2014	228,000		924,960		139,441	493	1,292,894
SVP, Finance[2]	2013	212,000		220,410		79,302	493	512,205
	2012	200,000		704,195	229,635	28,125	493	1,162,448

(1) Mr. Kelliher ceased serving as our Chief Financial Officer effective January 16, 2015.

(2) Mr. Herdiech was promoted to our Chief Financial Officer effective January 16, 2015.

(3) Mr. Wagner was appointed our Chief Operating Officer effective May 2013. Mr. Wagner s fiscal 2013 base salary as reported in the table above represents his actual pro rated base salary earnings during the 2013 fiscal year. His annualized base salary for fiscal 2013 was $400,000.

(4) Mr. Ford was appointed our SVP and Chief Marketing Officer effective January 2014. Mr. Ford s fiscal 2014 base salary as reported in the table above represents his actual pro rated base salary earnings during the 2014 fiscal year. His annualized base salary for fiscal 2014 was $315,000.

(5) Amount represents Mr. Ford s fiscal 2014 signing bonus of $128,000, $88,000 of which was paid to Mr. Ford in the first payroll period after his start date, with the remaining $40,000 paid in two $20,000 increments on the three and six month anniversaries of his start date.

(6) The amounts shown in this column represent the grant date fair value of time-based vesting and, where applicable, performance-based vesting, RSU awards granted to our named executive officers in the applicable year, calculated in accordance with applicable accounting guidance for equity awards, but excluding the effect of any estimated forfeitures. The amounts shown in this column do not represent the actual amounts paid to or realized by the named executive officer during the applicable year. The assumptions used by us with respect to the valuation of equity grants are set forth in Note 10 to our financial statements included in our Annual Report on Form 10-K, filed with the SEC on February 20, 2015. The individual awards made in fiscal 2014 reflected in this summary compensation table are further summarized below under Grants of Plan-Based Awards in 2014.

(7) The amounts shown include performance-based RSUs. The individual awards made in fiscal 2014 reflected in this summary compensation table are further summarized below under Grants of Plan-Based Awards in 2014. Performance RSUs generally vest based on the level of TSR realized by the Company s stockholders over (i) a two-year performance period, and (ii) a three-year performance period, as compared to the TSR realized for that same period by the Russell 2000 Index. For the purposes of calculating the actual number of shares of LogMeIn s common stock into which the performance RSUs will convert, 50% of the target shares underlying the performance RSUs will be applied to the 2-year performance period, while the remaining 50% of the target shares underlying the performance RSUs shall be applied to the 3-year performance period. Consistent with FASB ASC Topic 718, the full grant date fair value for the two TSR performance periods for the entire two-year and three-year performance cycles are included in the amounts shown for the year of grant and was

determined using a Monte Carlo valuation model on the date the performance RSUs were awarded; therefore, no additional grant date fair value for the market-related component should be attributed to the award after its initial grant date.

(8) The amounts shown in this column represent the grant date fair value of stock option awards granted to our named executive officers in the applicable year, calculated in accordance with applicable accounting guidance for equity awards, but excluding the effect of any estimated forfeitures. Since fiscal 2012, we have generally stopped granting annual stock option awards to our executives and employees as part of our overall annual compensation program, although we typically do still make an initial equity award of stock options to new executives in connection with the start of their employment. The amounts shown in this column do not represent the actual amounts paid to or realized by the named executive officer during the applicable year. The assumptions used by us with respect to the valuation of equity grants are set forth in Note 10 to our financial statements included in our Annual Report on Form 10-K, filed with the SEC on February 20, 2015. The individual awards made in fiscal 2014 reflected in this summary compensation table are further summarized below under Grants of Plan-Based Awards in 2014.

(9) Amounts consist of cash incentive bonuses paid under our annual cash incentive bonus program for the applicable year. See the Executive Compensation-Compensation Discussion and Analysis-Components of our Executive Compensation-Annual Cash Incentive Bonuses section for a description of this program. Typically, annual cash incentive bonuses earned by our named executive officers in a fiscal year are paid in February the following fiscal year.

(10) Amounts reported in this column consist of medical, life insurance and disability insurance premiums paid by us on behalf of the named executive officer for the applicable year.

(11) Mr. Wagner s other compensation for fiscal 2013 includes $19,682 in moving and relocation-related expenses.

Executive Compensation Discussion and Analysis (continued)

Grants of Plan-Based Awards in 2014

The following table sets forth information regarding grants of compensation in the form of plan-based awards made during 2014 to our named executive officers:

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards Target($)[1]	Estimated Future Payouts Under Equity Incentive Plan Awards[2] Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units(#)[3]	All Other Option Awards: Number of Securities Underlying Options(#)[4]	Exercise or Base Price of Option Awards ($/share)[5]	Grant Date Fair Value Of Stock and Option Awards ($)[6]
Michael K. Simon		$ 400,000							
	5/22/2014					34,000			$ 1,470,840
	5/22/2014		17,000	34,000	68,000				$ 1,983,730
James F. Kelliher		$ 204,000							
	5/22/2014					25,000			$ 1,081,500
	5/22/2014		12,500	25,000	50,000				$ 1,458,625
William R. Wagner		$ 205,000							
	5/22/2014					12,000			$ 519,120
	5/22/2014		6,000	12,000	24,000				$ 700,140
W. Sean Ford		$ 142,635[7]							
	2/18/2014						35,000	$ 41.03	$ 762,300
	2/18/2014					35,000			$ 1,436,050
Edward K. Herdiech		$ 91,200							
	2/18/2014					12,000			$ 492,360
	5/22/2014					10,000			$ 432,600

(1) Our 2014 cash incentive bonus program for our named executive officers was approved by the compensation committee of the board of directors in January 2014. The actual amounts paid to our named executive officers as non-equity incentive plan awards for fiscal 2014 are reflected in the Summary Compensation Table above. See the Executive Compensation-Compensation Discussion and Analysis-Components of our Executive Compensation-Annual Cash Incentive Bonuses section for a description of our cash incentive programs.

(2) Consists of performance-based RSUs granted pursuant to our Restated Plan. The individual shares underlying the fiscal 2014 performance-based RSU awards vest upon the Company s achievement of pre-established relative TSR performance goals as measured over (i) a two-year performance period beginning May 1, 2014 and ending on May 1, 2016, and (ii) a three-year performance period beginning on May 1, 2014 and ending on May 1, 2017. The threshold number of shares shown is 50% of the performance RSUs granted, target number of shares shown is 100% of the performance RSUs granted and the maximum number of shares shown is 200% of the performance RSUs granted. See the Executive Compensation-Compensation Discussion and Analysis-Components of our Executive Compensation-Equity Incentive Awards section for additional information about these awards.

(3) Consists of time-based RSU awards issued pursuant to our 2009 Plan. Time-based RSUs awarded to our executives and non-executive employees vest in three equal installments over a three-year period beginning on the first anniversary of the effective date of grant, subject to the continued employment of the named executive officer.

(4) Consists of time-based stock options issued pursuant to our 2009 Plan. Each year following the grant date, twenty-five percent of the shares underlying these stock options vest on the anniversary of the grant date, subject to the continued employment of the named executive officer, such that the option shall be fully vested on the four-year anniversary of the grant date.

(5) The amounts shown in this column represent the fair market value of one share of our common stock on the date of grant. For option grants to the named executive officers in 2014, our compensation committee determined that the fair market value of our common stock on the date of grant was equal to the last sale, or closing, price of our common stock on the NASDAQ Global Select Market on the date of grant.
(6) The amounts shown in this column represent the grant date fair value of stock option or RSU awards, including, where applicable, performance-based RSU awards, granted to our named executive officers in 2014, calculated in accordance with SEC rules, but excluding the effect of any estimated forfeitures. Consistent with FASB ASC Topic 718, the full grant date fair value of the 2014 performance-based RSU awards has been calculated for the two TSR performance periods for the entire two-year and three-year performance cycles and was determined using a Monte Carlo valuation model on the date the performance RSUs were awarded; therefore, no additional grant date fair value for the market-related component should be attributed to the award after its initial grant date.
(7) Mr. Ford was appointed our SVP and Chief Marketing Officer effective January 2014. This amount represents Mr. Ford s actual fiscal 2014 target cash bonus opportunity, which has been based on his actual base salary earnings during the 2014 fiscal year.

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Executive Compensation Discussion and Analysis (continued)

Outstanding Equity Awards at 2014 Fiscal Year End

The following table sets forth information regarding outstanding equity awards held by our named executive officers as of December 31, 2014:

		Option Awards				Stock Awards			
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)(3)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(4)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (#)(5)
Michael K. Simon	1/24/2007	10,000		$ 1.25	1/24/2017				
	11/21/2007	100,000		$ 9.65	11/21/2017				
	2/19/2010	104,469		$ 18.98	2/19/2020				
	2/17/2011	75,000	25,000(1)	$ 40.07	2/17/2021				
	2/17/2012	35,000	35,000(1)	$ 39.13	2/17/2022				