CITRIX SYSTEMS INC
Form DEF 14A
April 29, 2016
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement
¨ **Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
x Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to §240.14a-12

Citrix Systems, Inc.

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

2) Aggregate number of securities to which transaction applies:

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

4) Proposed maximum aggregate value of transaction:

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¨ Fee paid previously with preliminary materials.

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Notice of 2016 Annual

Meeting of Shareholders and

Proxy Statement

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Dear Shareholder: April 29, 2016

You are cordially invited to attend the 2016 Annual Meeting of Shareholders of Citrix Systems, Inc. to be held on Thursday, June 23, 2016 at 4:00 p.m. Pacific time, at our offices at 4580 Great America Parkway, Santa Clara, California 95054, United States.

At the 2016 Annual Meeting, the agenda includes: (1) the election of nine directors for one-year terms; (2) the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2016; and (3) an advisory vote to approve the compensation of our named executive officers. The Board of Directors unanimously recommends that you vote FOR the election of the director nominees and FOR each of the other matters.

All shareholders are cordially invited to attend the 2016 Annual Meeting in person. We are providing proxy material access to our shareholders via the Internet. Accordingly, you can access proxy materials and vote at www.proxyvote.com. Details regarding the matters to be acted upon at this 2016 Annual Meeting are described in the Notice of Internet Availability of Proxy Materials you received in the mail. Please give the proxy materials your careful attention.

You may vote via the Internet or by telephone by following the instructions on your Notice of Internet Availability and on that website. In order to vote via the Internet or by telephone, you must have the shareholder identification number which is provided in your Notice. If you have requested a proxy card by mail, you may vote by signing, voting and returning that proxy card in the envelope provided. If you attend the 2016 Annual Meeting, you may vote in person even if you have previously returned your proxy card or have voted via the Internet or by telephone. Please review the instructions for each voting option described in the Notice and in this Proxy Statement. Your prompt cooperation will be greatly appreciated.

Very truly yours,

ANTONIO G. GOMES

Senior Vice President, General

Counsel and Secretary

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CITRIX SYSTEMS, INC.

851 West Cypress Creek Road

Fort Lauderdale, Florida 33309

NOTICE OF 2016 ANNUAL MEETING OF SHAREHOLDERS

To Be Held on June 23, 2016

To the Shareholders of Citrix Systems, Inc.:

The 2016 Annual Meeting of Shareholders of Citrix Systems, Inc., a Delaware corporation, will be held on Thursday, June 23, 2016 at 4:00 p.m. Pacific time, at our offices at 4580 Great America Parkway, Santa Clara, California 95054, United States for the following purposes:

1. to elect nine members to the Board of Directors, each to serve for a one-year term and until his or her successor has been duly elected and qualified or until his or her earlier resignation or removal;

2. to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2016;

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

4. to transact such other business as may properly come before the 2016 Annual Meeting or any adjournments or postponements thereof.

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

Only shareholders of record at the close of business on April 25, 2016 are entitled to notice of and to vote at the 2016 Annual Meeting and at any adjournment or postponement thereof.

All shareholders are cordially invited to attend the 2016 Annual Meeting in person. To assure your representation at the 2016 Annual Meeting, we urge you to vote via the Internet at www.proxyvote.com or by telephone by following the instructions on the Notice of Internet Availability of Proxy Materials you received in the mail and which instructions are also provided on that website, or, if you have requested a proxy card by mail, by signing, voting and returning your proxy card to Broadridge Financial Solutions, 51 Mercedes Way, Edgewood, New York 11717. For specific instructions on how to vote your shares, please review the instructions for each of these voting options as detailed in your Notice of Internet Availability and in this Proxy Statement. If you attend the 2016 Annual Meeting, you may vote in person even if you have previously returned your proxy card or have voted via the Internet or by telephone.

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

By Order of the Board of Directors,

ANTONIO G. GOMES

Senior Vice President, General

Counsel and Secretary

Fort Lauderdale, Florida

April 29, 2016

WHETHER OR NOT YOU PLAN TO ATTEND THE 2016 ANNUAL MEETING, PLEASE PROMPTLY COMPLETE YOUR PROXY AS INDICATED ABOVE IN ORDER TO ASSURE REPRESENTATION OF YOUR SHARES. PLEASE REVIEW THE INSTRUCTIONS FOR EACH OF YOUR VOTING OPTIONS DESCRIBED IN THIS PROXY STATEMENT AND THE NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS YOU RECEIVED IN THE MAIL.

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CITRIX SYSTEMS, INC.

851 West Cypress Creek Road

Fort Lauderdale, Florida 33309

PROXY STATEMENT

For the 2016 Annual Meeting of Shareholders

To Be Held on June 23, 2016

April 29, 2016

This Proxy Statement is being furnished in connection with the solicitation of proxies by the Board of Directors of Citrix Systems, Inc., a Delaware corporation, for use at the 2016 Annual Meeting of Shareholders to be held on Thursday, June 23, 2016 at 4:00 p.m. Pacific time, at our offices at 4580 Great America Parkway, Santa Clara, California 95054, United States, or at any adjournments or postponements thereof. An Annual Report to Shareholders, containing financial statements for the year ended December 31, 2015, and this Proxy Statement are being made available to all shareholders entitled to vote at the 2016 Annual Meeting. This Proxy Statement and the form of proxy were first made available to shareholders on or about April 29, 2016.

The purposes of the 2016 Annual Meeting are to:

- elect nine directors for one-year terms;
- ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2016; and
- hold an advisory vote to approve the compensation of our named executive officers.

Only shareholders of record at the close of business on April 25, 2016, which we refer to as the record date, will be entitled to receive notice of and to vote at the 2016 Annual Meeting. As of that date, 155,065,815 shares of our common stock, $.001 par value per share, were issued and outstanding. Shareholders are entitled to one vote per share on any proposal presented at the 2016 Annual Meeting. You may vote via the Internet at www.proxyvote.com or by telephone at 1-800-690-6903 by following the instructions on the Notice of Internet Availability of Proxy Materials you received in the mail and which are also provided on that website; or, if you have requested a proxy card by mail, by signing, voting and returning your proxy card. If you attend the 2016 Annual Meeting, you may vote in person even if you have previously voted by phone or via the Internet or returned a proxy card by mail.

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

(a) filing with our Secretary, before the taking of the vote at the 2016 Annual Meeting, a written notice of revocation bearing a later date than the proxy;

(b) properly casting a new vote via the Internet or by telephone at any time before the closure of the Internet or telephone voting facilities;

(c) duly completing a later-dated proxy relating to the same shares and delivering it to our Secretary before the taking of the vote at the 2016 Annual Meeting; or

(d) attending the 2016 Annual Meeting and voting in person (although attendance at the 2016 Annual Meeting will not in and of itself constitute a revocation of a proxy).

Any written notice of revocation or subsequent proxy should be sent so as to be delivered to our principal executive offices at Citrix Systems, Inc., 851 West Cypress Creek Road, Fort Lauderdale, Florida 33309, Attention: Secretary, before the taking of the vote at the 2016 Annual Meeting.

The representation in person or by proxy of at least a majority of the outstanding shares of our common stock entitled to vote at the 2016 Annual Meeting is necessary to constitute a quorum for the transaction of business. Abstentions and broker non-votes (discussed below) are counted as present or represented for purposes of determining the presence or

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absence of a quorum for the 2016 Annual Meeting. When a quorum is present at any meeting of shareholders, the holders of a majority of the stock present or represented and voting on a matter shall decide any matter to be voted upon by the shareholders at such meeting, except when a different vote is required by express provision of law, our amended and restated certificate of incorporation (as amended and currently in effect, our Certificate of Incorporation) or our bylaws.

For Proposal 1, the election of nine directors, each nominee shall be elected as a director if the votes cast for such nominee s election exceed the votes cast against such nominee s election. Any director who fails to receive the required number of votes for his or her re-election is required to submit his resignation to the Board of Directors. Our Nominating and Corporate Governance Committee (excluding any director nominee who failed to receive the required number of votes) will promptly consider any such director s resignation and make a recommendation to the Board of Directors as to whether such resignation should be accepted. The Board of Directors is required to act on the Nominating and Corporate Governance Committee s recommendation within 90 days of the certification of the shareholder vote for the 2016 Annual Meeting.

For each of Proposal 2 (the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2016) and Proposal 3 (the advisory vote to approve the compensation of our named executive officers), an affirmative vote of a majority of the shares present, in person or represented by proxy, and voting on such matter is required for approval.

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

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

The persons named as attorneys-in-fact in the proxies, Kirill Tatarinov and David J. Henshall, were selected by the Board of Directors and are officers of Citrix. All properly executed proxies submitted in time to be counted at the 2016 Annual Meeting will be voted by such persons at the 2016 Annual Meeting. Where a choice has been specified on the proxy with respect to the foregoing matters, the shares represented by the proxy will be voted in accordance with the specifications. **If no such specifications are indicated, such proxies will be voted FOR Proposal 1 (the election of each of the director nominees), FOR Proposal 2 (ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2016) and FOR Proposal 3 (the approval, on an advisory basis, of the compensation of our named executive officers).**

Aside from the proposals included in this Proxy Statement, our Board of Directors knows of no other matters to be presented at the 2016 Annual Meeting. If any other matter should be presented at the 2016 Annual Meeting upon which a vote may properly be taken, shares represented by all proxies received by the Board of Directors will be voted with respect to such matter in accordance with the judgment of the persons named as attorneys-in-fact in the proxies.

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Proxy Highlights

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

Our Business

Our vision is to power a world where people, organizations and things are securely connected and accessible to make the extraordinary possible. A world where people can easily collaborate across boundaries of time, place and device across the world s best integrated technology services for secure delivery of apps and data anytime, anywhere.

2015: A Year of Strategic and Leadership Transformation

Operating performance in 2013 and 2014 lagged our expectations as strategies for driving growth did not deliver as intended. Our efforts to reduce operating expenses accelerated in late 2014. After the first quarter of 2015, however, it became clear that a deeper review of our business was needed to focus on what is most important to our shareholders, customers and partners.

In June 2015, when our Board of Directors was preparing for a product portfolio and operational review, we received an open letter from Elliott Management, or Elliott, one of our largest shareholders, requesting a meeting with our Board and advocating for a new operating plan that called for the implementation of operational best practices, product portfolio rationalization, strategic evaluation of our high-value non-core businesses and review of our capital allocation. As we do with all investors who engage with us in good faith, our Board responded in a spirit of open communication and transparency. In fact, we agreed with substantial portions of Elliott s plan.

In July 2015, we entered into a cooperation agreement with Elliott and agreed to appoint Jesse A. Cohn, Elliott s head of U.S. equity activism, to our Board. As an outcome of our engagement with Elliott,

Our Board accelerated our operational review by forming an Operations Committee to work with management on a comprehensive operational review with increased focus and speed. The Operations Committee was charged with identifying opportunities to improve our operational efficiency and capital structure and to streamline our product portfolio.

Robert M. Calderoni, an independent member of our Board, was appointed Executive Chairman and Chair of the Operations Committee to lead this important work.

Supported by independent advisors, we initiated a review of strategic alternatives for our GoTo family of products.

For further details regarding our agreement with Elliott, see *Cooperation Agreement with Elliott*, on page 86 below.

In November 2015, based on the findings of the Operations Committee, we took actions to rationalize our product portfolio, realign and optimize operations and investments, and restructure our workforce. These actions have allowed us to significantly increase focus on our core enterprise strategy of secure and reliable delivery of applications and data, and consequently build a more efficient, scalable and profitable company. Our actions to date have included:

- The announcement of a proposed spinoff of our GoTo family of products into a separate public company. We believe the separation of this business to be in the best interest of all stakeholders, allowing both companies to enhance their strategic focus and respective competitive positions, while permitting us to improve operational efficiency.

- The implementation of a restructuring program that focused on the simplification of our enterprise go-to-market motion and roles while improving coverage, changes in our product focus, and the balancing of resources with demand across our marketing, general and administrative areas. As a result of this program, we eliminated approximately 700 full-time positions, or approximately 7% of our workforce.

Reshaping our Executive Leadership Team and Board for the Future

Executing on these initiatives has required leadership changes.

CEO Transition

As an outcome of reaching an accord with Elliott, in July 2015, Mark B. Templeton agreed to step down from his role as our Chief Executive Officer and President, a role he held for more than 14 years, and announced his intent to retire. During Mark s tenure with the company, Citrix grew from a one-product, $15 million business to a global market leader with revenue of over $3 billion.

In preparation for Mr. Templeton s retirement, our Board commenced a search process to identify our next Chief Executive Officer. During the second half of 2015, however, Mr. Templeton continued to play a critical role in, among other things, retaining and leading our management team, preserving our operational capacity, preserving the Citrix culture and the commitment and engagement of our employees, partners and customers, and facilitating a smooth transition to his successor during a critical transition period for Citrix. Without the support of Mr. Templeton during this transition period, our Board s ability to drive crucial strategic changes would have been jeopardized. To encourage Mr. Templeton to remain employed with us until his successor was appointed during a period of critical changes at Citrix, our Board began negotiations with Mr. Templeton to mutually agree on a retention bonus and benefits arrangements.

Following an extensive candidate search and interview process, in October 2015, our CEO search was still ongoing due to the unpredictable nature of CEO searches. Simultaneously, the work of the Operations Committee had proceeded, and it became clear that a number of senior leaders would be leaving the company. These developments triggered the Board

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and Mr. Templeton to agree that it was appropriate for him to retire, although a permanent successor CEO had not yet been identified. No internal candidates had the combination of operational leadership and deep product management experience, skills and experience our Board viewed as critical for a new CEO. In light of the need to establish stable leadership for our employees, clients and other stakeholders until a new CEO could be identified and appointed, our Board appointed Mr. Calderoni to serve as our Interim Chief Executive Officer.

As our Interim Chief Executive Officer, Mr. Calderoni was charged with leading the execution of our strategic and operational initiatives while also leading the search for our next Chief Executive Officer. Our Board viewed Mr. Calderoni s appointment as our Interim Chief Executive Officer in October 2015 as critical to executing on the actions needed to increase our profitability by bringing Citrix in line with comparable companies, all in order to create significant shareholder value. His role as Executive Chairman had provided Mr. Calderoni with a deep dive into the operations of the company, while his past experience leading a technology company through a turnaround gave him experience with leading through change. Importantly, the operational skills Mr. Calderoni brought to the Citrix leadership team, as well as the progress in the operational review, permitted the Board to re-set the CEO search by prioritizing CEO candidates with deep product development experience, a necessary skill to drive long-term growth.

The disinterested members of our Board, including Mr. Cohn, the representative from Elliott on our Board, unanimously approved Mr. Templeton s and Mr. Calderoni s compensation arrangements, upon the recommendation of the Compensation Committee. See *Individual Executive Compensation Decisions Chief Executive Officer Compensation* beginning on page 57 for a discussion of Mr. Templeton s and Mr. Calderoni s compensation arrangements.

As previously mentioned, our CEO search focused on identifying leaders that have demonstrated both strong product management and operational leadership skills. Kirill Tatarinov, who most recently served as Executive Vice President of the Microsoft Business Solutions Division, has a proven track record of growing businesses and driving operational performance. Because of these demonstrated skills, in January 2016, our Board identified Mr. Tatarinov as the best person to lead our company for the long-term and to execute on the strategic initiatives that we started in 2015. He was appointed President and Chief Executive Officer in January 2016 and joined our Board as a director at that time. Mr. Calderoni continues in his role as Executive Chairman of our Board. While the roles of President and Chief Executive Officer and Executive Chairman have distinct responsibilities, both Messrs. Calderoni and Tatarinov are focused on driving execution of our strategic plan, including operational and capital structure efficiency and portfolio simplification. See *Individual Executive Compensation Decisions Chief Executive Officer Compensation* beginning on page 57 for a discussion of Mr. Tatarinov s compensation arrangements.

New Senior Leaders Appointed Across the Business Build a Strong Bench for the Future

Our strategic initiatives also necessitated a review of our senior leadership team; and in 2015 we experienced transition in all senior leadership roles, except our Chief Operating Officer and Chief Financial Officer. This leadership transition resulted in the following appointments:

- Carlos E. Sartorius as Senior Vice President, Worldwide Sales and Services;
- Klaus Oestermann as Senior Vice President and General Manager, Delivery Networks;

Timothy A. Minahan as Senior Vice President and Chief Marketing Officer;

William L. Burley as Corporate Vice President and Acting General Manager, Workspace Services; and

Jesse D. Lipson as Corporate Vice President and General Manager, Cloud Services.

These executive officers bring proven track records, leadership talent and global experience to operationalize, execute and drive our strategy.

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Significant Board Refreshment

In addition to Mr. Templeton s departure and the addition of Mr. Cohn to our Board, two of our independent directors, Stephen Dow and Asiff Hirji, stepped-off the Board in 2015.

To grow our Board, we collaborated with Elliott to identify a mutually agreeable director for appointment to our Board. In December 2015, Graham V. Smith, the former Executive Vice President and Chief Financial Officer of Salesforce, joined our Board pursuant to this collaborative search. We also added Peter J. Sacripanti, Co-Chair and Partner at McDermott Will & Emery, to our Board in December 2015. In April 2016, we announced that Thomas F. Bogan and Francis A. deSouza would not be standing for re-election at the 2016 Annual Meeting.

Our Board is focused on its evolution and on recruiting capable and diverse directors who have the skills and experience necessary to oversee Citrix over the long-term.

Compensation Committee Changes in 2015

In March 2015, Gary Morin stepped down from his role as Chair of the Compensation Committee, and Murray J. Demo was appointed Chair of the Compensation Committee. Also in March 2015, Thomas F. Bogan stepped off the Compensation Committee, and Godfrey R. Sullivan was appointed as a member of the Compensation Committee. In November 2015, Mr. Demo stepped down from his role as Chair of the Compensation Committee, and Nanci E. Caldwell was appointed Chair of the Compensation Committee. Graham V. Smith was appointed as a member of the Compensation Committee in December 2015 when he joined the Board.

2015 Business Highlights

Our initial progress with respect to our strategic and operational initiatives led to the following financial performance in 2015:

4% increase in annual revenue to $3.28 billion

27% increase in net income to $319 million, or $1.99 per diluted share

22% increase in cash flow from operations to $1.03 billion

Our balance sheet is robust, including $1.66 billion in deferred revenue and $1.76 billion in net cash and investments as of December 31, 2015. In 2015, we also continued to return capital to shareholders. For the full year 2015, we repurchased over 11 million shares of our common stock, representing approximately 7% of shares outstanding.

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As illustrated in the graph below, our total shareholder return, or TSR, over the five-year period ended on December 31, 2015 was approximately 11%.

Our TSR over the one-year period ended on December 31, 2015, however, was approximately 19%, relative to a TSR of approximately 6% for the Nasdaq Index during the same period, outperforming nearly 80% of the index constituents and creating nearly $2 billion of equity value in 2015.

Comparing our performance to the Nasdaq 100, at the end of 2015, we were in the top quartile of Nasdaq 100 companies as compared to the end of 2014 when we were in the bottom quartile of Nasdaq 100 companies. We attribute our top quartile performance in 2015 to the strategic and operational initiatives implemented in the second half of 2015, which included an improvement of over 300 basis points in non-GAAP operating margin over 2014.

Continuing this momentum and reflecting our progress on our strategic and operational initiatives, we achieved the following financial performance during the first quarter of 2016:

- 9% increase in quarterly revenue to $826 million
- Over 900 basis point improvement in non-GAAP operating margin over the year-ago period
- 16% increase in cash flow from operations to $340 million, a quarterly record

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Executive Compensation Highlights

Highlights of Our Compensation Approach	
Approach	**Implementation**
Link senior executives annual target compensation directly with company performance	In 2015, former CEO s total target compensation (excluding retention and retirement benefits) was 50% variable cash compensation and market performance-based RSUs
	Approximately 45% of the target compensation of our other Named Executive Officers, on average, was performance based (excluding our Executive Chairman, Interim Chief Executive Officer and President)
	Current President and Chief Executive Officer s, Kirill Tatarinov s, initial total target direct compensation is 57% performance-based compensation
Our shareholders seek long-term total shareholder return, and our executives should share that goal	At least 50% of annual equity awards to executive officers are awarded as market performance-based RSUs that vest based on a relative total shareholder return metric
This link to performance has proven effective	The performance period for the market performance-based restricted stock units granted in 2013, the second year we granted awards having a relative total shareholder return performance metric, ended on December 31, 2015
	During the three-year performance period for these awards, the Nasdaq Composite Index significantly exceeded our own returns. Based on this comparative performance, no shares vested under these awards, the second consecutive year of no vesting under this program. This

significantly impacts our executive officers realizable compensation

For example, the average realizable equity compensation of our named executive officers, listed in our 2014 Proxy Statement (the year we reported the market performance-based restricted stock units granted in 2013), was only 57% of the overall value of the 2013 stock awards granted to such named executive officers, and only 64% of the average 2013 total compensation originally reported as shown in the following graphic. We did not grant discretionary bonuses or awards or make any compensation adjustments to compensate for the awards that failed to vest

(1) Values are calculated using the aggregate grant date fair value of restricted stock unit awards in 2013, the year in which the grant was made, and are as reported in the Summary Compensation Table in our 2014 Proxy Statement. The values include service-based and market performance-based restricted stock unit awards. The assumptions we used for calculating the grant date fair value are set forth in Note 7 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2013, which was filed with the SEC on February 20, 2014. In the case of market performance-based restricted stock units, the fair value reported in the Summary Compensation Table in our 2014 Proxy Statement was the probable outcome, which was 100% target achievement. No shares vested under these market performance-based awards; and as a result, no value is realizable for these awards.

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Highlights of Our Compensation Approach	
Approach	**Implementation**
Payout opportunity levels for executive variable cash compensation should motivate performance that meets or exceeds our financial plan objectives	In 2015, each executive officer s variable cash compensation plan award was based 100% on the achievement of objective financial operating targets consistent with our annual operating plan
	Based on 2015 company performance, variable cash compensation plan awards for 2015 paid 118.4% of the target amount
	Over the past eight years, our variable cash compensation plan awards have paid out between 56.4% and 130.4% and paid above 100% three times
To account for the speed of the business environment within the software sector, our compensation decisions should be flexible so that it can be tailored to the specific challenges facing the company at a given time	To support our strategic and operational initiatives, we implemented an incentive program in 2015 for certain executive officers to recognize the critical role they play in executing upon these initiatives and maintaining the commitment and engagement of our employees, partners and customers during this process
	Accordingly, in September 2015, we entered into incentive agreements with certain of our executive officers that provided for a retention equity grant and severance benefits

See *Individual Executive Compensation Decisions* beginning on page 57 for further details regarding our Named Executive Officers compensation.

Governance Highlights

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

- ü Eliminated classified Board
- ü Lead independent director
- ü Annual Board self-assessment process, including peer evaluations
- ü Active shareholder engagement
- ü Majority voting for director elections
- ü Independent directors regularly meet without management present
- ü Strong focus on pay-for-performance
- ü Stock ownership guidelines for executive officers and directors
- ü Policies prohibiting hedging, short selling and pledging of our common stock
- ü Commitment to evolving our Board
- ü Long-standing commitment to corporate responsibility
- ü Board oversight of risk management

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Our Board of Directors

The following table provides summary information about each Director nominee and the committees on which they serve. Each Director will be elected for a one-year term.

Ad Hoc Committees Formed In July 2015

Our Board formed a Search Committee following Mark B. Templeton s announcement that he intended to retire. In January 2016, after completing our CEO search with the appointment of Kirill Tatarinov, the Search Committee was disbanded.

Our Board formed an Operations Committee to work closely with our management team in a comprehensive review of our operations and capital structure, building upon the company s previously announced initiatives to drive operating margin expansion through simplification, efficiency and portfolio refinements. In February 2016, the Operations Committee was disbanded following completion of its work to drive our operational review.

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Director Dashboard

Voting Matters

The proposals to be considered at the 2016 Annual Meeting are as follows:

		Board recommendation	See page number for more detail
PROPOSAL 1	Election of Directors	FOR each Nominee	90
PROPOSAL 2	Ratification of Appointment of Independent Registered Public Accounting Firm for 2016	FOR	91
PROPOSAL 3	Non-binding Advisory Vote to Approve the Compensation of our Named Executive Officers (Say-on-Pay)	FOR	92

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Part 1 Corporate Governance

Independence of Members of Our Board

Our Board of Directors has determined that seven of our directors (Ms. Caldwell, Mr. Cohn, Mr. Daleo, Mr. Demo, Mr. Sacripanti, Mr. Smith and Mr. Sullivan) are independent within the meaning of the director independence standards of The Nasdaq Stock Market LLC, or Nasdaq, and the SEC, including Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended. Furthermore, our Board of Directors has determined that each member of each of our regular standing committees of the Board of Directors is independent within the meaning of Nasdaq s and the SEC s director independence standards. In making this determination, our Board of Directors solicited information from each of our directors regarding whether such director, or any member of his or her immediate family, had a direct or indirect material interest in any transactions involving Citrix, was involved in a debt relationship with Citrix or received personal benefits outside the scope of such person s normal compensation. The Board of Directors determined that each of Mr. Calderoni, who is currently serving as our Executive Chairman, and Mr. Tatarinov, who is currently serving as our President and Chief Executive Officer, is not independent within these definitions. Our Board of Directors considered the responses of our directors, and independently considered the commercial agreements, acquisitions, and other material transactions entered into by Citrix during 2015.

Board Leadership Structure

Our Corporate Governance Guidelines provide our Board of Directors with flexibility to select the appropriate leadership structure based on the specific needs of our business and the best interests of our shareholders. Our Corporate Governance Guidelines set forth our general policy that the positions of Chairperson of the Board of Directors and Chief Executive Officer, will be held by different persons. In certain circumstances, however, our Board of Directors may determine that it is in our best interests for the same person to hold the positions of Chairperson and Chief Executive Officer, or, in the case of Mr. Calderoni s appointment as Executive Chairman in July 2015, for the position of Chairperson to also be an executive role. In such event, the Board of Directors will appoint an independent member of our Board of Directors

as the Lead Independent Director, which is currently Godfrey R. Sullivan. Our general policy is that the position of Chairperson or Lead Independent Director, as the case may be, will be held by an independent member of our Board of Directors. The Chairperson or Lead Independent Director will preside at executive sessions of the independent directors and will have such further responsibilities as the full Board of Directors may designate from time to time.

Executive Sessions of Independent Directors

Executive sessions of the independent directors are held at least four times a year following regularly scheduled in-person meetings of our Board of Directors. Executive sessions do not include Messrs. Calderoni and Tatarinov and the Lead Independent Director of our Board of Directors, Mr. Sullivan, is responsible for chairing the executive sessions.

Executive Succession

Executive succession is regularly reviewed and discussed by our Board of Directors in Board meetings and in executive sessions of the Board of Directors. At least one Board meeting each year is focused on human capital, including formal reviews of executive talent, organizational structure and succession planning for the role of Chief Executive Officer and other senior executive roles. In these sessions, among other things, our Board of Directors reviews the assumptions, processes and strategy for various succession events and reviews potential internal and external successor candidates. Potential external candidates may also be identified as part of this process. The Board of Director s goal is to have a long-term and continuing program for effective executive development and succession and to be prepared for both short-term unexpected loss of a key leader and permanent transitions.

During 2015, the extraordinary changes facing our business required that our Board of Directors revisit the criteria for the next Chief Executive Officer and look beyond the established list of internal and external candidates. Our Board formed a Search Committee following Mark B. Templeton s announcement that he intended to retire. The Search Committee focused on Chief

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Executive Officer succession until January 2016, when it completed its search process with the Board of Director s appointment of our new Chief Executive Officer and President, Kirill Tatarinov.

Considerations Governing Director Nominations

Director Qualifications

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

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

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

- an understanding of and experience in software, hardware or services, technology, accounting, governance, finance and/or marketing;
- leadership experience with public companies or other major complex organizations;
- experience on another public company board; and
- the specific needs of our Board of Directors and the Committees of our Board of Directors at that time.

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Our Board of Directors believes that a diverse membership with varying perspectives and breadth of experience is an important attribute of a well-functioning board and will enhance the quality of the Board of Director s deliberations and decisions. As a result, the Nominating and Corporate Governance Committee will consider the diversity of background and experience of a director nominee (such as diversity of knowledge, skills, experience and expertise) as well as diversity of personal characteristics (such as diversity of gender, race, ethnicity, culture, thought and geography) among its members in the overall context of the composition of the Board of Directors. The Nominating and Corporate Governance Committee and the Board of Directors discuss the composition of our Board of Directors, including diversity of background and experience, as part of the annual Board of Directors evaluation process.

Process for Identifying and Evaluating Director Nominees

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

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

recommends candidates for the Board of Director s approval as director nominees for election to our Board of Directors. The Nominating and Corporate Governance Committee also recommends candidates to the Board of Directors for appointment to the committees of the Board of Directors.

The Executive Chairman assists the Nominating and Corporate Governance Committee with Board composition and evolution planning, including review of committee memberships.

Board Evaluation Program

Our Board of Directors annually undertakes a formal evaluation process consisting of an overall Board evaluation, committee evaluations, and peer evaluations by each member. As part of the evaluation process, our Board of Directors assesses its structure, processes, culture and effectiveness. The evaluation process also includes consideration of the appropriate Board size, committee composition and the functional, business and organizational skills that may be required of future Board members. Also, in 2015, our Board of Directors, with the assistance of an outside adviser, conducted one-on-one open-ended interview discussions to help assess the Board s performance.

Procedures for Recommendation of Director Nominees by Shareholders

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

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

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

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

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

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

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

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

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

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

Citrix Systems, Inc.

851 West Cypress Creek Road

Fort Lauderdale, FL 33309

Attn: Secretary of Citrix Systems, Inc.

By facsimile to: (954) 229-6209

Attn: Secretary of Citrix Systems, Inc.

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

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

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

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

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

Policy Governing Director Attendance at Annual Meetings of Shareholders

We conduct an annual meeting of shareholders, and all directors are offered the opportunity to attend at our expense. No members of our Board of Directors attended our annual meeting of shareholders held in 2015.

Code of Ethics

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

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

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

Risk Oversight

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

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

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

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

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

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

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

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

Compensation Related Risk Assessment

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

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

Our Board of Directors annually approves a corporate operating plan with goals that it believes are appropriate

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and reasonable in light of past performance and current market opportunities. Our annual operating plan is the basis for the performance targets in our annual variable cash compensation plans.

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

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

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

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

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

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

No opportunities for non-qualified deferrals of compensation were offered in 2015 and none will be offered in 2016.

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

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

Shareholder Outreach And Engagement

Our Board of Directors welcomes the views and insights of our shareholders and has historically conducted an annual outreach effort to connect with large shareholders in order to ensure open lines of communication. Our leaders regularly engage with shareholders to better understand their perspective on a wide range of issues. Such discussions may address a broad range of topics, including governance issues such as executive compensation, board composition, and executive succession planning. Shareholders may also wish to discuss business strategy or operational performance. In such discussions, Citrix may be represented by a member of senior management and/or a member of our Board of Directors. We believe it is important to maintain ongoing conversations outside of the annual meeting process so that we may shape our policies and practices with an informed point of view.

Our Board of Directors provides to every security holder the ability to communicate with the Board of Directors as a whole and with individual directors on the Board of Directors through an established process for security holder communication as follows:

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

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

Citrix Systems, Inc.

851 West Cypress Creek Road

Fort Lauderdale, FL 33309

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

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By facsimile to: (954) 229-6209

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

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

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

Citrix Systems, Inc.

851 West Cypress Creek Road

Fort Lauderdale, FL 33309

Attn: Secretary of Citrix Systems, Inc.

By facsimile to: (954) 229-6209

Attn: Secretary of Citrix Systems, Inc.

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

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Part 2 Board of Directors

Our Directors

The following table sets forth our current directors, who are being nominated for re-election at the 2016 Annual Meeting. In April 2016, we announced that Thomas F. Bogan and Francis A. deSouza would not be standing for re-election at the 2016 Annual Meeting. All nine directors are nominated for re-election to one-year terms at the 2016 Annual Meeting.

The biographical description below for each director nominee includes the specific experience, qualifications, attributes and skills that led to the conclusion by our Board of Directors that such person should serve as a director of Citrix.

Name	Position(s) with Citrix
Robert M. Calderoni	Executive Chairman and Director
Nanci E. Caldwell	Director
Jesse A. Cohn	Director
Robert D. Daleo	Director
Murray J. Demo	Director
Peter J. Sacripanti	Director
Graham V. Smith	Director
Godfrey R. Sullivan	Lead Independent Director
Kirill Tatarinov	Director, President and Chief Executive Officer

Director Nominees

Robert M. Calderoni
Executive Chairman of Citrix; Former Interim Chief Executive Officer and President of Citrix; Former Chairman and Chief Executive Officer of Ariba, Sunnyvale, CA (Software and IT services company)
***Age*:** 56
***Director Since*:** June 2014
***Executive Chairman Since*:** July 2015

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

***Key Director Qualifications*:** Mr. Calderoni served as Chairman and Chief Executive Officer of Ariba, Inc., a cloud applications and business network company, from October 2001 until it was acquired by SAP, a publicly-traded software and IT services company, in October 2012, and then continued as Chief Executive Officer of Ariba following the acquisition until January 2014. Mr. Calderoni also served as a member of the global managing board at SAP AG between November 2012 and January 2014 and as President SAP Cloud at SAP AG from June 2013 to January 2014. Mr. Calderoni has also held senior finance roles at Apple and IBM and served as Chief Financial Officer of Avery Dennison Corporation, a publicly-traded packaging and labelling solutions company. From October 2015 to January 2016, Mr. Calderoni served as the Interim Chief Executive Officer and President of Citrix. Mr. Calderoni was named Executive Chairman of Citrix in July 2015. The Board believes Mr. Calderoni s qualifications to sit on our Board include his extensive leadership and business development experience as leader of a publicly-traded software-as-a-service company and his deep financial, accounting, corporate finance and operations expertise, including turnaround situations, gleaned through his experience in managing large scale global enterprises.

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Nanci E. Caldwell

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

***Age*: 58**

***Director Since*:** July 2008

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

***Other Boards*:** Since December 2015, Ms. Caldwell has served on the Board of Directors of Equinix, Inc., a publicly traded IT data center company.

***Key Director Qualifications*:** Since 2005, Ms. Caldwell has served as a member of a number of Boards of both public and private technology companies, including Deltek, Inc., a publicly-traded enterprise management software company from 2005 to 2012; Network General, now NetScout Inc., a publicly-traded provider of integrated network performance management solutions from 2005 to 2007; and Hyperion Solutions Corporation, a publicly-traded provider of performance management software acquired by Oracle in 2007, from 2006 to 2007. From April 2001 until it was acquired by Oracle in December 2004, Ms. Caldwell served as Executive Vice President and Chief Marketing Officer for PeopleSoft, Inc., a publicly-held human resource management software company. In addition, from June 2009 to December 2014, Ms. Caldwell served as a member of the Board of Tibco Software Inc., a publicly-traded leading business integration and process management software company. The Board believes Ms. Caldwell s qualifications to sit on our Board include her extensive experience with technology and software companies, including in the areas of sales and marketing, as well as her executive leadership and management expertise with publicly-traded companies.

Jesse A. Cohn

Senior Portfolio Manager and Head of U.S. Equity Activism, Elliott Management Corporation, New York NY (Hedge fund manager)

***Age*:** 35

***Director Since*:** July 2015

***Key Director Qualifications*:** Mr. Cohn is a senior portfolio manager and head of U.S. equity activism at Elliott Management Corporation, a $27 billion investment firm. Mr. Cohn joined Elliott in 2004 and manages both public and private investments for the firm. Mr. Cohn also serves on the Board of Directors of several private companies. Mr. Cohn joined the Board in connection with our entry into a cooperation agreement with affiliates of Mr. Cohn s employer, Elliott Management. The Board believes Mr. Cohn s qualifications to sit on our Board include the breadth of his knowledge of technology/software companies, including his service on the boards of directors of MSC Software, E2Open, Mitchell International and Ark Continuity.

Robert D. Daleo

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

***Age*:** 66

***Director Since*:** May 2013

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

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

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

Murray J. Demo

Chief Financial Officer of Atlassian Corporation, San Francisco, CA (Software solutions provider for team collaboration and project management); Former Executive Vice President and Chief Financial Officer of Dolby Laboratories, San Francisco, CA (Entertainment technologies company); Former Executive Vice President and Chief Financial Officer of Adobe Systems, San Jose, CA (Digital marketing and digital media solutions company)

Age**:** 54

Director Since**:** February 2005

Committees**:** Audit, Finance

Key Director Qualifications**:** Mr. Demo currently serves as Chief Financial Officer of Atlassian Corporation, a publicly-traded enterprise software company, since October 2015. Previously, Mr. Demo served as Executive Vice President and Chief Financial Officer of Dolby Laboratories, a publicly-traded global leader in entertainment technologies, from May 2009 until June 2012. Mr. Demo has also served as Executive Vice President and Chief Financial Officer of LiveOps, a privately-held virtual call center company, and as Executive Vice President and Chief Financial Officer of Postini, Inc., a security software company, which was acquired by Google in September 2007. Mr. Demo also held various executive-level finance roles at Adobe Systems, including Executive Vice President and Chief Financial Officer. Mr. Demo previously served on the Board of Xoom Corporation, a formerly publicly-traded global online money transfer provider that was acquired by PayPal in November 2015, from May 2012 to November 2015; and from December 2011 to December 2015, Mr. Demo served on the Board of Directors of Atlassian Corporation. The Board believes Mr. Demo s qualifications to sit on our Board include his extensive experience with finance and accounting matters for global organizations in the technology industry, including the experience that he has gained in his roles as Chief Financial Officer of publicly-traded companies.

Peter J. Sacripanti

Co-Chair and Chairman of the Executive Committee of McDermott Will & Emery, New York, NY (International law firm)

Age**:** 60

Director Since**:** December 2015

Committees**:** Audit, Finance

Key Director Qualifications**:** Since September 2010, Mr. Sacripanti has served as the Co-Chair and Chairman of the Executive Committee of McDermott Will & Emery, an international law firm with 2,000 full time employees in North America, Europe, and Asia. Mr. Sacripanti has served as a Partner at McDermott Will & Emery since 1996 and in this position, he represents and defends major corporations and industry groups, including Fortune 500 companies. The Board believes Mr. Sacripanti s qualifications to sit on our Board include his management of an international business organization and his years of experience representing large corporations on a variety of legal matters.

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Graham V. Smith
Former Chief Financial Officer and Executive Vice President of Salesforce, San Francisco, CA (Cloud-based computing company)
Age**:** 56
Director Since**:** December 2015
Committees**:** Compensation

Other Boards**:** Since July 2011, Mr. Smith has served on the Board of Directors of Splunk, a publicly-traded software company that develops products to enhance searching, monitoring and analyzing machine-generated data. In February 2015, Mr. Smith also became a Director of Xero, a publicly-traded New Zealand, cloud-based software company, and Mindbody, a publicly-traded cloud-based business management software company focused on the wellness services industry.

Key Director Qualifications**:** Mr. Smith has served in various management roles for Salesforce, a provider of enterprise cloud computing software, including as Executive Vice President, Finance from 2014 to 2015, Executive Vice President and Chief Financial Officer from 2008 to 2014, and Executive Vice President and Chief Financial Officer Designate from 2007 to 2008. Mr. Smith brings to the Citrix Board over 25 years experience in the software industry. Mr. Smith has proven himself an accomplished business leader in his capacity as an executive of Salesforce. The Board believes Mr. Smith s qualifications to sit on our Board include his ability to manage rapidly growing global enterprises at scale and his financial expertise and professional experience as an executive of other public software companies.

Godfrey R. Sullivan
Chairman of Splunk, San Francisco, CA (IT and search software company)
Age**:** 62
Director Since**:** February 2005
Committees**:** Compensation, Nominating and Corporate Governance (Chair)

Other Boards**:** Since 2008, Mr. Sullivan has served on the Board of Directors of Splunk, a publicly-traded software company that develops products to enhance searching, monitoring, and analyzing machine-generated data, and as its Chairman of the Board since 2011.

Key Director Qualifications**:** Mr. Sullivan also served as President and Chief Executive Officer of Splunk from 2008 until November 2015. Prior to Splunk, Mr. Sullivan led Hyperion Solutions Corporation, a publicly-traded software company, where he was first its President and Chief Operating Officer and subsequently its President and Chief Executive Officer, until its acquisition by Oracle in April 2007. Mr. Sullivan also served on the Board of Informatica Corporation, a publicly-traded data integration company, from January 2008 to June 2013. The Board believes Mr. Sullivan s qualifications to sit on our Board include his decades of executive and operational experience with technology and software companies.

Kirill Tatarinov
President, Chief Executive Officer and Director, Citrix; former President, Executive Vice President, and Corporate Vice President of Business Solutions Division at Microsoft Corp.
Age**:** 51
Director Since**:** January 2016

Key Director Qualifications**:** With over 30 years of industry experience, Mr. Tatarinov previously served as Executive Vice President of the Microsoft Business Solutions Division (MBS) with responsibility for the Microsoft Dynamics business

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across development, sales, marketing, and operations. Prior to joining MBS in 2007, Mr. Tatarinov led the Management and Solutions Division at Microsoft, where he was in charge of the Microsoft Windows management technologies and products, including Microsoft System Center, as well as Windows Server solutions. Additionally, Mr. Tatarinov holds two patents for managing computer resources and related technologies. The Board believes Mr. Tatarinov s qualifications to sit on our Board include his decades of experience in the software industry and his unique insight into our markets, products, technology and operations through his role as our Chief Executive Officer.

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Meetings and Meeting Attendance

Our Board of Directors met seventeen times during the year ended December 31, 2015. Each of the directors attended at least 75% of the aggregate of the total

number of meetings of our Board of Directors and the total number of meetings of all committees of our Board of Directors on which he or she served during fiscal 2015.

Our Board Committees

Our Board of Directors has standing Audit, Compensation, Finance and Nominating and Corporate Governance Committees. Each of the Audit, Compensation, Finance and Nominating and Corporate Governance Committees has a written charter that has

been approved by the Board of Directors. Each committee reviews the appropriateness of its charter at least annually. The table below provides current membership for each Board committee.

In addition to our standing committees, in July 2015, our Board of Directors formed a Search Committee following Mark B. Templeton s announcement that he intended to retire. In January 2016, after completing its search process with the appointment of Kirill Tatarinov, the Search Committee was disbanded. Also, in July 2015, our Board of

Directors formed an Operations Committee to work closely with our management team in a comprehensive review of our operations and capital structure, building upon the company s previously announced initiatives to drive operating margin expansion through simplification, efficiency and portfolio refinements. In February 2016, the

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Operations Committee was disbanded following completion of its work to drive our operational review.

Audit Committee

Our Board of Directors has determined that each member of the Audit Committee meets the independence requirements promulgated by Nasdaq and the SEC, including Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended. In addition, our Board of Directors has determined that each member of the Audit Committee is financially literate and that Messrs. Daleo and Demo each qualify as an audit committee financial expert under the rules of the SEC. The Audit Committee met nine times during the year ended December 31, 2015. The Audit Committee operates under a written charter adopted by our Board of Directors, a current copy of which is available in the Corporate Governance section of our website at http://www.citrix.com/about/governance.html.

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

- reviews the financial reports and related disclosure provided by us to the SEC, our shareholders or the general public;
- reviews our internal financial and accounting controls;
- oversees the appointment, compensation, retention and work performed by any independent registered public accounting firms we engage;
- oversees procedures designed to improve the quality and reliability of the disclosure of our financial condition and results of operations;
- oversees our internal audit function;
- serves as the Qualified Legal Compliance Committee of Citrix in accordance with Section 307 of the Sarbanes-Oxley Act of 2002, and the related rules and regulations promulgated by the SEC;
- recommends, establishes and monitors procedures designed to facilitate (1) the receipt, retention and treatment of complaints relating to accounting, internal accounting controls or auditing matters, and (2) the receipt of confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters;
- engages advisers as necessary; and

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

Finance Committee

Our Board of Directors has determined that each member of the Finance Committee meets the independence requirements promulgated by Nasdaq. The members of the Finance Committee also serve on the Audit Committee. The Finance Committee met one time during the year ended December 31, 2015. The Finance Committee operates under a written charter adopted by our Board of Directors, a current copy of which is available at the Corporate Governance section of our website at http://www.citrix.com/about/governance.html.

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

Compensation Committee

Our Board of Directors has determined that each of the members of the Compensation Committee is independent as defined by the Nasdaq rules. In addition, each member of the Compensation Committee is an outside director as defined in Section 162(m) of the Code, and is a non-employee director as defined under Section 16 of the Securities Exchange Act of 1934, as amended. The Compensation Committee met fifteen times during the year ended December 31, 2015. The Compensation Committee operates under a written charter adopted by our Board of Directors, a current copy of which is available in the Corporate Governance section of our website at http://www.citrix.com/about/governance.html.

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

In fulfilling its role, the Compensation Committee also:

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

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- approves the salary, variable cash, equity-based and other compensation arrangements of our executive officers reporting directly to our President and Chief Executive Officer;
- recommends, subject to approval by the entire Board of Directors, the salary, variable cash, equity-based and other compensation arrangements of our Executive Chairman and President and Chief Executive Officer;
- appoints, retains, compensates, terminates and oversees the work of any independent experts, consultants and other advisers, reviews and approves the fees and retention terms for such experts, consultants and other advisers and considers at least annually the independence of such consultants;
- considers the independence of and potential conflicts of interests with compensation consultants, legal counsel or other advisers, including based on factors required to be considered by the SEC or Nasdaq;
- evaluates director compensation and recommends to the full Board of Directors appropriate levels of director compensation;
- establishes policies and procedures for the grant of equity-based awards and periodically reviews our equity award grant policy;
- recommends, subject to approval by the entire Board of Directors, any equity-based plans and any material amendments to those plans;
- evaluates whether our compensation plans encourage participants to take excessive risks that are reasonably likely to have a material adverse effect on Citrix;
- evaluates our compensation philosophy and reviews actual compensation for consistency with our compensation philosophy;
- reviews and recommends for inclusion in our annual Proxy Statement the Compensation Discussion and Analysis section; and
- reviews and evaluates, on a periodic basis, our stock ownership guidelines for directors and executive officers and recommends any modifications to such guidelines to the Board of Directors for its approval.

The Compensation Committee has the authority to engage its own outside advisers, including experts in particular areas of compensation, as it determines appropriate, apart from counsel or advisers hired by management. In 2015, the Compensation Committee retained Radford Consulting, an independent compensation consultant, which we refer to as Radford, to assist the committee in evaluating the compensation of our executive officers and directors.

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

Nominating and Corporate Governance Committee

Our Board of Directors has determined that each member of the Nominating and Corporate Governance Committee meets the independence requirements promulgated by Nasdaq. The Nominating and Corporate Governance Committee met ten times during the year ended December 31, 2015. The Nominating and Corporate Governance Committee operates under a written charter adopted by our Board of Directors, a current copy of which is available at the Corporate Governance section of our website at http://www.citrix.com/about/governance.html.

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

- reviews and makes recommendations to our Board of Directors regarding the Board s composition and structure;

- establishes criteria for membership on the Board of Directors and evaluates corporate policies relating to the recruitment of members of the Board of Directors;

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

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

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

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Recommendation of Director Nominees by Shareholders, the Nominating and Corporate Governance Committee will consider nominees recommended by shareholders.

Search Committee

The Search Committee consisted of Messrs. Calderoni (Chair), Cohn and Sullivan, each of whom served on the Search Committee since its formation. The Search Committee met eleven times during the year ended December 31, 2015. The Committee completed its role and responsibilities in January 2016 upon the appointment of Kirill Tatarinov as our President and Chief Executive Officer and was disbanded.

In fulfilling its role, the Search Committee:

- developed selection criteria, including senior leadership experience, deep expertise in technology and product management, and sophisticated understanding of operations;
- reviewed internal and external candidates;
- conducted due diligence on qualified candidates; and
- reported to the Board of Directors regarding the status of the search for our Chief Executive Officer.

The Search Committee retained Heidrick and Struggles, Inc., a leading executive search firm, to assist it with the search for a new Chief Executive Officer for our company.

Operations Committee

The Operations Committee consisted of Messrs. Calderoni (Chair), Daleo and Cohn, each of whom served on the Operations Committee since its formation. The Operations Committee was formed in July 2015 to work with management on a comprehensive operational review of our company. The Operations Committee met four times during the year ended December 31, 2015. In February 2016, the Board determined that the Operations Committee was no longer required following completion of its work driving the operational review, and the Committee was disbanded.

In fulfilling its role, the Operations Committee:

- sought opportunities to improve Citrix s margins and profitability;
- evaluated the optimal capital structure for Citrix;
- coordinated with representatives of management to identify potential operational efficiencies; and

weighed benefits and costs of product portfolio rationalization.

In November 2015, we announced the results of the review of the Operations Committee, as approved by our Board of Directors, including actions to rationalize our product portfolio, realign and optimize operations and investments, and restructure our workforce. These actions have allowed us to significantly increase focus on our core enterprise strategy of secure and reliable delivery of applications and data, and consequently build a more efficient, scalable and profitable company.

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Director Compensation

2015 Non-employee Director Cash Compensation

It is our policy that our employee-directors do not receive cash compensation for their service as members of our Board of Directors.

The Compensation Committee, with assistance from Radford, oversees director compensation and regularly reviews the appropriateness of our non-employee directors compensation. Specifically, in October 2015, Radford prepared a comprehensive benchmarking of our non-employee director cash compensation program against the compensation programs offered by our peer companies and reviewed this benchmarking in detail with the Compensation Committee. Following that review, our Compensation Committee approved a new non-employee

director cash compensation program that became effective in October 2015.

Under both our prior and current non-employee director cash compensation program, non-employee members of our Board of Directors receive retainer fees, which are paid in cash in semi-annual installments. Each non-employee Director was entitled to receive the retainers detailed in the tables below (provided that committee chairpersons were only entitled to receive a retainer as committee chair and were not entitled to the non-chair membership retainer for the committee(s) he or she chairs). In addition, non-employee Directors were reimbursed for their reasonable out-of-pocket expenses incurred in attending meetings of our Board of Directors or any of its committees that are conducted in person.

The following table summarizes the non-employee director cash compensation program that was in effect through October 27, 2015:

Compensation Element	Annual Cash Compensation
Annual Board Member Retainer	$40,000
Board Chair Retainer	$75,000
Committee Chair Retainers	
Audit Chair	$30,000
Compensation Chair	$20,000
Finance Chair	None
Nominating and Corporate Governance Chair	$10,000
Strategy Chair(1)	$20,000
Search Chair	None
Committee Member Retainers	
Audit	$20,000
Compensation	$10,000

Finance	None
Nominating and Corporate Governance	$10,000
Strategy(1)	$10,000
Operations(2)	One-time: $20,000 Monthly: $10,000
Search(3)	$10,000

(1) The Strategy Committee was disbanded in July 2015.
(2) The Operations Committee was disbanded in February 2016 following completion of our operational review.
(3) The Search Committee was disbanded in January 2016 after completion of our CEO search with the appointment of Kirill Tatarinov as our President and Chief Executive Officer.

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The following table summarizes our current non-employee director cash compensation program, which became effective October 28, 2015:

Board Retainers

Compensation Element	Annual Cash Compensation
Annual Board Member Retainer	$60,000
Annual Retainer for Lead Independent Director	$35,000 (in addition to Annual Board Member Retainer)

Committee Retainers

Committee	Annual Cash Compensation Chair	Annual Cash Compensation Member
Audit Committee	Annual: $35,000	Annual: $17,500
Compensation Committee	Annual: $30,000	Annual: $15,000
Finance	None	None
Nominating and Corporate Governance	Annual: $15,000 Monthly: $10,000(1)	Annual: $7,500 Monthly: $10,000(1)
Operations Committee(2)	None	One-time: $20,000 Monthly: $10,000
Search Committee(3)	None	One-time: $10,000 Monthly: $10,000

(1) Only applicable during periods when the Committee is engaging in a director search to recognize the additional commitment during such periods.
(2) The Operations Committee was disbanded in February 2016 following completion of our operational review.
(3) The Search Committee was disbanded in January 2016 following the appointment of Mr. Tatarinov as our new President and Chief Executive Officer.

Non-employee Director Equity-based Compensation

Equity Awards to our Non-employee Directors

Also, in October 2015, the Compensation Committee, with assistance from Radford, reviewed the appropriateness of equity awards granted to our non-employee Directors under the 2014 Equity Incentive Plan (which we refer to as the 2014 Plan). Radford prepared a comprehensive benchmarking of our non-employee Director equity awards against the equity awards offered by our peer companies and reviewed this benchmarking in detail with the Compensation Committee. As a result of that review, our Compensation Committee modified the awards our Directors are entitled to receive to be value-based, effective October 28, 2015.

Under our prior program, each non-employee Director was eligible to receive an annual grant consisting of 4,000 restricted stock units. As in prior years, these grants were

made on the first business day of the month following our annual meeting of shareholders and vest in equal monthly installments over a one-year period. Also, under our prior program, newly appointed non-employee Directors were entitled to receive 10,000 restricted stock units upon his or her initial election to our Board of Directors, which vest in accordance with our standard three-year vesting schedule. New non-employee Directors are not entitled to receive an annual grant of restricted stock units in the same calendar year in which they receive their initial grant.

Effective October 28, 2015, each non-employee Director is eligible to receive an annual grant consisting of restricted stock units valued at $250,000 that vest in equal monthly installments over a one-year period. Newly appointed non-employee Directors are entitled to receive restricted stock units valued at $500,000 upon his or her initial election to our Board of Directors, which vest in accordance with our standard three-year vesting schedule. The number of restricted stock units issued is calculated based on the closing price per share of our common stock on the date of grant. New non-employee Directors are not entitled to receive an annual grant of restricted stock units in the same calendar year in which they receive their initial grant.

Outside Directors Deferred Compensation Program

We offer our Directors an Outside Directors Deferred Compensation Program to defer restricted stock units awarded to them under the 2014 Plan. In advance of an award and in compliance with the program s requirements, a non-employee Director may elect to defer the receipt of all of his or her restricted stock units until ninety days after such Director s separation from service from us or upon a change in control. Upon the vesting of awards of restricted stock units, any amounts that would otherwise have been paid in shares of common stock are converted to deferred stock units on a one-to-one basis and credited to the Director s deferred account. In addition, beginning in January 2016, non-employee Directors may defer the cash portion of their compensation such that if a Director elects to defer cash, the cash will be converted into a number of deferred stock units on the date that the cash compensation would otherwise be paid. The stock units will be held in the Director s deferred account until ninety days after such Director s separation from service from us or upon a change in control.

Director Stock Ownership Guidelines

To further align the interests of members of our Board of Directors with our shareholders, our Board of Directors adopted stock ownership guidelines for our non-employee

Directors. Pursuant to these guidelines, each non-employee Director is expected to hold at least 8,000 shares of our common stock (which includes vested but deferred restricted stock units) for so long as he or she is a Director or, in the case of certain shares acquired upon the exercise of a stock option, for nine months after termination of his or her service on our Board of Directors. In addition, if a Director exercises a stock option, it is expected that such Director would, from such option exercise, maintain ownership of at least a number of shares equal to twenty percent of the net value of the shares acquired (after deducting the exercise price and taxes) if such Director has not satisfied the shareholding requirement. New Directors are expected to meet the standards set forth in the guidelines within three years after the date of his or her election to our Board of Directors. Current Directors are expected to meet the guideline requirements within five years after the date of their election to the Board of Directors.

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

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The following table sets forth a summary of the compensation earned by, or paid to, our non-employee Directors in 2015:

DIRECTOR COMPENSATION TABLE FOR FISCAL YEAR 2015

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($) (1)(2)	Option Awards ($) (1)(3)	Total ($)
Thomas F. Bogan	155,562	263,080		418,642
Robert M. Calderoni(4)				
Nanci E. Caldwell	110,966	263,080		374,046
Jesse A. Cohn(5)	140,548	775,500		916,048
Robert D. Daleo	267,185	263,080		530,265
Francis A. deSouza	112,014	263,080		375,094
Murray J. Demo	130,390	263,080		393,470
Peter J. Sacripanti(6)	2,082	499,971		502,053
Graham V. Smith(6)	1,972	499,971		501,943
Godfrey R. Sullivan	119,616	263,080		382,696
Stephen M. Dow(7)	61,000	263,080		324,080
Asiff S. Hirji(8)	28,589	263,080		291,669
Gary E. Morin(9)	22,247			22,247

(1) These amounts represent the aggregate grant date fair value of the stock awards in the year in which the grant was made. The assumptions we used for calculating the grant date fair value are set forth in Note 7 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2015, which was filed with the SEC on February 18, 2016. These amounts do not represent the actual amounts paid to or realized by our Directors for these awards during fiscal year 2015.

(2) Except where otherwise noted, consists solely of restricted stock units. Prior to October 28, 2015, each continuing non-employee Director was entitled to an annual grant consisting of 4,000 restricted stock units vesting in equal monthly installments over a one-year period, and each new non-employee Director was entitled to an initial grant of 10,000 restricted stock units vesting over three years with one-third of the units vesting on each of the first, second, and third anniversaries of the date of the award agreement. As of October 28, 2015, each continuing non-employee Director is entitled to an annual grant consisting of a number of restricted stock units equaling $250,000 in value vesting in equal monthly installments over a one-year period, and each new non-employee Director is entitled to an initial grant consisting of a number of restricted stock units equaling $500,000 in value vesting over three years with one-third of the units vesting on each of the first, second, and third anniversaries of the date of the award agreement. Pursuant to our Outside Director s Deferred Compensation Program, each of Ms. Caldwell and Messrs. Calderoni, Cohn, Daleo, Dow, Sacripanti and Smith elected to defer his or her 2015 annual restricted stock unit award or initial director grant award. Please see the discussion above under the heading *Outside Directors Deferred Compensation Program* for additional details on our deferral program.

(3) As of December 31, 2015, there were no shares of our common stock subject to outstanding option awards held by our non-employee Directors.

(4)

Mr. Calderoni s compensation is included in the Summary Compensation Table beginning on page 69.
Mr. Calderoni served as a non-employee Director until he was appointed Executive Chairman on July 24, 2015, at which time he no longer participated in the non-employee director compensation program.

(5) Mr. Cohn was elected to the Board of Directors on July 27, 2015, and his fees were pro-rated for his service from July 27, 2015 through December 31, 2015. As a newly elected Director subject to the non-employee director compensation program that was in effect prior to October 28, 2015, Mr. Cohn received a one-time service-based restricted stock unit grant representing 10,000 shares of our common stock.

(6) Messrs. Sacripanti and Smith were each elected to the Board of Directors on December 24, 2015, and their respective fees were pro-rated for service from December 24, 2015 through December 31, 2015. As newly elected Directors subject to the non-employee director compensation program that was in effect as of October 28, 2015, each of Messrs. Sacripanti and Smith received a one-time service-based restricted stock unit grant of a number of restricted stock units equaling $500,000 in value.

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(7) Mr. Dow s service on the Board of Directors ended on October 31, 2015, and his fees were prorated for his service from January 1, 2015 through October 31, 2015.
(8) Mr. Hirji s service on the Board of Directors ended on July 27, 2015, and his fees were prorated for his service from January 1, 2015 through July 27, 2015.
(9) Mr. Morin s service on the Board of Directors ended on May 28, 2015, and his fees were prorated for his service from January 1, 2015 through May 28, 2015.

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Part 3 Executive Management

Our Management

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

Name	Position
Robert M. Calderoni	Executive Chairman and Director
Kirill Tatarinov	President, Chief Executive Officer and Director
William L. Burley	Corporate Vice President and Acting General Manager, Workspace Services
David J. Henshall	Executive Vice President, Chief Operating Officer and Chief Financial Officer
Christopher S. Hylen	Senior Vice President and General Manager, Mobility Apps
Jesse D. Lipson	Corporate Vice President and General Manager, Cloud Services
Timothy A. Minahan	Senior Vice President and Chief Marketing Officer
Klaus Oestermann	Senior Vice President and General Manager, Delivery Networks
Carlos E. Sartorius	Senior Vice President, Worldwide Sales and Services

Robert M. Calderoni

Age: 56

Mr. Calderoni has served as our Executive Chairman since July 2015. From October 2015 to January 2016, he also served as our Interim Chief Executive Officer and President. He has been a member of our Board of Directors since June 2014. Mr. Calderoni served as Chairman and Chief Executive Officer of Ariba, Inc. from October 2001 until it was acquired by SAP in October 2012, and then continued as Chief Executive Officer of Ariba following the acquisition until January 2014. Mr. Calderoni also served as a member of the global managing board at SAP AG between November 2012 and January 2014 and as President SAP Cloud at SAP AG from June 2013 to January 2014. Mr. Calderoni has also held senior finance roles at Apple and IBM and served as Chief Financial Officer of Avery Dennison Corporation.

Kirill Tatarinov

Age: 51

Mr. Tatarinov has served as our President and Chief Executive Officer and member of the Board of Directors since January 2016. Prior to joining Citrix, Mr. Tatarinov served as Executive Vice President of the Microsoft Business Solutions Division (MBS) with responsibility for the Microsoft Dynamics business across development, sales, marketing and operations. Prior to joining MBS in 2007, Mr. Tatarinov led the Management and Solutions Division at Microsoft, where he was in charge of the Microsoft Windows management technologies and products, including Microsoft System Center, as well as Windows Server solutions. Additionally, Mr. Tatarinov holds two patents for managing computer resources and related technologies.

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William L. Burley

Age: 51

Mr. Burley has served as our Corporate Vice President and Acting General Manager, Workspace Services since December 2015. Mr. Burley has been a member of the Citrix team since 1993. Prior to serving as Corporate Vice President, Mr. Burley was Vice President and General Manager of our Windows App Delivery team. Mr. Burley has also served as the Vice President of Product Management and General Manager of the XenApp and Cloud App Delivery teams, as well as Vice President of Americas sales.

David J. Henshall

Age: 47

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

Christopher S. Hylen

Age: 55

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

Jesse D. Lipson

Age: 38

Mr. Lipson has served as our Corporate Vice President and General Manager, Cloud Services since January 2016. Prior to this appointment, Mr. Lipson served as Vice President and General Manager, Workflow & Workspace Clouds, from May 2015 to December 2015, as Vice President and General Manager, Documents Cloud from February 2015 to May 2015, and Vice President and General Manager, Data Sharing from October 2011 to February 2015. Mr. Lipson joined Citrix upon our acquisition of ShareFile, of which Mr.

Lipson was the founder and CEO.

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Timothy A. Minahan
Age: 46
Mr. Minahan has served as our Senior Vice President and Chief Marketing Officer since November 2015. Prior to joining Citrix, Mr. Minahan served as Senior Vice President and Chief Marketing Officer of SAP, where he led their effort to transition to the Cloud. Before SAP, Mr. Minahan was the Senior Vice President of Business Network Strategy and Global Chief Marketing Officer at Ariba. Mr. Minahan has also served as Senior Vice President of Marketing at Procuri, Inc. and as Chief Services and Research Officer at Aberdeen Group.

Klaus Oestermann
Age: 49
Mr. Oestermann has served as Senior Vice President and General Manager, Delivery Networks since February 2015. Prior to this appointment, Mr. Oestermann served as the Group Vice President and General Manager of our Networking, Cloud and Service Provider group from January 2010 to February 2015, as Group Vice President and General Manager of the NetScaler and App Networking Product Group from December 2006 to December 2009, and as Vice President, US West from November 2003 to December 2006.

Carlos E. Sartorius
Age: 55
Mr. Sartorius has served as our Senior Vice President, Worldwide Sales and Services since January 2015. Prior to this appointment, Mr. Sartorius served as Managing Director and Vice President, Sales and Services of our Europe, Middle East and Africa (EMEA) organization from September 2011 to January 2015. Prior to joining Citrix, Mr. Sartorius was Vice President and General Manager, HP Networking at Hewlett-Packard Company, a publicly-traded hardware, software and IT services company, from November 2009 to September 2011.

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

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Part 4 Executive Compensation

Compensation Discussion and Analysis

Purpose Of Compensation Discussion and Analysis

This Compensation Discussion and Analysis provides comprehensive information about the 2015 compensation for the following executive officers (who we refer to as our Named Executive Officers):

- Mark B. Templeton, Former President and Chief Executive Officer
- Robert M. Calderoni, Executive Chairman and Former Interim Chief Executive Officer and President
- David J. Henshall, Executive Vice President, Chief Operating Officer and Chief Financial Officer
- Robson B. Grieve, Former Senior Vice President, Customer Experience & Marketing and Chief Marketing Officer, whose employment with Citrix ended in November 2015
- Christopher S. Hylen, Senior Vice President and General Manager, Mobility Apps
- Klaus Oestermann, Senior Vice President and General Manager, Delivery Networks
- T. Geir Ramleth, Former Chief Strategy Officer, Senior Vice President and General Manager, Workspace Services, whose employment with Citrix ended in December 2015
- Carlos E. Sartorius, Senior Vice President, Worldwide Sales and Services

NAVIGATING THE COMPENSATION DISCUSSION AND ANALYSIS

2015 Highlights

Our Business

Our vision is to power a world where people, organizations and things are securely connected and accessible to make

the extraordinary possible. A world where people can easily collaborate across boundaries of time, place and device across the world s best integrated technology services for secure delivery of apps and data anytime, anywhere.

2015: A Year of Strategic and Leadership Transformation

Operating performance in 2013 and 2014 lagged our expectations as strategies for driving growth did not deliver as intended. Our efforts to reduce operating expenses accelerated in late 2014. After the first quarter of 2015, however, it became clear that a deeper review of our business was need to focus on what is most important to our shareholders, customers and partners.

In June 2015, when our Board of Directors was preparing for a product portfolio and operational review, we received an open letter from Elliott Management, or Elliott, one of our largest shareholders, requesting a meeting with our Board and advocating for a new operating plan that called for the implementation of operational best practices, product portfolio rationalization, strategic evaluation of our high-value non-core businesses and review of our capital allocation. As we do with all investors who engage with us in good faith, our Board responded in a spirit of open communication and transparency. In fact, we agreed with substantial portions of Elliott s plan.

In July 2015, we entered into a cooperation agreement with Elliott and agreed to appoint Jesse A. Cohn, Elliott s head of U.S. equity activism, to our Board. As an outcome of our engagement with Elliott.

Our Board accelerated our operational review by forming an Operations Committee to work with management on a comprehensive operational review with increased focus and speed. The Operations Committee was charged with identifying opportunities to improve our operational efficiency and capital structure and to streamline our product portfolio.

Robert M. Calderoni, an independent member of our Board, was appointed Executive Chairman and Chair of the Operations Committee to lead this important work.

Supported by independent advisers, we initiated a review of strategic alternatives for our GoTo family of products. For further details regarding our agreement with Elliott, see *Cooperation Agreement with Elliott*, on page 86 below.

To support the implementation of these opportunities, we implemented an executive incentive program to recognize certain of our executive officers and other key employees who play a critical role in furthering these initiatives and maintaining the commitment and engagement of our employees, partners and customers during this process. For further information on these awards see *Equity-Based Long-term Incentives* beginning on page 52.

In November 2015, based on the findings of the Operations Committee, we took actions to rationalize our product portfolio, realign and optimize operations and investments, and restructure our workforce. These actions have allowed us to significantly increase focus on our core enterprise strategy of secure and reliable delivery of applications and data, and consequently build a more efficient, scalable and profitable company. Our actions to date have included:

- The announcement of a proposed spinoff of our GoTo family of products into a separate public company. We believe the separation of this business to be in the best interest of all stakeholders, allowing both companies to enhance their strategic focus and respective competitive positions, while permitting us to improve operational efficiency.

- The implementation of a restructuring program that focused on the simplification of our enterprise go-to-market motion and roles while improving coverage, changes in our product focus, and the balancing of resources with demand across our marketing, general and administrative areas. As a result of this program, we eliminated approximately 700 full-time positions, or approximately 7% of our workforce.

Reshaping our Executive Leadership Team and Board for the Future

Executing on these initiatives has required leadership changes.

CEO Transition

As an outcome of reaching an accord with Elliott, in July 2015, Mark B. Templeton agreed to step down from his role as Chief Executive Officer and President, a role he held for more than 14 years, and announced his intent to retire. During Mark s tenure with the Company, Citrix grew from a one-product $15 million business to a global market leader with revenues of over $3 billion.

In preparation for Mr. Templeton s retirement, our Board commenced a search process to identify our next Chief Executive Officer. During the second half of 2015, however, Mr. Templeton continued to play a critical role in, among other things, retaining and leading our management team, preserving our operational capacity, preserving the Citrix Culture and the commitment and engagement of our employees, partners and customers, and facilitating a smooth transition to his successor during a critical transition period for Citrix. Without the support of Mr. Templeton during this transition period, our Board s ability to drive crucial strategic changes would have been jeopardized. To encourage Mr. Templeton to remain employed with us until his successor was appointed during a period of critical changes at Citrix for the benefit of all stakeholders our Board and Compensation Committee began negotiations with Mr. Templeton to mutually agree on a retention bonus and benefits arrangements.

Following an extensive candidate search and interview process, in October 2015, our CEO search was still ongoing due to the unpredictable nature of CEO searches. Simultaneously, the work of the Operations Committee had proceeded, and it became clear that a number of senior leaders would be leaving the company. These developments triggered the Board and Mr. Templeton to agree that it was appropriate for him to retire, although a permanent successor CEO had not yet been identified. No internal candidates had the combination of operational leadership and deep product management experience, skills and experience our Board viewed as critical for a new CEO. In light of the need to establish stable leadership for our employees, clients and other stakeholders until a new CEO could be identified and appointed, our Board appointed Mr. Calderoni to serve as our Interim Chief Executive Officer.

As our Interim Chief Executive Officer, Mr. Calderoni was charged with leading the execution of our strategic and operational initiatives while our Board of Directors continued the search for our next Chief Executive Officer.

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Our Board viewed Mr. Calderoni s appointment as our Interim Chief Executive Officer in October 2015 as critical to executing on the actions needed to increase our profitability by bringing Citrix in line with comparable companies, all in order to create significant shareholder value. His role as Executive Chairman had provided Mr. Calderoni with a deep dive into the operations of the company, while his past experience leading a technology company through a turnaround gave him experience with leading through change. Importantly, the operational skills Mr. Calderoni brought to the Citrix leadership team, as well as the progress made in the operational review, permitted the Board to re-set the CEO search by prioritizing CEO candidates with deep product development experience, a necessary skill to drive long-term growth.

The disinterested members of our Board, including Mr. Cohn, the representative from Elliott Management on our Board, unanimously approved Mr. Templeton s and Mr. Calderoni s compensation arrangements, upon the recommendation of the Compensation Committee. See *Individual Executive Compensation Decisions Chief Executive Officer Compensation* beginning on page 57 for a discussion of Mr. Templeton s and Mr. Calderoni s compensation arrangements.

As previously mentioned, our CEO search focused on identifying leaders that have demonstrated both strong product management and operational leadership skills. Kirill Tatarinov, who most recently served as Executive Vice President of the Microsoft Business Solutions Division has a proven track record of growing businesses and driving operational performance. Because of these demonstrated skills, in January 2016, our Board identified Mr. Tatarinov as the best person to lead our company for the long-term and to execute on the strategic initiatives that we started in 2015. He was appointed President and Chief Executive Officer in January 2016 and joined our Board as a director at that time.

Mr. Calderoni continues in his role as Executive Chairman of our Board. While the roles of President and Chief Executive Officer and Executive Chairman have distinct responsibilities as detailed in the chart below, both Messrs. Calderoni and Tatarinov are focused on driving execution of our strategic plan, including operational and capital structure efficiency and portfolio simplification. See *Individual Executive Compensation Decisions Chief Executive Officer Compensation* beginning on page 57 for a discussion of Mr. Tatarinov s compensation arrangements.

Responsibilities of Executive Chairman	**Responsibilities of President and Chief Executive Officer**
Drives development of our strategic plan to improve Citrix s margins, profitability and capital structure, including 2015 operational review and review of strategic alternatives for GoTo family of products	Drives execution of our strategic plan to improve Citrix s margins, profitability and capital structure
	Develops and drives our product and innovation strategy
Sets agenda for and chairs Board meetings	

Coordinates with chairs of Board committees	Oversees all corporate functions and go-to-market activities
Assists Nominating and Corporate Governance Committee with the Board s annual evaluation and self-assessment	Oversees the attainment of our strategic, operational and financial goals and strategic and operational planning
Assists Nominating and Corporate Governance Committee with Board composition and evolution planning, including review of committee memberships	Sets strategic imperatives and priorities of the organization
	Chief spokesperson to our employees, customers, partners and shareholders

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New Senior Leaders Appointed Across the Business Build a Strong Bench for the Future

Our strategic initiatives also necessitated a review of our senior leadership team and we experienced transition in all senior leadership roles, except our Chief Operating Officer and Chief Financial Officer. This leadership transition resulted in the following appointments:

- Carlos E. Sartorius as Senior Vice President, Worldwide Sales and Services;
- Klaus Oestermann as Senior Vice President and General Manager, Delivery Networks;
- Timothy A. Minahan as Senior Vice President and Chief Marketing Officer;
- William L. Burley as Corporate Vice President and Acting General Manager, Workspace Services; and
- Jesse D. Lipson as Corporate Vice President and General Manager, Cloud Services.

These executive officers bring proven track records, leadership talent and global experience to operationalize, execute and drive our strategy.

Significant Board Refreshment

In addition to Mr. Templeton s departure, two of our independent directors, Stephen Dow and Asiff Hirji, stepped down from the Board in 2015. In April 2016, we announced that Thomas F. Bogan and Francis A. deSouza would not be standing for re-election at the 2016 Annual Meeting.

We also added two new directors in connection with our July 2015 cooperation agreement with affiliates of Elliott Management, or Elliott, a significant investor in our company. Pursuant to this agreement, we agreed to appoint Jesse A. Cohn, Elliott s head of U.S. equity activism,

to our Board of Directors. We also collaborated with Elliott to identify an additional mutually agreeable director for appointment to our Board of Directors. In December 2015, Graham V. Smith, the former Executive Vice President and Chief Financial Officer of Salesforce, joined our Board consistent with this agreement. For further details regarding the agreement, see *Cooperation Agreement with Elliott*, on page 86 below. We also added Peter J. Sacripanti, Co-Chair and Partner at McDermott, Will & Emery, to our Board of Directors in December 2015.

Our Board of Directors continues to focus on its evolution and on recruiting capable and diverse directors who have the skills and experience necessary to oversee Citrix over the long-term.

Compensation Committee Changes in 2015

In March 2015, Gary Morin stepped down from his role as Chair of the Compensation Committee, and Murray J. Demo was appointed Chair of the Compensation Committee. Also in March 2015, Thomas F. Bogan stepped off the Compensation Committee, and Godfrey R. Sullivan was appointed as a member of the Compensation Committee. In

November 2015, Mr. Demo stepped down from his role as Chair of the Compensation Committee, and Nanci E. Caldwell was appointed Chair of the Compensation Committee. Graham V. Smith was appointed as a member of the Compensation Committee in December 2015 when he joined the Board.

2015 Business Highlights

Our initial progress with respect to our strategic and operational initiatives led to the following financial performance in 2015:

- 4% increase in annual revenue to $3.28 billion
- 27% increase in net income to $319 million, or $1.99 per diluted share
- 22% increase in cash flow from operations to $1.03 billion

Our balance sheet is robust, including $1.66 billion in deferred revenue and $1.76 billion in net cash and investments as of December 31, 2015. In 2015, we also continued to return capital to shareholders. For the full year 2015, we repurchased over 11 million shares of our common stock, representing approximately 7% of shares outstanding.

As illustrated in the graph below, our total shareholder return, or TSR, over the five-year period ended on December 31, 2015 was approximately 11%.

Our TSR over the one-year period ended on December 31, 2015, however, was approximately 19%, relative to a TSR of approximately 6% for the Nasdaq Index during the same period, outperforming nearly 80% of the index constituents and creating nearly $2 billion of equity value in 2015.

Comparing our performance over 2014 and 2015 against the Nasdaq 100, at the end of 2015, we were in the top quartile of Nasdaq 100 companies as compared to the end of 2014 when we were in the bottom quartile of Nasdaq 100 companies. We attribute our top quartile performance in 2015 to the strategic and operational initiatives implemented in the second half of 2015, which included an improvement of over 300 basis points in non-GAAP operating margin over 2014.

Continuing this momentum and reflecting our progress on our strategic and operational initiatives, we achieved the following financial performance during the first quarter of 2016:

9% increase in quarterly revenue to $826 million

Over 900 basis point improvement in non-GAAP operating margin over the year-ago period

16% increase in cash flow from operations to $340 million, a quarterly record

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Managing Compensation in a Time of Change

As an outcome of reaching an agreement with Elliot, in July 2015, Mr. Templeton agreed to step down as our Chief Executive Officer and announced his intent to retire. As a result, the Board took swift but thoughtful action in implementing a CEO succession plan, and making appropriate compensation decisions accordingly.

Board Considerations