

CITRIX SYSTEMS INC  
Form DEF 14A  
April 17, 2015  
Table of Contents

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

**SCHEDULE 14A INFORMATION**  
**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**  
**(Amendment No.    )**

Filed by the Registrant ☒ x

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))**
- ☒ x Definitive Proxy Statement
- ☐ .. Definitive Additional Materials
- ☐ .. Soliciting Material Pursuant to §240.14a-12

**Citrix Systems, Inc.**

**(Name of Registrant as Specified in Its Charter)**

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

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- .. Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
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**Table of Contents**

Notice of 2015 Annual

Meeting of Shareholders and

Proxy Statement

**Table of Contents**

Dear Shareholder:

April 17, 2015

You are cordially invited to attend the Annual Meeting of Shareholders of Citrix Systems, Inc. to be held on Thursday, May 28, 2015 at 4:00 p.m. Pacific time, at our offices at 4988 Great America Parkway, Santa Clara, California 95054, United States.

At this Annual Meeting, the agenda includes: (1) the election of seven directors for one-year terms; (2) approval of our 2015 Employee Stock Purchase Plan; (3) the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2015; and (4) an advisory vote to approve the compensation of our named executive officers. The Board of Directors unanimously recommends that you vote FOR the election of the director nominees and FOR each of the other matters (2) through (4).

All shareholders are cordially invited to attend the Annual Meeting in person. We are providing proxy material access to our shareholders via the Internet. Accordingly, you can access proxy materials and vote at [www.proxyvote.com](http://www.proxyvote.com). Details regarding the matters to be acted upon at this Annual Meeting are described in the Notice of Internet Availability of Proxy Materials you received in the mail. Please give the proxy materials your careful attention.

You may vote via the Internet or by telephone by following the instructions on your Notice of Internet Availability and on that website. In order to vote via the Internet or by telephone, you must have the shareholder identification number which is provided in your Notice. If you have requested a proxy card by mail, you may vote by signing, voting and returning that proxy card in the envelope provided. If you attend the Annual Meeting, you may vote in person even if you have previously returned your proxy card or have voted via the Internet or by telephone. Please review the instructions for each voting option described in the Notice and in this Proxy Statement. Your prompt cooperation will be greatly appreciated.

Very truly yours,

ANTONIO G. GOMES

Senior Vice President, General

Counsel and Secretary

**Table of Contents**

Table of Contents

<b><u>Proxy Highlights</u></b>	<b>1</b>
<b><u>Part 1 Corporate Governance</u></b>	<b>7</b>
<u>Independence of Members of Our Board</u>	7
<u>Board Leadership Structure</u>	7
<u>Executive Sessions of Independent Directors</u>	7
<u>Executive Succession</u>	7
<u>Considerations Governing Director Nominations</u>	7
<u>Policy Governing Director Attendance at Annual Meetings of Shareholders</u>	9
<u>Code of Ethics</u>	10
<u>Risk Oversight</u>	10
<u>Compensation Related Risk Assessment</u>	11
<u>Policy Governing Shareholder Communications with Our Board</u>	12
<b><u>Part 2 Board of Directors</u></b>	<b>13</b>
<u>Our Directors</u>	13
<u>Meetings and Meeting Attendance</u>	18
<u>Our Board Committees</u>	18
<u>Director Compensation</u>	22
<b><u>Part 3 Executive Management</u></b>	<b>25</b>
<u>Our Management</u>	25
<b><u>Part 4 Executive Compensation</u></b>	<b>28</b>
<u>Compensation Discussion and Analysis</u>	28
<u>Purpose of Compensation Discussion and Analysis</u>	28
<u>2014 Highlights</u>	28
<u>Objectives and Elements of Our Executive Compensation Programs</u>	30
<u>How Executive Pay Decisions Are Made</u>	31
<u>Components of Compensation</u>	35
<u>Individual Executive Compensation Decisions</u>	41
<u>Chief Executive Officer Compensation</u>	41
<u>Other Named Executive Officers Cash Compensation – Base Salary and Variable Cash Compensation</u>	42
<u>Other Named Executive Officers Equity-Based Long-Term Incentive Compensation</u>	44
<u>Other Compensation Policies and Information</u>	44
<u>Summary of Executive Compensation</u>	46
<u>Grants of Plan-Based Awards</u>	47
<u>Outstanding Equity Awards</u>	49
<u>Option Exercises and Stock Vested</u>	50
<u>Nonqualified Deferred Compensation</u>	51
<u>Potential Payments upon Termination or Change in Control</u>	52
<u>Report of the Compensation Committee of the Board of Directors</u>	54
<u>Compensation Committee Interlocks and Insider Participation</u>	54
<u>Related Party Transactions Policies and Procedures and Transactions with Related Persons</u>	54

<u>Security Ownership of Certain Beneficial Owners and Management</u>	55
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	56
<u>Tax Deductibility of Executive Compensation</u>	56
<u>Securities Authorized for Issuance under Equity Compensation Plans</u>	57
<u>Equity Compensation Plans</u>	57
<b><u>Part 5 Audit Committee Matters</u></b>	<b>58</b>
<u>Report of the Audit Committee</u>	58
<u>Fees Paid to Ernst &amp; Young</u>	59
<u>Audit Partner Rotation</u>	59
<u>Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditor</u>	59
<b><u>Part 6 Proposals to be Voted on at the Meeting</u></b>	<b>60</b>
<u>Proposal 1: Election of Director Nominees</u>	60
<u>Proposal 2: Approval of the Citrix Systems, Inc. 2015 Employee Stock Purchase Plan</u>	61
<u>Proposal 3: Ratification of Appointment of Independent Registered Public Accounting Firm</u>	64
<u>Proposal 4: Advisory Vote to Approve the Compensation of Our Named Executive Officers</u>	65
<b><u>Part 7 Additional Information</u></b>	<b>66</b>
<b><u>Exhibit A Citrix Systems, Inc. 2015 Employee Stock Purchase Plan</u></b>	<b>A-1</b>

CITRIX SYSTEMS, INC. | 2015 PROXY STATEMENT

**Table of Contents**

**CITRIX SYSTEMS, INC.**

**851 West Cypress Creek Road**

**Fort Lauderdale, Florida 33309**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**To Be Held on May 28, 2015**

**To the Shareholders of Citrix Systems, Inc.:**

The Annual Meeting of Shareholders of Citrix Systems, Inc., a Delaware corporation, will be held on Thursday, May 28, 2015 at 4:00 p.m. Pacific time, at our offices at 4988 Great America Parkway, Santa Clara, California 95054, United States for the following purposes:

1. to elect seven members to the Board of Directors, each to serve for a one-year term and until his or her successor has been duly elected and qualified or until his or her earlier resignation or removal;
2. to approve our 2015 Employee Stock Purchase Plan;
3. to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2015;
4. to hold an advisory vote to approve the compensation of our named executive officers; and
5. to transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

The proposal for the election of directors relates solely to the election of seven directors nominated by our Board of Directors and does not include any other matters relating to the election of directors, including, without limitation, the election of directors nominated by any shareholder.

Only shareholders of record at the close of business on April 1, 2015 are entitled to notice of and to vote at the Annual Meeting and at any adjournment or postponement thereof.

All shareholders are cordially invited to attend the Annual Meeting in person. To assure your representation at the Annual Meeting, we urge you to vote via the Internet at [www.proxyvote.com](http://www.proxyvote.com) or by telephone by following the instructions on the Notice of Internet Availability of Proxy Materials you received in the mail and which instructions are also provided on that website, or, if you have requested a proxy card by mail, by signing, voting and returning your proxy card to Broadridge Financial Solutions, 51 Mercedes Way, Edgewood, New York 11717. For specific instructions on how to vote your shares, please review the instructions for each of these voting options as detailed in your Notice of Internet Availability and in this Proxy Statement. If you attend the Annual Meeting, you may vote in

person even if you have previously returned your proxy card or have voted via the Internet or by telephone.

In addition to their availability at [www.proxyvote.com](http://www.proxyvote.com), this Proxy Statement and our Annual Report to Shareholders are available for viewing, printing and downloading at [investors.citrix.com/annuals.cfm](http://investors.citrix.com/annuals.cfm).

By Order of the Board of Directors,

ANTONIO G. GOMES

Senior Vice President, General

Counsel and Secretary

Fort Lauderdale, Florida

April 17, 2015

WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE PROMPTLY COMPLETE YOUR PROXY AS INDICATED ABOVE IN ORDER TO ASSURE REPRESENTATION OF YOUR SHARES. PLEASE REVIEW THE INSTRUCTIONS FOR EACH OF YOUR VOTING OPTIONS DESCRIBED IN THIS PROXY STATEMENT AND THE NOTICE YOU RECEIVED IN THE MAIL.



**Table of Contents**

**CITRIX SYSTEMS, INC.**

**851 West Cypress Creek Road**

**Fort Lauderdale, Florida 33309**

**PROXY STATEMENT**

**For the Annual Meeting of Shareholders**

**To Be Held on May 28, 2015**

**April 17, 2015**

This Proxy Statement is being furnished in connection with the solicitation of proxies by the Board of Directors of Citrix Systems, Inc., a Delaware corporation, for use at the Annual Meeting of Shareholders to be held on Thursday, May 28, 2015 at 4:00 p.m. Pacific time, at our offices at 4988 Great America Parkway, Santa Clara, California 95054, United States, or at any adjournments or postponements thereof. An Annual Report to Shareholders, containing financial statements for the year ended December 31, 2014, and this Proxy Statement are being made available to all shareholders entitled to vote at the Annual Meeting. This Proxy Statement and the form of proxy were first made available to shareholders on or about April 17, 2015.

The purposes of the Annual Meeting are to:

elect seven directors for one-year terms;

approve our 2015 Employee Stock Purchase Plan;

ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2015; and

hold an advisory vote to approve the compensation of our named executive officers.

Only shareholders of record at the close of business on April 1, 2015, which we refer to as the record date, will be entitled to receive notice of and to vote at the Annual Meeting. As of that date, 160,091,624 shares of our common stock, \$.001 par value per share, were issued and outstanding. Shareholders are entitled to one vote per share on any proposal presented at the Annual Meeting. You may vote via the Internet at [www.proxyvote.com](http://www.proxyvote.com) or by telephone at 1-800-690-6903 by following the instructions on the Notice you received in the mail and which are also provided on that website; or, if you have requested a proxy card by mail, by signing, voting and returning your proxy card. If you attend the Annual Meeting, you may vote in person even if you have previously voted by phone or via the Internet or returned a proxy card by mail.

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before it is voted. Proxies may be revoked by:

- (a) filing with our Secretary, before the taking of the vote at the Annual Meeting, a written notice of revocation bearing a later date than the proxy;
- (b) properly casting a new vote via the Internet or by telephone at any time before the closure of the Internet or telephone voting facilities;
- (c) duly completing a later-dated proxy relating to the same shares and delivering it to our Secretary before the taking of the vote at the Annual Meeting; or
- (d) attending the Annual Meeting and voting in person (although attendance at the Annual Meeting will not in and of itself constitute a revocation of a proxy).

Any written notice of revocation or subsequent proxy should be sent so as to be delivered to our principal executive offices at Citrix Systems, Inc., 851 West Cypress Creek Road, Fort Lauderdale, Florida 33309, Attention: Secretary, before the taking of the vote at the Annual Meeting.

CITRIX SYSTEMS, INC. | 2015 PROXY STATEMENT

## Table of Contents

The representation in person or by proxy of at least a majority of the outstanding shares of our common stock entitled to vote at the Annual Meeting is necessary to constitute a quorum for the transaction of business. Abstentions and broker non-votes (discussed below) are counted as present or represented for purposes of determining the presence or absence of a quorum for the Annual Meeting. When a quorum is present at any meeting of shareholders, the holders of a majority of the stock present or represented and voting on a matter shall decide any matter to be voted upon by the shareholders at such meeting, except when a different vote is required by express provision of law, our amended and restated certificate of incorporation (as amended and currently in effect, our Certificate of Incorporation ) or our bylaws.

For Proposal 1, the election of seven directors, each nominee shall be elected as a director if the votes cast for such nominee's election exceed the votes cast against such nominee's election. Any director who fails to receive the required number of votes for his or her re-election is required to submit his resignation to the Board. Our Nominating and Corporate Governance Committee (excluding any director nominee who failed to receive the required number of votes) will promptly consider any such director's resignation and make a recommendation to the Board as to whether such resignation should be accepted. The Board is required to act on the Nominating and Corporate Governance Committee's recommendation within 90 days of the certification of the shareholder vote for the Annual Meeting.

For each of Proposal 2 (the approval of our 2015 Employee Stock Purchase Plan), Proposal 3 (the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2015) and Proposal 4 (the advisory vote to approve the compensation of our named executive officers), an affirmative vote of a majority of the shares present, in person or represented by proxy, and voting on such matter is required for approval.

Broadridge Financial Solutions tabulates the votes. The vote on each matter submitted to shareholders is tabulated separately.

Broker non-votes are shares held by a nominee (such as a bank or brokerage firm) which, although counted for purposes of determining a quorum, are not voted on a particular matter because voting instructions have not been received from the nominees' clients (who are the beneficial owners of such shares). Under national securities exchange rules, nominees who hold shares of common stock in street name for, and have transmitted our proxy solicitation materials to, their customers but do not receive voting instructions from such customers, are not permitted to vote such customers' shares on non-routine matters. Proposal 3 is considered a routine matter and nominees therefore have discretionary voting power as to Proposal 3. For non-routine matters, these broker non-votes shall not be counted as votes cast and therefore will have no effect on Proposals 1, 2, and 4. Similarly, abstentions are not counted as votes cast and thus will have no effect on Proposals 1, 2, 3 and 4.

The persons named as attorneys-in-fact in the proxies, Mark B. Templeton and David J. Henshall, were selected by the Board and are officers of Citrix. All properly executed proxies submitted in time to be counted at the Annual Meeting will be voted by such persons at the Annual Meeting. Where a choice has been specified on the proxy with respect to the foregoing matters, the shares represented by the proxy will be voted in accordance with the specifications. **If no such specifications are indicated, such proxies will be voted FOR Proposal 1 (the election of the director nominees), FOR Proposal 2 (approval of our 2015 Employee Stock Purchase Plan), FOR Proposal 3 (ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2015) and FOR Proposal 4 (the approval, on an advisory basis, of the compensation of our named executive officers).**

Aside from the proposals included in this Proxy Statement, our Board knows of no other matters to be presented at the Annual Meeting. If any other matter should be presented at the Annual Meeting upon which a vote may properly be taken, shares represented by all proxies received by the Board will be voted with respect to such matter in accordance

with the judgment of the persons named as attorneys-in-fact in the proxies.

CITRIX SYSTEMS, INC. | 2015 PROXY STATEMENT

**Table of Contents**

PROXY HIGHLIGHTS

This summary should be read in conjunction with our Annual Report on Form 10-K and the entire Proxy Statement.

Transformation of Our Business

In 2014, Citrix celebrated its twenty-fifth year. During this period, we have transformed our business through several growth phases, from remote access to application delivery, to virtualization, to mobile workspaces and now to the software-defined workplace. A software-defined workplace is one where people can securely and effortlessly collaborate across the boundaries of time, place and device.

Key to these transformations has been the leadership and vision of our Chief Executive Officer, Mark Templeton. Mark joined Citrix prior to our initial public offering; and during his tenure, Citrix has transformed from a one-product, \$15 million organization, to a global market leader with revenues of \$3.14 billion in 2014. Mark has shaped our culture, market direction and product strategy, and has driven a passion for customers throughout Citrix.

Today, Mark is transforming our business around our vision of the software defined workplace a differentiated strategy to drive growth, profitability and unique value to our customers and partners. Internally, this is driving realignment, clarity and focus. Over the past two quarters, for example, we have been making changes to reshape our business and organizational structure to align with our strategy.

## **Table of Contents**

First, we strengthened our leadership team with the appointments of Carlos Sartorius as our Senior Vice President for Worldwide Sales and Services; Robson Grieve as our Senior Vice President for Customer Experience & Marketing and Chief Marketing Officer; and Geir Ramleth as our Senior Vice President and General Manager, Workspace Services and Chief Strategy Officer. These seasoned executives bring strong track records, global experience and the additional leadership talent we need to operationalize, execute and drive our strategy.

Next, we established three business units that are oriented around our three strategic areas of focus: delivery networks, workspace services and mobility apps.

Then, we took actions to better reflect our strategy in our organizational structure and operating model by refocusing our investments on our highest growth opportunities and streamlining decision-making. As part of these actions, in January we announced a restructuring program designed to increase strategic focus and operational efficiency. The restructuring will affect approximately 700 full-time and 200 contractor positions, and is expected to result in annualized pre-tax savings in the range of approximately \$90 million to \$100 million.

## **2014 Business Highlights**

Our transformation led to the following financial performance in 2014.

8% increase in annual revenue to \$3.14 billion

Net income of \$252 million, or \$1.47 per diluted share

\$846 million in cash flow from operations

Our balance sheet is robust, including \$1.56 billion in deferred revenue and \$570 million in net cash & investments as of December 31, 2014. In 2014, we also launched new programs to better optimize our capital structure and programmatically return capital to shareholders. For example, in the second quarter 2014, we successfully completed the issuance of \$1.4 billion in convertible securities while simultaneously initiating a \$1.5 billion accelerated share repurchase program. For the full year 2014, we repurchased 26.1 million shares of our stock, representing about 14% of shares outstanding.

**Table of Contents**

All of this contributed to a total shareholder return of approximately 53% over the five-year period ended on December 31, 2014.

**Comparison Of Cumulative Five Year Total Return**

**Executive Compensation Highlights**

**Aligning Pay to Company Performance**

Our executive compensation program is structured to align at least 50% of our Chief Executive Officer's annual compensation directly with company performance as shown below.

- (1) While we intend that at least 50% of our Chief Executive Officer's total compensation be performance-based compensation, in 2014, our Chief Executive Officer's total target compensation mix differed from our target mix due to the timing of his annual equity grant, which was made in anticipation of his planned retirement. See *Individual Executive Compensation Decisions* beginning on page 41 for further details regarding our Chief Executive Officer's compensation. In 2015, we expect that the compensation mix for our Chief Executive Officer will be at least 50% performance-based.

## Table of Contents

The payout opportunity levels under our executive variable cash compensation plan are designed to motivate performance that meets or exceeds our financial plan objectives while mitigating undue exposure to under-performance of these objectives. For 2014, each executive's variable cash compensation plan award was based 100% on the achievement of financial operating targets established by the Compensation Committee, consistent with our annual operating plan. Based on 2014 company performance, variable cash compensation plan awards for 2014 paid 89.4% of the target amount. Over the past seven years, our variable cash compensation plan awards have paid out between 56.4% and 130.4% and paid above 100% only twice.

Further, we tie at least 50% of our equity awards to executives to long-term total shareholder return in the form of market performance-based restricted stock units. The performance period for the market performance-based restricted stock units granted in 2012, the first year we granted awards having these performance metrics, ended on December 31, 2014. During the three-year performance period for these awards, the NASDAQ Composite Index significantly exceeded our own returns. Based on this comparative performance, no shares vested under these awards. As a result, our Chief Executive Officer's realizable equity compensation was only 42% of the overall value of his 2012 stock awards, and only 52% of the 2012 total compensation, originally reported in the Summary Compensation Table in our 2013 Proxy Statement (which reported the grant date fair value of these awards). Our Executive Vice President, Chief Operating Officer and Chief Financial Officer, our Chief of Staff, Office of the CEO (formerly, General Counsel and Senior Vice President, Human Resources) and our Senior Vice President, Sales and Services were similarly impacted. We did not grant discretionary bonuses or awards or make any compensation adjustments to compensate for the awards that failed to vest.

- (1) Values are calculated using the aggregate grant date fair value of restricted stock unit awards in the year in which the grant was made and are as reported in the Summary Compensation Table in our 2013 Proxy Statement. The values include service-based and market performance-based restricted stock unit awards. The assumptions we used for calculating the grant date fair value are set forth in Note 7 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2012, which was filed with the SEC on February 21, 2013. In the case of market performance-based restricted stock units, the fair value reported in the Summary Compensation Table in our 2013 Proxy Statement was the probable outcome, which was 100% target achievement. No shares vested under these market performance-based awards; and as a result, no value is realizable for these awards.



## **Table of Contents**

### Governance Highlights

The following summary of our governance policies and facts highlights our commitment to governance practices that protect shareholder rights:

- ü All of our director nominees for the Annual Meeting are independent
- ü Eliminated classified Board
- ü Independent Chairman
- ü Annual Board self-assessment process, including peer evaluations
- ü Active shareholder engagement
- ü Majority voting for director elections
- ü Focus on succession planning
- ü Independent directors regularly meet without management present (CEO is only non-independent Board member)
- ü Longstanding commitment to corporate responsibility
- ü Stock ownership guidelines for executives and directors
- ü Policies prohibiting hedging, short selling and pledging of our common stock
- ü Commitment to evolving our Board as our company scales
- ü Strong commitment to pay-for-performance
- ü Board oversight of risk management

### Shareholder Outreach and Engagement

In 2014, our shareholders continued their support of our executive compensation programs with over 97% of the votes cast at our Annual Meeting of Stockholders supporting our say on pay proposal.

Beyond consideration of our annual say on pay vote, our leaders regularly engage with shareholders to better understand their perspectives on a wide range of issues.

For example, in addition to our regular investor relations program, during 2014, we engaged with our largest shareholders representing approximately 25% of Citrix's outstanding common stock. These investor meetings covered such topics as Citrix's business strategy, governance standards, the evolution of our Board of Directors, CEO and executive succession planning, and our approach to executive compensation. Our Chief Executive Officer or our Board Chairman participated in every meeting along with other senior leaders. We believe it is important to maintain ongoing conversations outside of the annual meeting process so that we may shape our policies and practices with an informed point of view.

Further, our Board has established a policy which provides every security holder with the ability to communicate with the Board as a whole or with individual directors on the Board. This process is described on page 12.

### Our Board of Directors

Over the past several years, we have evolved our Board to ensure that it is composed of capable and diverse directors who have the skills and experience necessary to oversee Citrix as we scale and transform our business. With the assistance of outside advisers, we have sought director candidates from a broad pool of candidates. As a result, Robert

Daleo was elected to our Board in 2013, and in 2014 Robert M. Calderoni and Francis deSouza were each elected to our Board. Among other skills, qualifications and personal characteristics, Messrs. Daleo and Calderoni bring experience in managing large scale global enterprises, and Mr. deSouza has significant product strategy experience and met our business experience and diversity objectives for candidates. Also, as announced in February, Gary E. Morin will not be standing for re-election to our Board. We expect that our Board will continue to evolve.

**Table of Contents**

Please see our discussion of director qualification under *Considerations Governing Director Nominations* on page 7.

The following table provides summary information about each Director nominee. Each Director will be elected for a one-year term.

Name	Age	Director Since	Experience	Independent	Other Public Company Boards	Committee Membership				
						A	NCG	C	F	ST
Thomas F. Bogan	63	2003	CEO Adaptive Insights; Former COO Rational Software	X	2		Ch			M
Robert M. Calderoni	55	2014	Former Chairman & CEO Ariba	X	2	M			M	
Nanci E. Caldwell	57	2008	Former EVP & CMO PeopleSoft	X	1			M		
Robert D. Daleo	65	2013	Former Vice Chairman, EVP & CFO Thomson Reuters	X	1	Ch			Ch	
Murray J. Demo	53	2005	Former EVP & CFO, Dolby Laboratories and Adobe	X	1			Ch		
Francis deSouza	44	2014	President Illumina, Inc.; Former President Products and Services Symantec	X	1					M
Asiff S. Hirji	48	2006	CRO Hewlett Packard; Partner TPG; Former President TD Ameritrade	X	1					M

A - Audit    NCG - Nominating & Corporate Governance    C - Compensation    F - Finance    ST - Strategy  
M - Member    Ch - Chair

Voting Matters

The proposals to be considered at the Annual Meeting are as follows:

		Board recommendation	See page number for more detail
<b>PROPOSAL 1</b>	Election of Directors	FOR each Nominee	60
<b>PROPOSAL 2</b>	Approval of the 2015 Employee Stock Purchase Plan	FOR	61
<b>PROPOSAL 3</b>		FOR	64

	Ratification of Appointment of Independent Registered Public Accounting Firm for 2015		
<b>PROPOSAL 4</b>	Non-binding Advisory Vote to Approve the Compensation of our Named Executive Officers (Say on Pay)	FOR	65

## **Table of Contents**

### Part 1 Corporate Governance

#### **INDEPENDENCE OF MEMBERS OF OUR BOARD**

Our Board has determined that each of our non-employee directors (Mr. Bogan, Mr. Calderoni, Ms. Caldwell, Mr. Daleo, Mr. Demo, Mr. deSouza, Mr. Dow, Mr. Hirji, Mr. Morin and Mr. Sullivan) is independent within the meaning of the director independence standards of The Nasdaq Stock Market LLC, or Nasdaq, and the SEC, including Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended. Furthermore, our Board has determined that each member of each of the committees of the Board is independent within the meaning of Nasdaq's and the SEC's director independence standards. In making this determination, our Board solicited information from each of our directors regarding whether such director, or any member of his or her immediate family, had a direct or indirect material interest in any transactions involving Citrix, was involved in a debt relationship with Citrix or received personal benefits outside the scope of such person's normal compensation. The Board of Directors determined that there were no such relationships. Our Board considered the responses of our directors, and independently considered the commercial agreements, acquisitions, and other material transactions entered into by Citrix during 2014.

#### **BOARD LEADERSHIP STRUCTURE**

Our Corporate Governance Guidelines provide our Board with flexibility to select the appropriate leadership structure based on the specific needs of our business and the best interests of our shareholders. Our Corporate Governance Guidelines set forth our general policy that the positions of Chairperson of the Board and Chief Executive Officer, will be held by different persons. In certain circumstances, however, our Board may determine that it is in our best interests for the same person to hold the positions of Chairperson and Chief Executive Officer. In such event, the Board will appoint an independent member of our Board as the Lead Independent Director. Our general policy is that the position of Chairperson or Lead Independent Director, as the case may be, will be held by an independent member of our Board. The Chairperson (or Lead Independent Director) will preside at executive sessions of the independent directors and will have such further responsibilities as the full Board may designate from time to time.

Since 2002, we have separated the roles of Chairperson and Chief Executive Officer. Our Board believes that this leadership structure is appropriate for Citrix at the current time, as it provides an appropriate balance between the two roles. Our Chief Executive Officer is responsible for setting the strategic direction for Citrix and day-to-day leadership, while the Chairperson of our Board provides guidance to our Chief Executive Officer and presides over meetings of the full Board. Thus, our Board believes that the current structure balances the need for our Chief Executive Officer to run Citrix on a day-to-day basis, with the benefit provided to us by significant involvement of an independent member of our Board.

#### **EXECUTIVE SESSIONS OF INDEPENDENT DIRECTORS**

Executive sessions of the independent directors are held at least four times a year following regularly scheduled in-person meetings of our Board. Executive sessions do not include Mr. Templeton and the Chairperson of our Board is responsible for chairing the executive sessions.

## **EXECUTIVE SUCCESSION**

Executive succession is regularly reviewed and discussed by our Board in Board Meetings and in executive sessions of the Board. At least one Board meeting each year is focused on human capital, including formal reviews of executive talent, organizational structure and succession planning, including succession planning for the role of Chief Executive Officer and other senior executive roles. In these sessions, among other things, our Board reviews the assumptions, processes and strategy for various succession events, including a Chief Executive Officer succession event, and reviews potential internal successor candidates. The Board's goal is to have a long-term and continuing program for effective executive development and succession.

## **CONSIDERATIONS GOVERNING DIRECTOR NOMINATIONS**

### **Director Qualifications**

The Nominating and Corporate Governance Committee of our Board is responsible for reviewing with the Board from

**Table of Contents**

time to time the appropriate qualities, skills and characteristics desired of members of the Board in the context of the needs of the business and current make-up of our Board. This assessment includes consideration of the following minimum qualifications that the Nominating and Corporate Governance Committee believes must be met by all directors:

directors must be of the highest ethical character and share the values of Citrix as reflected in our Code of Business Conduct;

directors must have reputations, both personal and professional, consistent with our image and reputation;

directors must have a commitment to enhancing shareholder value and representing the long-term interests of our shareholders as a whole, not just one particular constituency;

directors must have the ability to exercise sound business judgment based on an objective perspective;

directors must have substantial business or professional experience in areas that are relevant to our business and be able to offer meaningful advice and guidance to our management based on that experience; and

directors must have received a bachelor's degree from a qualified institution.

The Nominating and Corporate Governance Committee also may consider numerous other qualities, skills and characteristics when evaluating director nominees, such as:

an understanding of and experience in software, hardware or services, technology, accounting, governance, finance and/or marketing;

leadership experience with public companies or other major complex organizations;

experience on another public company board; and

the specific needs of our Board and the Committees of our Board at that time.

Our Board believes that a diverse membership with varying perspectives and breadth of experience is an important attribute of a well-functioning board and will enhance the quality of the Board's deliberations and decisions. As a result, the Nominating and Corporate Governance Committee will consider the diversity of background and experience of a director nominee (such as diversity of knowledge, skills, experience and expertise) as well as diversity of personal characteristics (such as diversity of gender, race, ethnicity, culture, thought and geography)

among its members in the overall context of the composition of the Board. The Nominating and Corporate Governance Committee and the Board discuss the composition of our Board, including diversity of background and experience, as part of the annual Board evaluation process.

### **Process for Identifying and Evaluating Director Nominees**

Our Board delegates the selection and nomination process to the Nominating and Corporate Governance Committee, with the expectation that other members of the Board, and of management, will be requested to take part in the process as appropriate. Generally, the Nominating and Corporate Governance Committee identifies candidates for director nominees in consultation with management, through the use of search firms or other advisors, through the recommendations submitted by shareholders or through such other methods as the Nominating and Corporate Governance Committee deems to be helpful to identify candidates. Once candidates have been identified, the Nominating and Corporate Governance Committee confirms that the candidates meet all of the minimum qualifications for director nominees established by the Nominating and Corporate Governance Committee.

The Nominating and Corporate Governance Committee gathers information about the candidates through interviews, detailed questionnaires, comprehensive background checks or any other means that the Nominating and Corporate Governance Committee deems to be helpful in the evaluation process. The Nominating and Corporate Governance Committee then meets as a group to discuss and evaluate the qualities and skills of each candidate, both on an individual basis and taking into account the overall composition and needs of our Board. Based on the results of the evaluation process, the Nominating and Corporate Governance Committee recommends candidates for the Board's approval as director nominees for election to our Board. The Nominating and Corporate Governance Committee also recommends candidates to the Board for appointment to the committees of the Board.

### **Procedures for Recommendation of Director Nominees by Shareholders**

The Nominating and Corporate Governance Committee will consider director nominee candidates who are recommended by our shareholders. Shareholders, in submitting recommendations to the Nominating and



**Table of Contents**

Corporate Governance Committee for director nominee candidates, shall follow the procedures described below.

Generally, the Nominating and Corporate Governance Committee must receive any such recommendation for nomination not later than the close of business on the 120th day nor earlier than the close of business on the 150th day prior to the first anniversary of the date the proxy statement was delivered to shareholders in connection with our preceding year's annual meeting.

All recommendations for nomination must be in writing and include the following:

name and address of the shareholder making the recommendation, as they appear on our books and records, and of such record holder's beneficial owner;

number of shares of our capital stock that are owned beneficially and held of record by such shareholder and such beneficial owner;

name of the individual recommended for consideration as a director nominee;

all other information relating to the recommended candidate that would be required to be disclosed in solicitations of proxies for the election of directors or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, including the recommended candidate's written consent to being named in the proxy statement as a nominee and to serving as a director if approved by our Board and elected; and

a written statement from the shareholder making the recommendation stating why such recommended candidate meets Citrix's criteria and would be able to fulfill the duties of a director.

Nominations must be sent to the attention of our Secretary by one of the two methods listed below:

By U.S. mail (including courier or expedited delivery service) to:

Citrix Systems, Inc.

851 West Cypress Creek Road

Fort Lauderdale, FL 33309

Attn: Secretary of Citrix Systems, Inc.

By facsimile to: (954) 229-6209

Attn: Secretary of Citrix Systems, Inc.

Our Secretary will promptly forward any such nominations to the Nominating and Corporate Governance Committee. As a requirement for being considered for nomination to our Board, a candidate will need to comply with the

following minimum procedural requirements:

a candidate must undergo a comprehensive private investigation background check by a qualified firm of our choosing;

a candidate must complete a detailed questionnaire regarding his or her experience, background and independence; and

a candidate must submit to our Board a statement to the effect that (1) if elected, he or she will tender promptly following his or her election an irrevocable resignation effective upon his or her failure to receive the required vote for re-election at the next meeting at which he or she would face re-election, and (2) upon acceptance of his or her resignation by our Board, in accordance with our Corporate Governance Guidelines, he or she shall resign as a member of the Board.

Once the Nominating and Corporate Governance Committee receives the nomination of a candidate and the candidate has complied with the minimum procedural requirements above, such candidacy will be evaluated and a recommendation with respect to such candidate will be delivered to our Board.

#### **POLICY GOVERNING DIRECTOR ATTENDANCE AT ANNUAL MEETINGS OF SHAREHOLDERS**

We conduct an annual meeting of shareholders, and all directors are offered the opportunity to attend at our expense. No members of our Board attended our annual meeting of shareholders held in 2014.

#### **BOARD EVALUATION PROGRAM**

Our Board annually undertakes a formal evaluation process consisting of an overall Board evaluation, committee evaluations, and peer evaluations by each member. As part of the evaluation process, our Board assesses its structure, processes, culture and effectiveness. The evaluation process also includes consideration of the appropriate Board size, committee composition and the functional, business and organizational skills that may be required of future Board members.

## **Table of Contents**

### **CODE OF ETHICS**

We have adopted a code of ethics, as defined by regulations promulgated under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, which we refer to as our Code of Business Conduct and which applies to all of our directors and employees worldwide, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A current copy of our Code of Business Conduct is available in the Corporate Governance section of our website at <http://www.citrix.com/about/governance.html>.

A copy of our Code of Business Conduct may also be obtained, free of charge, upon a request directed to: Citrix Systems, Inc., 851 West Cypress Creek Road, Fort Lauderdale, Florida 33309, Attention: Investor Relations. We intend to disclose any amendment to or waiver of a provision of our Code of Business Conduct, to the extent required by rules and regulations, that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, by posting such information on our website, available at <http://www.citrix.com/about/governance.html>.

For more corporate governance information, you are invited to access the Corporate Governance section of our website available at <http://www.citrix.com/about/governance.html>.

### **RISK OVERSIGHT**

Assessing and managing risk is the responsibility of Citrix's management. Our Board oversees and reviews certain aspects of our risk management efforts.

Our Board is involved in risk oversight through direct decision-making authority with respect to significant matters and the oversight of management by the Board and its committees. Among other areas, the Board is directly involved in overseeing risks related to our overall corporate strategy, including product, go-to-market and sales strategy, executive officer succession, cybersecurity, business continuity, crisis preparedness and competitive and reputational risks.

The committees of the Board execute their oversight responsibility for risk management as follows:

The Audit Committee has responsibility for overseeing our internal financial and accounting controls, work performed by our independent registered public accounting firm and our internal audit function. As part of its oversight function, the Audit Committee regularly reviews the policies and processes by which our exposure to certain significant areas of risk is assessed and managed. The Audit Committee also regularly discusses with management and our independent registered public accounting firm our major financial and controls-related risk exposures and steps that management has taken to monitor and control such exposures. The Audit Committee also oversees cybersecurity risks and reports to the full Board on such matters. In addition, we have, under the supervision of the Audit Committee, established procedures available to all employees for the anonymous and confidential submission of complaints relating to any matter to encourage employees to report questionable activities directly to our senior management and the Audit Committee.

The Finance Committee is responsible for overseeing risks related to our investments, financing activities, capital allocation strategies and world-wide insurance programs.

The Compensation Committee is responsible for ensuring that our compensation practices are consistent with our overall philosophy and drive the intended outcomes, overseeing risks related to our cash and equity-based compensation programs and practices as well as for evaluating whether our compensation plans encourage participants to take excessive risks that are reasonably likely to have a material adverse effect on Citrix. For a detailed discussion of our efforts to manage compensation related risks, see *Compensation Related Risk Assessment* below.

The Nominating and Corporate Governance Committee is responsible for overseeing risks related to the composition and structure of our Board and its committees, our corporate governance and certain areas of regulatory compliance. In this regard, the Nominating and Corporate Governance Committee conducts an annual evaluation of the Board and its committees, plans for Board member and executive officer succession, reviews transactions between Citrix and our officers, directors, affiliates of officers and directors, or other related parties for conflicts of interest, and annually reviews our most significant compliance policies and compliance training program. The Nominating and Corporate Governance Committee also periodically reviews reputational, intellectual property and litigation-related risks with management.

## **Table of Contents**

The Strategy Committee is responsible for overseeing risks related to our significant strategic transactions, including mergers and acquisitions and licensing transactions.

Currently, the roles of Chairperson of the Board and Chief Executive Officer are held by separate individuals. We believe that this leadership structure helps facilitate the Board's risk oversight function. For example, our Chief Executive Officer, in his dual role as the member of management responsible for setting the overall strategic direction of Citrix and as a member of the Board, can provide valuable insight to the Board concerning the strategic risks facing Citrix while our independent Chairperson provides independent leadership of the Board's risk oversight responsibilities.

We maintain a risk management program to identify, scope, communicate and manage risks across Citrix. As part of this program, our Internal Audit team, acting with executive sponsorship, facilitates a cross-functional engagement process that assesses and prioritizes risks that we face and monitors certain of our risk management programs. The Audit Committee receives a report concerning our risk management efforts on an annual basis.

## **COMPENSATION RELATED RISK ASSESSMENT**

We believe that our executive and employee compensation plans are appropriately structured so as not to incent excessive risk taking and are not reasonably likely to have a material adverse effect on our business. In particular, the Compensation Committee considered the following aspects of our compensation plans and policies when evaluating these areas:

Our base salary component of compensation does not encourage risk taking because it is a fixed amount.

Our Board annually approves a corporate operating plan with goals that it believes are appropriate and reasonable in light of past performance and current market opportunities. Our annual operating plan is the basis for the performance targets in our annual variable cash compensation plans.

For our executive variable cash compensation plans, awards are based on the achievement of at least two objective performance measures, thus diversifying the risk associated with any single indicator of performance.

For our variable cash compensation plans, we select performance measures that we believe are less susceptible to manipulation (for example, non-GAAP operating margin) than other performance measures that we could select (for example, non-GAAP earnings per share).

We model amounts payable under proposed variable cash compensation plan structures against various scenarios and assess those payouts as a percentage of non-GAAP earnings per share, non-GAAP corporate operating income and other variables to ensure that our framework appropriately balances pay versus return to shareholders.

All of our executive and corporate variable cash compensation plans are capped at 200% of target awards so as to prevent award payments in excess of specific returns to the business and our shareholders, even if we dramatically exceed our performance or financial targets.

Assuming achievement of a threshold level of performance, payouts under our performance-based plans if target performance metrics are not achieved result in compensation at levels below full target achievement, rather than an all-or-nothing approach, which could engender excessive risk taking.

We have implemented a market performance-based restricted stock unit program, which awards our executives with restricted stock units based on the total return to our shareholders over a three-year period compared to the return on the Nasdaq Composite Total Return Index, thereby providing executives with strong incentives to increase shareholder value over the long-term. This program is capped at 200% of target awards to prevent excessive compensation even if we dramatically outperform the Index, and the awards fully vest only at the end of the three-year performance period.

The Compensation Committee, or in the case of our President and Chief Executive Officer, the independent members of our Board, determine achievement levels under our variable cash compensation plan and performance-vesting restricted stock unit awards after reviewing the company's performance.

Our executive stock ownership policy requires executives to hold significant levels of stock, which aligns an appropriate portion of their personal wealth to our long-term performance.

**Table of Contents**

**POLICY GOVERNING SHAREHOLDER COMMUNICATIONS WITH OUR BOARD**

Members of our management team regularly meet with shareholders to discuss a broad range of topics, including our governance and compensation practices. In addition, our Board provides to every security holder the ability to communicate with the Board as a whole and with individual directors on the Board through an established process for security holder communication as follows:

For communications directed to our Board as a whole, shareholders may send such communications to the attention of the Chairperson of the Board by one of the two methods listed below:

By U.S. mail (including courier or expedited delivery service) to:

Citrix Systems, Inc.

851 West Cypress Creek Road

Fort Lauderdale, FL 33309

Attn: Chairperson of the Board of Directors, c/o Secretary

By facsimile to: (954) 229-6209

Attn: Chairperson of the Board of Directors, c/o Secretary

For shareholder communications directed to an individual director in his or her capacity as a member of our Board, shareholders may send such communications to the attention of the individual director by one of the two methods listed below:

By U.S. mail (including courier or expedited delivery service) to:

Citrix Systems, Inc.

851 West Cypress Creek Road

Fort Lauderdale, FL 33309

Attn: Secretary of Citrix Systems, Inc.

By facsimile to: (954) 229-6209

Attn: Secretary of Citrix Systems, Inc.

We will forward any such security holder communication to the Chairperson of the Board, as a representative of the Board, or to the director to whom the communication is addressed, on a periodic basis. We will forward such communications by certified U.S. mail to an address specified by each director and the Chairperson of the Board for such purposes or by secure electronic transmission.

12 CITRIX SYSTEMS, INC. | 2015 PROXY STATEMENT



**Table of Contents**

## Part 2 Board of Directors

## Our Directors

The following table sets forth our current directors (including the nominees for the Annual Meeting). As announced in February 2015, Gary E. Morin will not be standing for re-election.

The biographical description below for each director nominee includes the specific experience, qualifications, attributes and skills that led to the conclusion by our Board that such person should serve as a director of Citrix. The biographical description of each director who is not standing for election includes the specific experience, qualifications, attributes and skills that our Board would expect to consider if it were making a conclusion currently as to whether such person should serve as a director. The Board did not currently evaluate whether these directors should serve as directors, as the terms for which they have been previously elected continue beyond the Annual Meeting.

Name	Position(s) with Citrix
Thomas F. Bogan	Director, Chairperson of the Board
Robert M. Calderoni	Director
Nanci E. Caldwell	Director
Robert D. Daleo	Director
Murray J. Demo	Director
Francis deSouza	Director
Stephen M. Dow	Director
Asiff S. Hirji	Director
Gary E. Morin	Director
Godfrey R. Sullivan	Director
Mark B. Templeton	President, Chief Executive Officer and Director

**Director Nominees*****Thomas F. Bogan***

Chief Executive Officer of Adaptive Insights, Palo Alto, CA (Cloud services company)

**Age:** 63

**Director Since:** January 2003

**Chairperson Since:** May 2005

**Committees:** Nominating and Corporate Governance (Chair), Strategy

**Other Boards:** Since July 2011, Mr. Bogan has served as a member of the Board of PTC, a publicly-traded company that develops, markets and supports product development software solutions. Mr. Bogan has also served on the Board of Rally Software Development Corp., a publicly-traded global provider of cloud-based solutions for managing agile software development since December 2009.

**Key Director Qualifications:** Since January 2015, Mr. Bogan has served as Chief Executive Officer at Adaptive Insights, a provider of cloud-based performance management solutions. Mr. Bogan has been a Venture Partner at Greylock Partners, a venture capital firm, since January 2010, where he previously served as a Partner. Prior to Greylock, Mr. Bogan held

## **Table of Contents**

numerous executive-level positions at Rational Software until its sale to IBM in 2003, including President and Chief Operating Officer. Mr. Bogan has also served as President and Chief Executive Officer of two early stage networking technology companies, has served in financial executive roles in public and private companies and also held positions in public accounting. The Board believes Mr. Bogan's qualifications to sit on our Board include his decades of senior management experience in the software industry, including as a chief executive officer, chief operating officer and a venture capital investor, during which time he has gained significant strategic, operational, financial and corporate governance expertise.

### ***Robert M. Calderoni***

Former Chairman and Chief Executive Officer of Ariba, Sunnyvale, CA (Software and IT services company)

**Age:** 55

**Director Since:** June 2014

**Committees:** Audit, Finance

**Other Boards:** Since October 2003, Mr. Calderoni has served on the Board of Juniper Networks, Inc., a publicly-traded networking company; and since March 2007, he has served on the Board of KLA-Tencor, a publicly-traded semiconductor equipment company.

**Key Director Qualifications:** Mr. Calderoni served as Chairman and Chief Executive Officer of Ariba, Inc., a cloud applications and business network company, from October 2001 until it was acquired by SAP, a publicly-traded software and IT services company, in October 2012, and then continued as Chief Executive Officer of Ariba following the acquisition until January 2014. Mr. Calderoni also served as a member of the global managing board at SAP AG between November 2012 and January 2014 and as President SAP Cloud at SAP AG from June 2013 to January 2014. Mr. Calderoni has also held senior finance roles at Apple and IBM and served as Chief Financial Officer of Avery Dennison Corporation, a publicly-traded packaging and labelling solutions company. The Board believes Mr. Calderoni's qualifications to sit on our Board include his extensive leadership and business development experience as Chief Executive Officer of a publicly-traded software-as-a-service company and his deep financial, accounting, corporate finance and operations expertise gleaned through his experience in managing large scale global enterprises.

### ***Nanci E. Caldwell***

Former Executive Vice President and Chief Marketing Officer of PeopleSoft, Pleasanton, California (Human resources management software company)

**Age:** 57

**Director Since:** July 2008

**Committee:** Compensation

**Other Boards:** Since June 2009, Ms. Caldwell has served as a member of the Board of Tibco Software Inc., a publicly-traded leading business integration and process management software company.

**Key Director Qualifications:** Since 2005, Ms. Caldwell has served as a member of a number of Boards of both public and private technology companies, including Deltek, Inc., a publicly-traded enterprise management software company from 2005 to 2012; Network General, now NetScout Inc., a publicly-traded provider of integrated network performance management solutions from 2005 to 2007; and Hyperion Solutions Corporation, a publicly-traded provider of performance management software acquired by Oracle in 2007, from 2006 to 2007. From April 2001 until

it was acquired by Oracle in December 2004, Ms. Caldwell served as Executive Vice President and Chief Marketing Officer for PeopleSoft,

14 CITRIX SYSTEMS, INC. | 2015 PROXY STATEMENT

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**Table of Contents**

Inc., a publicly-held human resource management software company. The Board believes Ms. Caldwell's qualifications to sit on our Board include her extensive experience with technology and software companies, including in the areas of sales and marketing, as well as her executive leadership and management expertise with publicly-traded companies.

***Robert D. Daleo***

Retired Vice Chairman of Thomson Reuters, New York, NY (Integrated information solutions provider)

**Age:** 65

**Director Since:** May 2013

**Committees:** Audit (Chair), Finance (Chair)

**Other Boards:** Since August 2006, Mr. Daleo has served on the Board of Equifax, a publicly-traded global provider of information solutions and human resources business process outsourcing services.

**Key Director Qualifications:** Prior to his retirement in December 2012, Mr. Daleo served as Vice Chairman of Thomson Reuters, a publicly-traded global provider of integrated information solutions to business and professional customers. Mr. Daleo previously served as Executive Vice President and Chief Financial Officer of Thomson Reuters or its predecessors from 1998 through 2011, and was a member of The Thomson Corporation Board from 2001 to April 2008. Prior to joining The Thomson Corporation, he held various financial and operational leadership positions with The McGraw-Hill Companies, Inc., a publicly-traded content and analytics provider, and Automatic Data Processing, Inc., a publicly-traded provider of business outsourcing solutions. The Board believes Mr. Daleo's qualifications to sit on our Board include his experience in managing a large scale global enterprise, extensive financial accounting, corporate finance, operations and business development expertise through his experience as Chief Financial Officer of a large multinational company, as well as his Board-level experience with Thomson Reuters and Equifax.

***Murray J. Demo***

Former Executive Vice President and Chief Financial Officer of Dolby Laboratories, San Francisco, CA (Entertainment technologies company); Former Executive Vice President and Chief Financial Officer of Adobe, San Jose, CA (Digital marketing and digital media solutions company)

**Age:** 53

**Director Since:** February 2005

**Committees:** Compensation (Chair)

**Other Boards:** Since May 2012, Mr. Demo has served on the Board of Xoom Corporation, a publicly-traded global online money transfer provider.

**Key Director Qualifications:** Mr. Demo served as Executive Vice President and Chief Financial Officer of Dolby Laboratories, a publicly-traded global leader in entertainment technologies, from May 2009 until June 2012. Mr. Demo has also served as Executive Vice President and Chief Financial Officer of LiveOps, a privately-held virtual call center company and as Executive Vice President and Chief Financial Officer of Postini, Inc., a security software company, which was acquired by Google in September 2007. Mr. Demo also held various executive-level finance roles at Adobe Systems Incorporated, including Executive Vice President and Chief Financial Officer. The Board believes Mr. Demo's qualifications to sit on our Board include his extensive experience with finance and

accounting matters for global organizations in the technology industry, including the experience that he has gained in his roles as Chief Financial Officer of publicly-traded companies.

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**Table of Contents**

***Francis deSouza***

President of Illumina, San Diego, CA (Biotechnology company); Former President, Products and Services, Symantec, Mountain View, CA (Software technology company)

***Age:*** 44

***Director Since:*** December 2014

***Committees:*** Strategy

***Other Boards:*** Since January 2014, Mr. deSouza has served on the Board of Illumina, Inc., a publicly-traded biotechnology company.

***Key Director Qualifications:*** Since December 2013, Mr. deSouza has served as the President of Illumina, Inc., a biotechnology company specializing in genetic sequencing and analysis. Prior to joining Illumina, Mr. deSouza was President, Products and Services at Symantec Corporation, a publicly-traded software technology company, from January 2013 to December 2013. Mr. deSouza also served as Symantec's Group President, Enterprise Products and Services, from May 2011 to January 2013 and Senior Vice President, Enterprise Security Group, from January 2009 to May 2011. Mr. deSouza has experience as founder and Chief Executive Officer of two enterprise instant messaging software companies: IMlogic, Inc., which was acquired by Symantec in February 2006, and Flash Communications, which was acquired by Microsoft in February 1998. Mr. deSouza also has experience as product manager at Microsoft. The Board believes Mr. deSouza's qualifications to sit on our Board include his significant product strategy experience, his extensive experience with both entrepreneurial companies and large enterprises, and his understanding of the risks and opportunities faced by growing public technology companies.

***Asiff S. Hirji***

Chief Restructuring Officer of Hewlett-Packard, Palo Alto, CA (Hardware, software and IT services company); Former Partner, TPG, San Francisco, CA (Global private investment firm)

***Age:*** 48

***Director Since:*** May 2006

***Committees:*** Strategy

***Other Boards:*** Since September 2011, Mr. Hirji has served on the Board of Advent Software, Inc., a publicly-traded company that designs software to automate portfolio accounting for investment management firms.

***Key Director Qualifications:*** Since January 2015, Mr. Hirji has served as Chief Restructuring Officer of Hewlett-Packard Company, a publicly-traded multinational hardware, software and IT services company. Mr. Hirji is also the Founder of Inflektion LLC, a private capital and operating firm founded in 2013. From April 2007 to December 2013, Mr. Hirji served as a Partner of TPG Capital, L.P., a global private investment firm. Mr. Hirji previously held numerous positions at TD Ameritrade Holding Company, including Chief Operating Officer. Mr. Hirji also has experience as Vice President, Partner, of Bain & Company and as President of Meralix, Inc., a firm specializing in turning around troubled portfolio companies for private equity funds. The Board believes Mr. Hirji's qualifications to sit on our Board include his extensive experience with global companies, his financial and investment expertise, and his years of experience providing strategic advice to complex organizations.

**Table of Contents**

**Directors whose terms expire at the 2016 Annual Meeting**

***Stephen M. Dow***

General Partner of Sevin Rosen, Palo Alto, CA (Venture capital investment firm)

**Age:** 59

**Director Since:** July 1989

**Committees:** Audit, Finance, Nominating and Corporate Governance, Strategy (Chair)

**Other Boards:** Since April 2005 and September 2005, Mr. Dow has served as a member of the Board and Chairperson, respectively, of Adler Biopharmaceuticals, Inc., a publicly-traded clinical-stage biopharmaceutical company.

**Key Director Qualifications:** Since 1983, Mr. Dow has served as a general partner of Sevin Rosen Funds, a venture capital investment firm. Mr. Dow also served as our Board's Chairperson from May 2002 to May 2005. Mr. Dow served on the Board of Cytokinetics, Inc., a publicly-traded biopharmaceutical company from 1998 to 2013. The Board believes Mr. Dow's qualifications to sit on our Board include his experience in leading a venture capital investment firm, during which time he has gained significant expertise in evaluating investment opportunities and overseeing management development and operations of portfolio companies, as well as his deep understanding of Citrix's organization, markets and products.

***Godfrey R. Sullivan***

President, Chief Executive Officer and Chairman of Splunk, San Francisco, CA (IT and search software company)

**Age:** 61

**Director Since:** February 2005

**Committees:** Compensation, Nominating and Corporate Governance

**Key Director Qualifications:** Since 2008, Mr. Sullivan has served as the President, Chief Executive Officer and Chairman of Splunk Inc., a publicly-traded information technology search software company. Prior to Splunk, Mr. Sullivan led Hyperion Solutions Corporation, a publicly-traded software company, where he was first its President and Chief Operating Officer and subsequently its President and Chief Executive Officer, until its acquisition by Oracle in April 2007. Mr. Sullivan also served on the Board of Informatica Corporation, a publicly-traded data integration company, from January 2008 to June 2013. The Board believes Mr. Sullivan's qualifications to sit on our Board include his decades of executive and operational experience with technology and software companies.

***Mark B. Templeton***

President, Chief Executive Officer and Director, Citrix

**Age:** 62

**Director Since:** May 1998



**Other Boards:** Since February 2008, Mr. Templeton has served on the Board of Equifax, Inc., a publicly-traded global provider of information solutions and human resources business process outsourcing services.

**Key Director Qualifications:** Mr. Templeton has served as our President since January 1998 and as our Chief Executive Officer from June 2001 to the present. The Board believes Mr. Templeton's qualifications to sit on our Board include his decades of experience in the software industry, including 17 years as our President and/or Chief Executive Officer, and his deep understanding of our historical and current business strategies, objectives, markets and products.

**Table of Contents****Meetings and Meeting Attendance**

Our Board met 12 times during the year ended December 31, 2014. Each of the directors attended at least 75% of the aggregate of the total number of

meetings of our Board and the total number of meetings of all committees of our Board on which he or she served during fiscal 2014.

**Our Board Committees**

Our Board has standing Audit, Compensation, Finance, Nominating and Corporate Governance and Strategy Committees. In 2014, our Board formed a Search Committee in connection with Mark Templeton's contemplated retirement. In June 2014, after completing its search process the Search Committee was disbanded.

Each of the Audit, Compensation, Finance, Nominating and Corporate Governance and Strategy committees has a written charter that has been approved by the Board. Each committee reviews the appropriateness of its charter at least annually. The table below provides current membership for each Board committee.

Director	Audit	Compensation	Finance	Nominating and Governance	Strategy
<b>Mark B. Templeton</b>					
<b>Thomas F. Bogan</b>				Chair	ü
<b>Robert M. Calderoni</b>	ü		ü		
<b>Nanci E. Caldwell</b>		ü			
<b>Robert D. Daleo</b>	Chair		Chair		
<b>Murray J. Demo</b>		Chair			
<b>Francis deSouza</b>					ü
<b>Stephen M. Dow</b>	ü		ü	ü	Chair
<b>Asiff S. Hirji</b>					ü
<b>Gary E. Morin(1)</b>		ü			
<b>Godfrey R. Sullivan</b>		ü		ü	

(1) As announced in February 2014, Mr. Morin is not standing for re-election at the Annual Meeting.

## AUDIT COMMITTEE

Our Board has determined that each member of the Audit Committee meets the independence requirements promulgated by Nasdaq and the SEC, including Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended. In addition, our Board has determined that each member of the Audit Committee is financially literate and that each of Mr. Calderoni and Mr. Daleo qualify as an audit committee financial expert under the rules of the SEC.

The Audit Committee met eight times during the year ended December 31, 2014. The Audit Committee operates under a written charter adopted by our Board, a current

copy of which is available in the Corporate Governance section of our website at <http://www.citrix.com/about/governance.html>.

As described more fully in its charter, the Audit Committee oversees our accounting and financial reporting processes, internal controls and audit functions. In fulfilling its role, the Audit Committee:

- reviews the financial reports and related disclosure provided by us to the SEC, our shareholders or the general public;

- reviews our internal financial and accounting controls;

## **Table of Contents**

oversees the appointment, compensation, retention and work performed by any independent registered public accounting firms we engage;

oversees procedures designed to improve the quality and reliability of the disclosure of our financial condition and results of operations;

oversees our internal audit function;

serves as the Qualified Legal Compliance Committee of Citrix in accordance with Section 307 of the Sarbanes-Oxley Act of 2002, and the related rules and regulations promulgated by the SEC;

recommends, establishes and monitors procedures designed to facilitate (1) the receipt, retention and treatment of complaints relating to accounting, internal accounting controls or auditing matters, and (2) the receipt of confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters;

engages advisors as necessary; and

determines the funding from us that is necessary or appropriate to carry out the Audit Committee's duties. In addition, our Audit Committee oversees cybersecurity risks and reports to the full Board on such matters.

## **FINANCE COMMITTEE**

Our Board has determined that each member of the Finance Committee meets the independence requirements promulgated by Nasdaq. The members of the Finance Committee also serve on the Audit Committee. The Finance Committee met four times during the year ended December 31, 2014. The Finance Committee operates under a written charter adopted by our Board, a current copy of which is available at the Corporate Governance section of our website at <http://www.citrix.com/about/governance.html>.

As described more fully in its charter, the Finance Committee advises the Board and, in certain instances, acts on behalf of our Board, on matters relating to our investment policies, financing activities and world-wide insurance programs.

## **COMPENSATION COMMITTEE**

Our Board has determined that each of the members of the Compensation Committee is independent as defined by the Nasdaq rules. In addition, each member of the Compensation Committee is an outside director as defined in Section 162(m) of the Code, and is a non-employee director as defined under Section 16 of the

Securities Exchange Act of 1934, as amended. The Compensation Committee met five times during the year ended December 31, 2014. The Compensation Committee operates under a written charter adopted by our Board, a current copy of which is available in the Corporate Governance section of our website at

<http://www.citrix.com/about/governance.html>.

As described more fully in its charter, the Compensation Committee is responsible for determining and making recommendations with respect to all forms of compensation to be granted to our executive officers and preparing an annual report on executive compensation for inclusion in the proxy statement for our annual meeting of shareholders in accordance with applicable rules and regulations.

In fulfilling its role, the Compensation Committee also:

reviews and makes recommendations to our management on company-wide compensation programs and practices;

approves the salary, variable cash, equity-based and other compensation arrangements of our senior executive officers reporting directly to our President and Chief Executive Officer;

recommends, subject to approval by the entire Board, the salary, variable cash, equity-based and other compensation arrangements of our President and Chief Executive Officer;

appoints, retains, compensates, terminates and oversees the work of any independent experts, consultants and other advisers, reviews and approves the fees and retention terms for such experts, consultants and other advisers and considers at least annually the independence of such consultants;

considers the independence of and potential conflicts of interests with compensation consultants, legal counsel or other advisors, including based on factors required to be considered by the SEC or Nasdaq;

establishes policies and procedures for the grant of equity-based awards and periodically reviews our equity award grant policy;

recommends, subject to approval by the entire Board, any equity-based plans and any material amendments to those plans;

evaluates whether our compensation plans encourage participants to take excessive risks that are reasonably likely to have a material adverse effect on Citrix;

## **Table of Contents**

evaluates our compensation philosophy and reviews actual compensation for consistency with our compensation philosophy;

reviews and recommends for inclusion in our annual proxy statement the Compensation Discussion and Analysis section; and

reviews and evaluates, on a periodic basis, our stock ownership guidelines for directors and executive officers and recommends any modifications to such guidelines to the Board for its approval.

The Compensation Committee has the authority to engage its own outside advisors, including experts in particular areas of compensation, as it determines appropriate, apart from counsel or advisors hired by management. In 2014, the Compensation Committee retained Radford Consulting, an independent compensation consultant, which we refer to as Radford, to assist the committee in evaluating the compensation of our executive officers and directors.

Our Corporate Governance Guidelines and the charter of the Compensation Committee provide that any independent compensation consultant, such as Radford, engaged by the Compensation Committee works for the Compensation Committee, not our management, with respect to executive and director compensation matters. Please read the *Compensation Discussion and Analysis* included in this Proxy Statement for additional information on the role of, and amounts paid to, Radford in the compensation review process.

## **NOMINATING AND CORPORATE GOVERNANCE COMMITTEE**

Our Board has determined that each member of the Nominating and Corporate Governance Committee meets the independence requirements promulgated by Nasdaq. The Nominating and Corporate Governance Committee met five times during the year ended December 31, 2014. The Nominating and Corporate Governance Committee operates under a written charter adopted by our Board, a current copy of which is available at the Corporate Governance section of our website at <http://www.citrix.com/about/governance.html>.

As described more fully in its charter, the Nominating and Corporate Governance Committee:

reviews and makes recommendations to our Board regarding the Board's composition and structure; establishes criteria for membership on the Board and evaluates corporate policies relating to the recruitment of members of the Board;

recommends to our Board the nominees for election or re-election as directors at our annual meeting of shareholders;

reviews policies and procedures with respect to transactions between Citrix and our officers, directors, affiliates of officers and directors, or other related parties; and

establishes, implements and monitors policies and processes regarding principles of corporate governance in order to assist the Board in complying with its fiduciary duties to us and our shareholders. As described above in the

section entitled *Procedures for Recommendation of Director Nominees by Shareholders*, the Nominating and Corporate Governance Committee will consider nominees recommended by shareholders.

## **STRATEGY COMMITTEE**

Our Board has determined that each member of the Strategy Committee meets the independence requirements promulgated by Nasdaq. The Strategy Committee met two times during the year ended December 31, 2014. The Strategy Committee operates under a written charter adopted by our Board, a current copy of which is available at the Corporate Governance section of our website at <http://www.citrix.com/about/governance.html>.

As described more fully in its charter, the Strategy Committee is responsible for overseeing matters relating to potential mergers, acquisitions, divestitures and other key strategic transactions outside the ordinary course of our business.

In fulfilling its role, the Strategy Committee also:

reviews, and provides guidance to management and our Board with respect to, our strategy for corporate strategic transactions;

assists management and our Board with the review of proposals made by management for corporate strategic transactions, when and as appropriate;

periodically reviews with management prospective candidates for corporate strategic transactions, when and as appropriate;

reviews periodic reports from management on completed corporate strategic transactions;

**Table of Contents**

reviews, considers and makes recommendations to our Board regarding corporate strategic transactions having a transaction price as estimated by management to be greater than that delegated to management under any delegation of authority from our Board;

provides periodic reports to our Board of any corporate strategic transactions being considered, or authorized and approved, by management;

notifies the Nominating and Corporate Governance Committee of any conflict of interest or related party transaction that comes to the attention of the Committee in the exercise of its duties under the charter; and

is authorized to appoint, retain, terminate and oversee the work of any advisors and approve such advisors' fees and retention terms.

**SEARCH COMMITTEE**

In 2014 our Chief Executive Officer, Mark Templeton, announced his intent to retire. In connection with Mr. Templeton's anticipated retirement, our Board formed a Search Committee consisting of Mr. Bogan (Chair), Mr. Dow and Mr. Sullivan, to lead the search process to identify our next Chief Executive Officer. In June 2014, Mr. Templeton informed the Board that, after much consideration, his desire was to stay on as Chief Executive Officer. In June 2014, after completing its search process and considering a number of qualified candidates, our Board concluded that Mr. Templeton continues to be the best leader to drive Citrix forward. The Search Committee held numerous informal meetings and one formal meeting in 2014 and was disbanded in June 2014.



**Table of Contents**

## Director Compensation

**2014 NON-EMPLOYEE DIRECTOR CASH COMPENSATION**

It is our policy that our employee-directors do not receive cash compensation for their service as members of our Board of Directors. Non-employee members of our Board of Directors receive annual retainer fees, which are paid in cash in semi-annual installments. Each non-employee Director was entitled to receive the retainers detailed in

the table below (provided that committee chairpersons were only entitled to receive a retainer as committee chair and were not entitled to the non-chair membership retainer for the committee(s) he or she chairs). In addition, non-employee Directors were reimbursed for their reasonable out-of-pocket expenses incurred in attending meetings of our Board of Directors or any of its committees that are conducted in person.

The following table summarizes the cash retainers paid to our non-employee Directors in 2014:

Compensation Element	2014 Cash Compensation
Annual Board Member Retainer	\$40,000
Board Chair Retainer	\$75,000
Committee Chair Retainers	
Audit Chair	\$30,000
Compensation Chair	\$20,000
Finance Chair	None
Nominating and Corporate Governance Chair	\$10,000
Strategy Chair	\$20,000
Search Chair	None
Committee Member Retainers	
Audit	\$20,000
Compensation	\$10,000
Finance	None
Nominating and Corporate Governance	\$10,000
Strategy	\$10,000
Search	\$10,000

**NON-EMPLOYEE DIRECTOR EQUITY-BASED COMPENSATION**

Equity awards to our non-employee Directors are made under the 2014 Plan

Each non-employee Director is eligible to receive an annual grant consisting of 4,000 restricted stock units. As in prior years, these grants are made on the first business day of the month following our annual meeting of shareholders and vest in equal monthly installments over a one-year period. Newly appointed non-employee Directors are entitled to receive 10,000 restricted stock units upon his or her initial election to our Board of Directors, which vest in accordance with our standard three-year vesting schedule.

New non-employee Directors are not entitled to receive an annual grant of restricted stock units in the same calendar year in which they receive their initial grant.

On March 3, 2014, Thomas F. Bogan was awarded 2,000 service-based restricted stock units that fully vest on the anniversary of the grant date in recognition of his service and leadership during our Chief Executive Officer's leave of absence.

#### **Outside Directors' Deferred Compensation Program**

We offer our Directors an Outside Directors' Deferred Compensation Program to defer restricted stock units

**Table of Contents**

awarded to non-employee Directors under the 2014 Equity Incentive Plan (which we refer to as the 2014 Plan). In advance of an award and in compliance with the program's requirements, a non-employee Director may elect to defer the receipt of all of his or her restricted stock units until ninety days after such Director's separation from service from us or upon a change in control. Upon the vesting of awards of restricted stock units, any amounts that would otherwise have been paid in shares of common stock are converted to deferred stock units on a one-to-one basis and credited to the Director's deferred account.

**Director Stock Ownership Guidelines**

To further align the interests of members of our Board of Directors with our shareholders, our Board of Directors adopted stock ownership guidelines for our non-employee Directors. Pursuant to these guidelines, each non-employee Director is expected to hold at least 8,000 shares of our common stock (which includes vested but deferred restricted stock units) for so long as he or she is a Director or, in the case of certain shares acquired upon the exercise of a stock option, for nine months after termination of his

or her service on our Board of Directors. In addition, if a Director exercises a stock option, it is expected that such Director would, from such option exercise, maintain ownership of at least a number of shares equal to twenty percent of the net value of the shares acquired (after deducting the exercise price and taxes) if such Director has not satisfied the shareholding requirement. New Directors are expected to meet the standards set forth in the guidelines within three years after the date of his or her election to our Board of Directors. Current Directors are expected to meet the guideline requirements within five years after the date of their election to the Board of Directors.

The Compensation Committee, with assistance from Radford, oversees director compensation and regularly reviews the appropriateness of our non-employee directors' compensation. Specifically, in July 2014, Radford prepared a comprehensive benchmarking of our non-employee Director compensation program against the compensation programs offered by our peer companies and reviewed this benchmarking in detail with the Compensation Committee.

The following table sets forth a summary of the compensation earned by, or paid to, our non-employee directors in 2014.

**DIRECTOR COMPENSATION TABLE FOR FISCAL YEAR 2014**

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) (1)(2)	Option Awards (\$) (1)(3)	Total (\$)
Thomas F. Bogan	105,000	365,240(4)		470,240
Robert M. Calderoni(5)	24,219	636,000(6)		660,219
Nanci E. Caldwell	50,000	245,600		295,600
Robert D. Daleo	70,000	245,600		315,600
Murray J. Demo	90,000	245,600		335,600
Francis deSouza(7)	2,877	636,000(6)		638,877

Stephen M. Dow	110,000	245,600	355,600
Asiff S. Hirji	60,000	245,600	305,600
Gary E. Morin	60,000	245,600	305,600
Godfrey R. Sullivan	80,000	245,600	325,600

- (1) These amounts represent the aggregate grant date fair value of restricted stock unit awards in the year in which the grant was made. The assumptions we used for calculating the grant date fair value are set forth in Note 7 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2014, which was filed with the SEC on February 19, 2015. These amounts do not represent the actual amounts paid to or realized by our directors for these awards during fiscal year 2014.
- (2) Consists solely of restricted stock units. Each continuing non-employee Director is entitled to receive an annual grant consisting of 4,000 restricted stock units which vests in equal monthly installments over a one-year period. Each new non-employee director is entitled to receive an initial grant of 10,000 restricted stock units which vests over three years, with

## **Table of Contents**

one-third of the units vesting on the first, second and third anniversaries of the date of the award agreement. As of December 31, 2014, each of our continuing non-employee directors held restricted stock unit awards representing 1,998 shares of our common stock issuable upon the vesting of such outstanding restricted stock unit awards.

Pursuant to our Outside Directors' Deferred Compensation Program, each of Mr. Bogan, Mr. Calderoni, Ms. Caldwell, Mr. Daleo, Mr. Dow, and Mr. Morin elected to defer his or her 2014 annual restricted stock unit award, or in the case of Mr. Calderoni, his initial director grant award. Please see the discussion above under the heading *Outside Directors' Deferred Compensation Program* for additional details on our deferral program.

- (3) As of December 31, 2014, the aggregate number of shares of our common stock subject to outstanding option awards held by our non-employee directors was as follows: Mr. Bogan, no shares; Mr. Calderoni, no shares; Ms. Caldwell, 10,000 shares; Mr. Daleo, no shares; Mr. Demo, 10,000 shares; Mr. deSouza, no shares; Mr. Dow, no shares; Mr. Hirji, no shares; Mr. Morin, no shares; and Mr. Sullivan, no shares.
- (4) In addition to the 4,000 restricted stock units granted to all continuing directors, Mr. Bogan was also granted 2,000 service-based restricted stock units that vest on the grant date anniversary in recognition of his service and leadership during Mr. Templeton's leave of absence.
- (5) Mr. Calderoni was elected to the Board of Directors on June 26, 2014, and his fees were pro-rated for the period June 26, 2014 to December 31, 2014. Newly elected directors receive a one-time service-based restricted stock unit grant of 10,000 shares. Mr. Calderoni will begin to receive the annual non-employee director grant of 4,000 restricted stock units in his second year of director service.
- (6) Represents the aggregate grant date fair value of a new director's initial grant of 10,000 restricted stock units which vests over three years, with one-third of the units vesting on the first, second and third anniversaries of the date of the award agreement.
- (7) Mr. deSouza was elected to the Board of Directors on December 11, 2014, and his fees were pro-rated for the period December 11, 2014 to December 31, 2014. Newly elected directors receive a one-time service-based restricted stock unit grant of 10,000 shares. Mr. deSouza will begin to receive the annual non-employee director grant of 4,000 restricted stock units in his second year of director service.

**Table of Contents**

## Part 3 Executive Management

## Our Management

The following table sets forth our executive officers and the positions currently held by each such person with Citrix. The biographical descriptions below outline the relevant experience, qualifications, attributes and skills of each executive officer.

Name	Position
Mark B. Templeton	President, Chief Executive Officer and Director
David R. Friedman	Chief of Staff, Office of the CEO
Robson B. Grieve	Senior Vice President, Customer Experience & Marketing and Chief Marketing Officer
David J. Henshall	Executive Vice President, Chief Operating Officer and Chief Financial Officer
Christopher Hylen	Senior Vice President and General Manager, Mobility Apps
Klaus Oestermann	Senior Vice President and General Manager, Delivery Networks
T. Geir Ramleth	Chief Strategy Officer and Senior Vice President and General Manager of Workspace Services
Carlos E. Sartorius	Senior Vice President, Worldwide Sales and Services

**Mark B. Templeton**

Please see Mr. Templeton's biography in *Our Directors* section above.

**David R. Friedman**

**Age:** 53

Mr. Friedman has served as our Chief of Staff, Office of the CEO since April 2015. Prior to this appointment, Mr. Friedman served as our General Counsel and Senior Vice President, Human Resources from April 2006 to March 2015 and served as our Secretary from October 2002 to February 2008. From October 2002 to April 2006, Mr. Friedman served as our General Counsel, Corporate Vice President and Secretary.

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**Table of Contents**

**Robson B. Grieve**

**Age:** 43

Mr. Grieve has served as our Senior Vice President, Customer Experience & Marketing and Chief Marketing Office since January 2015. From October 2012 to January 2015, Mr. Grieve was Executive Vice President of Global Marketing and Customer Experience at Concur, a cloud software company acquired by SAP in December 2014. From March 2007 to September 2012, Mr. Grieve was the President of Creature, an advertising agency with offices in Seattle and London.

**David J. Henshall**

**Age:** 46

Mr. Henshall has served as our Executive Vice President and Chief Financial Officer beginning in September 2011 and as our Chief Operating Officer beginning in February 2014. Mr. Henshall was appointed Acting Chief Executive Officer and President during Mr. Templeton's temporary leave of absence from October 2013 to February 2014. From January 2006 to September 2011, Mr. Henshall served as our Senior Vice President and Chief Financial Officer, and from April 2003 to January 2006, he served as our Vice President and Chief Financial Officer.

**Christopher Hylen**

**Age:** 54

Mr. Hylen has served as our Senior Vice President and General Manager, Mobility Apps, since July 2013. Prior to joining Citrix, Mr. Hylen was the Senior Vice President and General Manager of Payment Solutions at Intuit, Inc., a publicly-traded provider of business and financial management solutions for small businesses, consumers and accounting professionals from August 2010 to July 2013. Mr. Hylen also served as Intuit's Vice President, Marketing Small Business Group from April 2010 to August 2010 and its Vice President Growth, Intuit Payment Solutions from September 2006 to May 2010. Since January 2015, Mr. Hylen has served as a member of the Board of The ADT Corporation, a publicly-traded security and alarm monitoring services company.

**Klaus Oestermann**

**Age:** 48

Mr. Oestermann has served as Senior Vice President and General Manager, Delivery Networks since February 2015. Prior to this appointment, Mr. Oestermann served as the Group Vice President and General Manager of our Networking, Cloud and Service Provider group from January 2010 to February 2015, as Group Vice President and General Manager of the Netscaler and App Networking Product Group from December 2006 to December 2009 and as Vice President, US West from November 2003 to December 2006.

**Table of Contents**

**T. Geir Ramleth**

**Age:** 56

Mr. Ramleth has served as our Chief Strategy Officer and Senior Vice President and General Manager of Workspace Services since December 2014. Prior to joining Citrix, Mr. Ramleth was Chief Executive Officer of Octoblu, Inc., a networking platform company from February 2014 to December 2014, which was acquired by Citrix. Mr. Ramleth previously served as Senior Vice President and Chief Information Officer of Bechtel Corporation, a global construction and project management firm, from January 2002 until July 2013.

**Carlos E. Sartorius**

**Age:** 54

Mr. Sartorius has served as our Senior Vice President, Worldwide Sales and Services since January 2015. Prior to this appointment, Mr. Sartorius served as Managing Director and Vice President, Sales and Services of our Europe, Middle East and Africa (EMEA) organization from September 2011 to January 2015. Prior to joining Citrix, Mr. Sartorius was Vice President and General Manager, HP Networking at Hewlett-Packard Company, a publicly-traded hardware, software and IT services company, from November 2009 to September 2011.

Our executive officers are elected by the Board on an annual basis and serve until their successors have been duly elected and qualified.



## **Table of Contents**

### Part 4 Executive Compensation

#### Compensation Discussion and Analysis

#### **PURPOSE OF COMPENSATION DISCUSSION AND ANALYSIS**

This Compensation Discussion and Analysis provides comprehensive information about the 2014 compensation for the following executive officers (who we refer to as our Named Executive Officers):

Mark B. Templeton, President and Chief Executive Officer

David J. Henshall, Executive Vice President, Chief Operating Officer and Chief Financial Officer

David R. Friedman, Chief of Staff, Office of the CEO

Alvaro J. Monserrat, Senior Vice President, Sales and Services

Sudhakar Ramakrishna, Senior Vice President and General Manager, Enterprise and Service Provider Division  
David Henshall was promoted to Chief Operating Officer, effective February 2014. David Friedman was appointed to Chief of Staff, Office of the CEO, effective April 2015. Prior to this appointment, Mr. Friedman served as General Counsel and Senior Vice President, Human Resources.

In January 2015, we announced that Al Monserrat was leaving Citrix. Mr. Monserrat provided transitional advisory services to Citrix through April 1, 2015 as our Senior Vice President, Sales Strategy. In February 2015, we announced that Mr. Ramakrishna was leaving Citrix. Mr. Ramakrishna has agreed to provide transitional advisory services to Citrix through May 31, 2015 as our Senior Vice President, Products. For details regarding the terms of each of Mr. Monserrat's and Mr. Ramakrishna's separation, see *Individual Executive Compensation Decisions* beginning on page 41.

#### **2014 HIGHLIGHTS**

##### **Transformation of Our Business**

In 2014, Citrix celebrated its twenty-fifth year. During this period, we have transformed our business through several growth phases, from remote access to application delivery, to virtualization, to mobile workspaces and now to the software-defined workplace. A software-defined workplace is one where people can securely and

effortlessly collaborate across the boundaries of time, place and device.

Key to these transformations has been the leadership and vision of our Chief Executive Officer, Mark Templeton. Mr. Templeton joined Citrix prior to our initial public offering; and during his tenure, Citrix has transformed from a one-product, \$15 million organization, to a global market leader with revenues of \$3.14 billion in 2014. Mr. Templeton has shaped our culture, market direction, and product strategy, and has driven a passion for customers throughout Citrix.

Today, Mr. Templeton is transforming our business around our vision of the software defined workplace a differentiated strategy to drive growth, profitability and unique value to our customers and partners. Internally, this is driving realignment, clarity and focus. Over the past two quarters, for example, we have been making changes to reshape our business and organizational structure to align with our strategy.

First, we strengthened our leadership team with the appointments of Carlos Sartorius as our Senior Vice President for Worldwide Sales and Services; Robson Grieve as our Senior Vice President for Customer Experience & Marketing and Chief Marketing Officer; and Geir Ramleth as our Senior Vice President and General Manager, Workspace Services and Chief Strategy Officer. These seasoned executives bring strong track records, global experience and the additional leadership talent we need to operationalize, execute and drive our strategy.

Next, we established three business units that are oriented around our three strategic areas of focus: delivery networks, workspace services and mobility apps.

Then, we took actions to better reflect our strategy in our organizational structure and operating model by

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**Table of Contents**

refocusing our investments on our highest growth opportunities and streamlining decision-making. As part of these actions, in January we announced a restructuring program designed to increase strategic focus and operational efficiency. The restructuring will affect approximately 700 full-time and 200 contractor positions, and is expected to result in annualized pre-tax savings in the range of approximately \$90 million to \$100 million.

**Our Chief Executive Officer**

Due to a death in his immediate family in June 2013, our President and Chief Executive Officer, Mark Templeton was on a temporary leave of absence beginning in October 2013. Mr. Templeton returned as President and Chief Executive Officer in February 2014 and announced his intent to retire within the next year, subject to the naming of his successor. In anticipation of Mr. Templeton's planned retirement, our Board commenced a search process to identify our next Chief Executive Officer. During the

Board's search process, Mr. Templeton informed the Board that his personal circumstances had changed and that, after much consideration, his desire was to stay on as Chief Executive Officer to lead the company's business transformation. In June 2014, our Board concluded its Chief Executive Officer search and expressed its confidence in Mr. Templeton as the best leader to drive Citrix forward when it confirmed that Mr. Templeton would remain in his current role. For details regarding Mr. Templeton's compensation, see *Individual Executive Compensation Decisions* beginning on page 41.

**2014 Business Highlights**

Our transformation led to the following financial performance in 2014.

8% increase in annual revenue to \$3.14 billion

Net income of \$252 million, or \$1.47 per diluted share

\$846 million in cash flow from operations

Our balance sheet is robust, including \$1.56 billion in deferred revenue and \$570 million in net cash & investments as of December 31, 2014. In 2014, we also launched new programs to better optimize our capital structure and programmatically return capital to shareholders. For example, in the second quarter 2014, we successfully completed the issuance of \$1.4 billion in convertible securities while simultaneously initiating a \$1.5 billion accelerated share repurchase program. For the full year 2014, we repurchased 26.1 million shares of our stock, representing about 14% of shares outstanding.

**Shareholder Outreach and Engagement**

In 2014, our shareholders continued their support of our executive compensation programs with over 97% of the votes cast at our Annual Meeting of Stockholders supporting our say on pay proposal.

Beyond consideration of our annual say on pay vote, our leaders regularly engage with shareholders to better understand their perspectives on a wide range of issues.

For example, in addition to our regular investor relations program, during 2014, we engaged with our largest shareholders representing approximately 25% of Citrix's outstanding common stock. These investor meetings covered such topics as Citrix's business strategy, governance standards, the evolution of our Board of Directors, CEO and executive succession planning and our approach to executive compensation. Our Chief Executive Officer or our Board Chairman participated in every meeting along with other senior leaders. We believe it is important to maintain ongoing conversations outside of the annual meeting process so that we may shape our policies and practices with an informed point of view.

**Table of Contents**

Further, our Board has established a policy which provides every security holder with the ability to communicate with the Board as a whole or with individual directors on the Board. This process is described on page 12.

**OBJECTIVES AND ELEMENTS OF OUR EXECUTIVE COMPENSATION PROGRAMS**

The compensation that we offer our executives is designed to reflect our principles of integrity, fairness and transparency – concepts that have continually underscored the design and delivery of the compensation opportunity at Citrix. We believe our compensation programs should emphasize sustainable corporate growth through a pay-for-performance orientation and a commitment to both operational and organizational execution. We also believe that lavish perquisites, excessive severance and bonuses unrelated to performance are inconsistent with our executive compensation principles. Furthermore, while the establishment of variable compensation targets for our executives necessarily involves judgment, the actual

payouts against those targets are based on predetermined, objective financial criteria reflective of our annual operating plan or total shareholder return and indicative of positive business growth.

For more than a decade, the objectives of our executive compensation programs have been to:

provide competitive compensation that attracts, retains and engages high-performing talent; and

align the long-term interests of executives with those of our shareholders by linking a significant portion of total cash and equity compensation to company performance.

These objectives still hold true today and are reflected in the compensation decisions we made in 2014.

Further, we engage in the following practices to ensure our executive compensation program achieves our objectives and is aligned with shareholders' interests.

What We Do	What We Don't Do
<ul style="list-style-type: none"> <li>ü Design compensation programs to align at least 50% of Chief Executive Officer's target compensation with company performance</li> </ul>	<ul style="list-style-type: none"> <li>No discretion applied to measuring performance under our Variable Cash Compensation Plan or market performance-based awards, and no bonuses or awards to make-up for forfeited awards</li> </ul>
<ul style="list-style-type: none"> <li>ü Deliver 50% of equity-based awards to executives tied to achievement of total shareholder return metric against the Nasdaq Composite Index</li> </ul>	<ul style="list-style-type: none"> <li>No employment contracts</li> </ul>
<ul style="list-style-type: none"> <li>ü Use equity for long-term incentive and retention</li> </ul>	<ul style="list-style-type: none"> <li>No re-pricing of stock options</li> </ul>

- |  |  |
|--|--|
| ü Require significant share ownership by executives  | No guaranteed bonuses  |
| ü Conduct annual executive evaluations and self-evaluation process   | No hedging, short selling or pledging of equity awards                       |
| ü Require that executives only trade in Citrix stock pursuant to a Rule 10b5-1 trading plan  | No single-trigger or modified single-trigger change in control agreements(1) |
| ü Benchmark peers aligned with Citrix's business and those with whom we regularly compete for executive, managerial and technical talent | No tax gross-ups to executive officers(2)                                    |

(1) In 2009, we adopted a policy against entering into any new single-trigger severance or change in control agreements, or materially amending any existing single-trigger severance or change in control agreement. At the time we adopted this policy in 2009, our Chief Executive Officer had an existing single-trigger change in control agreement.

(2) We may grant exceptions exclusively in the event we ask an executive to relocate, and we offer the executive a relocation package designed to reimburse out-of-pocket costs subject to a clawback obligation.

## **Table of Contents**

The elements of compensation that we use to accomplish our objectives include:

base salary;

variable cash compensation;

equity-based long-term incentives; and

benefits.

We considered each of these items in determining the individual compensation package for our executive officers.

## **HOW EXECUTIVE PAY DECISIONS ARE MADE**

### **Compensation Process and Criteria**

#### *Evaluation Process*

The compensation packages for our executive officers are reviewed by our Compensation Committee and include an analysis of all elements of compensation separately and in the aggregate. In 2014, Radford was retained by the Compensation Committee as its independent adviser to assist with its oversight of executive compensation. In addition, our legal, finance and human resources departments support the Compensation Committee in its work and act in accordance with the direction given to them to administer our compensation programs.

Throughout 2014, the Compensation Committee held meetings with management, our human resources department and representatives of Radford to:

review our compensation objectives;

review the actual compensation of our executive officers for consistency with our objectives;

analyze trends in executive compensation;

assess our variable cash compensation structure, as well as the plan components and mechanics, to ensure an appropriate correlation between pay and performance with resulting compensation opportunities that balance returns to the business and our shareholders (this included, among other things, modeling amounts payable under proposed plan structures against various scenarios, and assessing those payouts as a percentage of non-GAAP corporate operating income and other variables);

assess our equity-based awards programs against our objectives of executive engagement, retention and alignment with shareholder interests; and  
benchmark our executive cash compensation and equity-based awards programs, and assess our pay versus performance against our peer group; and review recommendations for 2014 compensation for appropriateness relative to our compensation objectives.

Beginning in August 2013, and at several meetings throughout the first quarter of 2014, the Compensation Committee reviewed proposed compensation programs and packages for our executive officers for 2014, which were prepared by management and evaluated by our finance department for alignment with our operating plan. In February 2014, the Compensation Committee approved the proposed 2014 variable cash compensation plan, which we refer to as the Variable Cash Compensation Plan, and recommended to the Board of Directors a compensation package for our President and Chief Executive Officer and Executive Vice President, Chief Operating Officer and Chief Financial Officer. In March 2014, the Compensation Committee approved individual compensation packages for our other executive officers. In each case, the recommendations of the Compensation Committee were reviewed with our Board of Directors.

In evaluating our 2014 executive compensation program, the Compensation Committee considered a number of factors as discussed above, including the shareholder advisory ( say-on-pay ) vote on our executive compensation for 2013, which was approved by over 97% of the votes cast. We will hold a say-on-pay vote on an annual basis until the next vote on the frequency of such shareholder advisory votes, which will occur no later than our 2017 annual meeting of shareholders.

#### *Evaluation Criteria*

In determining the amount and mix of the target compensation elements, the Compensation Committee relies upon its judgment about the scope and strategic impact of each individual executive officer's role. In setting final compensation targets for our executive officers in 2014, the Compensation Committee considered many factors, including:

the performance and experience of each individual;

the scope and strategic impact of the executive officer's responsibilities;

our past business and financial performance and future expectations;

our long-term goals and strategies;



## **Table of Contents**

difficulty in, and the cost of, replacing high performing leaders with in-demand skills;

past compensation levels of each individual and of our executives as a group;

relative levels of compensation among our executives;

the amount of each compensation component in the context of the executive officer's total compensation and other benefits;

for each executive officer, other than our President and Chief Executive Officer, the evaluation and recommendation of our President and Chief Executive Officer and each executive officer's self-evaluation;

for our President and Chief Executive Officer, the evaluation of our Board, of our President and Chief Executive Officer's direct reports and his self-evaluation; and

the competitiveness of the compensation packages relative to the selected benchmarks as highlighted by the independent compensation consultant's analysis.

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

During 2014, Radford reported directly to the Compensation Committee for purposes of advising the Committee on executive compensation matters. The Compensation Committee provided Radford with preliminary instructions regarding the goals of our compensation program and the parameters of the competitive review of executive total direct compensation packages to be conducted by Radford. Radford was instructed to benchmark all components of compensation for all executive officer positions, including base salary, total target compensation (base salary plus variable cash compensation) and equity-based long-term incentive awards. The Compensation Committee also instructed Radford to review the public disclosure by our peer companies concerning their executive compensation practices and to review our internal compensation model and guidelines and compare them to our peer companies and to our actual compensation practices.

Throughout the fourth quarter of 2013 and the first quarter of 2014, Radford attended meetings of the

Compensation Committee, both with and without members of management present, and interacted with members of our human resources department with respect to its assessment of the compensation packages of our executive officers. Once Radford, working in conjunction with our human resources department, completed its preliminary analysis of our executive compensation, their analysis was presented to the Compensation Committee, which was discussed at the Compensation Committee's February and March 2014 meetings.

## **Independence of Compensation Consultant**

During 2014, our accounting department engaged Aon Hewitt, an affiliate of Aon, Radford's parent company, as a resource to assist us in determining the fair value of our market performance-based awards. Additionally, our treasury department retained Aon to serve as our broker of record for our world-wide insurance lines. Finally, our human

resources department purchased commercially available compensation survey reports and a data application from Radford. The services purchased from Aon in 2014 were reviewed and approved by the Audit Committee of our Board of Directors. In total, fees paid to Aon during 2014 for services not related to Radford's work with our Compensation Committee were approximately \$441,673. Fees paid to Radford during 2014 for services related to recommending the amount and form of executive and director compensation were approximately \$45,000.

In assessing Radford's independence, the Compensation Committee considered the fees paid to Radford and Aon and our policy on independence of the Compensation Committee's consultant and other advisers, which is contained in our Corporate Governance Guidelines and the Compensation Committee's charter. As specified in our Corporate Governance Guidelines and Compensation Committee Charter, the Compensation Committee also considered six independence factors as required by Nasdaq and the SEC, which are specified in the following table. After analyzing each of these factors indicated in the following table and our policy on independence relative to Radford's engagement, the Compensation Committee concluded that Radford is independent.

**Table of Contents**

<b>Independence Factor</b>	<b>Information Considered</b>
Other services provided to Citrix by Radford	None other than services described in the preceding paragraphs.
Citrix fees received by Radford, as a percentage of Aon's total revenue	Modest and represents less than 0.0004% of Aon's total revenue.
Radford's policies and procedures that are designed to prevent conflicts of interest	Radford maintains a number of internal mechanisms and policies to ensure its ability to provide objective, third-party advice to its clients and avoid potential conflicts of interest.
Business or personal relationships between the Compensation Committee's individual compensation adviser and members of the Compensation Committee	The Compensation Committee's individual compensation adviser has no direct business or personal relationships with any member of the Compensation Committee. Radford has provided consulting services to three companies that are affiliated with members of the Compensation Committee.
Citrix stock owned by the Compensation Committee's individual compensation adviser	The Compensation Committee's individual compensation adviser does not directly own any Citrix stock and the practice is prohibited under Aon's Code of Conduct.
Business or personal relationships between the Compensation Committee's individual compensation adviser, or Radford, with a Citrix executive officer	The Compensation Committee's individual compensation adviser has no direct business or personal relationship with any Citrix executive officer.

**Our use of Benchmarks and Peer Group Analysis**

We annually conduct a competitive analysis of the compensation paid to our executive officers and review the compensation practices of our peer group and of the software industry overall. As in prior years, the analysis for 2014 measured our compensation opportunities for executives and actual compensation paid against information from the following sources:

independent, commercially available surveys on executive compensation within the software industry, tailored to reflect our relative market capitalization and revenue, including:

the Radford Global Technology Survey;

the Radford Global Sales Survey; and

an internally-prepared benchmark analysis using commercially available survey data and information from publicly filed reports from a group of 16 peer technology companies, or the peer group, specifically identified by the Compensation Committee.

We annually evaluate the composition of our peer group and adjust the composition of our peer group for factors such as recent acquisitions of peer companies, new markets that we have entered or changes in the technology market landscape. In 2014, with assistance from Radford, we again focused on developing a peer group to address the dynamics in the markets for talent in which we compete. Our peer group includes:

companies that represent an appropriate range from a size and scope perspective;  
innovative companies that operate in virtualization, cloud, software-as-a-service and networking markets; and

companies with whom we compete for talent.

We believe that our peer group continues to be aligned with our strategic vision and positions us to attract, retain and engage high performing leaders. Moreover, our current peer group, with its inclusion of a full array of companies with whom we compete for talent, maintains Citrix positioned at approximately the group median across key financial metrics we view as important in selecting a peer group.

The table below lists the companies in our 2014 peer group indicating the peers with whom we regularly compete for executive, managerial and technical talent, including Microsoft and Cisco, the two companies with which we most frequently competed for talent in 2014 across our employee base. We believe that, like Citrix, our 2014 peer group is composed of innovative, software-focused businesses operating on a global scale and are the companies with whom we look to align our executive compensation practices.

**Table of Contents**

Trademarks are property of their respective owners.

(1) Fiscal year end data presented in the table is for fiscal years ending in 2014.

We use the peer group benchmarks as one of several factors that inform our judgment of appropriate compensation parameters for base salary, variable cash compensation and equity-based, long-term incentives. Our executive compensation decisions are made on a case-by-case basis, and specific benchmark results do not, in and of themselves, determine individual target compensation opportunities. For 2014, the total target cash compensation for our Named Executive Officers as a whole fell at approximately the median level of our peer group.

Based on feedback from our largest shareholders and an assessment of our shareholder return performance relative to our peers, among other factors, in October 2014 our Compensation Committee revised our executive compensation peer group for 2015 to include Autodesk, CA Technologies and Synopsys and to exclude Amazon and Google.

**Table of Contents****COMPONENTS OF COMPENSATION****Overview**

To further align the interests of our executives with those of our shareholders, our executive compensation program is structured to align at least 50% of our Chief Executive Officer's annual target compensation to company performance through performance-based elements as shown below.

- (1) While we intend that at least 50% of our Chief Executive Officer's total compensation be performance-based compensation, in 2014, our Chief Executive Officer's total target compensation mix differed from our target mix due to the timing of his annual equity grant, which was made in anticipation of his planned retirement. See *Individual Executive Compensation Decisions* beginning on page 41 for further details regarding our Chief Executive Officer's compensation. In 2015, we expect that the compensation mix for our Chief Executive Officer will be at least 50% performance-based.

Further, we target to align approximately 45% to 50% of our other Named Executive Officers' annual target compensation to company performance.

**Base Salary**

Salary levels for our executive officers are based on several factors, including individual performance and experience, the scope of the role and competitive ranges informed by compensation data reported for similar roles at companies in our peer group.

In 2014, based on the objectives of our executive compensation program, our evaluation criteria for individual performance, Citrix's overall performance and other factors described above, the base salaries of our Senior Vice President, Sales and Services, Chief of Staff, Office of the CEO (formerly General Counsel and Senior Vice President, Human Resources) and Senior Vice President and General Manager, Enterprise and Service Provider Division, were increased, effective April 1, 2014. The increase in the base salary of our Executive Vice President, Chief Operating Officer and Chief Financial Officer reflects his promotion to Chief Operating Officer effective February 1, 2014, in addition to the factors discussed above. We did not increase the base salary for our Chief Executive Officer. Accordingly, the base salaries for our Named Executive Officers for 2014 were as follows:

	2013 Base Salary	2014 Base Salary	Increase
	(\$)	(\$)	(%)
President and Chief Executive Officer	900,000	900,000	
Executive Vice President, Chief Operating Officer and Chief Financial Officer	570,000	675,000	18.42

Chief of Staff, Office of the CEO	510,000	529,412	3.81
Senior Vice President, Sales and Services	500,000	520,000	4.00
Senior Vice President and General Manager, Enterprise and Service Provider Division	435,000	460,000	5.75

### Variable Cash Compensation

For 2014, our compensation evaluation processes resulted in target awards for our Named Executive Officers under our Variable Cash Compensation Plan that ranged from 70% to 120% of base salary, based on the factors discussed above. Our Chief Executive Officer did not receive an increase in his target award under our Variable Cash Compensation Plan for 2014.

Our Compensation Committee oversees our Variable Cash Compensation Plan, with administrative tasks delegated to management. Consistent with the way we calculate and publicly report our financial results, the financial targets and attainment levels for variable cash compensation are adjusted to exclude certain GAAP measurements, including amortization of intangible assets primarily related to business combinations, non-cash charges associated with the expensing of equity-based compensation, non-cash charges related to amortization of debt discount, accruals related patent litigation, charges related to our restructuring programs, the tax effects related to these items and any other items adjusted from our GAAP results

**Table of Contents**

in our reported earnings. In addition, the Compensation Committee and our Board of Directors retain the discretion to decrease or increase payouts to account for extraordinary circumstances and to balance the interests of the plan participants with the interests of our shareholders. As in the past, in 2014, we did not adjust the resulting payouts under the Variable Cash Compensation Plan or our 2014 market performance-based restricted stock unit awards discussed below.

Participants in our Variable Cash Compensation Plan received variable cash compensation awards for 2014

based upon the achievement of objective financial goals, including targets based on reported revenue and non-GAAP corporate operating margin. We believe that, for an annual incentive program to be effective, it should be easy to understand. Thus, we use a limited number of financial targets that focus our executives on the key metrics underlying our strategic plan and align performance pay with strictly financial results.

To ensure the integrity of our operating plan, and to safeguard shareholder value, the payout levels under our Variable Cash Compensation Plan are designed to motivate performance that meets or exceeds our financial plan objectives while mitigating undue exposure for under-performance of these objectives. We rigorously test our plan design to ensure that the structure and possible outcomes do not create incentives for our executives to take unnecessary and excessive risks that would impact our long-term value.

Specifically, we model potential award payouts generated by various performance attainment levels against corporate goals for revenue and non-GAAP corporate

operating margin. We also model the likely impact on shareholder value based on achieving all possible revenue and non-GAAP corporate operating margin targets. We summarize this analysis in a diagram (please see the graphic below) which shows plan payouts for any combination of revenue (the x axis in the graphic below) and non-GAAP corporate operating margin (the y axis in the graphic below) achievement. The dark gray area in the graphic below represents achievement which results in no payout under the Variable Cash Compensation Plan while the area of lightest gray represents the maximum payout under the plan of 200%. The medium gray rectangle in the middle of the graphic represents the area of actual plan attainment under our plans over the last several years resulting in the following payout percentages by year:

2008 56.4%

2009 103.6%

2010 130.4%

2011 97.7%

2012 92.1%



2013 58.8%

2014 89.4%

This modeling helps to inform threshold, target and maximum payout levels for the plan and ensures that awards, when viewed relative to our non-GAAP corporate operating margin goal, are consistent with our overall operating plan for the year and provide the right balance of compensation to our executives for actual results versus returns to the business and our shareholders.

For 2014, each executive's Variable Cash Compensation Plan award was based 100% on the achievement of financial targets established by the Compensation Committee. The financial targets established are consistent

36 CITRIX SYSTEMS, INC. | 2015 PROXY STATEMENT

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**Table of Contents**

with our annual operating plan, which is approved by our Board. Our Variable Cash Compensation Plan weighted these financial components as follows:

60% for achieving a reported revenue target of \$3.2391 billion; and

40% for achieving a non-GAAP corporate operating margin target of 22.30%.

This represents a 2.7% increase in the revenue target when compared to the revenue target of \$3.155 billion for the 2013 Variable Cash Compensation Plan. This also represents a 10.8% decrease in the operating margin target, which reflects the planned investments in our business necessary to achieve growth, scale and greater market share during a year in which we anticipated slower revenue growth. As in previous years, we set this target to be consistent with the profitability target in our annual operating plan approved by our Board. As such, the 2014 operating margin target set an operational goal that was as appropriately aggressive as our operating margin targets in prior years. Our Variable Cash Compensation Plan provided for a premium in the event of overachievement of targets, capped at 200% of the target payout amount, and a reduction in the event of underachievement of targets, depending on actual results. The following maximum performance amounts would have resulted in a payout of 200% of the target amount:

achievement of reported revenue of \$3.64 billion; and

achievement of a non-GAAP corporate operating margin of 25.1%.

Our Variable Cash Compensation Plan also contained minimum performance requirements that needed to be met before any award could be earned, including:

achievement of reported revenue of no less than \$2.92 billion; and

achievement of a non-GAAP corporate operating margin of no less than 20.1%.

When actual performance falls between the threshold and the target performance levels or between the target and maximum performance levels, payouts are calculated using a graduated slope to provide for the fair distribution of operating profit for overachievement and appropriate compensation reductions for underachievement, as applicable. Further, no incentive is payable under our Variable Cash Compensation Plan unless at least 90% of either financial component of our performance goal is achieved, and at such threshold level an executive receives only 30% of his or her target variable cash compensation allocated to such component. This payout structure recognizes that, in a business of this scale, while overachievement merits a greater reward, any underachievement should be penalized.

**Target Cash Compensation Mix**

Chief Executive Officer and Named Executive Officer compensation packages have the following target mix of cash compensation expressed both as a percentage of total targeted cash compensation and in dollars:

	Target Cash Compensation Mix					
	(\$ and % of Total Target Cash Compensation)					
	Base Salary		Target Variable Cash Compensation		Total Target Cash Compensation	
	(\$)	(%)	(\$)	(%)	(\$)	(%)
President and Chief Executive Officer	900,000	45.5	1,080,000	54.5	1,980,000	100
Executive Vice President, Chief Operating Officer and Chief Financial Officer	675,000	50.0	675,000	50.0	1,350,000	100
Chief of Staff, Office of the CEO	529,412	58.8	370,588	41.2	900,000	100
Senior Vice President, Sales and Services	520,000	50.0	520,000	50.0	1,040,000	100
Senior Vice President and General Manager, Enterprise and Service Provider Division	460,000	54.1	391,000	45.9	851,000	100

### Determination of Awards

Early in the first quarter of 2015, our Executive Vice President, Chief Operating Officer and Chief Financial Officer reviewed and approved the calculations of financial target attainment levels, which were based on, and

consistent with, our publicly reported financial results for 2014, and the 2014 award amounts payable to executive officers that were generated by members of our human resources department in accordance with the terms of our Variable Cash Compensation Plan. At a meeting held in

**Table of Contents**

February 2015, our Compensation Committee approved (or, in the case of our Chief Executive Officer, recommended to the Board of Directors for approval) the

payouts under our 2014 Variable Cash Compensation Plan, including approval of the following award calculations:

	Goal	Actual	Attainment	Payout	Weighting	Weighted Payout
		<i>(amounts are approximate due to rounding)</i>				
Revenue	\$ 3.2391 billion	\$ 3.1429 billion	97.03%	79.21%	60%	47.52%
Non-GAAP Operating Margin %	22.30%	22.43%	100.58%	104.67%	40%	41.87%
Total Weighted Payout %						89.39%

The table below summarizes the payments approved by our Compensation Committee (or, in the case of our Chief Executive Officer, approved by our Board of Directors) under our Variable Cash Compensation Plan compared to

each executive's target award for 2014. Each Named Executive Officer listed below received 89.39% of his target award for 2014. We paid each of these Named Executive Officers his variable cash compensation award in the first quarter of 2015.

	Target Variable Cash Compensation Award	Actual Variable Cash Compensation Award Paid	Difference between Actual and Target Awards
	(\$)	(\$)	(\$)
President and Chief Executive Officer	1,080,000	965,412	(114,588)
Executive Vice President, Chief Operating Officer and Chief Financial Officer	675,000	603,383	(71,617)
Chief of Staff, Office of the CEO	370,588	331,269	(39,319)
Senior Vice President, Sales and Services	520,000	464,828	(55,172)
Senior Vice President and General Manager, Enterprise and Service Provider Division	391,000	349,515	(41,485)

**Equity-Based Long-Term Incentives**

The purpose of our equity-based long-term incentives is to attract, retain and engage high performing leaders, further align employee and shareholder interests, and continue to closely link executive compensation with company performance, including against the market. Our equity-based long-term incentive program is an essential component of the total compensation package offered to our executives, reflecting the importance that we place on motivating and rewarding superior results with long-term and performance-based incentives.

### **Approach to Equity-Based Awards**

Since 2012, our annual equity grant program consists entirely of restricted stock units. Further, consistent with a growing percentage of our peer group, we shifted our portfolio of equity awards granted to executive officers to a mix of just two equity elements, half of which are tied to long-term total shareholder return. Specifically, beginning in 2012, our equity-based long-term incentive program is targeted to consist of 50% market performance-based restricted stock units tied to achievement of total shareholder return metrics against a selected comparator index and 50% service-based restricted stock units. Our executives' compensation portfolio, including equity awards,

consists of a higher percentage of awards tied to objective financial measures than is the case in the compensation portfolios of most of our peer group companies.

The exclusive use of restricted stock units furthers our goals of reducing dilution, burn rate and overhang by reducing the number of shares of our common stock subject to equity-based awards while continuing to provide incentive for our high performers to remain with us and continue to perform at a high level. Also, the inclusion of market performance-based restricted stock units based on the achievement of total return to our shareholders over a three-year period compared to the return of the chosen comparator index places a strong emphasis on stock price performance, which underscores our focus on growth. We believe that this equity mix aligns our executives' interests with those of our shareholders since our executives must return value to our shareholders over the long-term before half of their awards are earned.

### **Equity-Based Award Grant Levels**

When establishing equity grant levels for our executive officers, the Compensation Committee considers the existing value of vested and unvested stock option and restricted stock unit ownership among the executive officers relative to each other and to our employees as a

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**Table of Contents**

whole, previous grants of equity-based awards to our executive officers, our overhang of equity-based awards and targeted burn rates for equity-based awards and the vesting schedules of previously granted equity-based awards, as well as the various other factors described above. While our Compensation Committee is aware of the accounting costs of equity-based awards, that in itself is only one of several factors in determining individual equity-based awards. Further, annual equity awards for the Chief Executive Officer and each Named Executive Officer reflect the market competitive value for his or her respective role, the relative level of impact the executive has on company performance, and the current and prospective performance of the executive in his or her role. Consistent with our past methodology, award levels for 2014 were set using an estimated value of Citrix stock based upon an average of the last 30 trading days in 2013.

**Restricted Stock Unit Awards**

Pursuant to the 2014 Plan, we may grant executive officers various types of awards, including market performance-based restricted stock units and service-based restricted stock units. Once vested, each restricted stock unit represents the right to receive one share of our common stock.

**Market Performance-Based Awards**

Our market performance-based awards in the portfolio of annual grants have the following design elements:

awards are tied to long-term performance against a comparator index;

a payout curve that is based upon the percentage point difference of our return and the comparator index return;

3-year performance cycles with no interim payouts; and

full vesting of achieved awards at the end of the 3-year performance period.

These design elements were adopted because we believe that measuring performance over a multiple year period based on a total return to our shareholders, or TSR, closely aligns our executives' objectives with those of our shareholders in the long term, while furthering our retention objectives. In effect, as further discussed below, a significant portion of realizable equity compensation paid to our Chief Executive Officer and other executives is determined based on our TSR compared to the Nasdaq Composite Total Return Index over the long-term.

When determining the comparator index against which the market performance-based awards would be

measured when we established the program in 2012, we chose to measure ourselves against the index with the strongest statistical correlation to our stock performance, since a higher correlation means better alignment of program payout with company performance. Further, a higher correlation minimizes the likelihood of a payout at the extreme ends of the payout curve. Using Radford's PeerPicker technology, we analyzed over 6,000 publicly-traded company stocks and indices to return the most highly-correlated to our stock over the prior three years. The results of this analysis showed that the Nasdaq Composite Total Return Index, or the XCMP, had the highest correlation.

Therefore, for the market performance-based awards, attainment levels are based on our total return to shareholders over a three-year performance period compared to the return of the XCMP. In the case of the market performance-based awards granted in 2014, the performance period is the three-year period ending on December 31, 2016.

The payout curve for our market performance-based awards is based upon the percentage point difference of our return and the XCMP total shareholder return. The following chart depicts the payout curve used for the market performance-based restricted stock units.

Percentage Point Differential	Percentage of Target Award Vested
40% or higher	200%
0%	100%
-20%	50%
<-20%	0

We took extra precautions to limit payouts in the event our return is negative and limited awards in that case. Accordingly, in the event that our return is negative, but we achieve a percentage point differential at or above zero, only 75% of the target award will be payable. If our return is positive and meets or exceeds the XCMP, the number of stock units vested will be based on interpolation, with the maximum number of stock units vested pursuant to the award capped at 200% of the target number of stock units set forth in the award agreement if our return exceeds the indexed return by 40% or more. If our return over the performance period is positive but underperforms the XCMP, a number of stock units vested will be below the target award, based on interpolation. No stock units, however, will be vested if our return underperforms the XCMP by more than 20% over the performance period. The extent to which an executive will vest in the award, if at all, if he or she is not employed by us at the end of the performance period is dependent upon the timing and character of the termination

**Table of Contents**

as provided in the award agreement. Vesting occurs only at the end of the performance period.

The performance period for the market performance-based restricted stock units granted in 2012, the first year we granted awards having these performance metrics, ended on December 31, 2014. During the three-year performance period for these awards, the XCMP significantly outperformed our stock. Based on this comparative performance, no shares vested under these awards. As a result, our Chief Executive Officer's realizable equity compensation was only 42% of the overall value of his 2012 stock awards, and only 52% of the 2012 total compensation, originally reported in the Summary Compensation Table in our 2013 Proxy Statement (which reported the grant date fair value of these awards). Our Executive Vice President, Chief Operating Officer and Chief Financial Officer, our Chief of Staff, Office of the CEO and our Senior Vice President, Sales and Services were similarly impacted. We did not grant discretionary bonuses or awards or make any compensation adjustments to compensate for the forfeited awards.

- (1) Values are calculated using the aggregate grant date fair value of restricted stock unit awards in the year in which the grant was made and are as reported in the Summary Compensation Table in our 2013 Proxy Statement. The values include service-based and market performance-based restricted stock unit awards. The assumptions we used for calculating the grant date fair value are set forth in Note 7 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2012, which was filed with the SEC on February 21, 2013. In the case of market performance-based restricted stock units, the fair value reported in the Summary Compensation Table in our 2013 Proxy Statement was the probable outcome, which was 100% target achievement. No shares vested under these market performance-based awards; and as a result, no value is realizable for these awards.

**Service-Based Restricted Stock Awards**

Consistent with our past practice, in March 2014, we also entered into restricted stock unit agreements with our executive officers for service-based restricted stock unit awards that were not subject to performance criteria and that vest over three years, with one-third of the units vesting on the first, second and third anniversaries of the date of the award agreement. Our Chief Executive Officer's service-based award granted in March was made in anticipation of Mr. Templeton's planned retirement and was intended to both retain Mr. Templeton and recognize his vital role in the anticipated transition of the company's leadership to our next Chief Executive Officer during the upcoming year. Accordingly, our Chief Executive Officer's March 2014 award fully vested on the anniversary of the grant date. In August 2014, following Mr. Templeton's expression of his desire to stay on as Chief Executive Officer and the completion of our Board's search process, Mr. Templeton was granted service-based restricted stock units consistent with our typical annual equity award process and with our standard three-year vesting schedule in recognition of his multi-year commitment to serve as our Chief Executive Officer. Among other factors, our Compensation Committee considered the combined value of the service-based awards granted to our Chief Executive Officer in March 2014 and those being granted in August, as compared to peer benchmarking data, when reevaluating our Chief Executive Officer's total compensation for 2014 following our Board's confirmation that our Chief Executive Officer would remain in his current role. For further details regarding our Chief Executive Officer's compensation, see *Individual Executive Compensation Decisions* beginning on page 41.

In addition, in March, 2014, certain of our executives were each awarded 2,000 service-based restricted stock units that fully vest on the anniversary of the grant date in recognition of the additional responsibilities assumed by those executives during our Chief Executive Officer's leave of absence and to retain such executives during the anticipated



transition of the company's leadership to our next Chief Executive Officer. For further details regarding these additional awards, see *Individual Executive Compensation Decisions* beginning on page 41.

40 CITRIX SYSTEMS, INC. | 2015 PROXY STATEMENT

**Table of Contents**

The following table summarizes our 2014 equity-based awards to our Named Executive Officers:

	Market Performance- Based Restricted Stock Unit Awards (#)(1)	Service-Based Restricted Stock Unit Awards (#)
President and Chief Executive Officer	31,817	56,817(2)
Executive Vice President, Chief Operating Officer and Chief Financial Officer	42,144	44,144(3)
Chief of Staff, Office of the CEO	20,861	22,861(3)
Senior Vice President, Sales and Services	23,179	25,179(3)
Senior Vice President and General Manager, Enterprise and Service Provider Division	20,861	22,861(3)

- (1) Reflects the target number of restricted stock units that our executive officers may earn under the terms of their 2014 market performance-based restricted stock unit agreements.
- (2) Includes 25,000 service-based restricted stock units that vest on the grant date anniversary and that took into consideration Mr. Templeton's intent at the time to retire within the year.
- (3) Includes 2,000 service-based restricted stock units that vest on the grant date anniversary and were granted in recognition of additional responsibilities assumed during Mr. Templeton's leave of absence and to retain such executives during the anticipated transition of the company's leadership to our next Chief Executive Officer. Mr. Friedman was granted this restricted stock unit award while serving as General Counsel and Senior Vice President, Human Resources.

**Benefits**

Our executive officers participate in our broad-based employee benefit plans on the same terms as eligible, non-executive employees, subject to any legal limits on the amounts that may be contributed or paid by executive officers under these plans. We offer a stock purchase plan, under which our employees may purchase shares of our common stock at a 15% discount from the fair market value of our common stock on the last business day of the purchase period (determined by reference to the closing price of our common stock on such date), and a 401(k) plan, which allows our employees to invest in a wide array of funds on a pre-tax basis and which provides a matching contribution from our company. We also maintain insurance and other benefit plans for our employees. Our executive officers receive higher life, accidental death and dismemberment and disability insurance benefits than other employees, which reflects industry standards and their relative base salary levels. Our executive officers also receive reimbursement for annual health physicals. During 2014, we did not offer any non-qualified deferred compensation plans or supplemental retirement plans to our executives. For more information, please refer to the Summary Compensation Table and the Nonqualified Deferred Compensation Table below. We have always limited the perquisites that are made available to our executives.

**INDIVIDUAL EXECUTIVE COMPENSATION DECISIONS**

Next, we discuss how we apply the policies and practices described above and the resulting compensation paid or awarded to each of the Named Executive Officers for the

year ended December 31, 2014 as set forth in the Summary Compensation Table and the Grants of Plan-Based Awards Table.

## **CHIEF EXECUTIVE OFFICER COMPENSATION**

As President and Chief Executive Officer, Mark Templeton is responsible for overseeing all of our corporate functions, business units, go-to-market activities and the attainment of our strategic, operational and financial goals. Working in concert with management and our Board of Directors, Mr. Templeton formulates current and long-term strategic plans and objectives and is chief spokesperson to our employees, customers, partners and shareholders.

Mr. Templeton has been the driving force behind our multiple business transformations. Mr. Templeton joined Citrix prior to our initial public offering; and during his tenure, Citrix has evolved from a one-product, \$15 million organization, to a global market leader with revenues of \$3.14 billion in 2014. Mr. Templeton has shaped our culture, market direction, product strategy and has driven a passion for customers throughout Citrix. Today, Mr. Templeton is transforming our business around our vision of the software defined workplace a differentiated strategy to drive growth, profitability and unique value to our customers and partners.

Based on a recommendation of the Compensation Committee, our Board of Directors determines compensation for our President and Chief Executive Officer using the same factors it uses for other executives, placing relatively less emphasis on base salary and, instead, driving greater performance-based alignment through

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**Table of Contents**

equity-based long-term and variable cash compensation. In assessing the compensation paid to Mr. Templeton, the Compensation Committee relies on both information from selected benchmarks and its judgment with respect to the factors described above.

Further, as discussed above, Mr. Templeton announced his intent to retire at the beginning of 2014. This announcement coincided with our annual compensation planning process for 2014. As a result, the Compensation Committee considered Mr. Templeton's anticipated retirement, and the timing of the succession process and transition, in addition to the other factors discussed above, when reviewing Mr. Templeton's total compensation package.

In March 2014, therefore, our Compensation Committee and Board determined that Mr. Templeton's annual base salary would remain at \$900,000, and Mr. Templeton's target variable cash compensation award as a percentage of base salary would remain at 120% resulting in no increase in Mr. Templeton's total target cash compensation for 2014.

In March 2014, when equity awards were granted to our executives, the Compensation Committee determined that, in light of Mr. Templeton's anticipated retirement within the year, it was not appropriate to grant to Mr. Templeton our standard mix of service-based awards and market performance-based awards that vest over three years. Instead, on March 28, 2014, Mr. Templeton was granted 25,000 service-based restricted stock units that fully vest on the anniversary of the grant date. The vesting of this award was structured to coincide with Mr. Templeton's retirement and was approximately one third the median value of annual equity compensation for Chief Executive Officers in our peer group. This equity award was intended to both retain Mr. Templeton and recognize his vital role in the transition of the company's leadership to our next Chief Executive Officer during the upcoming year. Mr. Templeton was granted no market performance-based restricted stock units in March 2014.

Following Mr. Templeton's expression of his desire to stay on as Chief Executive Officer and the completion of our Board's search process, as discussed above, in July 2014 the Compensation Committee reevaluated Mr. Templeton's total compensation for 2014.

The Compensation Committee recommended no changes to Mr. Templeton's base salary of \$900,000 or his target cash compensation of 120% of his base salary. As a result, in 2014, Mr. Templeton received base salary compensation of \$900,000 and variable cash compensation of \$965,412 in accordance with our 2014 Variable Cash Compensation Plan.

In recognition of Mr. Templeton continuing as our Chief Executive Officer and in line with our targeted annual equity compensation mix of 50% market performance-based and 50% service-based, the Compensation Committee recommended, and on August 1, 2014 Mr. Templeton was granted, an award of 31,817 service-based restricted stock units, which vest in three equal annual installments, and 31,817 market performance-based restricted stock units pursuant to which Mr. Templeton is eligible to earn restricted stock units based on the total return to our shareholders over a three-year performance period compared to the return on the XCMP as described above. Among other factors, our Compensation Committee considered the combined value of the service-based awards granted to Mr. Templeton in March 2014 and those being granted in August, as compared to peer benchmarking data, when reevaluating our Chief Executive Officer's total compensation for 2014, following our Board's confirmation that our Chief Executive Officer would remain in his current role. The value of Mr. Templeton's target equity compensation for 2014, including the awards granted in March and August, was below the median value of annual equity compensation for Chief Executive Officers in our peer group.

Our Board of Directors approved Mr. Templeton's equity awards upon the recommendation of the Compensation Committee.

**OTHER NAMED EXECUTIVE OFFICERS CASH COMPENSATION    BASE SALARY AND VARIABLE CASH COMPENSATION**

**Executive Vice President, Chief Operating Officer and Chief Financial Officer**

As Executive Vice President, Chief Financial Officer and Chief Operating Officer, David Henshall is responsible for overseeing our relations with our investors, budgeting and planning, financial accounting, operations, tax, treasury, information technology and security, and supply chain management. Mr. Henshall is also responsible for developing our overall financial and cash management strategies. As discussed above, effective February 1, 2014, in connection with Mr. Henshall's promotion to Chief Operating Officer, his annual base salary was increased from \$570,000 to \$675,000. As a result, in 2014, Mr. Henshall received base salary compensation of \$666,250.

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**Table of Contents**

For 2014, Mr. Henshall's target variable cash compensation award as a percentage of base salary was set at 100% of his base salary.

For 2014, Mr. Henshall was awarded variable cash compensation of \$603,383 in accordance with our 2014 Variable Cash Compensation Plan.

**Chief of Staff, Office of the CEO**

David Friedman was appointed as our Chief of Staff, Office of the CEO, effective April 2015. Prior to this appointment, Mr. Friedman served as our General Counsel and Senior Vice President, Human Resources. As General Counsel and Senior Vice President, Human Resources, David Friedman was our principal legal and human resources executive. In his General Counsel role, Mr. Friedman was involved in the oversight of acquisitions, commercial transactions, corporate governance initiatives, regulatory, litigation and other legal matters. As our principal human resources executive, Mr. Friedman was responsible for our programs to hire, develop and retain our high-performing talent. As discussed above, effective April 1, 2014, Mr. Friedman's annual base salary was increased from \$510,000 to \$529,412. As a result, in 2014, Mr. Friedman received base salary compensation of \$524,559.

For 2014, Mr. Friedman's target variable cash compensation award as a percentage of base salary was set at 70% of his base salary.

For 2014, Mr. Friedman was awarded variable cash compensation of \$331,269 in accordance with our 2014 Variable Cash Compensation Plan.

**Senior Vice President, Sales and Services**

As Senior Vice President of our Sales and Services Division, Alvaro Monserrat was responsible for our worldwide sales and services efforts and our channel and distribution strategy.

As discussed above, effective April 1, 2014, Mr. Monserrat's annual base salary was increased from \$500,000 to \$520,000. As a result, in 2014, Mr. Monserrat received base salary compensation of \$515,000.

For 2014, Mr. Monserrat's target variable cash compensation award as a percentage of base salary remained at 100% of his base salary.

For 2014, Mr. Monserrat was awarded variable cash compensation of \$464,828 in accordance with our 2014 Variable Cash Compensation Plan.

In January 2015, we announced that Mr. Monserrat, was leaving Citrix. Mr. Monserrat provided transitional advisory services to Citrix through April 1, 2015 as our Senior Vice President, Sales and Strategy. We consider and balance various factors when determining the terms of an executive's separation, including separation compensation that would facilitate an orderly and effective transition and maintain alignment of an executive's interests with those of Citrix for an appropriate period of time. Accordingly, in addition to receiving his current compensation and benefits during the transition period, and pursuant to a mutual separation and release agreement, Citrix agreed to pay Mr. Monserrat a separation compensation payment equal to his current base salary for the period from his last day of employment through January 15, 2016 and his current annual target variable cash compensation amount for 2015. Mr. Monserrat's outstanding equity awards vested through his last day of employment, and all unvested equity awards were forfeited.

**Senior Vice President and General Manager, Enterprise and Service Provider Division**

As Senior Vice President and General Manager of our Enterprise and Service Provider Division, Sudhakar Ramakrishna was responsible for overseeing the strategy and execution of our Windows application, mobile applications management, networking and cloud solutions.

As discussed above, effective April 1, 2015, Mr. Ramakrishna's annual base salary was increased from \$435,000 to \$460,000. As a result, in 2014, Mr. Ramakrishna received base salary compensation of \$453,750.

For 2014, Mr. Ramakrishna's target variable cash compensation award as a percentage of base salary was set at 85% of his base salary.

For 2014, Mr. Ramakrishna was awarded variable cash compensation of \$349,515 in accordance with our 2014 Variable Cash Compensation Plan.

In February 2015, we announced that Mr. Ramakrishna was leaving Citrix. Mr. Ramakrishna agreed to provide transitional advisory services to Citrix through May 31, 2015 as our Senior Vice President, Products. We consider and balance various factors when determining the terms of an executive's separation, including separation compensation that would facilitate an orderly and effective transition and maintain alignment of an executive's interests with those of Citrix for an appropriate period of time. Accordingly, in addition to receiving his current

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**Table of Contents**

compensation and benefits during the transition period, and pursuant to a mutual separation and release agreement, Citrix agreed to pay Mr. Ramakrishna separation compensation payments equal to his current base salary for the period from his last day of employment through May 31, 2016 and his current annual target variable cash compensation amount. Mr. Ramakrishna's outstanding equity awards will vest through his last day of employment, and all unvested equity awards will be forfeited.

**OTHER NAMED EXECUTIVE OFFICERS EQUITY BASED LONG-TERM INCENTIVE  
COMPENSATION**

On March 28, 2014, each of the Named Executive Officers, other than our Chief Executive Officer, was awarded a market performance-based restricted stock unit award pursuant to which each executive is eligible to earn restricted stock units based on the total return to our shareholders over a three-year performance period compared to the return on the XCOMP described above. Attainment levels will be determined within 60 days of the end of the performance period (December 31, 2016 for the grants made in 2014). In March 2014, the following executives were awarded grants of market performance-based restricted stock units at the following target award levels:

Mr. Henshall 42,144;

Mr. Friedman 20,861;

Mr. Monserrat 23,179; and

Mr. Ramakrishna 20,861.

Messrs. Henshall, Friedman, Monserrat and Ramakrishna were also awarded service-based restricted stock units as part of our annual compensation process, which vest in three equal annual installments as follows:

Mr. Henshall 42,144;

Mr. Friedman 20,861;

Mr. Monserrat 23,179; and

Mr. Ramakrishna 20,861.

The Compensation Committee approved each award. The number of restricted stock units potentially awardable under each executive's respective restricted stock unit award was determined in accordance with the factors discussed above.



In addition, on March 3, 2014, certain of our executives were awarded service-based restricted stock unit awards that fully vest on the anniversary of the grant date in

recognition of the additional responsibilities assumed by those executives during Mr. Templeton's leave of absence and to retain such executives during the anticipated transition of the company's leadership to our next Chief Executive Officer as follows:

Mr. Henshall 2,000;

Mr. Friedman 2,000;

Mr. Monserrat 2,000; and

Mr. Ramakrishna 2,000.

The Compensation Committee approved each award. The Compensation Committee determined the number of restricted stock units considering factors such as the additional responsibilities that each executive assumed in connection with Mr. Templeton's leave of absence and the success in maintaining our operations and strategy during Mr. Templeton's leave of absence.

#### Other Compensation Policies and Information

### EQUITY AWARD GRANT POLICY

In 2007, the Compensation Committee adopted the Citrix Equity Award Grant Policy, or the Awards Policy. The Awards Policy enhances our controls with respect to grants of equity awards by establishing procedures for approving and pre-determining the dates on which awards will be made. Pursuant to the Awards Policy, unless a different date is set by our Board of Directors or the Compensation Committee, annual grants of full value awards are made on the last business day in March on or prior to March 30th.

The Awards Policy also establishes fixed grant dates for new hire and performance grants. An employee's eligibility to receive an award as of a particular, fixed grant date is subject to the time of the month in which the employee's employment begins or promotion is effective or, if later, the date on which all documentation necessary for the approval of the grant is obtained. A copy of our Awards Policy is available on the Corporate Governance section of our website at <http://www.citrix.com/about/governance.html> under Governance Documents.

**Table of Contents**

**EXECUTIVE STOCK OWNERSHIP GUIDELINES**

To align the interests of our executive officers with the interests of our shareholders, our Board has established stock ownership guidelines for our executive officers. Under our current guidelines, our Chief Executive Officer is expected to own at least 100,000 shares of our common stock, our Chief Financial Officer is expected to own at least 25,000 shares and each other executive officer is expected to own at least 20,000 shares of our common stock. Each of our executive officers is expected to hold such shares for so long as he or she is one of our executive officers. Unless an exception is approved by our Compensation Committee, executive officers are expected to meet these guidelines within four years of the date of his or her appointment as an executive officer. Failure to satisfy the stock holding guidelines when required to do so will result in suspension of an executive officer's ability to sell shares of our common stock until the requisite ownership levels are reached. Our executive officers may accumulate shares of our common stock through stock option exercises, settlement of restricted stock units or other awards and open market purchases made in compliance with applicable securities laws, our policies or any other equity plans we may adopt from time to time. Shares of our common stock beneficially owned (unless the executive officer disclaims beneficial ownership of the shares) and vested restricted stock (including vested but deferred restricted stock units) count towards the satisfaction of the ownership guidelines.

**POLICY CONCERNING HEDGING AND PLEDGING TRANSACTIONS**

Certain transactions in Citrix securities (such as buying or selling puts, calls or other derivative securities of Citrix securities, or any derivative securities that provide the economic equivalent of ownership of any Citrix securities or an opportunity, direct or indirect, to profit from any change in the value of Citrix securities, or engaging in any other hedging transactions with respect to Citrix securities) create a heightened compliance risk or could create the appearance of misalignment between management and

shareholders. As a result, our insider trading policy prohibits our executive officers and directors from engaging in hedging transactions, such as in short sales and or derivative transactions, purchasing Citrix securities on margin, holding Citrix securities in an account that is, or is linked to, a margin account, and pledging Citrix securities as collateral for a loan.

**POLICY REGARDING 10B5-1 TRADING PLANS**

Under our policies, our directors and executive officers may not trade in Citrix stock unless pursuant to a trading plan that meets the requirements of the Securities and Exchange Commission's Rule 10b5-1 and our additional policy requirements, unless an exception is approved by the Chair of our Nominating and Corporate Governance Committee. These additional policy requirements currently include:

a prohibition on any trades earlier than 90 days after the trading plan is approved by Citrix;

a prohibition on any adoption, cancellation, suspension, expansion or other modification to a trading plan during our quarterly earnings blackout periods; and

a minimum one-year term unless the trading plan is exhausted earlier through sales of shares.

On a quarterly basis, we disclose Rule 10b5-1 trading plan adoptions and modifications by our directors and executive officers in our Annual Report on Form 10-K or quarterly reports on Form 10-Q.

#### **POLICY REGARDING CHANGE IN CONTROL ARRANGEMENTS**

It is our policy that we will not enter into any new agreements, or materially amend any existing agreements, with our executive officers that provide the executive officer with severance payments following a change in control, except in the case of a double-trigger termination event (that is, upon the termination of the executive's employment without cause or for good reason following a change in control).

**Table of Contents**

## Summary of Executive Compensation

The following table sets forth certain information with respect to compensation for the years ended December 31, 2014, 2013 and 2012 earned by or paid to our President and Chief Executive Officer, our Executive Vice President, Chief Operating Officer and Chief Financial Officer, and our three other most highly-compensated executive officers, referred to as our Named Executive Officers, as determined in accordance with applicable SEC rules.

**SUMMARY COMPENSATION TABLE**  
**FOR THE 2014, 2013 AND 2012 FISCAL YEARS**

		Non-Equity						
				Stock	Option	Incentive Plan	All Other	
Name and		Salary	Bonus	Awards	Awards	Compensation	Compensation	Total
Principal Position	Year	(\$)*	(\$)	(\$)(1)	(\$)	(\$)	(\$)	(\$)
Mark B. Templeton	2014	900,000		5,993,263		965,412	24,939(2)	7,883,614
President and Chief	2013	897,500						