

8X8 INC /DE/
Form DEF 14A
July 11, 2017

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

SCHEDULE 14A

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

Filed by the Registrant

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Filed by a Party other than the Registrant

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Check the appropriate box:

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Preliminary Proxy Statement

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

ý Definitive Proxy Statement

.. Definitive Additional Materials

.. Soliciting Material Pursuant to 240.14a-12

8x8, 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):

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No fee required.

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8X8, INC.

NOTICE OF THE 2017 ANNUAL MEETING OF STOCKHOLDERS

AUGUST 10, 2017

Dear Stockholder:

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The 2017 Annual Meeting of Stockholders (the "2017 Annual Meeting") of 8x8, Inc., a Delaware corporation (the "Company"), will be held Thursday, August 10, 2017, at 10:00 a.m., local time, at the corporate offices of the Company at 2125 O'Nel Drive, San Jose, California 95131, for the following purposes:

1. To elect seven directors to hold office until the 2018 Annual Meeting of Stockholders and until their respective successors have been elected and qualified. The Company's nominees are Bryan R. Martin, Guy L. Hecker, Jr., Vikram Verma, Eric Salzman, Ian Potter, Jaswinder Pal Singh, and Vladimir Jacimovic;
2. To ratify the appointment of Moss Adams LLP as the Company's independent registered public accounting firm for the fiscal year ending March 31, 2018;
3. To approve the Company's Second Amended and Restated 1996 Employee Stock Purchase Plan;
4. To approve the material terms of the performance goals under the Company's Amended and Restated 2012 Equity Incentive Plan, solely for the purposes of Internal Revenue Code Section 162(m);
5. To hold an advisory vote to approve executive compensation; and
6. To hold an advisory vote on the frequency of future advisory votes on executive compensation.

These items of business are more fully described in the proxy statement accompanying this notice. Only stockholders of record at the close of business on June 16, 2017, are entitled to notice of and to vote at the 2017 Annual Meeting or at any adjournment or postponement thereof.

All stockholders are cordially invited to attend the 2017 Annual Meeting in person. However, to ensure your representation at the 2017 Annual Meeting, you are urged to vote as promptly as possible. Any stockholder of record attending the 2017 Annual Meeting may vote in person even if he or she has previously returned a proxy. For ten days prior to the 2017 Annual Meeting, a complete list of stockholders entitled to vote at the 2017 Annual Meeting will be available for examination by any stockholder for any purpose relating to this 2017 Annual Meeting, during ordinary business hours at the Company's corporate headquarters located at 2125 O'Nel Drive, San Jose, California 95131.

By Order of the
Board of Directors

Bryan R.
Martin
Chairman

San Jose, California
July 10, 2017

8X8, INC.

2125 O'Nel Drive
San Jose, California 95131

PROXY STATEMENT

INFORMATION CONCERNING SOLICITATION AND VOTING

General

The accompanying proxy is solicited by the Board of Directors (the "Board") of 8x8, Inc. (referred to throughout this proxy statement as "8x8," the "Company," "we," "us," and "our"), a Delaware corporation, for use at the 2017 Annual Meeting of Stockholders (the "2017 Annual Meeting") to be held August 10, 2017, at 10:00 a.m., local time, or at any adjournment thereof. The 2017 Annual Meeting will be held at our principal executive offices at 2125 O'Nel Drive, San Jose, California 95131. Our telephone number is (408) 727-1885.

This proxy statement, the accompanying proxy card and our Annual Report on Form 10-K for the year ended March 31, 2017 ("Annual Report") are being mailed on or about July 12, 2017 to all holders of our common stock as of the record date of June 16, 2017 (the "Record Date"). On the Record Date, we had 91,763,705 shares of common stock issued and outstanding held in street name or by registered stockholders.

Furthermore, stockholders who wish to view our Annual Report, as filed with the Securities and Exchange Commission, or SEC, including our audited financial statements, will find it available on the Investor Relations section of our website at

<http://www.8x8.com>. To request a printed copy of our proxy and Annual Report, which we will provide to you free of charge, either: write to 8x8's Investor Relations Department at 8x8, Inc., 2125 O'Nel Drive, San Jose, CA 95131; call us at (866) 587-8516; or email us at 2017@8x8.com.

QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE 2017 ANNUAL MEETING

Q: What information is contained in this proxy statement?

A:

The information in this proxy statement relates to the proposals to be voted on at the 2017 Annual Meeting, the voting process, our corporate governance, the compensation of our directors and named executive officers in fiscal 2017, and other required information.

Q: What shares can I vote?

A:

Each share of 8x8 common stock issued and outstanding as of the Record Date is entitled to vote on all proposals presented at the 2017 Annual Meeting. You may vote all shares owned by you as of the Record Date, including (1) shares held directly in your name as the stockholder of record and (2) shares held for you as the beneficial owner in street name.

Q: How many votes am I entitled to per share?

A:

Each holder of shares of common stock is entitled to one vote for each share of common stock held as of the Record Date.

Q: Can I attend the 2017 Annual Meeting?

A:

You are entitled to attend the 2017 Annual Meeting only if you were an 8x8 stockholder or joint holder as of the Record Date, or if you hold a valid proxy for the 2017 Annual Meeting. You should be prepared to present government-issued photo identification (such as a driver's license or passport) for admittance. If you are not a stockholder of record but hold shares in street name through a broker, trustee or nominee, you should be prepared to provide proof of beneficial ownership as of the Record Date, such as your most recent account statement prior to June 16, 2017, a copy of the voting instruction card provided by your bank, broker, trustee or nominee, or other similar evidence of ownership.

The meeting will begin promptly at 10:00 a.m., local time. Check-in will begin at 9:30 a.m., local time, and you should allow ample time for the check-in procedures.

Q: How can I vote my shares in person at the 2017 Annual Meeting?

A: Shares held in your name as the stockholder of record may be voted by you in person at the 2017 Annual Meeting. Shares held beneficially in street name may be voted by you in person at the 2017 Annual Meeting only if you obtain a valid proxy, or "legal proxy," from the broker, trustee or nominee that holds your shares giving you the right to vote the shares. Even if you plan to attend the 2017 Annual Meeting, we recommend that you also submit your voting instructions prior to the meeting to ensure your vote will be counted if you later decide not to attend the meeting.

Q: How can I vote my shares without attending the 2017 Annual Meeting?

A:

If you hold shares directly as the stockholder of record, you may direct how your shares are voted without attending the 2017 Annual Meeting in accordance with the instructions included in the proxy statement and proxy card. Our Chief Executive Officer and our Chief Financial Officer have been designated by the Board to be the proxy holders for the 2017 Annual Meeting. They will cast votes on Proposal Nos. One, Two, Three, Four, Five, and Six at the meeting in accordance with the direction provided in the proxy.

Q: Can I change my vote?

A:

Your proxy is revocable and you may change your vote at any time prior to the vote at the 2017 Annual Meeting. If you are the stockholder of record, you may change your vote by granting a new proxy bearing a later date (which automatically revokes the earlier proxy) using any of the methods described above (and until the applicable deadline for each method), by providing a written notice of revocation to 8x8, Inc., Attn: Secretary, 2125 O'Nel Drive, San Jose, CA 95131, prior to your shares being voted, or by attending the 2017 Annual Meeting and voting in person. Attendance at the meeting will not cause your previously granted proxy to be revoked unless you specifically so request. For shares you hold beneficially in street name, you may change your vote by submitting new voting instructions to your broker, trustee or nominee following the instructions they provided or, if you have obtained a legal proxy from your broker or nominee giving you the right to vote your shares, by attending the meeting and voting in person.

Q: How many shares must be present or represented to conduct business at the 2017 Annual Meeting?

A:

The quorum requirement for holding and transacting business at the 2017 Annual Meeting is that holders of a majority of the voting power of the issued and outstanding shares of our common stock must be present in person or represented by proxy. Both abstentions and broker non-votes are counted for the purpose of determining the presence of a quorum.

Q: What is the voting requirement to approve each of the proposals?

A:

The voting requirements for the proposals that we will consider at the Annual Meeting are:

- Proposal No. 1 - Election of Directors.

The seven nominees receiving the most votes cast "FOR" their election shall be elected as directors, provided that pursuant to a policy adopted by the Board, any director nominee who fails to receive more votes cast "FOR" his election than "WITHHELD" is expected to tender his resignation to the Governance and Nominating Committee of the Board, which is authorized to consider each resignation tendered under the policy and recommend to the Board whether or not to accept the resignation.

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Proposal No. 2 - Ratification of Appointment of Moss Adams LLP as Independent Registered Public Accounting Firm.

An affirmative vote of the holders of a majority of the shares present or represented by proxy and entitled to vote on this proposal at the Annual Meeting is necessary for approval of this proposal.

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Proposal No. 3 - Approval of the Second Amended and Restated 1996 Employee Stock Purchase Plan.

An affirmative vote of the holders of a majority of the shares present or represented by proxy and entitled to vote at the Annual Meeting will constitute approval of this proposal.

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Proposal No. 4 - Approval of the Material Terms of the Performance Goals under the Company's Amended and Restated 2012 Equity Incentive Plan, Solely for Purposes of Section 162(m) of the Internal Revenue Service Code.

An affirmative vote of the holders of a majority of the shares present or represented by proxy and entitled to vote at the Annual Meeting will constitute approval of this proposal.

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Proposal No. 5 - Advisory Vote to Approve Executive Compensation.

An affirmative vote of the holders of a majority of the shares present or represented by proxy and entitled to vote on this proposal at the Annual Meeting will constitute approval of this proposal. Neither we nor the Board will not be bound or otherwise obligated by the results of the vote on this proposal.

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Proposal No.6 - Advisory Vote on Frequency of Votes to Approve Executive Compensation.

The plurality of votes cast for the alternative frequency periods (one, two, or three years) will be considered by the Board to represent the preference of stockholders for the frequency of non-binding advisory votes on executive compensation. Neither we nor the Board will not be bound or otherwise obligated by the results of the vote on this proposal.

Q: What happens if additional matters are presented at the 2017 Annual Meeting?

A: Other than the items of business described in this proxy statement, we are not aware of any additional business to be acted upon at the 2017 Annual Meeting. If you grant a proxy, the named proxy holders, Vikram Verma and Mary Ellen Genovese, in addition to voting your shares in accordance with the Board's recommendations, will have the discretion to vote your shares on certain additional matters properly presented for a vote at the meeting except with respect to broker non-votes, as explained below. If, for any reason, any of our nominees is not available as a candidate for director, the named proxy holders will vote your proxy for such other candidate or candidates as may be nominated by the Board.

Q: How will votes be counted at the 2017 Annual Meeting?

A:

An automated system administered by Broadridge Financial Solutions, Inc. ("Broadridge") will tabulate stockholder votes by proxy instructions submitted by beneficial owners over the Internet, by telephone, or by proxy cards mailed to Broadridge. Broadridge will also tabulate stockholder votes submitted by proxies submitted by stockholders of record other than beneficial owners. The inspector of the election will tabulate votes cast in person at the 2017 Annual Meeting.

Q: How are "broker non-votes" and abstentions treated?

A:

Brokers holding shares in street name for customers have discretionary authority to vote on some matters when they have not received instructions from the beneficial owners of shares. Under the Delaware General Corporation Law, an abstaining vote and a broker "non-vote" are counted as present and are, therefore, included for purposes of determining whether a quorum of shares is present at the Annual Meeting. A broker "non-vote" occurs when a broker or other nominee holding shares for a beneficial owner signs and returns a proxy with respect to shares of common stock held in a fiduciary capacity (typically referred to as being held in "street name") but does not vote on a particular matter due to a lack of discretionary voting power and instructions from the beneficial owner. Under listing rules governing voting with respect to shares held in street name, brokers have the discretion to vote such shares on routine matters but not on non-routine matters. At the Annual Meeting, all proposals other than Proposal No. 2 (the ratification of appointment of Moss Adams LLP as our independent registered public accounting firm for the fiscal 2017 audit) are considered non-routine matters.

Broker non-votes are considered present but not entitled to vote at the meeting. They will not affect the outcome of the vote on any of the proposals at the Annual Meeting because broker non-votes are excluded from the tabulation of votes cast on each proposal. Abstentions are counted as present and entitled to vote for purposes of establishing a quorum. An abstention will have no effect on the election of directors under Proposal No. 1, the Advisory Vote to Approve Executive Compensation under Proposal No. 5, or the Advisory Vote on the Frequency of Votes to Approve Executive Compensation, Proposal No. 6, all of which are subject to a plurality vote. However, an abstention will have the same effect as a vote "against" the ratification of the appointment by the Audit Committee of Moss Adams LLP as our independent registered public accounting firm for the fiscal 2017 audit under Proposal No. 2, the Approval of the Second Amended and Restated 1996 Employee Stock Purchase Plan, and the approval of the Material Terms of the Performance Goals under the Company's Amended and Restated 2012 Equity Incentive Plan Solely for Purposes of Internal Revenue Code Section 162(m) under Proposal No. 4, because a vote in favor of each of these proposals from a majority of the shares present in person or by proxy and entitled to vote is needed for approval.

Q: Who will serve as inspector of elections?

A:

The inspector of elections will be a representative from the Company.

Q: What should I do if I receive more than one set of voting materials?

A:

You may receive more than one set of voting materials, including multiple copies of this proxy statement and multiple proxy cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate proxy card for each brokerage account in which you hold shares. If you are a stockholder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please vote using each control number and proxy card that you receive.

Q: Who will bear the cost of soliciting votes for the 2017 Annual Meeting?

A:

We are making this solicitation and will pay the entire cost of preparing, assembling, printing, mailing and distributing these proxy materials and soliciting votes. If you choose to access the proxy materials or vote over the Internet, you are responsible for any Internet access charges you may incur. If you choose to vote by telephone, you are responsible for any telephone charges you may incur. In addition to the mailing of these proxy materials, the solicitation of proxies or votes may be made in person, by telephone or by electronic communication by our directors, officers and employees, who will not receive any additional compensation for such solicitation activities.

PROPOSAL NO. ONE:
ELECTION OF DIRECTORS

Nominees

The Board currently consists of seven directors, all of whom have been nominated for re-election at the 2017 Annual Meeting and have agreed to serve if elected.

Proxies cannot be voted for a greater number of individuals than the number of nominees named. Each of the directors elected at the 2017 Annual Meeting will hold office until the 2018 Annual Meeting of Stockholders or until his successor has been duly elected and qualified. Unless otherwise instructed, the proxy holders will vote the proxies received by them for each of our seven nominees named below, all of whom are directors currently serving on the Board. In the event that any of our nominees becomes unable or declines to serve as a director at the time of the 2017 Annual Meeting, the proxy holders will vote the proxies for any substitute nominee who is designated by the current Board to fill the vacancy. It is not expected that any nominee listed below will be unable or will decline to serve as a director. The names of the nominees and certain information about each of them are set forth below.

Name	Age	Principal Occupation	Director Since
Bryan R. Martin	49	Chairman of the Board and Chief Technology Officer, 8x8, Inc.	2001
Guy L. Hecker, Jr. (1)(2)(3)(4)	85	Major General, USAF, Retired	1997
Vikram Verma	52	Chief Executive Officer, 8x8, Inc.	2012
Eric Salzman (1)(3)(4)	50	Managing Member, SarniHaan Capital Partners LLC	2012
Ian Potter (1)(3)	53	Managing Partner of Lion City Capital Partners	2013
Jaswinder Pal Singh(1)	51	Professor of Computer Science at Princeton University and Chairman and Co-Founder of Gwynnie Bee, Inc.	2013
Vladimir Jacimovic	53	Managing Partner, Continuum Capital Partners	2014

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- (1) Member of the Audit Committee
 - (2) Lead director
 - (3) Member of the Compensation Committee
 - (4) Member of the Governance and Nominating Committee

Except as indicated below, each nominee or incumbent director has been engaged in the principal occupation set forth above during the past five years. There are no family relationships between any of our directors or executive officers. There are also no arrangements or understandings between any director, nominee or executive officer and any other person pursuant to which he or she has been or will be selected as a director and/or executive officer.

Bryan R. Martin

has served as our Chairman of the Board since December 2003, our Chief Technology Officer since September 2013, and as a director since February 2001. From February 2002 to September 2013, he served as our Chief Executive Officer. From March 2007 to November 2008, and again from April 2011 to December 2011, he served as President. From February 2001 to February 2002, he served as President and Chief Operating Officer. He served as Senior Vice President, Engineering Operations from July 2000 to February 2001 and as the Company's Chief Technical Officer from August 1995 to August 2000. He also served as a director from January 1998 to July 1999. In addition, Mr. Martin served in various technical roles for the Company from April 1990 to August 1995. He received a B.S. and a M.S. in Electrical Engineering from Stanford University. We believe Mr. Martin's qualifications to serve as a director include his tenure as our Chief Executive Officer and as a member of our Board, his more than 25 years of service to us with extensive experience in the development and sale of communications technologies and services and the 55

United States patents issued to him in the fields of semiconductors, computer architecture, video processing algorithms, videophones and communications.

Major General Guy L. Hecker, Jr. has served as a director since August 1997 and lead director since January 2010. He was the founder of Stafford, Burke and Hecker, Inc., a consulting firm based in Alexandria, Virginia, and served as its President from 1982 to 2008. Prior to his retirement from the United States Air Force in 1982, Major General Hecker's duties included serving as Director of the Air Force Office of Legislative Liaison and an appointment in the Office of the Deputy Chief of Staff, Research, Development and Acquisition for the Air Force. Earlier, he served as a pilot and commander in both fighter and bomber aircraft units, including command of a bomber wing and an air division. During his Air Force career, Major General Hecker was awarded a number of military decorations, including the Air Force Distinguished Service Medal, the Silver Star, the Legion of Merit (awarded twice) and the Distinguished Flying Cross. He currently serves on the board of directors of NavCom Defense Electronics. Major General Hecker received a B.A. from The Citadel, an M.A. in International Relations from George Washington University, an honorary Ph.D. in military science from The Citadel and completed the management development program at Harvard Business School. He is also a graduate of the National War College. We believe that Major General Hecker's qualifications to serve on the Board include his extensive business and investing experience, including the founding of a successful business at Stafford, Burke and Hecker after retiring from the Air Force and his involvement in venture capital investing including being an initial investor in Micron Computer, a subsidiary of Micron Technology, Inc., prior to its initial public offering and a director and principal shareholder of NavCom Defense Electronics since its founding in 1984.

Vikram Verma

has served as our Chief Executive Officer since September 2013 and as a director since January 2012. From October 2008 to August 2013, Mr. Verma was President of Strategic Venture Development at Lockheed Martin with responsibility for monetizing existing Lockheed Martin technologies in new global commercial markets through technology incubators, intellectual property licensing and international strategic partnerships. From 2006 to 2008, Mr. Verma was President of IS&GS Savi Group, a Lockheed Martin technology and information services division providing real-time supply chain management and security solutions for government and commercial markets worldwide. Prior to that, he was Chairman and Chief Executive Officer of Savi Technology, Inc., a leader in RFID-based tracking and security solutions and a pioneer in using RFID tags to track cargo containers and their content globally via public and private clouds. Savi was acquired by Lockheed Martin in 2006. Mr. Verma holds a B.S.E.E. degree from the Florida Institute of Technology, a M.S.E degree from University of Michigan and the graduate degree of Engineer in electrical engineering from Stanford University. He has also attended executive management programs at the Harvard Business School, Stanford Graduate School of Business and the University of California at Berkeley Haas School of Business. He has been granted eight patents and has won numerous other accolades including being named a "Technology Pioneer" by the World Economic Forum in Davos, Switzerland and a Tau Beta Pi - Williams Fellow. We believe Mr. Verma's qualifications to serve as a director, in addition to being our Chief Executive Officer, include his experience leading Savi Technology, Inc. through its growth and eventual sale to Lockheed Martin and his expertise bringing advanced technology-based solutions to new domestic and international markets, all of which are critical components for our business success.

Eric Salzman

has served as a director since February 2012. Mr. Salzman has nearly 20 years of experience investing in and advising technology companies with a focus on the communications and software sectors. Mr. Salzman has extensive M&A, capital markets, private equity and board experience having served as a board member or board observer at 15 companies and is currently a director at three private equity owned technology companies. Since 2011, Mr. Salzman has been the Managing Member of SarniHaan Capital Partners LLC, a boutique consulting firm that provides high impact strategic advice to public and private technology companies and maintains an investment banking affiliation with Monarch Capital Group, LLC. Prior to establishing SarniHaan Capital Partners LLC, Mr. Salzman was employed by Lehman Brothers Holdings as a Managing Director in the Private Equity and Principal Investing Group as well as in the Global Trading Strategies Division. Prior to Lehman Brothers, Mr. Salzman was a senior research analyst covering the technology and communications sectors in the hedge fund industry and was a senior private

equity investment professional at two communications-focused private equity funds. Mr. Salzman began his career in the M&A Group at CS First Boston. Mr. Salzman has a B.A. Honors from the University of Michigan and a MBA from Harvard University. We believe Mr. Salzman's qualifications to serve as director include his 20 years in investing and advising technology companies that are similar to our business.

Ian Potter

has served as a director since September 2013. Mr. Potter is currently a Distinguished Fellow with INSEAD's Global Private Equity Initiative, a Founding Partner of Lion City Applied Science and the Managing Partner of Lion City Capital Partners. Lion City Capital Partners is a privately held investment holding company in Singapore that seeks to make direct investments in technology and natural resources companies. From 1994 until his retirement in 2014, he worked for Morgan Stanley in Asia where he supervised all aspects of the firm's commodity business while serving on a number of internal and external private company boards. During this time, he opened the group's New Delhi, Shanghai, and Tokyo offices and was responsible for developing the group's capacity across the region and expanding its product offerings. Mr. Potter began his career in finance in London and New York working for Chase Manhattan Bank N.A. where he contributed to the development of the bank's interest rate and currency derivatives business. He holds an MBA from INSEAD in France and a BA from Queen's University in Canada. We believe Mr. Potter's qualifications to serve as a director include his 25 years in international business development, management, and operational experience.

Jaswinder Pal Singh has served as a director since October 2013. Dr. Singh is currently a Full Professor of Computer Science at Princeton University, where he has served on the faculty for over 20 years. He is also a director of Gwynnie Bee, Inc., an Internet technology company in the retail space. Dr. Singh also served as an advisor to Right Media, Inc., a SaaS online advertising exchange that was acquired by Yahoo in 2007, and later led the development of Yahoo's innovative next-generation advertising marketplace. Dr. Singh has a BSE degree from Princeton University and obtained his MS and PhD degrees from Stanford University. We believe Dr. Singh's qualifications to serve as a director include his qualification as a leading authority on scalable computing systems, infrastructure and applications and his service to several technology companies. He also is a co-author of *Parallel Computer Architecture: A Hardware-Software Approach*, the leading textbook in parallel computing, an inventor under several patents, and an author of over 75 published research papers.

Vladimir Jacimovic

has served as a director since March 2014. Mr. Jacimovic is the Founder and Managing Partner of Continuum Capital Partners, an investment firm that specializes in crossover investments targeting private and public technology companies. Previously, Mr. Jacimovic was a Partner at New Enterprise Associates (NEA), a leading global venture capital firm focused on helping entrepreneurs build transformational businesses across multiple stages, sectors and geographies, and a Managing Director at Crosslink Capital, a leading stage-independent venture capital firm. Since beginning his venture career in 1996, Mr. Jacimovic has been involved in more than 30 investments in software, communications, and technology enabled services. We believe Mr. Jacimovic's qualifications to serve as director include his 25 years of investing and operating experience with high growth companies in the technology and services industry with specific expertise in the SaaS, big data and security segments.

Vote Required and Recommendation

The seven nominees receiving the most votes cast "FOR" his selection shall be elected as directors at the Annual Meeting. However, the Board has adopted a policy requiring each director nominee to agree that, if the nominee fails to receive more votes cast "FOR" his selection than "WITHHELD," the nominee shall tender his resignation to the Governance and Nominating Committee of the Board, which is authorized to consider each resignation tendered under the policy and recommend to the Board whether or not to accept the resignation. Each nominee for director has agreed to abide by this policy.

The Board unanimously recommends that the stockholders vote "FOR" the election of the nominees set forth above.

PROPOSAL NO. TWO:
RATIFICATION OF INDEPENDENT PUBLIC ACCOUNTANTS

The Audit Committee of the Board is directly responsible for the appointment of our independent registered public accounting firm. The Audit Committee has appointed Moss Adams LLP, Independent Registered Accounting Firm, to audit our financial statements for the fiscal year ending March 31, 2017. The Board proposes that the stockholders ratify this appointment. The Audit Committee understands the need for Moss Adams LLP to maintain objectivity and independence in its audits of our financial statements.

The Audit Committee retained Moss Adams LLP to audit our consolidated financial statements for fiscal 2018 and also to provide other auditing and non-auditing services in fiscal 2018. The Audit Committee has reviewed all non-audit services provided by Moss Adams LLP and has concluded that the provision of such services was compatible with maintaining Moss Adams LLP's independence in the conduct of its auditing functions.

To help ensure the independence of the independent registered public accounting firm, the Audit Committee has adopted a policy for the pre-approval of all audit and non-audit services to be performed for us by our independent registered public accounting firm. The Audit Committee may delegate to one or more of its members the authority to grant the required approvals, provided that any exercise of such authority is presented to the full Audit Committee at its next regularly scheduled meeting.

The following table sets forth the aggregate fees billed to us by Moss Adams LLP for the fiscal years ended March 31, 2017 and 2016:

Service Categories	Fiscal 2017	Fiscal 2016
Audit fees (1)	\$ 866,000	\$ 732,500 (5)
Audit-related fees (2)	16,500	14,000
Tax fees (3)	-	-
All other fees (4)	12,500	2,500
Total	\$ 895,000	\$ 749,000

- (1) Audit fees consist of fees for professional services provided in connection with (i) the audit of our financial statements; (ii) audit of our internal control over financial reporting; (iii) reviews of our quarterly financial statements; and (iv) filing Form S-8 registration statements with the SEC.
- (2) Audit-related fees consist of fees for professional services provided in conjunction with the audit of our employee benefit plan.
- (3) Tax fees consist of fees billed for professional services rendered for tax consultations.
- (4) All other fees include fees for an online accounting research tool and/or general accounting assistance.
- (5) Amounts updated to reflect final fiscal 2016 audit fees.

Vote Required and Recommendation

The ratification of the selection of Moss Adams LLP as our independent registered public accounting firm for fiscal 2018 will require the affirmative vote of holders of a majority of the shares entitled to vote on this matter. Abstentions will be counted for purposes of determining the presence or absence of a quorum, but are not counted as affirmative votes. In the event that stockholders fail to ratify the appointment, the Audit Committee may reconsider its selection. Even if the selection is ratified, the Audit Committee, in its discretion, may direct the appointment of a different

independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in our best interests.

Representatives of Moss Adams LLP are expected to be present at the annual meeting, will have the opportunity to make a statement if they desire to do so, and are expected to be available to respond to appropriate questions.

The Board unanimously recommends that the stockholders vote "FOR" the proposal to ratify our Audit Committee's appointment of Moss Adams LLP to serve as our independent registered public accounting firm for the fiscal year ending March 31, 2018.

PROPOSAL NO. THREE:
APPROVAL OF THE SECOND AMENDED AND RESTATED 1996 EMPLOYEE STOCK PURCHASE PLAN OF
8X8, INC.

At the Annual Meeting, the stockholders will be asked to approve and ratify an amendment and restatement of the 1996 Employee Stock Purchase Plan (the "**Purchase Plan**") adopted by the Board to (i) reserve 500,000 shares of common stock for issuance under the Purchase Plan, (ii) change the existing "evergreen provision" so that the number of shares of common stock then reserved for issuance under the Purchase Plan shall be increased annually on the first day of each the Company's fiscal years for a period of not more than ten years, beginning on April 1, 2018, by an amount equal to the lesser of (A) 500,000 shares and (B) any lesser number of shares determined by the Board, and (iii) eliminate the expiration date of the Purchase Plan.

Extension of Purchase Plan

The Purchase Plan was approved by the stockholders in June 1996, and became effective in July 1997 upon our initial public offering. The Purchase Plan had a life of ten years from the date it became effective, but in May 2006 the Board approved an amendment to the Purchase Plan, subsequently approved by the stockholders at the 2006 Annual Meeting, to extend the life of the Purchase Plan by ten years, such that it would expire in July 2017. To enable participants to continue to participate in the Purchase Plan without interruption, in May 2017 the Board approved the Second Amended and Restated Employee Stock Purchase Plan (the "**Restated Purchase Plan**") eliminated the Purchase Plan expiration date effective at that time, and resolved to submit the Restated Purchase Plan for approval and ratification by the stockholders at the Annual Meeting.

Shares Subject to Purchase Plan

Under the Purchase Plan, 500,000 shares of common stock are available for issuance during each fiscal year. As of May 31, 2017, prior to the purchase of shares on the purchase date at the end of July 2017, an aggregate of 204,069 shares remained available for issuance under the Purchase Plan. Subject to and effective upon approval by the stockholders at the Annual Meeting, the Board approved 500,000 as the number of shares available for issuance under the Restated Purchase Plan and approved an "evergreen" formula pursuant to which up to an additional 500,000 shares will be reserved for issuance under the Restated Purchase Plan each fiscal year from 2018 through and including 2027, unless the Board timely acts to reduce or eliminate such annual increase. For example, if it determined after three years that the number of shares then available under the plan was adequate to cover anticipated purchases for the coming fiscal year, the Board could affirmatively resolve at its first meeting for that fiscal year to reduce the number of shares otherwise automatically added to the plan for that year from 500,000 to zero.

Summary of the Restated Purchase Plan

The following summary of the Restated Purchase Plan is qualified in its entirety by the specific language of the Restated Purchase Plan, a copy of which is attached as Appendix A.

General

. The Restated Purchase Plan is intended to qualify as an "employee stock purchase plan" under section 423 of the Internal Revenue Code (the "**Code**"). Each participant will be granted upon entry into an offering period under the Restated Purchase Plan the right to purchase (a "**Purchase Right**") through accumulated payroll deductions up to a number of shares determined in accordance with the Restated Purchase Plan. A participant's Purchase Right will be automatically exercised on each successive purchase date during the offering period unless the Purchase Right has terminated prior to such date.

Shares Subject to Plan

. Subject to stockholder approval at the Annual Meeting, the Restated Purchase Plan will have 500,000 of our authorized but unissued or reacquired shares of common stock reserved for issuance under the plan, plus an additional 500,000 shares (or any lesser number of shares determined by the Board) to be reserved annually on the first day of each fiscal year for a period of not more than ten years, beginning on April 1, 2018, subject to appropriate adjustment in the event of any stock dividend, stock split, reverse stock split, recapitalization, combination of shares, exchange of shares or other change affecting the outstanding common stock as a class without the receipt of consideration by the Company. If any Purchase Right expires or terminates, the shares subject to the unexercised portion of such Purchase Right will again be available for issuance under the Restated Purchase Plan.

Administration

. The Restated Purchase Plan may be administered by the Board or the Compensation Committee (the "**Plan Administrator**"). Subject to the provisions of the Restated Purchase Plan, the Plan Administrator determines the terms and conditions of Purchase Rights granted under the plan. The Plan Administrator may adopt such rules, policies, procedures, limitations or guidelines as it deems advisable for proper administration of the plan, consistent with the requirements of section 423 of the Code. The Plan Administrator will interpret the Restated Purchase Plan, and decisions of the Plan Administrator are final and binding on all parties having an interest in the plan.

Eligibility. All of our employees and the employees of any parent or subsidiary corporation of the Company designated by the Plan Administrator for inclusion in the Restated Purchase Plan are eligible to participate in the plan. However, no employee who owns or holds options to purchase, or who, as a result of being granted a Purchase Right under the Restated Purchase Plan, would own or hold options to purchase, five percent or more of the total combined voting power or value of all classes of stock of the Company or of any parent or subsidiary corporation of the Company may be granted a Purchase Right under the Restated Purchase Plan.

Offering Periods

. Shares of our common stock are offered under the Restated Purchase Plan through a series of successive offering periods having a duration established by the Plan Administrator not exceeding 27 months. Generally, as the Purchase Plan is currently administered, offering periods have had durations of 12 months and have been comprised of a series of two six-month purchase intervals commencing on the first business days of February and August of each year.

Purchases occur on the last day of each purchase interval. Should the fair market value per share of our common stock on any purchase date during an offering period (other than the final purchase date of any offering period) be less than the fair market value per share at the start of the offering period, then that offering period will automatically terminate immediately following the purchase of shares and a new offering period will commence on the next business day following the purchase date.

Participation

. Eligible employees may commence participation in the Restated Purchase Plan at the beginning of an offering period. These entry dates will generally occur on the first business days of February and August of each year. To enroll in the plan, an eligible employee must authorize payroll deductions prior to the applicable entry date. Payroll deductions may not exceed 10% of a participant's base compensation (as defined by the Restated Purchase Plan) during each purchase interval within an offering period, unless a different limit is established by the Plan Administrator. A participant's authorized payroll deductions will continue throughout the offering period, unless (i) the participant makes an election to increase or decrease the rate of or to stop his or her payroll deductions, (ii) the participant voluntarily terminates his or her Purchase Right, or (iii) the participant ceases to be eligible to participate in the Restated Purchase Plan. Upon termination of a participant's Purchase Right, we will refund without interest the participant's accumulated payroll deductions not previously applied to the purchase of shares. Once a participant's Purchase Right in an offering period has terminated, the participant may not resume participation in the same offering period and may only resume participation by enrolling in a subsequent offering period.

Grant of Purchase Rights

. Subject to certain limitations, each participant in an offering period will be granted on his or her entry date a Purchase Right exercisable for the number of whole shares determined by dividing the participant's payroll deductions accumulated during the purchase interval ending on the purchase date by the applicable purchase price. However, in no event will a participant be permitted to purchase during any purchase interval more than a number of shares determined by dividing \$25,000 by the fair market value of a share of our common stock on the entry date, or such lower limit as may be established from time to time by the Plan Administrator. In addition, under applicable tax rules governing qualified employee stock purchase plans, no participant may be granted a Purchase Right that would permit the participant to purchase shares of our common stock under the Restated Purchase Plan or any other employee stock purchase plan of the Company or of any parent or subsidiary corporation of the Company having a fair market value exceeding \$25,000 per calendar year in which the Purchase Right is outstanding at any time. Purchase Rights are nontransferable and may only be exercised by the participant.

Purchase of Shares

. As soon as practicable after the last business day of each purchase interval during an offering period, we will issue to each participant in the offering period the number of shares determined by dividing the amount of payroll deductions accumulated for the participant during the purchase interval by the purchase price, subject to the limitations described above. The price at which shares are sold under the Restated Purchase Plan will be established by the Plan Administrator but may not be less than 85% of the lesser of the fair market value per share on the participant's entry date into the offering period or on the purchase date. Fair market value means the closing price of a share on any given date. On June 30, 2017, the closing price of our common stock on the Nasdaq Global Select Market was \$14.55 per share. Any payroll deductions under the Restated Purchase Plan not applied to the purchase of shares on any purchase date will be returned to the participant without interest, unless the amount remaining is less than the amount necessary to purchase a whole share, in which case the remaining amount may be applied to purchase shares on the next purchase date.

Change in Control

. In the event of a merger or consolidation to which we are a party or a sale of all or substantially all of our assets, each outstanding Purchase Right will be exercised on a date prior to the effective date of such transaction specified by the Plan Administrator.

International Stock Purchase Rights

. To provide us with greater flexibility in structuring our equity compensation programs for our non-U.S. employees, the Restated Purchase Plan also permits us to grant employees of our non-U.S. subsidiary entities rights to purchase shares of our common stock pursuant to rules or sub-plans adopted by the Plan Administrator in order to achieve tax, securities law or other compliance objectives ("**International Awards**"). While the Restated Purchase Plan is intended to be a qualified "employee stock purchase plan" within the meaning of section 423 of the Code, these International Awards are not intended to qualify under section 423. Please refer to "Summary of Certain United States Federal Income Tax Consequences" below for a discussion of tax consequences under section 423.

Termination or Amendment. The Restated Purchase Plan will continue in effect until terminated by the Board. The Board may at any time amend or terminate the Restated Purchase Plan, except that the approval of the stockholders is required within twelve months of the adoption of any amendment increasing the number of shares authorized for issuance under the Restated Purchase Plan.

Summary of Certain United States Federal Income Tax Consequences

. The following summary is intended only as a general guide as to certain United States federal income tax consequences under current law of participation in the Restated Purchase Plan and does not attempt to describe all possible federal or other tax consequences of such participation or tax consequences based on particular circumstances, including the effect of tax laws of any municipality, state or foreign country in which the participant may reside. Participants should consult their own tax advisors with respect to the tax consequences of participation in the Restated Purchase Plan.

The Restated Purchase Plan is intended to qualify as an "employee stock purchase plan" within the meaning of section 423 of the Code. Provided that the Restated Purchase Plan so qualifies, there are generally no tax consequences to an employee of either being granted a Purchase Right or purchasing shares.

The tax consequences of a disposition of shares acquired under the Restated Purchase Plan vary depending on the period such stock is held before its disposition. If a participant disposes of shares within two years after his or her entry date into the offering period in which the shares are acquired or within one year after the purchase date on which the shares are acquired (a "**disqualifying disposition**"), the participant recognizes ordinary income in the year of disposition in an amount equal to the difference between the fair market value of the shares on the purchase date and the purchase price. Such income is not currently subject to income tax withholding. Any additional gain or resulting loss recognized by the participant from the disposition of the shares is a capital gain or loss.

If the participant disposes of shares more than two years after his or her entry date into the offering period in which the shares are acquired and more than one year after the purchase date on which the shares are acquired, the participant recognizes ordinary income in the year of disposition in an amount equal to the lesser of (i) the difference between the fair market value of the shares on the date of disposition and the purchase price or (ii) 15% of the fair market value of the shares on the entry date. Any additional gain recognized by the participant on the disposition of the shares is a capital gain. If the fair market value of the shares on the date of disposition is less than the purchase price, there is no ordinary income, and the loss recognized is a capital loss.

If the participant still owns the purchased shares at the time of death, the lesser of the amount by which the fair market value of the shares on the date of death exceeds the purchase price or 15% of the fair market value of the shares on the entry date of the offering period during which those shares were purchased will constitute ordinary income in the year of death.

If the participant disposes of the shares in a disqualifying disposition, we should be entitled to a deduction equal to the amount of ordinary income recognized by the participant as a result of the disposition, except to the extent such deduction is limited by applicable provisions of the Code or the regulations thereunder. In all other cases, no deduction is allowed the Company.

New Plan Benefits

. Because benefits under the Restated Purchase Plan will depend on employees' elections to participate and to purchase shares under the Restated Purchase Plan at various future dates, it is not possible to determine the benefits that will be received by executive officers and other employees. Non-employee directors are not eligible to participate in the Restated Purchase Plan.

Vote Required and Board of Directors' Recommendation

. The proposal to approve the Restated Purchase Plan will require approval by a majority of the shares of common stock present in person or represented by proxy at the Annual Meeting and entitled to vote on such proposal.

The Board believes that the opportunity to purchase shares under the Restated Purchase Plan is an important factor in motivating and maintaining the morale of the Company's valuable employees. The Board believes equity-based reward programs such as the Restated Purchase Plan are valuable tools to retain the Company's valued employees and to closely align their interests with those of our stockholders. Consequently, the Board believes that it is in the best interests of our stockholders to approve the Second Amended and Restated Purchase Plan.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" APPROVAL OF THE SECOND AMENDED AND RESTATED 1996 EMPLOYEE STOCK PURCHASE PLAN.

PROPOSAL NO. FOUR:
APPROVE THE MATERIAL TERMS OF THE PERFORMANCE GOALS UNDER THE 8X8, INC. AMENDED
AND
RESTATED 2012 EQUITY INCENTIVE PLAN SOLELY FOR PURPOSES OF INTERNAL REVENUE SERVICE
CODE SECTION 162(m)

We are asking our stockholders to approve the material terms of the performance goals under our Amended and Restated 2012 Equity Incentive Plan (which we refer to as the "2012 Plan"), solely to preserve corporate income tax deductions that may otherwise be disallowed pursuant to Internal Revenue Code Section 162(m). We are not proposing an increase in the share reserve or any other amendment to the terms of the 2012 Plan at this time.

The 2012 Plan was adopted by our Board in June 2012 and was thereafter approved by our stockholders at an annual meeting held in July 2012. The 2012 Plan was subsequently amended and restated on two occasions in 2014 and 2016, respectively, each such amendment having been adopted by our Board in June of that year and approved by our stockholders in the annual meeting held in July of that year.

Section 162(m) of the Code generally disallows the corporate tax deduction for certain compensation paid in excess of \$1,000,000 annually to each of the chief executive officer and the three other most highly paid executive officers (other than the chief financial officer) of publicly-held companies, unless compensation is performance-based or satisfies other conditions. To satisfy the performance-based exception among other requirements, Section 162(m) of the Code generally requires that the material terms of the performance goals be approved by stockholders every five years. Although our stockholders were asked to approve certain amendments to the 2012 Plan at our annual meetings in 2014 and 2016 and the material terms of the 2012 Plan were set forth in the proxy statements for those meetings, our Board has determined to seek stockholder approval specifically for the purpose of Section 162(m) at the annual meeting, which pursuant to applicable Treasury Regulations must be obtained every five years to preserve the benefits of the section.

FOR AVOIDANCE OF DOUBT, BY VOTING "FOR" THIS PROPOSAL NO. 4, A STOCKHOLDER VOTES FOR THE APPROVAL OF THESE PERFORMANCE GOALS:

We are asking you to approve the material terms of the performance goals under the 2012 Plan, including the class of eligible employees, the types of business criteria on which the payouts or vesting for performance-based awards are based, and the maximum amounts of cash or shares that can be provided during a specified period to any employee for performance-based awards under the 2012 Plan as described below.

Eligibility

. Awards may be granted to any employee of or consultant to us or our affiliates or to nonemployee members of the Board or of the board of directors (or similar governing authority) of any affiliate of ours.

Performance Goals:

The Compensation Committee may grant Qualified Performance-Based Awards, which are intended to qualify as "performance-based compensation," in the form of Restricted Stock, Restricted Stock Units or Performance Units that are subject to satisfaction of one or more of the performance criteria goals set forth in the table below, either individually, alternatively or in any combination, applied to either the Company as a whole or to a business unit or affiliate, either individually, alternatively, or in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the Compensation Committee in the award:

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- cash flow
 - stock price growth
 - stockholder returns
 - return on investment
 - market capitalization
 - sales or net sales
 - income, pre-tax income or net income
 - earnings per share (including, without limitation, earnings before interest, taxes, depreciation and/or amortization)
 - return on equity
 - return on capital (including without limitation return on total capital or return on invested capital)
 - return on assets or net assets
 - economic value added
 - revenue
 - operating income or pre-tax profit
-

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- operating profit or net operating profit
- gross margin, operating margin or profit margin
- return on operating revenue or operating assets
- cash flow from operations
- operating ratio
- operating revenue
- backlog
- general and administrative expenses
- debt leverage (debt to capital)
- customer service
- market share improvement

The Compensation Committee will objectively define the manner of calculating the performance goals it selects to use for a performance period, including whether or to what extent there shall not be taken into account any of the following events that occurs during a performance period: (i) asset write-downs, (ii) litigation, claims, judgments or settlements, (iii) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results, (iv) accruals for reorganization and restructuring programs and (v) any extraordinary, unusual, non-recurring or non-comparable items (A) as described in Accounting Standard Codification Section 225-20 (or its successor provisions), (B) as described in management's discussion and analysis of financial condition and results of operations appearing in the Company's annual report to stockholders for the applicable year, or (C) publicly announced by the Company in a press release or conference call relating to the Company's results of operations or financial condition for a completed quarterly or annual fiscal period.

Maximum Number of Shares.

In no event will the number of shares of common stock covered or referenced by either Stock Options or Stock Appreciation Rights, or other awards which are granted as Qualified Performance-Based Awards, to any one person in any one calendar year, exceed 750,000 shares of common stock.

The sections below under the headings "Summary of 2012 Plan" constitute a summary of material terms of the 2012 Plan. All statements below in this Proposal No. 4 are intended only to summarize the 2012 Plan and are qualified in their entirety by reference to the 2012 Plan itself. For the complete set of terms and conditions applicable to the 2012 Plan, you should read the full text of the 2012 Plan which is set forth in Appendix B.

Summary of the 2012 Plan

Purpose

. The 2012 Plan is intended to encourage ownership of our common stock by our employees, consultants and directors and to provide additional incentive for them to promote the success of our business through the grant of awards of or relating to our common stock.

Administration

. The 2012 Plan may be administered by the Board or the Compensation Committee. To date, the Compensation Committee has been administering the 2012 Plan. Subject to the provisions of the 2012 Plan, the Compensation Committee has discretion to determine the employee, consultant or director to receive an award, and the form of award. Further, the Compensation Committee has complete authority to interpret the 2012 Plan, to prescribe, amend and rescind rules and regulations relating to it, to determine the terms and provisions of the respective award agreements (which need not be identical), and to make all other determinations necessary or advisable for the administration of the 2012 Plan.

Term of Plan

. Unless the 2012 Plan is terminated earlier by the Board, awards may be made under the 2012 Plan until the tenth anniversary of its adoption by the Board, or June 22, 2022.

Shares Subject to Plan

. The shares issued or to be issued under the 2012 Plan are authorized but unissued shares of our common stock. The maximum number of shares of common stock which may be issued or made subject to awards under the 2012 Plan is 15,400,000 (this number includes shares which have already been issued under the 2012 Plan and are outstanding as of the date of this proxy statement).

Types of Awards

. Awards under the 2012 Plan may include Incentive Stock Options, Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units, Qualified Performance-Based Awards and Stock Grants. Each award will be evidenced by an instrument in such form as the Compensation Committee may prescribe, setting forth applicable terms such as the exercise price and term of any option or applicable forfeiture conditions or performance requirements for any Restricted Stock or Restricted Stock Units. Except as noted below, all relevant terms of any award will be set by the Compensation Committee in its discretion.

Effect of Termination of Employment or Association

. Unless the Board or the Compensation Committee determines otherwise in connection with any particular award under the 2012 Plan, Stock Options and SARs will generally terminate six months following the recipient's termination of employment or other association with us due to death or disability and three months following the recipient's termination of employment or other association with us for any other reason. The effect of termination on other awards will depend on the terms of those awards.

Transferability. In general, no award under the 2012 Plan may be transferred by the recipient and during the life of the recipient all rights under an award may be exercised only by the recipient or his or her legal representative. However, the Board or the Compensation Committee may approve the transfer, without consideration, of an award of a Nonstatutory Option or Restricted Stock to a family member.

Adjustments upon Changes in Capitalization

. In the event of any change in the outstanding shares of common stock through any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split, or other distribution with respect to such shares of common stock, our Board will make an appropriate adjustment to the following: (i) the maximum numbers and kinds of shares subject to the 2012 Plan and the 2012 Plan limits, (ii) the numbers and kinds of shares or other securities subject to the then outstanding awards, (iii) the exercise or hurdle price for each share or other unit of any other securities subject to then outstanding Stock Options or SARs (without change in the aggregate purchase or hurdle price as to which Stock Options or SARs remain exercisable), and (iv) the repurchase price of each share of Restricted Stock then subject to a risk of forfeiture in the form of a Company repurchase right.

Fundamental Transaction, Liquidation or Dissolution

. In the event that we (1) merge or consolidate with or into another entity as a result of which our common stock is converted into or exchanged for the right to receive cash, securities or other property or is cancelled, (2) sell or exchange all of our common stock for cash, securities or other property, (3) sell, transfer or otherwise dispose of all or substantially all of our assets to one or more other persons in a single transaction or series of related transactions or (4) undertake a liquidation or dissolution (each, a "Corporate Transaction"), our Board or the Compensation Committee may take any one or more of the following actions with respect to all or any portion of our outstanding awards:

- Provide for their assumption, or the issuance of substantially equivalent awards in substitution therefor, by the acquiring or succeeding entity;
- Provide for the termination of any or all outstanding awards (and the forfeit or repurchase, as applicable, of any shares subject to such awards) to the extent unvested (and unexercised, in the case of Stock Options and SARs) immediately prior to the consummation of the Corporate Transaction;
- Provide for partial or complete acceleration of vesting of the unvested portions of any outstanding awards, such that Stock Options and SARs become exercisable, and risks of forfeiture applicable to Restricted Stock Units and Restricted Stock lapse, in whole or in part prior to or upon consummation of the Corporate Transaction;
- Provide that all outstanding awards of Restricted Stock and Restricted Stock Units conditioned on the achievement of performance goals or other business objectives and the target payout opportunities attainable under any or all Performance Units will be deemed to have been satisfied as to all, none or a pro rata number of shares covered by the award based on the assumed achievement of all relevant performance goals or other business objectives and the length of time that has elapsed within the performance period before the consummation of the Corporate Transaction;
- In the case of Stock Options and SARs, provide for cash payments, net of applicable tax withholdings, to be made to holders equal to the excess, if any, of (A) the acquisition price times the number of shares subject to a Stock Option or SAR (to the extent the exercise price does not exceed the acquisition price) over (B) the aggregate exercise price for all such shares subject to the Stock Option or SAR, in exchange for the termination of such Stock Option or SAR; and/or
- In the case of Stock Options and SARs, provide that, in connection with a liquidation or dissolution of the Company, Stock Options and SARs shall convert into the right to receive liquidation proceeds net of the exercise price thereof and any applicable tax withholdings.

No Buy-Back of Awards

. Neither the Board nor Composition Committee may offer to buy back an award or authorize the recipient of an award to elect to cash out an award, unless, in each case, the stockholders have approved the buy-back or cash-out.

Amendments to the 2012 Plan

. The Board may amend or modify the 2012 Plan at any time subject to the rights of holders of outstanding awards on the date of amendment or modification. However, that the Board may not, without the approval of stockholders, re-price outstanding stock options in stock appreciation rights or exchange such awards for new awards with a lower (or no) purchase price or for cash.

Summary of Tax Consequences. The following is a brief and general discussion of the United States federal income tax consequences to recipients of awards granted under the 2012 Plan. This summary is not comprehensive and is based upon laws and regulations in effect on June 30, 2017. Such laws and regulations are subject to change. This summary is intended for the information of stockholders considering how to vote and not as tax guidance to participants in the 2012 Plan. Participants in the 2012 Plan should consult their own tax advisors as to the tax consequences of participation.

- *Nonstatutory Stock Options.* Generally, there are no federal income tax consequences to the participants upon grant of Nonstatutory Stock Options. Upon the exercise of such an Option, the participant will recognize ordinary income in an amount equal to the amount by which the fair market value of the common stock acquired upon the exercise of such Option exceeds the exercise price, if any. A sale of common stock so acquired will give rise to a capital gain or loss equal to the difference between the fair market value of the common stock on the exercise and sale dates.
- *Incentive Stock Options.* Except as noted at the end of this paragraph, there are no federal income tax consequences to the participant upon grant or exercise of an Incentive Stock Option. If the participant holds shares of common stock purchased pursuant to the exercise of an Incentive Stock Option for at least two years after the date the Option was granted and at least one year after the exercise of the Option, the subsequent sale of common stock will give rise to a long-term capital gain or loss to the participant and no deduction will be available to us. If the participant sells the shares of common stock within two years after the date an Incentive Stock Option is granted or within one year after the exercise of an Option, the participant will recognize ordinary income in an amount equal to the difference between the fair market value at the exercise date and the Option exercise price, and any additional gain or loss will be a capital gain or loss. Some participants may have to pay alternative minimum tax in connection with exercise of an Incentive Stock Option, however.
- *Restricted Stock.* A participant will generally recognize ordinary income on receipt of an award of Restricted Stock when his or her rights in that award become substantially vested, in an amount equal to the amount by which the then fair market value of the common stock acquired exceeds the price he or she has paid for it, if any. Recipients of Restricted Stock may, however, within 30 days of receiving an award of Restricted Stock, choose to have any applicable risk of forfeiture disregarded for tax purposes by making an "83(b) election." If the participant makes an 83(b) election, he or she will have to report compensation income equal to the difference between the value of the shares and the price paid for the shares, if any, at the time of the transfer of the Restricted Stock.
- *Stock Appreciation Rights.* A participant will generally recognize ordinary income on receipt of cash or other property pursuant to the exercise of an award of SARs.
- *Restricted Stock Units, Performance Units and Stock Grants.* A participant will generally recognize ordinary income on receipt of any shares of common stock, cash or other property in satisfaction of any of these awards under the 2012 Plan.
- *Potential Deferred Compensation.* For purposes of the foregoing summary of federal income tax consequences, we assumed that no award under the 2012 Plan will be considered "deferred compensation" as that term is defined for purposes of recent federal tax legislation governing nonqualified deferred compensation arrangements, Section 409A of the Code, or, if any award were considered to any extent to constitute deferred compensation, its terms would comply with the requirements of that legislation (in general, by limiting any flexibility in the time of payment). For example, the award of an option at less than 100% of the market value of our common stock, would constitute deferred compensation. If an award includes deferred compensation, and its terms do not comply with the requirements of the legislation, then such award will be taxable when it is earned and vested (even if not then payable) and the recipient will be subject to a 20% additional tax.
- *Section 162(m) Limitations on the Company's Tax Deduction.* In general, whenever a recipient is required to recognize ordinary income in connection with an award, we will be entitled to a corresponding tax deduction. However, we will not be entitled to deductions in connection with awards under the 2012 Plan to certain senior executive officers to the extent that the amount of deductible income in a year to any such officer, together with his or her other compensation from us exceeds the \$1 million-dollar limitation of Section 162(m) of the Code. Compensation which qualifies as "performance-based" for purposes of Section 162(m) of the Code may remain deductible by us without limitation under Section 162(m).
- *New Plan Benefits.* The benefits or amounts that will be received under the 2012 Plan by or allocated to each of (1) the named executive officers, (2) each of the nominees for election as a director, (3) all directors who are not executive officers of the company as a group, (4) all present executive officers as a group, and (5) all employees, including all other current officers, as a group are not determinable.

Vote Required

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. This Proposal No. 4 will require approval by a majority of the shares of common stock present in person or represented by proxy at the Annual Meeting and entitled to vote on such proposal.

The Board of Directors Recommends a Vote "FOR" approval of the 2012 Amended and Restated Equity Incentive Plan solely for purposes of Code 162(m) of the Internal Revenue Code.

PROPOSAL NO. FIVE:
ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

We are providing stockholders with an advisory vote on executive compensation as required by Section 14A of the Exchange Act. Section 14A was added to the Exchange Act by Section 951 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

This vote is advisory, and, therefore, not binding on us, the Board, or the Compensation Committee. However, the Board and the Compensation Committee value the opinions of our stockholders and to the extent there is any significant vote against the compensation of our named executive officers, as disclosed in this Proxy Statement, we will consider our stockholders' concerns and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

As discussed in the Compensation Discussion and Analysis, we have designed our executive compensation program to develop, motivate and retain high quality executive officers, align executive compensation with our strategies and business objectives and the long-term creation of stockholder value, and provide meaningful equity ownership by our executive officers.

Accordingly, the Board encourages you to review carefully the Compensation Discussion and Analysis and the tabular and other disclosures on compensation under Executive Compensation, and cast a vote to approve our executive compensation programs and the following resolution:

"RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Proxy Statement for the 2017 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the fiscal year 2017 Summary Compensation Table and the other related tables and disclosure."

The Board unanimously recommends that the stockholders vote "FOR" approval of the foregoing resolution.

PROPOSAL NO. SIX:
ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISOR VOTES ON EXECUTIVE
COMPENSATION

As explained in Proposal No. 5 above, our stockholders are given the opportunity to cast an advisory vote on the compensation of our named executive officers at the 2017 annual meeting. This vote is commonly referred to as "say-on-pay." This Proposal No. 6 gives our stockholders the opportunity to cast an advisory vote on how frequently we should conduct future say-on-pay votes, which we have historically held once every three years.

Stockholders may vote to have the say-on-pay vote conducted once every year, every two years or every three years, or may abstain from voting.

After careful consideration, it is the opinion of the Board of Directors that the frequency of the say-on-pay vote should be once every year. The Board recommends a frequency of once per year because an annual vote will allow stockholders to provide feedback on our compensation policies and practices, and the compensation for the relevant named executive officers, each time we disclose this information to our stockholders along with a discussion and analysis from our compensation committee in connection with our annual meetings - i.e., once per year. An annual stockholder vote gives our stockholders the opportunity to provide more timely feedback on any compensation decisions we may have made during the period covered by the proxy statement, whereas a vote every two or three years might require a lag between a change in policy and an opportunity for stockholder feedback in the form of the advisory vote.

While the Board recommends an annual vote, stockholders are not voting to approve or disapprove of the Board's recommendation. Rather, stockholders have the opportunity to cast an advisory vote on whether the frequency should be every one year, every two years or every three years. A plurality of the votes cast for one of the three frequency options presented by this Proposal No. 6 will determine the stockholders' preferred frequency for the say-on-pay advisory vote.

Although the vote is advisory and non-binding, and although our Board has recommended a frequency of once per year, our Board and Compensation Committee value the opinions of our stockholders and will consider the outcome of the vote, along with other relevant factors, when making future decisions regarding the frequency of conducting a say-on-pay vote.

Stockholders may vote "1 Year," "2 Years," or "3 Years," or "Abstain."

The Board of Directors Recommends that Stockholders Vote on an Advisory Basis for the Frequency of the Say-on-Pay Vote To Be "1 Year."

CORPORATE GOVERNANCE

Information Regarding the Board and its Committees

The Board held a total of eight meetings during fiscal 2017. The non-employee members of the Board also met four times in regularly scheduled executive sessions without management present. Every director attended all of the meetings of the Board and committees of the Board during the time and upon which such directors served during fiscal 2017. The Board acted three times by written consent during fiscal 2017.

The Board has an Audit Committee, a Compensation Committee, and a Governance and Nominating Committee. The Board has adopted charters for each of these committees that are available on our website under "Corporate Governance" which can be found at

<http://investors.8x8.com>.

Director Independence

The Board has determined that the following directors are "independent" as defined under Marketplace Rule 5605(a)(2) of the listing rules of the NASDAQ Stock Market ("NASDAQ"): Major General Hecker, Mr. Salzman, Mr. Potter, Dr. Singh, and Mr. Jacimovic. For a director to be considered independent, the Board must determine that the director does not have any direct or indirect material relationship with us that would impair his independence. The Board has established guidelines to assist it in determining director independence, which conform to the independence requirements in the NASDAQ listing rules. The Board has concluded that there are no business relationships that are material or that would interfere with the exercise of independent judgment by any of the independent directors in their service on the Board or its committees. Each of the Board's Audit, Compensation and Governance and Nominating Committees is comprised solely of independent directors in accordance with the NASDAQ listing rules.

Audit Committee

The Audit Committee oversees our corporate accounting and financial reporting process and performs several functions in the performance of this role. Among other responsibilities as set forth in our Audit Committee charter, the Audit Committee evaluates the performance of and assesses the qualifications of the independent auditors; determines and approves the engagement of the independent auditors; determines whether to retain or terminate the existing independent auditors or to appoint and engage new independent auditors; reviews and approves the retention of the independent auditors to perform any proposed permissible non-audit services; monitors the rotation of partners of the independent auditors on our audit engagement team as required by law; confers with management and the independent auditors regarding the effectiveness of internal controls over financial reporting; and discusses with management and the independent auditors the results of the annual audit and the results of the reviews of our quarterly financial statements. The Audit Committee is also responsible for reviewing and approving all business transactions between us and any director, officer, affiliate or related party, including transactions required to be reported in our proxy statement, of which there have been none since the end of fiscal year 2016.

The current members of the Audit Committee are Major General Hecker (Chairman), Mr. Salzman, Mr. Potter, and Dr. Singh. The Board has determined that each of these directors meets the requirements for membership to the Audit Committee, including the independence requirements of the SEC and the NASDAQ listing standards under Marketplace Rule 5605(c)(2) and SEC Rule 10A-3(b)(i). The Board has identified each of Major General Hecker, Mr. Salzman, and Mr. Potter as an "audit committee financial expert" as defined under Item 407(d)(5)(ii) of Regulation S-K under the Securities Act of 1933 and the Securities Exchange Act of 1934 (the "Exchange Act"), but that status does not impose duties, liabilities or obligations that are greater than the duties, liabilities or obligations otherwise imposed on him as a member of our Audit Committee or our Board. The Audit Committee held four meetings during fiscal 2017. The Audit Committee held four executive sessions during fiscal 2017 and did not act by written consent

during fiscal 2017.

Compensation Committee

The Compensation Committee recommends the compensation of the Chief Executive Officer to the Board for its approval and reviews the Chief Executive Officer's recommendations to the Board concerning the compensation of our employees and the administration of our stock-based award and employee stock purchase plans, as well as our management incentive bonus plan. The Compensation Committee is responsible for reviewing and approving all employment, severance and change-in-control agreements, special or supplemental benefits applicable to executive officers. The Compensation Committee held five meetings during fiscal 2017. The Compensation Committee currently consists of Mr. Salzman (Chairman), Major General Hecker, and Mr. Potter, who are independent directors as currently defined in the NASDAQ listing rules. The Compensation Committee acted once by written consent during fiscal 2017.

Governance and Nominating Committee

The Governance and Nominating Committee is responsible for identifying, reviewing and evaluating candidates to serve as directors of the Company, consistent with criteria approved by the Board and set forth in the committee's charter, reviewing and evaluating the suitability of incumbent directors for continued service on the Board (including those recommended by stockholders), recommending to the Board candidates for election to the Board, making recommendations to the Board regarding the membership of the committees of the Board, and assessing the performance of management and the Board through periodic evaluations. The Governance and Nominating Committee is further responsible for reviewing and formalizing proposals to amend our certificate of incorporation and by-laws, as well as developing and recommending corporate governance principles, and reviewing and proposing succession plans for the CEO and other executive officers for approval by the Board.

The Governance and Nominating Committee is also responsible for adopting the procedures pursuant to which the Board and each Committee is to conduct an annual evaluation of its own performance (as required by our corporate governance principles), and for reviewing the results of these evaluations and making recommendations to the Board.

Pursuant to the charter of the Governance and Nominating Committee, all members of the Governance and Nominating Committee must be qualified to serve under the NASDAQ listing rules and any other applicable law, rule regulation and other additional requirements that the Board deems appropriate. The Governance and Nominating Committee currently consists of Major General Hecker (Chairman) and Mr. Salzman. The Governance and Nominating Committee held one meeting during fiscal 2017 and has recommended all current directors for nomination to be elected as directors at the 2017 Annual Meeting. The Governance and Nominating Committee did not act by written consent during fiscal 2017.

Board Structure and Lead Director

We believe the current size of the Board is suited to the size of our current operations. Upon appointment of Mr. Verma as Chief Executive Officer, Bryan R. Martin, who had served as Chief Executive Officer and Chairman of the Board prior to Mr. Verma's appointment, became our Chief Technology Officer, and retained his position as Chairman of the Board. The Board believes that the separation of the offices of the Chairman and Chief Executive Officer is appropriate at this time because it allows our Chief Executive Officer to focus primarily on our business strategy, operations and corporate vision. However, our corporate governance principles do not require that the roles of Chairman and Chief Executive Officer be held by different people. These principles reflect our belief that it is important for the Board to retain flexibility to determine whether the two roles should be separate or combined based upon the Board's assessment of the company's needs and leadership at a given point in time.

In January 2010, the Board created the independent director position of lead director and appointed Major General Hecker to be our first lead director. He has fulfilled this role continuously since then. The lead director is responsible for (i) establishing the agenda for the executive sessions held by non-management directors of the Board and acting as chair of those sessions, (ii) polling the other non-management directors for agenda items both for regular board meetings and executive sessions of the non-management directors and (iii) working with the Chairman of the Board and Chief Executive Officer on the agenda for regular Board meetings. Our corporate governance principles require that the Board select a lead director from the independent directors if the positions of Chairman and Chief Executive Officer are held by the same person or both are held by insiders.

Consideration of Director Nominees

Stockholder Nominations and Recommendations

. The Governance and Nominating Committee charter requires consideration of both recommendations and nominations for candidates to the Board from stockholders. Under our by-laws, stockholders of record may nominate candidates for director proposed by a stockholder at an

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annual meeting, or a special meeting of stockholders at which directors are to be elected, by complying timely with the notice requirements set forth in the by-laws. Stockholder recommendations for candidates to the Board must be directed in writing to our Secretary at the address of our principal executive offices at 2125 O'Nel Drive, San Jose, California 95131.

To be timely, a stockholder's notice proposing the nomination of a director at an annual meeting shall be delivered to or mailed and received at the corporation's principal executive offices not less than 90 nor more than 120 calendar days in advance of the first anniversary of the previous year's annual meeting of stockholders, except that if no annual meeting was held in the previous year or the date of the annual meeting is more than 30 calendar days earlier than the date contemplated at the time of the previous year's proxy statement, notice by the stockholder to be timely must be received not later than the close of business on the 10th day following the day on which the date of the annual meeting is publicly announced. A timely notice for the nomination of a director by a stockholder at a special meeting of stockholders must be delivered to or mailed and received by the Secretary no later than the close of business on the later of (i) the 90th day prior to such special meeting, and (ii) the 10th day following the day on which public disclosure of the date of such special meeting is first made. The stockholder's notice must include a number of items of information about the stockholder (and all persons participating with the stockholder in any proxy solicitation for the proposal) and items of information about the candidate, as set forth in our by-laws, including, but not limited to, the candidate's name, age, business address and residence address, the candidate's principal occupation or employment, the stockholder's name and address, the class and number of shares of our stock and other securities, including derivatives, beneficially owned by the proposing stockholder and by such candidate, any short interest

in any of our securities held by the proposing stockholder, all voting rights with respect to our stock beneficially owned by the stockholder and others joining in the proposal, and a description of all arrangements or understandings between the stockholder making such recommendation and each candidate and any other person or persons (naming such person or persons) pursuant to which the recommendations are to be made by the stockholder, as well as any other information relating to such recommended candidate that is required to be disclosed in solicitations of proxies for elections of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act. In addition, if requested, the proposed nominee must furnish additional information to determine whether he or she is eligible to serve as an independent director or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of the proposed nominee. Such information may include, (a) a written representation and agreement, in the form provided by the Secretary, relating to the nominee's compliance, in his or her individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, if elected as a director, with our corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines, and all other codes of conduct, policies and guidelines or any rules, regulations and listing standards, in each case as applicable to members of the Board; (b) a written representation and agreement that the proposed nominee (i) is not and will not become a party to any agreement or understanding with, and has not given any commitment or assurance to any person or entity as to how such person, if elected as a director of the corporation, will act or vote on any issue or question, and (ii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director unless the terms of such agreement, arrangement or understanding have been provided in writing to the Secretary; and the terms of all agreements, arrangements and understandings between the nominating stockholder(s) and each nominee and, (c) any other person or persons, regarding related party dealings that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K of the Exchange Act if the nominating stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule, and the nominee was a director or executive officer of such registrant.

When submitting candidates for nomination to be elected at an annual or special meeting of stockholders, stockholders must follow the notice procedures and provide the information required by our by-laws. You may contact us at 8x8, Inc., Attn: Secretary, 2125 O'Nel Drive, San Jose, CA 95131, for a copy of the relevant by-law provisions regarding the requirements for submitting stockholder proposals and nominating director candidates. Our by-laws also can be found where our filed reports are located on the SEC's website at <http://www.sec.gov>.

We have never considered or rejected nominations by stockholders owning 5% or more of our common stock.

Director Qualifications.

Members of the Board should have the highest professional and personal ethics and values, and conduct themselves consistent with our Code of Business Conduct and Ethics. While the Governance and Nominating Committee has not established specific minimum qualifications for director candidates, the Governance and Nominating Committee believes that candidates and nominees must reflect a Board that is comprised of directors who:

- are predominantly independent;
- have strong integrity;
- have qualifications that will increase overall Board effectiveness;
- meet other requirements as may be required by applicable rules, such as financial literacy or financial expertise with respect to Audit Committee members; and
- will comply with our corporate governance, conflict of interest, confidentiality, stock ownership, trading policies and guidelines, and all other codes of conduct, policies and guidelines or any rules, regulations and listing standards, in each case as applicable to members of the Board.

Upon completion of its review and evaluation, our Governance and Nominating Committee made its recommendation to the Board regarding the candidates. After considering our Governance and Nominating Committee's recommendations, our Board determined and approved the existing candidates.

Identifying and Evaluating Director Nominees.

Although candidates for nomination to the Board typically are suggested by existing directors or by our executive officers, candidates also may come to the attention of the Board through professional search firms, stockholders or other persons. The Governance and Nominating Committee will review the qualifications of any candidates who have been properly brought to the attention of the Governance and Nominating Committee. Such review may, in the Governance and Nominating Committee's discretion, include a review solely of information provided to the Governance and Nominating Committee or may also include discussions with persons familiar with the candidate, an interview with the candidate or other actions that the Governance and Nominating Committee deems proper. The Governance and Nominating Committee will consider the suitability of each candidate, including the current members of the Board, in light of the current size and composition of the Board. In evaluating the qualifications of the candidates, the Governance and Nominating Committee may consider many factors, including issues of

character, judgment, independence, age, expertise, diversity of experience and perspective, length of service, other commitments and the like. The Governance and Nominating Committee does not intend to alter the manner in which it evaluates candidates, including the minimum criteria set forth above, based on whether the candidate was recommended by a stockholder or not.

Pursuant to our corporate governance principles, members of the Board are encouraged, but not required, to attend each annual meeting of stockholders. Mr. Martin and Mr. Verma attended the annual meeting of stockholders in July 2016.

Compensation Committee Interlocks and Insider Participation

The Compensation Committee of the Board currently consists of Mr. Salzman (Chairman), Major General Hecker, and Mr. Potter. None of these individuals is currently an officer or employee of ours or was an officer or employee of ours at any time during fiscal 2017. None of our executive officers or directors served as a member of the board or compensation committee of any entity that had one or more executive officers serving as a member of the Board or our Compensation Committee at any time during fiscal 2017.

Code of Business Conduct and Ethics

We are committed to maintaining the highest standards of business conduct and ethics. Our Code of Business Conduct and Ethics (the "Code of Ethics") reflects the values and the business practices and principles of behavior that support this commitment. The Code of Ethics is available on our website under "Corporate Governance" which can be found at

<http://investors.8x8.com>. We will post any amendment to, or a waiver from, a provision of the Code of Ethics that are required to be disclosed by the rules of the SEC or NASDAQ, on our website at <http://investors.8x8.com>.

Board's Role in the Oversight of Risk

As a relatively small operating company, the entire Board is involved in our risk management practices. The Board as a whole is consulted on any matters which might result in material financial changes, investments or our strategic direction of the Company. The Board oversees these risks through its interaction with senior management which occurs at formal Board meetings, committee meetings, and through other periodic written and oral communications. Additionally, the Board has delegated some of its risk oversight activities to its committees. For example, the Compensation Committee oversees the risks associated with compensation for our named executive officers and directors, including whether any of our compensation policies has the potential to encourage excessive risk-taking. The Audit Committee oversees compliance with our Code of Ethics, our financial reporting process and our systems of internal controls and reviews with management our major financial risk exposures and the steps taken to control such exposures.

Stockholder Communications with the Board

The Board has implemented a process by which stockholders may send written communications directly to the attention of the Board or any individual Board member, which is explained on our website at

<http://investors.8x8.com> under the "Investor FAQs" section.

COMPENSATION OF NON-EMPLOYEE DIRECTORS

Fiscal 2017 Director Compensation Table

The following Director Compensation Table sets forth summary information concerning the compensation paid to our non-employee directors in fiscal 2017 for their services as directors.

Name (1)(2)	Fees	Stock	Total
	Earned or Paid in Cash	Awards (3)	
Guy L. Hecker, Jr.	\$ 117,500	\$ 174,995	\$ 292,495
Eric Salzman	\$ 72,500	\$ 174,995	\$ 247,495
Ian Potter	\$ 60,000	\$ 174,995	\$ 234,995
Jaswinder Pal Singh	\$ 52,500	\$ 174,995	\$ 227,495
Vladimir Jacimovic	\$ 40,000	\$ 174,995	\$ 214,995

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- (1) Includes only those columns relating to compensation awarded to, earned by, or paid to directors for their services in fiscal 2017. All other columns have been omitted.
- (2) As of March 31, 2017, each of our non-employee directors held outstanding stock options to purchase the following number of shares of our common stock: Major General Hecker, 200,000; Mr. Salzman, 75,000; Mr. Potter, 75,000; Dr. Singh, 75,000; and Mr. Jacimovic, 75,000. As of March 31, 2017, each of our non-employee directors held outstanding stock awards in the form of restricted stock units (RSU's), covering the following number of shares: Mr. Salzman, 45,144; Major General Hecker, 36,816; Mr. Potter, 28,488; Dr. Singh, 28,488; and Mr. Jacimovic, 28,488.
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(3) On September 20, 2016, Major General Hecker, Mr. Salzman, Mr. Potter, Dr. Singh, and Mr. Jacimovic each received a grant of a stock award in the form of RSUs representing the right to receive 11,832 shares of common stock that vest 100% on the completion of the director's board service year. The amounts reported reflect the aggregate grant date fair value of the stock awards computed in accordance with FASB ASC Topic 718 based on the closing market price of our common stock on the grant date. For a more detailed discussion of the valuation model and assumptions used to calculate the fair value of our stock awards, refer to note 1 to the consolidated financial statements contained in our 2017 Annual Report on Form 10-K for our fiscal year ended March 31, 2017.

We use a combination of cash and equity-based compensation to attract and retain qualified candidates to serve on the Board. In setting director compensation, we consider the significant amount of time that our directors expend in fulfilling their duties as well as the skill-level required by us of members of the Board.

Upon a change-in-control, all unvested stock options, stock purchase rights, and RSUs then held by directors will accelerate to become fully vested as of the date of such change-in-control. For this purpose, a change-in-control generally means (1) liquidation or dissolution; or (2) the sale of stock by stockholders representing more than 50% of our voting stock, (3) a sale, transfer, or other disposition of all or substantially all of our assets, or (4) a merger or consolidation after which the stockholders immediately before such transaction do not retain more than 50% of the outstanding voting stock.

Cash Compensation Paid to Non-Employee Directors

Directors who are also employees do not receive any additional cash compensation for serving as members of the Board.

We paid non-employee directors a cash fee for attendance at Board meetings and reimbursed them for certain expenses in connection with attendance at Board meetings. These fees went into effect beginning after our annual meeting date, July 23, 2015. Non-employee directors receive:

- annual payment of \$40,000 for service on our board;
- annual payment of service as a committee member in the amount of \$12,500 for the Audit Committee, \$7,500 for the Compensation Committee, and \$5,000 for the Governance and Nominating Committee;
- annual payment for service as the chairman of a committee in the amount of \$25,000 for the Audit Committee, \$15,000 for the Compensation Committee and \$10,000 for the Governance and Nominating Committee; and
- annual payment of \$35,000 to our lead director for service on our board.

A director may elect to defer payment of all or a portion of the annual stipend and meeting fees payable to him to postpone taxation on such amounts.

Equity-Based Grants to Non-Employee Directors

Non-employee directors are eligible to receive awards under the 2012 Plan, but such awards are discretionary, and based on service and time committed.

In fiscal year 2016, we adopted the following policy for equity-based compensation to be paid to our non-employee directors for each Board service year:

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- upon a new director's election or appointment to the Board, that director is granted (a) an initial award of RSUs equal in value to \$100,000, vesting in equal annual installments over two years, plus (b) an award of RSUs equal in value to a pro rata portion of \$175,000 (depending on the length of service until the next annual meeting), vesting in full after the director's service year, with vesting in each case subject to the director's continued service on our Board; and
- upon the director's re-election to the Board, that director is granted an award of RSUs equal in value to \$175,000, vesting in full after the director's service year, subject to continued service on the Board.

In fiscal year 2017, in connection with his re-election to the Board, each non-employee director received a grant of a stock award of RSUs representing the right to receive 11,832 shares of common stock that vest 100% on the completion of the director's Board service year.

Non-Employee Director Stock Ownership Requirement

The Board has adopted a policy requiring all non-employee directors to hold a number of shares of common stock with a value equal to \$200,000 measured annually at the end of each fiscal year. Current non-employee directors are not required to satisfy this requirement until March 31, 2018. Future non-employee directors will have until the end of the fiscal year following the fifth anniversary date of the director's election to the Board to satisfy this requirement. The shares counted towards satisfaction of the ownership requirement include shares owned by the non-employee director and his or her immediate family members residing in the same household (including vested RSUs that have not settled by the measurement date) and shares held in trust for the benefit of the non-employee director and his or her immediate family members residing in the same household. For purposes of this requirement each share of common stock is valued based on the closing price of our common stock on NASDAQ, as of the last trading day of the fiscal year. A non-employee director who has not met the applicable stock ownership guideline as of the specified measurement date will be required to retain an amount equal to 100% of the shares awarded to such director as compensation for service on the Board until the requirement has been met.

TRANSACTIONS WITH RELATED PERSONS AND CERTAIN CONTROL PERSONS

We do not believe there were any transactions, or series of similar transactions, to which we were or are to be a party in which the amount involved exceeded \$120,000, and in which any of our directors or executive officers, any holders of more than 5% of our common stock, any members of any such person's immediate family, had or will have a direct or indirect material interest during fiscal 2017, other than compensation described in the sections titled "Compensation of Non-employee Directors" and "Executive Compensation" above.

It is our policy to require that all transactions between us and any related person, as defined above, must be approved by a majority of our Board, including a majority of independent directors who are disinterested in the transactions to be approved.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our officers and directors and persons who beneficially own more than ten percent of our common stock (collectively, "Reporting Persons") to file reports of beneficial ownership and changes in beneficial ownership with the SEC. Reporting Persons are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. Based solely on our review of such reports received or written representations from certain Reporting Persons during the fiscal year ended March 31, 2017, we believe Mr. Hakeman did not comply with all applicable reporting requirements. Mr. Hakeman failed to timely report 3,000 shares of common stock sold on January 31, 2017, and 2,000 and 2,500 shares sold on February 1 and 2, respectively. On February 10, 2017, s Form 4 was filed to report all three transactions.

REPORT OF THE AUDIT COMMITTEE

OF THE BOARD OF DIRECTORS

The Audit Committee oversees our financial reporting process on behalf of the Board. Management is responsible for our internal controls, financial reporting process and compliance with laws, regulations and ethical business standards. Our independent registered public accounting firm is responsible for performing an integrated audit of our consolidated financial statements and of our internal control over financial reporting in accordance with standards of the public company accounting oversight board (United States), and to issue opinions thereon. The Audit Committee's responsibility is to monitor and oversee these processes. In this capacity, the Audit Committee provides advice, counsel, and direction to management and the auditors on the basis of the information it receives, discussions with management and the auditors, and the experience of the Audit Committee's members in business, financial and accounting matters.

The Audit Committee reviewed and discussed our fiscal 2017 audited consolidated financial statements with our management and Moss Adams LLP, our independent registered public accounting firm for fiscal 2017. The Audit Committee reviewed and discussed with management and the independent auditor management's assessment of the effectiveness of the Company's internal control over financial reporting and the independent auditor's opinion about the effectiveness of the Company's internal control over financial reporting. The Audit Committee has discussed with Moss Adams LLP matters required to be discussed by Public Company Accounting Oversight Board Auditing Standard No. 16, "Communications with Audit Committees," as currently in effect. The Audit Committee received written disclosures and a letter from the independent auditors pursuant to the applicable requirements of the PCAOB regarding the independent auditor's communications with the Audit Committee concerning independence, and the Audit Committee discussed with the auditors their independence.

Based upon the Audit Committee's discussions with management and the auditors and the Audit Committee's review of the representations of management and the report of the auditors to the Audit Committee, the Audit Committee recommended to the Board, and the Board approved, the inclusion of our audited consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended March 31, 2017.

THE
AUDIT
COMMITTEE
Guy L.
Hecker, Jr.,
Chairman
Eric
Salzman
Ian Potter
Jaswinder
Pal Singh

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis provides information regarding the fiscal 2017 compensation program for our Chief Executive Officer, our Chief Financial Officer, and the three executive officers (other than our Chief Executive Officer and Chief Financial Officer) who were serving as the most highly-compensated executive officers during the fiscal year ended March 31, 2017. During fiscal 2017, these individuals were:

- Vikram Verma, our Chief Executive Officer (our "CEO");
- Bryan R. Martin, the Chairman of our Board and our Chief Technology Officer (our "CTO");
- Mary Ellen Genovese, our Chief Financial Officer (our "CFO");
- Darren Hakeman, our Senior Vice President of Product & Strategy; and
- Puneet Arora, our Senior Vice President of Global Sales.

We refer to these executive officers collectively in this Compensation Discussion and Analysis and the related compensation tables as the "named executive officers," or NEOs.

Specifically, this Compensation Discussion and Analysis provides an overview of our executive compensation philosophy, the overall objectives of our executive compensation program, and each material element of compensation that we provide to the named executive officers. In addition, we explain how and why the Compensation Committee and the Board arrived at the specific compensation policies and decisions involving the named executive officers during fiscal 2017.

Overview

Fiscal 2017 Business Highlights

Fiscal 2017 was another successful year for us and the execution of our business strategy. As we continued to develop our cloud-based software solutions and increase our focus on mid-market and large distributed enterprises, our revenue continued to improve. Significant financial highlights for the year were as follows:

- Total revenue in fiscal 2017 was \$253.4 million, a 21% increase from revenue of \$209.3 million for fiscal 2016.
 - Cash flow provided by operations was \$28.5 million, a 21% increase from cash flow provided by operations of \$23.6 million in fiscal 2016.
 - Acquired one business during the year: Le Chat Inc. (doing business as Sameroom). Sameroom's technology consists of an interoperability platform that enables cross-team messaging and collaboration in the enterprise.
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Fiscal 2017 Compensation Highlights

In line with our performance and compensation objectives, during fiscal 2017, we took the following compensation actions for our executives, including the named executive officers:

- The Compensation Committee recommended and the Board approved leaving the base salaries of a majority of our named executive officers, including our CEO, unchanged. The base salary of one of our named executive officers was increased by 5.5%;
- The Compensation Committee approved annual cash incentive payments totaling \$1,093,445 under our Management Incentive Bonus Plan ("MIP") based on the achievement of financial targets; and management bonus objectives ("MBOs") and
- The Board approved the grant of long-term incentive compensation in the form of time-vested RSUs, and performance-based restricted stock unit awards ("PSUs") to our executives including the named executive officers. PSUs represented approximately 60% of the total long-term incentive value granted to our CEO in fiscal 2017.

The Compensation Committee believes that the combination of base salary and both short-term and long-term incentives, including PSUs, effectively supports our compensation objectives.

Pay-for-Performance Philosophy

Effective pay-for-performance alignment is an important objective of our Compensation Committee in the design of our executive compensation program, particularly regarding the compensation of our CEO. To further this objective, we offer our CEO performance-based annual cash incentives and deliver a significant portion of his long-term incentive compensation opportunity in the form of RSUs, as well as shares covered by PSUs.

During fiscal 2017, the mix of compensation awarded to our Chief Executive Officer was weighted heavily to performance-based incentives. As shown to the right, approximately 79% of our CEO's total compensation was awarded in the form of equity with long-term vesting requirements and for which the value realized will vary directly with our total shareholder return, or TSR, during the performance period. Furthermore, 60% of that long-term incentive equity value consisted of PSUs, which were also the largest component of CEO compensation and represented nearly 50% of total pay.

During fiscal 2017, our CEO was eligible to earn an annual incentive under the MIP. The annual incentive paid to our CEO for fiscal 2017 performance was determined based on a combination of financial goals and MBOs. Financial goals were evaluated on both a quarterly and annual basis and measured non-GAAP pre-tax net income and organic recurring service

revenue ("RSR"). Payment of a bonus was also subject to a condition that non-GAAP net income must be at least equal to 6% of our revenue for the performance period. Based on our performance during fiscal 2017, our CEO earned a bonus of \$558,213, which was equal to approximately 114% of his target for the year.

During fiscal 2017, our CEO Officer was also eligible to earn shares from PSU awards granted prior to the start of the fiscal year based on all or a portion of our performance during the year. As described below, the vesting of PSU awards granted was contingent upon our TSR performance taking into consideration the achievement of pre-established, absolute price appreciation goals as well as TSR relative to the performance of the NASDAQ Composite Index.

CEO Performance-Based Equity Awards Eligible to be Earned During Fiscal 2017

Grant Date	Award Type	Outcome During Fiscal 2017
9/9/13 (FY14)	Absolute TSR PSUs	<ul style="list-style-type: none"> • The performance condition required for vesting was achieved when the 30-day average closing price of a share of our common stock exceeded \$14.55, which represented a 50% increase over the grant date price. • 75% of the earned shares vested upon achievement of the performance condition based on the satisfaction of three years of the total four year service condition for the award. • The remaining 25% of earned shares will vest on the fourth anniversary of the grant date.

9/9/13 (FY14)	Relative TSR PSUs	<ul style="list-style-type: none"> • Our TSR stock price performance exceeded the TSR of the NASDAQ Composite Index from the grant date through March 31, 2017. • As a result, 100% of the shares eligible to vest, representing 25% of the total number of shares granted, were earned and vested. • There are no remaining unearned/unvested shares outstanding under this award.
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10/21/14

(FY15)

Relative TSR PSUs

- Our TSR stock price performance exceeded the TSR of the NASDAQ Composite Index from the grant date through March 31, 2017.
- As a result, 100% of the shares eligible to vest, representing 50% of the total number of shares granted, were earned and vested.
- The remaining shares outstanding under this award, representing 25% of the total number of shares granted, are eligible to be earned based on our TSR stock price performance relative to the NASDAQ Composite Index from the grant date through March 31, 2018.

Beginning in fiscal 2016, our Compensation Committee approved changes to the structure of the PSUs awarded to all named executive officers, including our CEO. The PSU awards granted to named executive officers during fiscal 2016 and fiscal 2017 will be earned as follows:

- 50% of the target opportunity is eligible to be earned on the two and three-year anniversary, in each case subject to performance of our TSR stock price performance relative to the Russell 2000 Index during the period from the grant date through such performance date.
- A 2x multiplier will be applied to the TSR for each percentage point of positive or negative relative TSR, and the number of shares of common stock earned will increase or decrease by 2% of the target number of shares, subject to a maximum of 200% of the target number of shares granted. In the event our TSR stock price performance is below negative 30%, relative to the Russell 2000 Index, no shares will be earned for the applicable performance period.

The Compensation Committee believes that the targets for of incentive compensation awarded to our CEO and other named executive officers are aligned with the interests of our investors and our long-term objectives. Our Compensation Committee will continue to monitor outcomes under our incentive programs with a view to achieving such alignment of pay and performance on an ongoing basis.

Fiscal 2017 Executive Compensation Policies and Practices

We endeavor to maintain sound governance standards consistent with our executive compensation policies and practices. The Compensation Committee evaluates our executive compensation program on an ongoing basis to ensure they are consistent with our short-term and long-term goals given the dynamic nature of our business and the market in which we compete for executive talent. The following policies and practices were in effect during fiscal 2017:

- *Independent Compensation Committee*

. The Compensation Committee is comprised solely of independent directors who have established effective means for communicating with stockholders regarding their executive compensation ideas and concerns.

- *Independent Compensation Committee Advisors*

. The Compensation Committee engaged its own compensation consultant to assist with its fiscal 2017 compensation reviews.

- *Annual Executive Compensation Review*

. The Compensation Committee conducts an annual review and approval of our compensation strategy, including a review of our compensation peer group used for comparative purposes and a review of our compensation-related risk profile to be certain that our compensation policies do not seem reasonably likely to promote conduct that could have a material adverse effect on the Company.

• *Executive Compensation Policies and Practices*

. Our compensation philosophy and related corporate governance policies and practices are complemented by several specific compensation practices that are designed to align our executive compensation with long-term stockholder interests, including the following:

◆ *Compensation At-Risk*

. Our executive compensation program is designed so that a significant portion of our executive officers' compensation is "at risk" based on corporate performance, as well as equity-based to align the interests of our executives and stockholders.

◆ *No Retirement Plans*

. We do not currently offer, nor do we have plans to provide, pension arrangements, or nonqualified deferred compensation plans or arrangements to our named executive officers.

◆ *No Special Health or Welfare Benefits*

. Our named executive officers participate in broad-based company-sponsored health and welfare benefits programs on the same basis as our other full-time, salaried employees.

◆ *No Perquisites*

. We do not provide any perquisites or other personal benefits to our named executive officers aside from general health and welfare benefit programs.

◆ *No Tax Reimbursements*

. We do not provide any tax reimbursement payments (including "gross-ups") on any severance or change-in-control payments or benefits.

◆ *Change-in-Control Arrangements*

. Under our Executive Change-in-Control and Severance Policy, our CEO, our executive vice president level officers, and our senior vice presidents are eligible to have the performance periods for their outstanding performance-based equity awards truncated upon a change in control of the Company (as defined in the policy), and to receive certain specified payments and benefits in the event of a termination of employment (as defined in the policy) in connection with a change-in-control of the Company (a double trigger arrangement).

◆ *Executive Officer Stock Ownership Requirement*

. Our CEO, CFO, Senior Vice President of Product and Strategy, and Senior Vice President of Global Sales are required to acquire and retain an ownership interest in shares of our common stock, equal in value to six times his then-current base salary in the case of the CEO, and one times his or her initial base salary in the case of other named executive officers, by certain prescribed dates.

◆ *Multi-Year Vesting Requirements*

. The equity awards granted to our named executive officers vest or are earned over multi-year periods, consistent with current market practice and our retention objectives.

◆ *Clawback*

. Our Amended and Restated 2012 Equity Incentive Plan includes a clawback provision allowing for the repayment of award proceeds earned by a plan participant if the Compensation Committee determines that the participant has intentionally committed an act of embezzlement, fraud, dishonesty, or breach of fiduciary duty during the Participant's employment that contributed to an obligation to restate the Company's financial statements.

Executive Compensation Program Objectives

We have designed our executive compensation program to achieve the following objectives:

- attract, develop, motivate, and retain top talent and focus our executive officers on key business goals that enhance stockholder value;
- ensure executive compensation is aligned with our corporate strategies and business objectives;
- provide meaningful equity ownership opportunities to our executives to align their incentives with the creation of stockholder value;
- ensure fairness among our executives by recognizing the contributions each individual makes to our success, as well as the compensation history and prior experience of each executive officer; and
- provide an incentive for long-term continued employment with us.

To achieve these objectives, the Compensation Committee regularly evaluates our executive compensation program with the goal of setting compensation at levels it believes are aligned with our current financial and operational business objectives, as well as competitive with the pay of other companies with whom we compete for executive talent. A majority of the target total direct compensation opportunities of our named executive officers are incentive-based and, consequently, "at risk." These opportunities include an annual cash bonus opportunity that may be earned based on the level of achievement as measured against pre-established performance goals related to the important financial objectives set forth in our annual operating plan. These opportunities also consist of long-term incentive compensation in the form of equity awards that are earned over time based on continued service and, in the case of PSUs subject to achievement of performance goals, which helps us retain our named executive officers and align their interests with those of our stockholders by allowing them to participate in our long-term success as reflected in stock price appreciation.

Compensation-Setting Process

Role of Compensation Committee

The Compensation Committee is responsible for overseeing our executive compensation program and all related policies and practices. The Compensation Committee operates pursuant to a formal written charter approved by our Board, which is available on our website at

<http://8x8.com>.

At least annually, the Compensation Committee reviews our executive compensation program and formulates recommendations for the consideration and approval by the Board of the various elements of our named executive officers' compensation, as well as any employment arrangements with our named executive officers. In doing so, the Compensation Committee is responsible for ensuring

that the compensation of our named executive officers is consistent with our executive compensation philosophy and objectives. The Compensation Committee also determines whether each compensation element provides appropriate incentives and motivation to our named executive officers and whether each such element adequately compensates our named executive officers relative to individuals holding comparable positions at the principal companies with which we believe we compete for executive talent.

The Compensation Committee meets regularly during the fiscal year both with and without the presence of our CEO and other named executive officers. The Compensation Committee also discusses compensation issues with our CEO (except with respect to his own compensation) and other members of the Board between its formal meetings.

Role of Named Executive Officers

The Compensation Committee receives support from our human resources department in designing our executive compensation program and analyzing competitive market practices. Our CEO also regularly participates in Compensation Committee meetings, providing management input on organizational structure, executive development, and financial analysis. Our CEO also develops and provides recommendations (except with respect to his own compensation) to the Compensation Committee regarding the cash and equity compensation for our named executive officers and other executives, including with regard to the use of incentive compensation to further our growth. Our named executive officers are not present when their specific compensation arrangements are discussed.

Role of Compensation Consultant

In fulfilling its duties and responsibilities, the Compensation Committee has the authority to engage the services of outside advisers. In fiscal 2017, the Compensation Committee engaged Compensia to assist it with compensation matters. A representative of Compensia attended one meeting of the Compensation Committee, responded to committee inquiries at the Compensation Committee meetings and throughout the fiscal year, and provided its analysis with respect to these inquiries.

The nature and scope of services provided to the Compensation Committee by Compensia in fiscal 2017 were as follows:

- assisted in the review and updating of our compensation peer group;
- analyzed the executive compensation levels and practices of the companies in our compensation peer group;
- provided advice with respect to compensation best practices and market trends for named executive officers and directors;
- assisted with the design of the short-term and long-term incentive compensation plans for our named executive officers and other executives; and
- provided ad hoc advice and support throughout the year.

Compensia does not provide any services to us other than the services provided to the Compensation Committee. The Compensation Committee has assessed the independence of Compensia taking into account, among other things, the factors set forth in Exchange Act Rule 10C-1 and the listing standards of the Nasdaq Stock Market, and has concluded that no conflict of interest exists with respect to the work that Compensia performs for the Compensation Committee.

Competitive Positioning

To attract and retain executives with the ability and the experience necessary to lead us and to deliver strong performance to our stockholders, we provide total direct compensation opportunities that are intended to be competitive with market practice. In connection with its annual review of our executive compensation program for fiscal 2017, the Compensation Committee, with the assistance of Compensia, revised the compensation peer group to generate competitive market data appropriate for comparison with our current size and industry focus.

For fiscal 2017, the compensation peer group was updated to account for acquisitions and to reflect changes in the size and scope of the Company as well as the peer companies. The criteria used to identify peer companies was generally consistent with our approach in prior years, and targeted software companies falling within a revenue range of 0.5x to 2.0x of revenue for our last four fiscal quarters at the time of the review and a market capitalization range of 0.3x to 3.0x of our market capitalization at the time of the review. The relevance of each peer company was evaluated taking into consideration both industry comparability as well as financial metrics, and not all peer companies met all selection criteria. Our compensation peer group for fiscal 2017 consisted of the following companies:

BroadSoft	Five9	Paylocity Holdings
Callidus Software	Interactive Intelligence Group	Q2 Holdings
Cvent	LivePerson	RingCentral
Demandware	LogMein	SPS Commerce
Ellie Mae	Marketo	Zendesk

At the time the updated compensation peer group was approved, the revenues of the peer companies for the last four fiscal quarters ranged from 0.5x to 2.5x of our revenue and the market capitalizations of the peer companies ranged from 0.3x to 2.4x of our market capitalization.

Executive compensation benchmarking also included survey data provided by Radford Surveys and Consulting, a business unit of Aon Hewitt Consulting, Inc. ("Radford"), from publicly-traded and privately-held technology companies with revenue levels comparable to ours. Radford did not provide compensation consulting services to the Compensation Committee during fiscal 2017.

Fiscal 2017 Compensation Elements

The elements of our compensation program for our named executive officers during fiscal 2017 were as follows:

- *Base Salary*

: This compensation element provides our named executive officers with a competitive level of fixed annual cash compensation.

- *Annual Cash Incentive Awards*

: This compensation element provides our executive officers with a competitive variable annual cash performance incentive opportunity designed to promote the development of a sustainable business model that will increase our financial strength and value.

- *Long-term Incentive Compensation*

: This compensation element provides our named executive officers with a competitive long-term incentive compensation opportunity in the form of equity awards designed to incentivize them to meet or exceed our long-term strategic goals, serve our retention objectives, and align the interests of our executive officers and stockholders.

- *Health and Welfare Benefits*

: This compensation element provides our named executive officers with competitive health and welfare benefits, as well as participation in an employee stock purchase and other employee benefit plans.

We believe that the total compensation opportunities provided to named executive officers for fiscal 2017 achieved the overall objectives of our executive compensation program.

Base Salary

Generally, the Compensation Committee reviews the base salaries of our executives, including the named executive officers, as part of its annual review of our executive compensation program and makes recommendations to the Board for adjustments to base salaries to take into account competitive market practices, corporate and individual performance from the prior fiscal year and promotions or changes in responsibilities. Typically, the Board sets the base salaries of our named executive officers at levels that are competitive with the market as reflected in our compensation peer group, after taking into consideration each individual named executive officer's role and the scope of his or her responsibilities, his or her experience, and the base salary levels of the other executives.

On July 1, 2016, the Compensation Committee recommended the following adjustment to the salary of one named executive officer base salary, and determined to leave the base salaries of our other named executive officers unchanged, based on its review of competitive market data as well as the performance of the executives during their tenure with us.

Fiscal 2016	Fiscal 2017	Percentage
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Named Executive Officer	Base Salary	Base Salary	Adjustment
Mr. Arora	\$275,000	\$290,000	5.5%

Annual Cash Incentive Awards

We use annual cash incentive awards to motivate and incentivize our named executive officers to achieve our short-term financial and operational objectives while making progress towards our longer-term growth and other goals. Consistent with our executive compensation philosophy, these annual cash incentive awards constitute a significant percentage of the target total direct compensation opportunity for our named executive officers. Typically, the Compensation Committee makes annual cash incentive awards pursuant to our MIP, which measures and rewards our named executive officers for our corporate and their individual performance over our fiscal year. This plan is designed to pay above-target amounts when we exceed our annual financial objectives and below-target amounts when we do not achieve these objectives.

Each year, the annual bonus targets and factors, as well as participants in the MIP are selected by the Compensation Committee, which acts as the plan administrator. Typically, all executives, including the named executive officers, participate in the MIP. In addition, the Compensation Committee may identify other key employees and contributors to participate in the MIP for each fiscal year.

The objective of the MIP each fiscal year is to promote our success by providing financial incentives to eligible employees who contribute to our overall success and achieve corporate and individual performance goals. The performance goals established under the MIP are designed to focus participants on current goals and strategies identified by the Board and senior management, profitable revenue growth and product quality, and to complete individual objectives that support our overall business strategy. In the event minimum financial performance objectives are not achieved, the incentive awards would be zero.

Target Annual Cash Incentive Award Opportunities

The target annual cash incentive award opportunity for each of the named executive officers under the MIP is developed by the Compensation Committee, and approved by the Board, for each fiscal year and expressed as a percentage of his or her annual base salary. Typically, the Board sets the target annual cash incentive award opportunities for our named executive officers after considering the job function of each named executive officer, his or her expected contributions to us for the upcoming fiscal year, the recommendations of our CEO, and the competitive market. For fiscal 2017, target annual cash incentives were unchanged from fiscal 2016. For fiscal 2017, the target annual cash incentive award opportunities for our named executive officers were as follows:

Named Executive Officer	Fiscal 2017 Base Salary (1)	Target Annual Cash Incentive Award Opportunity (as a percentage of base salary)	Target Annual Cash Incentive Award Opportunity (as a dollar amount)(2)
Mr. Verma	\$490,000	100%	\$490,000
Mr. Martin	\$290,000	60%	\$174,000
Ms. Genovese	\$345,000	60%	\$207,000
Mr. Hakeman	\$290,000	50%	\$145,000
Mr. Arora	\$286,250	34%	\$97,325

(1) Mr. Arora's salary was increased from \$275,000 to \$290,000 effective July 1, 2016. The Fiscal 2017 Base Salary figures for the named executive officer is pro-rated based on effective dates of the base salary increase.

(2) For Mr. Arora, amounts are pro-rated based on effective dates of his base salary increase.

Performance Objectives

For fiscal 2017, the performance objectives for the MIP were developed by the Compensation Committee, after taking into consideration the recommendations of our CEO and CFO, and consisted of both corporate and individual performance objectives.

The fiscal 2017 corporate performance objectives for the MIP were non-GAAP pre-tax net income and reoccurring service revenue, or RSR. RSR is a GAAP based figure of service revenue plus revenue allocated in accordance with the guidance of ASC 605-25 less non-recurring engineering fees that are not recognized ratably over a term greater than one month less any revenue acquired during the plan fiscal year (through acquisition, merger or business combination). For purposes of the MIP, "non-GAAP pre-tax net income" is calculated as GAAP pre-tax net income minus/plus loss on investment, non-cash tax adjustments, stock-based compensation, amortization of acquired intangible assets, acquisition-related costs, facility exit costs, and other extraordinary or non-recurring, non-representative items as determined by the Compensation Committee, including profit and/or loss associated with acquisitions, mergers and/or business combinations.

The fiscal 2017 individual performance objectives for the MIP consisted of individually-assigned MBOs. Those MBOs were established for the fiscal year for each participant in the MIP, including each of our named executive officers, and related to the participant's specific area of responsibility, although by their nature some MBOs (for example, in the case of certain executive officers, new customer and revenue targets) were shared by more than one participant. All MBOs were subject to review and approval by the Compensation Committee, and typically required achievement of specific goals tied to, for example, sales targets, customer retention, and operational improvements.

Terms of the MIP

For fiscal 2017, the Compensation Committee approved MIP targets with an initial condition that no annual cash incentive awards would be paid unless our non-GAAP net income for the year was at least equal to 6% of our revenue for the year. If our non-GAAP net income exceeded this 6% threshold level for each fiscal quarter, as well as for the full fiscal year, a corporate performance factor based on non-GAAP

pre-tax net income and RSR results would be calculated. These two factors would be added together to obtain the total corporate performance factor, as illustrated by the following table.

Performance Attainment Level	Non-GAAP Pre-tax Net Income Performance Objective	RSR Performance Objective	Corporate Performance Factor
Threshold	15%	35%	50%
Target	30%	70%	100%
Stretch	30%	140%	170%
Maximum	30%	210%	240%

In addition, under the fiscal 2017 MIP targets, 10% of the target annual cash incentive award opportunity of each MIP participant could be earned each fiscal quarter, such that 40% of his or her target annual cash incentive award was tied to our quarterly results. The remaining 60% of each MIP participant's target annual cash incentive award was tied to our full fiscal year results and individual MBO's.

Under the fiscal 2017 MIP targets, the quarterly bonus payable to the MIP participant was equal to 10% of his or her target annual cash incentive award opportunity multiplied by the corporate performance factor for that fiscal quarter, as determined by our actual financial results. As reflected by the table above, the maximum amount that could be earned by a participant for each fiscal quarter was limited to 240% of his or her target annual cash incentive opportunity for that quarter.

Under the fiscal 2017 MIP targets, the annual bonus payable to each MIP participant at the end of the fiscal year was equal to 60% of his or her target annual cash incentive award opportunity multiplied by the corporate performance factor for the full fiscal year, as determined by our actual financial results. In addition, the amount payable at the end of the fiscal year was subject to adjustment based on each participant's attainment of his or her individual MBOs. The degree of achievement of the MBOs generated an MBO factor for each participant ranging from 0% to 140%.

The annual cash incentive award payment for each participant was calculated as the product of the corporate performance factor for the full fiscal year and the MBO factor determined for each participant. Under the MIP targets for fiscal 2017, the maximum payment for any participant with respect to the annual performance portion of the MIP was equal to 298% of the individual's target annual cash incentive award opportunity for this portion of the award.

For fiscal 2017, the MIP targets also provided that if payment of the full accrual amounts to all participants based on target level achievement of the performance objectives would reduce our non-GAAP net income to less than 6% for each quarter and 6% for the full year, then the available bonus pool for such period would be reduced to achieve the minimum non-GAAP net income, and individual award payments would be adjusted on a *pro rata* basis.

Award Decisions

For the fiscal 2017 MIP targets, the non-GAAP pre-tax net income and RSR for the corporate performance factor for each fiscal quarter and for the full fiscal year based on our actual performance were as follows (dollar amounts represent millions):

Q1	Q2	Q3	Q4	FY 2017
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Non-GAAP Pre-tax Net Income (1)	\$ 5.52	\$ 5.42	\$ 5.74	\$ 5.23	\$ 21.91
RSR	\$ 55.71	\$ 58.07	\$ 60.03	\$ 62.76	\$ 236.57
Actual Corporate Performance Factor	119.73%	108.80%	94.30%	51.20%	98.10%

Further, based on an evaluation of each named executive officer's individual performance, the Compensation Committee approved the following MBO factors: Mr. Verma, 130%; Mr. Martin, 69%; Ms. Genovese 102%; Mr. Hakeman 84%; and Mr. Arora, 78%.

(1) Non-GAAP Net Income: net income for GAAP, non-cash tax adjustments, stock-based compensation, amortization of acquired intangible assets, acquisition-related costs, facility exit costs and other extraordinary or non-recurring, non-representative items determined by the Compensation Committee including profit and/or loss associated with acquisitions, mergers and/or business combinations. Non-GAAP Pre-tax Income: Non-GAAP Net Income determined before any provision for income taxes.

Following the end of fiscal 2017, the Compensation Committee determined that the named executive officers had earned annual cash incentive award payments based on the fiscal 2017 MIP targets:

Named Executive Officers	Target Annual Cash	Actual Annual Cash	Actual Annual Cash
	Incentive Award Opportunity	Incentive Award Payment	Incentive Award Payment as a Percentage of the Target Opportunity
Mr. Verma (1)	\$ 490,000	\$ 558,275	113.9%
Mr. Martin	\$ 174,000	\$ 135,762	78.0%
Ms. Genovese	\$ 207,000	\$ 201,723	97.5%
Mr. Hakeman	\$ 145,000	\$ 125,939	86.9%
Mr. Arora	\$ 97,325	\$ 71,146	73.1%

Commission Incentive Plan

Pursuant to Mr. Arora's employment agreement, he is eligible to participate in a Commission Incentive Plan, with a target annual commission of \$150,000 earned quarterly based on achievement of quarterly quota. In month one and two of the quarter he receives a recoverable draw of \$12,000 each month with a true up at quarter-end based on actual quarterly results. In addition, he is eligible to receive an annual \$100,000 bonus tied to MBOs determined by our CEO.

Long-Term Incentive Compensation

Our long-term incentive compensation consists of equity awards in the form of options to purchase shares of our common stock, time-based RSU awards for shares of our common stock, and PSU awards for shares of our common stock to ensure that named executive officers have a continuing stake in our long-term success.

Typically, we grant these equity awards to our named executive officers during the second or third fiscal quarter of the fiscal year in connection with our annual performance reviews and, initially, when the individual is hired. In determining the size of the long-term incentive compensation awards, the Compensation Committee considers our performance against our long-term strategic plan, each individual named executive officer's role and responsibilities, his or her performance against his or her performance objectives and expected future contributions, market data concerning comparative long term incentive compensation levels, the extent to which the shares of our common stock subject to previously-granted equity awards are vested, and the recommendations of our CEO. Generally, all equity awards are subject to the recipient's continuous employment or other association (referred to as "continuous service") with us for a stated vesting period.

Based on the factors and analysis described above, the Compensation Committee determined the dollar value of fiscal 2017 long term incentive compensation for each named executive officer and then converted this value into a number of shares of our common stock to be covered by the awards based on the accounting value of each award type. Approximately 60% of the value of the CEO's fiscal 2017 long-term incentive compensation was allocated to Relative TSR PSUs and 40% was allocated to RSUs. The total long-term incentive compensation value awarded to the other named executive officers was allocated approximately 50% to PSUs, and 50% to RSUs.

In September 2016, the Board approved awards of RSUs and PSUs to our named executive officers as set forth in the following table:

Named Executive Officer	Stock Options	Restricted Stock Unit Awards	Performance Stock Unit Awards - Relative TSR Performance	Aggregate Grant Date Fair Value of Equity Awards
	(number of shares granted)	(number of shares granted)	(number of shares granted)	
Mr. Verma	-	106,116	118,552	\$ 3,924,000
Mr. Martin	-	25,792	19,216	\$ 765,000
Ms. Genovese	-	47,900	35,676	\$ 1,417,000
Mr. Hakeman	-	25,792	19,216	\$ 765,000
Mr. Arora	-	23,960	17,840	\$ 711,000

These awards were determined based on the Board's and Compensation Committee's consideration of the above-described factors.

The RSUs vest at 25% annually on each of the first four anniversaries of the grant, subject to the recipient's continuous service with us.

The PSU awards were granted subject to the following terms and conditions:

- 50% of the shares covered by the PSU awards are eligible to be earned on September 19, 2018 and the other half are eligible to be earned on September 25, 2019, in each case subject to our TSR stock price performance relative to the Russell 2000 Index during the period from the grant date through the respective performance dates.
- A 2x multiplier will be applied to the TSR for each percentage point of positive or negative relative TSR, and the number of shares earned will increase or decrease by 2% of the target number of shares, subject to a maximum payout equal to 200% of the target number of shares granted. In the event our common stock performance is below negative 30% relative to the Russell 2000 Index, no shares will be earned for the applicable performance period.

Health, Welfare, and Other Benefits

We offer health and welfare benefits to our employees, including our executive officers, that are designed to be competitive with overall market practices and to attract, retain, and motivate the talent needed by us to achieve our strategic and financial goals. All United States salaried employees, including our named executive officers, are eligible to participate in our Section 401(k) plan, health care coverage, life insurance, disability, paid time-off, and paid holidays.

In addition, we provide our employees, including our named executive officers, with the opportunity to purchase discounted shares of our common stock under the Purchase Plan, which is intended to be a qualified plan under Section 423 of the Internal Revenue Code.

Perquisites and Other Personal Benefits

Currently, we do not view perquisites or other personal benefits as a significant component of our executive compensation program. Although we do not have a formal policy relating to perquisites and other personal benefits, during fiscal 2017 we did not provide any perquisites or other personal benefits to our named executive officers.

In the future, we may provide perquisites or other personal benefits in limited circumstances, such as where we believe it is appropriate to assist an individual named executive officer in the performance of his or her duties, to make our named executive officers more efficient and effective, and for recruitment, motivation, or retention purposes. All future practices with respect to perquisites or other personal benefits will be approved and subject to periodic review by the Compensation Committee.

Executive Change-in-Control and Severance Policy

In June 2015, the Board approved an executive change-in-control and severance policy that applies to our CEO and all of our executive vice presidents and all senior vice presidents. This policy superseded our previous change-in-control and severance arrangements and plans for executives, all of whom have accepted the terms of the current policy in place of any severance benefits and change-in-control compensation payable pursuant to their respective employment agreements.

Severance

Upon a constructive termination of employment (other than in connection with a change-in-control of the Company):

- Eligible executives will receive all compensation that is earned but unpaid as of the termination date, including salary, commissions and accrued but unused paid time off and vacation;
- Eligible executives will receive a single lump sum severance payment equal to the sum of the percentage of base salary and bonus as applicable to the executive's job tier. For our CEO, this amount will be equal to 150% of base salary plus a prorated percentage of earned bonus based on the percentage of performance achieved prior to the termination date; for executive vice presidents, this amount will be equal to 100% of base salary plus a prorated percentage of earned bonus based on the percentage of performance achieved prior to the termination date; and for senior vice presidents, this amount will be equal to 75% of base salary plus a prorated percentage of earned bonus based on the percentage of performance achieved prior to the termination date;
- Eligible executives will receive full payment of insurance premium amounts for continuation of such executive's group health insurance due under COBRA, and have the right to participate and to receive benefits under any of our group medical, dental, life, disability or other group insurance plans. The premium payments will continue for 18 months after the termination date for our CEO, 12 months for executive vice presidents, and nine months for senior vice presidents;
- Our CEO will receive 12 months of accelerated vesting of outstanding time-based vesting equity awards; other executives will not receive any acceleration of time-based vesting equity awards; and
- Eligible executives will not receive any acceleration of vesting of outstanding PSU awards.

Under the policy, a constructive termination occurs when the executive's employment is terminated by us other than for "cause" or "disability," or by the executive for "good reason."

"Cause" means (i) willful failure to attend to executive's duties that is not cured by executive within 30 days of receiving written notice from the CEO (or, in the case of the CEO, from the Board) specifying such failure; (ii) material breach of executive's employment agreement that is not cured by the executive within 30 days of receiving written notice from the CEO (or, in the case of the CEO, from the Board) specifying such breach; (iii) conviction of (or plea of guilty or nolo contendere to) any felony or a misdemeanor involving theft, embezzlement, dishonesty or moral turpitude; or (iv) misconduct resulting in material harm to our business or reputation, including fraud, embezzlement, misappropriation of funds or a material violation of the executive's confidential information, non-disclosure and invention assignment agreement.

"Disability" means a physical or mental impairment for which the executive qualifies for benefits under our long-term disability program, as it may be amended from time to time.

"Good Reason" means the occurrence of any of the following conditions without executive's consent, but only if such condition is reported by the executive within 90 days of executive's knowledge of such condition and remains uncured 30 days after written notice from executive to the Board of the condition: (i) a material reduction in the executive's then-current base salary or annual target bonus (expressed as a percentage of the executive's then-current base salary), except for a reduction proportionate to reductions concurrently imposed on all other members of our executive management; (ii) a material reduction in the executive's then-current employee benefits package, taken as a whole, except for a reduction proportionate to reductions concurrently imposed on all other members of our executive management; (iii) a material reduction in the executive's responsibilities with respect to our overall operations, such that continuity of responsibilities with respect to business operations existing prior to a corporate transaction will

serve as a material reduction in responsibilities if such business operations represent only a subsidiary or business unit of ours after the corporate transaction; (iv) a material reduction in the responsibilities of the executive's direct report, including a requirement for the CEO to report to another officer as opposed to the Board or a requirement for an executive vice president or senior vice president to report to any officer other than the CEO; (v) a material breach by us of any material provision of the executive's employment agreement; (vi) a requirement that the executive relocate his/her office to a location more than 35 miles from the executive's then-current office location with us, unless such office relocation results in the distance between the new office and the executive's home being closer or equal to the distance between the prior office and the executive's home; (vii) a failure of a successor or transferee to assume our obligations under this policy; or (viii) a failure to nominate the executive for election as a director on the Board, if at the proper time for nomination, the executive is a Board member.

The policy is the exclusive source of severance payments and benefits for the eligible executives. Our executive officers are not eligible to receive any severance payments or benefits for any termination of employment other than a constructive termination.

Change-in-Control

Upon a "change-in-control," the satisfaction of the performance targets under the eligible executives' absolute price performance PSU awards (based on attainment of a specific common stock price) and TSR PSU awards, based on relative stock price performance, will be determined as of the date of such change-in-control, based on the value of the consideration paid per share of our common stock in such transaction (which we refer to as the "Transaction Price"), with the underlying shares deemed earned as of such date to the extent the performance targets as computed on this basis have been satisfied. Such awards will remain subject to any remaining service, or time-based vesting, requirements, in the absence of a constructive termination of employment "in connection with the change-in-control." Our executive officers are not eligible to receive any other payments or benefits as a result of a "single trigger" change-in-control.

As defined under the policy, "change-in-control" means the consummation of any of the following transactions: (i) an acquisition in one or more related transactions of 45% or more of our common stock or voting securities by a "person" (as defined in Sections 13(d) and 14(d) of the Securities Exchange Act, but excluding us, any employee benefit plan of ours and any corporation controlled by our stockholders) or multiple "persons" acting as a group; (ii) a complete liquidation or dissolution; (iii) a sale, transfer or other disposition of all or substantially all of our assets; or (iv) a merger, consolidation or reorganization (collectively, a "Business Combination") other than a Business Combination (a) in which our stockholders receive 50% or more of the stock of the corporation resulting from the Business Combination, (b) in which at least a majority of the board of directors of such resulting corporation were incumbent directors serving on our Board immediately prior to the consummation of the Business Combination and (c) after which no individual, entity or group (excluding any corporation or other entity resulting from the Business Combination or any employee benefit plan of such corporation or of ours) who did not own 45% or more of the stock of the resulting corporation or other entity immediately before the Business Combination owns 45% or more of the stock of such resulting corporation or other entity. An executive's employment will be considered constructively terminated "in connection with a change-in-control," if the constructive termination occurs three months before, on, or within 12 months following the change-in-control."

Upon a constructive termination of employment in connection with a change-in-control:

- Eligible executives will be entitled to a lump sum payment equal to 100% of base salary, and for the CEO, 100% of target bonus for the fiscal year, in addition;
- Eligible executives will receive all compensation that is earned but unpaid as of the termination date, including salary, commissions and accrued but unused paid time off and vacation;
- Eligible executives will receive full payment of insurance premium amounts for continuation of such executive's group health insurance due under COBRA, and have the right to participate and to receive benefits under any of our group medical, dental, life, disability or other group insurance plans for 12 months after the termination date;
- Eligible executives will receive accelerated vesting of 100% of their then unvested time-based equity awards; and
- Eligible executives' absolute price performance PSU awards and TSR PSU awards will be determined as of the date of the date of such change-in-control, based on the Transaction Price, with the underlying shares deemed earned as of such date to the extent the performance targets as computed on this basis have been satisfied, and any remaining service, or time-based vesting requirements, will be deemed satisfied in full as of the date of the constructive termination, regardless when it occurs.

At our fiscal 2014 Annual Meeting of Stockholders, we conducted a stockholder advisory vote on the fiscal 2014 compensation of the Named Executive Officers (commonly known as a "Say-on-Pay" vote). Our stockholders approved the fiscal 2014 compensation of the then-named executive officers with approximately 96% of the votes cast in favor of the proposal.

We believe that the outcome of the Say-on-Pay vote reflects our stockholders' support of our compensation approach, specifically our efforts to attract, retain, and motivate our executive officers through a performance-oriented executive compensation program. Accordingly, no significant design changes were made to the executive compensation program as a result of the fiscal 2014 Say-on-Pay vote.

We value the opinions of our stockholders and will continue to consider the outcome of future Say-on-Pay votes, as well as feedback received throughout the year, when making compensation decisions for our executive officers, including the named executive officers. The next stockholder advisory vote on the compensation of the named executive officers will take place at the Annual Meeting of Stockholders to which this proxy statement relates, reflecting the results of the separate stockholder advisory vote on the frequency of future stockholder advisory votes regarding the compensation of the named executive officers conducted at our fiscal 2014 Annual Meeting of Stockholders.

The next stockholder advisory vote on the frequency of future stockholder advisory votes will also take place at the Annual Meeting of Stockholders to which this proxy statement relates.

Tax and Accounting Considerations

Deductibility of Compensation

Section 162(m) of the Code generally disallows a deduction for federal income tax purposes to any publicly-traded corporation for any remuneration in excess of \$1 million paid in any taxable year to its chief executive officer and each of the three other most highly-compensated executive officers (other than its chief financial officer). Generally, remuneration in excess of \$1 million may be deducted, however, if, among other things, it qualifies as "performance-based compensation" within the meaning of the Code. In this regard, the compensation income realized upon the exercise of options to purchase shares of the granting company's securities granted under a stockholder-approved stock option plan at an exercise price not less than the per share fair market value on the date of grant will be deductible so long as the options are granted by a committee whose members are outside directors and certain other conditions are satisfied.

The Compensation Committee periodically reviews the impact of Section 162(m) on the various elements of our executive compensation program. Further, the Compensation Committee believes that, at this time, achieving our compensation objectives is more important than the benefit of tax deductibility. Consequently, the Compensation Committee may, from time to time, award incentive compensation that is not exempt from the deduction limit of Section 162(m). Nevertheless, when not inconsistent with these objectives, the Compensation Committee endeavors to award compensation that will be deductible for federal income tax purposes. None of the compensation paid to our covered executive officers for the fiscal year ended March 31, 2017 that would be taken into account for purposes of Section 162(m) exceeded the \$1 million limitation for fiscal 2017.

Accounting for Stock-Based Compensation

The Compensation Committee takes accounting considerations into account in designing compensation plans and arrangements for our executive officers and other employees. Chief among these is Financial Accounting Standards Board Accounting Standards Codification Topic 718 ("ASC Topic 718"), the standard which governs the accounting treatment of stock-based compensation awards.

ASC Topic 718 requires us to compute and recognize in our consolidated statement of operations all share-based payments to employees, including grants of options to purchase shares of our common stock and restricted stock unit awards for shares of our common stock to our executive officers and other employees, based on their fair values. ASC Topic 718 also requires us to recognize the compensation cost of these share-based payment awards in our income statements over the period that an award recipient is required to render service in exchange for the option or other award (which, generally, will correspond to the award's vesting schedule).

Compensation Risk Assessment

The Compensation Committee has reviewed our compensation programs to ensure that our incentive and other motivational elements of compensation are aligned with long-term value creation, taking into consideration prudent risk management. We do not believe any of our compensation policies and practices create any risks that are reasonably likely to have a material adverse effect on us. In making this determination, the Compensation Committee considered the mix of fixed and variable compensation, our use of equity in our long-term incentive compensation arrangements, the time horizon of performance measurement in incentive opportunities, and the ability of the Compensation Committee and management to rely on judgment in determining compensation and assessing performance outcome.

REPORT OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis included in this proxy statement. Based on this review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and in our Annual Report on Form 10-K for the fiscal year ended March 31, 2017.

THE
COMPENSATION
COMMITTEE
Eric
Salzman,
Chairman
Guy Hecker
Ian Potter

FISCAL 2017 SUMMARY COMPENSATION TABLE

The following table sets forth certain summary information for the fiscal year indicated with respect to the compensation earned by each of the named executive officers.

Name and Principal Position	Fiscal Year			Stock	Option	Non-Equity	All Other	
		Salary	Bonus	Awards (1)	Awards (2)	Incentive Plan Compensation(3)	Compensation	
Vikram Verma Chief Executive Officer	2017	\$ 490,000	\$ -	\$ 3,923,898	\$ -	\$ 558,275	\$ 4,449	\$ 4,449
	2016	\$ 478,867	\$ -	\$ 3,143,808	\$ -	\$ 670,999	\$ 2,949	\$ 2,949
	2015	\$ 432,158	\$ -	\$ 2,348,916	\$ 775,947	\$ 395,189	\$ 2,949	\$ 2,949
Bryan R. Martin Chairman, Chief Technology Officer	2017	\$ 290,000	\$ -	\$ 765,303	\$ -	\$ 135,762	\$ 4,071	\$ 4,071
	2016	\$ 286,250	\$ -	\$ 447,350	\$ 149,711	\$ 206,232	\$ 2,432	\$ 2,432
	2015	\$ 275,000	\$ -	\$ 368,865	\$ 218,237	\$ 147,584	\$ 2,400	\$ 2,400
Mary Ellen Genovese Chief Financial Officer	2017	\$ 345,000	\$ -	\$ 1,416,966	\$ -	\$ 201,723	\$ 5,709	\$ 5,709
	2016	\$ 337,625	\$ -	\$ 671,004	\$ 224,567	\$ 243,361	\$ 4,209	\$ 4,209
	2015	\$ 195,176	\$ -	\$ 545,381	\$ 896,978	\$ 104,307	\$ 3,155	\$ 3,155
Darren Hakeman Senior Vice President, Product Development	2017	\$ 290,000	\$ -	\$ 765,303	\$ -	\$ 125,939	\$ 3,945	\$ 3,945
	2016	\$ 286,250	\$ -	\$ 447,350	\$ 149,711	\$ 162,036	\$ 2,432	\$ 2,432
	2015	\$ 266,875	\$ -	\$ 145,888	\$ 436,474	\$ 121,921	\$ 2,156	\$ 2,156
Puneet Arora (4) Senior Vice President Global Sales	2017	\$ 286,250	\$ -	\$ 710,722	\$ -	\$ 205,275 (5)	\$ 4,086	\$ 4,086
	2016	\$ 275,000	\$ -	\$ 447,350	\$ 149,711	\$ 250,313	\$ 2,300	\$ 2,300
	2015	\$ 61,458	\$ -	\$ 543,821	\$ 614,758	\$ 56,250	\$ 125	\$ 125

(1) The amounts reported reflect the aggregate grant date fair value of stock awards computed in accordance with ASC FASB 718 Topic based on the closing price of our common stock on the date of the grant. For a more detailed discussion of the assumptions used to calculate the fair value of our stock awards, refer to note 1 to the consolidated financial statements contained in our 2017 Annual Report on Form 10-K for our fiscal year ended March 31, 2017.

(2) The amounts reported reflect the aggregate grant date fair value of option awards computed in accordance with FASB ASC Topic 718. The fair value of each option grant is estimated based on its fair market value on the date

of grant using the Black-Scholes option-pricing model. For a more detailed discussion of the valuation model and assumptions used to calculate the fair value of our options, refer to note 1 to the consolidated financial statements contained in our 2017 Annual Report on Form 10-K for our fiscal year ended March 31, 2017.

- (3) Compensation earned based on the named executive officer's participation in the MIP in fiscal 2017, 2016 and 2015.
 - (4) For fiscal 2017, Mr. Arora's salary was increased from \$275,000 to \$290,000 effective July 1, 2016.
 - (5) For Mr. Arora only, compensation earned based on his participation in his commission incentive plan, \$133,529 and the MIP, \$71,746 for fiscal 2017.
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FISCAL 2017 GRANTS OF PLAN-BASED AWARDS TABLE

The following table sets forth certain information regarding plan-based awards granted to the named executive officers during the fiscal year ended March 31, 2017.

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)			All Other Stock Awards: Number of Shares of Stock or Units	All Other Option Awards: Number of Underlying Options
		Threshold	Target	Maximum	Threshold	Target (5)	Maximum (5)		
Vikram Verma	--	\$ -	\$ 490,000	\$ 1,460,200	\$ -	\$ -	\$ -	-	
	5/17/2016	-	-	-	-	-	-	35,712	(8)
	9/20/2016	-	-	-	-	118,552	237,104	-	
	9/20/2016	-	-	-	-	-	-	106,116	(7)
Bryan R. Martin	--	\$ -	\$ 174,000	\$ 468,060	\$ -	\$ -	\$ -	-	
	9/20/2016	-	-	-	-	9,608	19,216	-	
	9/26/2016	-	-	-	-	9,608	-	-	
	9/20/2016	-	-	-	-	-	-	25,792	(7)
Mary Ellen Genovese	--	\$ -	\$ 207,000	\$ 616,860	\$ -	\$ -	\$ -	-	
	9/20/2016	-	-	-	-	35,676	71,352	-	
	9/20/2016	-	-	-	-	-	-	47,900	(7)
Darren Hakeman	--	\$ -	-	-	-	-	-	-	