

Mimecast Ltd  
Form DEF 14A  
July 27, 2018  
Table of Contents

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

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**MIMECAST LIMITED**

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

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

(2) Aggregate number of securities to which transaction applies:

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

**Table of Contents**

July 27, 2018

Dear Mimecast Shareholder:

I am pleased to invite you to attend the 2018 Annual General Meeting (the Annual Meeting ) of Mimecast Limited ( Mimecast or the Company ) to be held on Thursday, October 4, 2018, at 10:00 a.m. (London time), at Mimecast s offices located at City Point, One Ropemaker Street, Moorgate, London EC2Y 9AW, United Kingdom.

Details regarding the Annual Meeting and the business to be conducted are more fully described in the accompanying Notice of 2018 Annual General Meeting of the Company and Proxy Statement. We have also enclosed our Annual Report on Form 10-K for the year ended March 31, 2018, which contains, among other things, our audited consolidated financial statements for the year ended March 31, 2018.

Your vote is important. Whether or not you plan to attend the Annual Meeting, I hope you will vote as soon as possible. You may vote by completing your proxy card and mailing it, by telephone or in person at the Annual Meeting. Please review the instructions on the proxy card regarding your voting options.

Thank you for being a Mimecast shareholder. We look forward to seeing you at our Annual Meeting.

Sincerely,

Peter Bauer

*Chief Executive Officer*

**YOUR VOTE IS IMPORTANT**

In order to ensure your representation at the Annual Meeting, whether or not you plan to attend the meeting, please vote your ordinary shares as promptly as possible by following the instructions on your proxy card. Your participation will help to ensure the presence of a quorum at the meeting and save Mimecast the extra expense associated with additional solicitation. If you hold your ordinary shares through a broker, your broker is not permitted to vote on your behalf on (i) the election of directors, (ii) the non-binding, advisory vote to receive the Company s accounts for the year ended March 31, 2018, together with the directors report and the auditor s report on those accounts, (iii) the non-binding, advisory vote to approve the compensation of our named executive officers, or (iv) the non-binding, advisory vote on the frequency of future advisory votes to approve the compensation of our named executive officers, unless you provide specific instructions to the broker by completing and returning any voting instruction form that the broker provides (or following any instructions that allow you to vote your broker-held ordinary shares via telephone or the Internet). For your vote to be counted, you will need to communicate your voting decision before the date of the Annual Meeting. Voting your ordinary shares in advance will not prevent you from attending the Annual Meeting, revoking your earlier submitted proxy or voting your ordinary shares in person.

**Table of Contents**

**MIMECAST LIMITED**

**City Point, One Ropemaker Street, Moorgate**

**London EC2Y 9AW**

**United Kingdom**

**NOTICE OF 2018 ANNUAL GENERAL MEETING OF MIMECAST LIMITED**

Notice is hereby given that Mimecast Limited ( Mimecast or the Company ), will hold its 2018 Annual General Meeting (the Annual Meeting ) on Thursday, October 4, 2018, at 10:00 a.m. (London time), at Mimecast s offices located at City Point, One Ropemaker Street, Moorgate, London EC2Y 9AW, United Kingdom, for the purpose of passing the following resolutions:

**ORDINARY RESOLUTIONS**

**Re-election of Directors**

1. To re-elect Peter Bauer as a Class III director of the Company to hold office until the 2021 annual general meeting and until his successor is duly elected and qualified, subject to his earlier resignation or removal;
2. To re-elect Jeffrey Lieberman as a Class III director of the Company to hold office until the 2021 annual general meeting and until his successor is duly elected and qualified, subject to his earlier resignation or removal; and
3. To re-elect Hagi Schwartz as a Class III director of the Company to hold office until the 2021 annual general meeting and until his successor is duly elected and qualified, subject to his earlier resignation or removal.

**Auditors**

4. To appoint Ernst & Young LLP in the United Kingdom as our independent auditors for the year commencing on the conclusion of the Annual Meeting until the conclusion of the annual general meeting to be held in 2019; and
5. To authorise the Board of Directors of the Company to determine the remuneration of the auditors.

**ADVISORY, NON-BINDING ORDINARY RESOLUTIONS**

- 6.

To receive the Company's accounts for the year ended March 31, 2018 together with the directors' report and the auditors' report on those accounts; and

7. To approve the compensation of the Company's named executive officers, as disclosed in this proxy statement pursuant to Item 402 of Regulation S-K, including in the Compensation Discussion and Analysis, the compensation tables and the narrative disclosures that accompany the compensation tables.

**ADVISORY, NON-BINDING PLURALITY RESOLUTION**

8. To approve the submission by the Company of a non-binding, advisory say-on-pay resolution pursuant to Section 14A of the Securities Exchange Act of 1934, as amended, every:

one year

two years; or

three years.

Only shareholders of record as of 4:00 p.m. (London time) on October 2, 2018 are entitled to vote at the Annual Meeting as set forth in the Proxy Statement. If you plan to attend the Annual Meeting in person, you should be prepared to present photo identification such as a valid driver's license or passport and verification of share ownership

**Table of Contents**

for admittance. You are entitled to attend the Annual Meeting only if you were a shareholder as of 4:00 p.m. (London time) on October 2, 2018, or hold a valid proxy for the Annual Meeting. If you are a shareholder of record, your ownership as of the record date will be verified prior to admittance into the meeting. If you are not a shareholder of record but hold ordinary shares through a broker, trustee, or nominee, you must provide proof of beneficial ownership as of the record date, such as an account statement or similar evidence of ownership. Please allow ample time for the admittance process. For instructions on how to vote your ordinary shares, please refer to the section titled "Voting" beginning on page 1 of this Proxy Statement and the explanatory notes set forth in your enclosed proxy card. A copy of this notice can be found at [www.mimecast.com](http://www.mimecast.com) and will be available for inspection at the registered office of the Company from the date of this notice until the date of the Annual Meeting and at the Annual Meeting itself.

Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the Annual Meeting. A shareholder may appoint more than one proxy in relation to the Annual Meeting provided that each proxy is appointed to exercise the rights attached to a different share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company. The form of proxy, which must be used to make such appointment and give proxy instructions, is included with this Notice of Annual Meeting and Proxy Statement.

By Order of the Board of Directors,

Robert P. Nault

*General Counsel and Company Secretary*

Registered office: 22 Grenville Street  
St Helier  
Jersey JE4 8PX  
Channel Islands

Company number: 119119

July 27, 2018

**Important Notice Regarding the Availability of Proxy Materials for the Annual General**

**Meeting to be Held on Thursday, October 4, 2018**

**This Proxy Statement and our Annual Report on Form 10-K for the year ended March 31, 2018 are available for viewing, printing and downloading at [www.proxydocs.com/MIME](http://www.proxydocs.com/MIME).**

**Our Annual Report on Form 10-K for the year ended March 31, 2018 is also available on the Investor Relations section of our website at [www.mimecast.com](http://www.mimecast.com). Alternatively, if you would like us to send you a copy of our Annual Report on Form 10-K, without charge, please contact:**

Edgar Filing: Mimecast Ltd - Form DEF 14A

**Investor Relations at Mimecast Limited**

**191 Spring Street**

**Lexington, Massachusetts 02421 USA**

**Attn: Robert Sanders, IR Contact**

**Investors@mimecast.com**

**(800) 614-4530**

**If you would like us to send you a copy of the exhibits listed on the exhibit index of our Annual Report on Form 10-K, we will do so upon your payment of our reasonable expenses in furnishing a requested exhibit.**



**Table of Contents****Table of Contents**

<b><u>GENERAL INFORMATION</u></b>	<b>1</b>
<u>Availability of Proxy Materials</u>	1
<u>Record Date</u>	1
<u>Quorum</u>	1
<u>Ordinary Shares Outstanding</u>	1
<u>Voting</u>	1
<u>Revoking Your Proxy</u>	2
<u>Votes Required to Adopt Resolutions</u>	2
<u>Broker Non-Votes</u>	2
<u>Voting Instructions</u>	3
<u>Voting Results</u>	3
<u>Additional Solicitation/Costs</u>	3
<u>Householding</u>	3
<b><u>RESOLUTIONS ONE, TWO AND THREE RE-ELECTION OF DIRECTORS</u></b>	<b>4</b>
<u>Our Board of Directors</u>	4
<u>Nominees</u>	4
<u>Recommendation of the Board</u>	5
<u>Nominees for Election for a Three-Year Term Ending at the 2021 Annual General Meeting</u>	5
<u>Directors Continuing in Office Until the 2019 Annual General Meeting</u>	5
<u>Directors Continuing in Office Until the 2020 Annual General Meeting</u>	6
<u>Executive Officers</u>	6
<b><u>CORPORATE GOVERNANCE</u></b>	<b>7</b>
<u>Board Independence</u>	7
<u>Code of Business Conduct and Ethics</u>	8
<u>Corporate Governance Guidelines</u>	8
<u>Board and Committee Meetings</u>	8
<u>Committees</u>	9
<u>Identifying and Evaluating Director Nominees</u>	11
<u>Shareholder Communications</u>	12
<u>Board and Committee Evaluations</u>	12
<u>Board Leadership Structure and Board's Role in Risk Oversight</u>	12
<u>Director Compensation</u>	13
<u>Compensation Risk Assessment</u>	14
<u>Anti-Hedging and Anti-Pledging Policies</u>	14
<b><u>RESOLUTIONS FOUR AND FIVE APPROVAL OF THE APPOINTMENT OF OUR INDEPENDENT AUDITORS, AND AUTHORISATION OF THE BOARD TO DETERMINE THE REMUNERATION OF THE AUDITORS</u></b>	<b>14</b>
<u>Audit Fees</u>	15
<u>Recommendation of the Board</u>	15
<u>Pre-Approval Policies for Non-Audit Services</u>	15
<u>Report of the Audit Committee of the Board of Directors</u>	17
<b><u>RESOLUTION SIX NON-BINDING, ADVISORY VOTE TO APPROVE RECEIPT OF REPORTS AND ACCOUNTS</u></b>	<b>18</b>
<u>Recommendation of the Board</u>	18

<b><u>RESOLUTION SEVEN NON-BINDING, ADVISORY VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS</u></b>	<b>18</b>
<u>Recommendation of the Board</u>	19
<b><u>RESOLUTION EIGHT NON-BINDING, ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS</u></b>	<b>19</b>
<u>Recommendation of the Board</u>	19

**Table of Contents**

<b><u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u></b>	<b>20</b>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	22
<b><u>EXECUTIVE COMPENSATION</u></b>	<b>23</b>
<u>Compensation Discussion and Analysis</u>	23
<u>2018 Summary Compensation Table</u>	34
<u>2018 Grants of Plan-Based Awards Table</u>	35
<u>Outstanding Equity Awards at March 31, 2018 Table</u>	36
<u>2018 Option Exercises and Stock Vested Table</u>	37
<u>Pension Benefits</u>	37
<u>Non-Qualified Deferred Compensation</u>	37
<u>Employment Arrangements with our Named Executive Officers</u>	37
<u>Estimated Payment and Benefits Upon Termination or Change of Control</u>	40
<u>Rule 10b5-1 Plans</u>	42
<u>Equity Compensation Plan Information</u>	43
<u>Report of the Compensation Committee of the Board of Directors</u>	43
<b><u>RELATED PARTY TRANSACTIONS</u></b>	<b>44</b>
<u>Certain Relationships and Related Party Transactions</u>	44
<u>Policies and Procedures for Related Party Transactions</u>	46
<b><u>TRANSACTION OF OTHER BUSINESS</u></b>	<b>46</b>
<b><u>SHAREHOLDER PROPOSALS</u></b>	<b>47</b>
<u>Procedures for Submitting Shareholder Proposals</u>	47
<b><u>WHERE YOU CAN FIND MORE INFORMATION</u></b>	<b>47</b>
<b><u>APPENDIX A RECONCILIATION OF NON-GAAP FINANCIAL MEASURES</u></b>	<b>A-1</b>

**Table of Contents**

**PROXY STATEMENT**  
**FOR THE 2018 ANNUAL GENERAL MEETING OF THE COMPANY**  
**TO BE HELD THURSDAY, OCTOBER 4, 2018**

**GENERAL INFORMATION**

Our Board of Directors (the **Board** ) solicits your proxy on our behalf for the 2018 Annual General Meeting (the **Annual Meeting** ) of Mimecast Limited and at any postponement or adjournment of the Annual Meeting for the purposes set forth in this Proxy Statement and the accompanying Notice of 2018 Annual General Meeting of Mimecast Limited (the **Notice** ). The Annual Meeting will be held at 10:00 a.m. (London time) on Thursday, October 4, 2018, at our offices, located at City Point, One Ropemaker Street, Moorgate, London EC2Y 9AW, United Kingdom. We are mailing this Proxy Statement to shareholders beginning on August 22, 2018.

In this Proxy Statement the terms **Mimecast**, **the Company**, **we**, **us**, and **our** refer to Mimecast. In this Proxy Statement the terms **members** , **shareholders** and **you** refer to the holders of ordinary shares in the capital of the Company. The mailing address of our principal executive offices is Mimecast Limited, City Point, One Ropemaker Street, Moorgate, London EC2Y 9AW, United Kingdom.

**Availability of Proxy Materials**

Beginning on August 22, 2018, we will mail the Notice and Proxy Statement and a proxy card to shareholders. These proxy materials contain instructions on how to vote. We have also enclosed our Annual Report on Form 10-K for the year ended March 31, 2018, which contains, among other things, our audited consolidated financial statements for the year ended March 31, 2018. This Notice and Proxy Statement and our Annual Report on Form 10-K for the year ended March 31, 2018 are also available for viewing, printing and downloading at [www.proxydocs.com/MIME](http://www.proxydocs.com/MIME).

**Record Date**

4:00 p.m. (London time) on October 2, 2018 (the **Record Date** ). You are entitled to vote only if you are a shareholder of the Company at 4:00 p.m. (London time) on the Record Date.

**Quorum**

At least two shareholders representing between them not less than one third of the ordinary shares in issue as of the Record Date shall constitute a quorum.

**Ordinary Shares Outstanding**

There were 59,668,182 ordinary shares outstanding as of July 25, 2018.

**Voting**

There are three ways a shareholder of record can vote:

- (1) **By Telephone:** You can vote by telephone by following the instructions in the proxy materials.
- (2) **By Mail:** You can vote by mailing your proxy card as described in the proxy materials.
- (3) **In Person:** If you are a shareholder as of the record date, you may vote in person at the Annual Meeting. Submitting a proxy will not prevent a shareholder from attending the Annual Meeting, revoking their earlier-submitted proxy, and voting in person.

**Table of Contents**

If you hold your ordinary shares through a bank or broker, please follow their instructions.

**Revoking Your Proxy**

Shareholders of record may revoke their proxies by attending the Annual Meeting and voting in person, by filing an instrument in writing revoking the proxy or by filing another duly executed proxy bearing a later date with our Company Secretary before the vote is counted or by voting again using the telephone before the cutoff time (your latest telephone proxy is the one that will be counted). If you hold ordinary shares through a bank or broker, you may revoke any prior voting instructions by contacting that firm.

**Votes Required to Adopt Resolutions**

Each of our ordinary shares outstanding on the Record Date is entitled to one vote on any proposal presented at the Annual Meeting:

Resolutions One, Two, Three, Four and Five are proposed as ordinary resolutions. This means that a majority of the votes properly cast is required to approve each such Resolution.

For Resolution Six, a majority of votes properly cast is required to receive the Company's accounts for the year ended March 31, 2018, together with the directors' report and the auditor's report on those accounts.

For Resolution Seven, a majority of the votes properly cast is required to approve the compensation of our named executive officers. Since this proposal is an advisory vote, the result will not be binding on our Board, the compensation committee of our Board, or the Company. However, the Board and the compensation committee value input from shareholders, and the Board and the compensation committee will consider the outcome of the vote when making future decisions regarding the compensation of our named executive officers.

For Resolution Eight, the frequency receiving the highest number of the votes properly cast will be considered the frequency preferred by the shareholders. Since this proposal is an advisory vote, the result will not be binding on our Board, the compensation committee, or the Company. The Board and the compensation committee will consider the outcome of the vote when determining how often we should submit to shareholders future advisory votes to approve the compensation of our named executive officers.

**Broker Non-Votes**

Under the rules that govern brokers holding ordinary shares for their customers, brokers who do not receive voting instructions from their customers have the discretion to vote uninstructed ordinary shares on routine matters, but do not have discretion to vote such uninstructed ordinary shares on non-routine matters. Only Resolutions Four and Five, the appointment of Ernst & Young LLP in the United Kingdom as the Company's independent auditor and the authorization of the Board to approve the auditor's remuneration, are considered routine matters where brokers are permitted to vote ordinary shares held by

## **Table of Contents**

them without instruction. If your ordinary shares are held through a broker, those ordinary shares will not be voted with regard to the other Resolutions unless you affirmatively provide the broker instructions on how to vote. Broker non-votes also will have no effect on the outcome of these proposals.

## **Voting Instructions**

If you complete and submit your proxy voting instructions, the persons named as proxies will follow your instructions. If you submit proxy voting instructions but do not direct how your ordinary shares should be voted on each item, the persons named as proxies (provided he or she is not the chairman) will vote or abstain from voting at his or her discretion. Your proxy (provided he or she is not the chairman) will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Annual Meeting. If you appoint the chairman as your proxy on any resolution, he or she will vote in favour of the resolution.

## **Voting Results**

We will announce preliminary results at the Annual Meeting. We will report final results by filing a Current Report on Form 8-K with the U.S. Securities and Exchange Commission (the SEC) within four business days after the Annual Meeting. If final results are not available at that time, we will provide preliminary voting results in the Form 8-K and will provide the final results in an amendment to the Form 8-K as soon as they become available.

## **Additional Solicitation/Costs**

We are paying for the distribution of the proxy materials and solicitation of the proxies. As part of this process, we reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to our shareholders. Proxy solicitation expenses that we will pay include those for preparation, mailing, returning and tabulating the proxies. Our directors, officers, and employees may also solicit proxies on our behalf in person, by telephone, email or facsimile, but they do not receive additional compensation for providing those services.

## **Householding**

Some banks, brokers, and other nominee record holders may be participating in the practice of householding proxy statements and annual reports. This means that only one copy of the Notice, Proxy Statement, and Annual Report on Form 10-K for the year ended March 31, 2018, as applicable, is being delivered to multiple shareholders sharing an address unless we have received contrary instructions. We will promptly deliver a separate copy of any of these documents to you if you write to us at Investor Relations at Mimecast Limited, 191 Spring Street, Lexington, Massachusetts 02421 USA, Attn: Robert Sanders, IR Contact, or email us at [Investors@mimecast.com](mailto:Investors@mimecast.com) or call us at (800) 614-4530. If you want



to receive separate copies of the Notice, Proxy Statement, or Annual Report on Form 10-K in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker, or other nominee record holder, or you may contact us at the above address, email, or telephone number.

**Table of Contents**

**RESOLUTIONS ONE, TWO AND THREE**

**RE-ELECTION OF DIRECTORS**

**Our Board of Directors**

In accordance with the terms of our Articles of Association, our Board is divided into three classes (each a Class), each of which consists, as nearly as possible, of one-third of the total number of directors constituting our entire Board and each of whose members serve for staggered three-year terms. As a result, only one Class of our Board is elected each year. We currently have seven directors. The members of the Classes are divided as follows:

the Class I directors are Aron Ain and Stephen Ward, and their term expires at the annual general meeting to be held in 2019;

the Class II directors are Christopher FitzGerald and Neil Murray, and their term expires at the annual general meeting to be held in 2020; and

the Class III directors are Peter Bauer, Jeffrey Lieberman and Hagi Schwartz, and their terms expire at the Annual Meeting.

Upon expiration of the term of a Class of directors, directors in that Class are eligible to be elected for a new three-year term at the annual general meeting of shareholders in the year in which their term expires. At the Annual Meeting, Peter Bauer, Jeffrey Lieberman and Hagi Schwartz, whose terms as Class III directors will expire at the Annual Meeting, will stand for election as Class III directors.

During the fiscal year ended March 31, 2018, Geraldine Elliott served on our Board from November 2017 until her resignation in March 2018. Norman Fiore resigned from the Board on January 1, 2018, after serving on the Board since 2009. Bernard Dallè resigned from the Board on April 1, 2017, after serving on the Board since 2009.

The biographies of each of the nominees and continuing directors below contain information regarding each such person's age as of July 15, 2018, service as a director, business experience, director positions held currently or at any time during the last five years and the experiences, qualifications, attributes or skills that caused the nominating and corporate governance committee to determine that the person should serve as a director of the Company. In addition to the information presented below regarding each such person's specific experience, qualifications, attributes and skills that led the Board and the nominating and corporate governance committee to the conclusion that he should serve as a director, we also believe that each of our directors has a reputation for integrity, honesty and adherence to high ethical standards. Each of our directors has demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment of service to Mimecast and our Board, in some cases for many years. Finally, we value our directors' experience in relevant areas of business management and on other boards of directors and board committees.

Our corporate governance guidelines also dictate that a majority of the Board be comprised of independent directors whom the Board has determined are independent under the published listing requirements of The Nasdaq Stock Market LLC (Nasdaq) and do not have a material relationship with Mimecast that might signal a potential conflict of interest or otherwise interfere with such director's ability to satisfy his or her responsibilities as an independent director. See Corporate Governance Board Independence below.

There are no family relationships among any of our directors, nominees for director and executive officers.

**Nominees**

Based on the recommendation of the nominating and corporate governance committee of our Board, our Board has nominated Peter Bauer, Jeffrey Lieberman and Hagi Schwartz for election as directors to serve for a three-year term ending at the 2021 annual general meeting or until their successors are elected and qualified. Each of the nominees is a current member of our Board and has consented to serve if elected.

**Table of Contents**

**Recommendation of the Board**

**THE BOARD RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH OF THE FOLLOWING NOMINEES.**

**Nominees for Election for a Three-Year Term Ending at the 2021 Annual General Meeting**

*Peter Bauer, 44*, has served as our Chief Executive Officer and a member of our Board since co-founding Mimecast in 2003. Prior to that, Mr. Bauer was a Managing Director at Idion Solutions Pty in Cape Town, South Africa, a software integration and development company that acquired FAB Technology (Pty), a company that he co-founded in 1997. Mr. Bauer holds a diploma in marketing management from the Institute of Marketing Management South Africa. We believe Mr. Bauer is qualified to serve on our Board because of his extensive knowledge and experience as the chief executive officer of our Company, as well as the industry in which we compete.

*Jeffrey Lieberman, 44*, has served as a member of our Board since September 2012. Mr. Lieberman is currently a Managing Director of the venture capital firm Insight Venture Partners, which he joined in 1998. Prior to joining Insight, Mr. Lieberman was a management consultant at McKinsey & Company, where he focused on strategic and operating issues in the financial services, technology and consumer products industries. Mr. Lieberman currently serves as chairman of the supervisory board of HelloFresh SE (FRA: HFG) (an international meal kit company based in Berlin, Germany). Mr. Lieberman served as a director of Cvent, Inc. (cloud-based event management software and hospitality solutions) from July 2011 through November 2016 and Shutterstock, Inc. (provider of stock photography, stock footage, stock music and editing tools) from June 2007 through December 2016. In addition, Mr. Lieberman currently serves as a director of several private companies. Mr. Lieberman holds a Bachelor of Applied Sciences in systems engineering and a Bachelor of Arts degree in economics from the University of Pennsylvania. We believe Mr. Lieberman is qualified to serve on our Board because of his experience as a seasoned investor in our industry.

*Hagi Schwartz, 56*, has served as a member of our Board since July 2015. Mr. Schwartz is currently a Venture Partner at Western Technology Investment, which he joined in 2011, and a co-founder at Pretty Simple Solutions Inc. (dba TruEquity) (cloud-based capitalization table management), which he co-founded in July 2010. Mr. Schwartz also co-founded Budgeta Inc. (cloud-based financial analysis) in October 2014 where he currently serves as a member of the board. In 2005, Mr. Schwartz founded Magnolia Capital, an investment advisory firm, where he served as Managing Director until December 2010. Previously, Mr. Schwartz was the Chief Financial Officer of several public and private technology companies including HyperRoll, Inc., ATRICA, Inc., Noosh, Inc., Mercury Interactive and Check Point Software Technologies. Mr. Schwartz served on the board of directors of Silicon Graphics International Corp. (SGI) from August 2004 until December 2015, and was SGI's audit committee financial expert from the time SGI went public in June of 2005 until December 2015. In addition, Mr. Schwartz has served on the board of directors of BigFix, Inc., TUI University and two other private companies. Mr. Schwartz was the chairman of the audit committee of Collective Inc. and CAN Capital. Mr. Schwartz holds a Bachelor of Arts in Economics and Accounting from Bar Ilan University. We believe Mr. Schwartz is qualified to serve on our Board because of his financial expertise, his significant audit and financial reporting knowledge, his seasoned business perspective and his prior experience as an executive and on boards of other prominent technology companies.

**Directors Continuing in Office Until the 2019 Annual General Meeting**

*Aron Ain, 60*, has served as a member of our Board since April 2017. Mr. Ain has served as the Chief Executive Officer and a member of the board of directors of Kronos Incorporated since 2005. He also became the Chairman of the board of directors of Kronos in May 2018 and currently serves on the Kronos compensation committee. Mr. Ain

joined Kronos, a leading global provider of workforce management and human capital management cloud solutions, in 1979 and held several leadership roles at the company prior to becoming Chief Executive Officer. He serves on the Board of Trustees of Hamilton College, on the Trustee Advisory Board of Beth Israel

## **Table of Contents**

Deaconess Medical Center, and as Chairman of the Massachusetts High Technology Council. Mr. Ain holds a Bachelor of Arts in economics and government from Hamilton College. He has also participated in a series of executive education programs, including the AEA/Stanford Executive Institute at Stanford University. We believe that Mr. Ain is qualified to serve on our Board because of his extensive experience as chief executive officer of a global software company.

*Stephen Ward, 46*, has served as a member of our Board since January 2018. Mr. Ward has served as the Chief Information Security Officer at Teachers Insurance and Annuity Association of America (commonly known as TIAA) since May 2013. Previously, from July 2007 through May 2013, he served in a number of executive roles at JPMorgan Chase & Co., serving most recently as the Global Head of Risk and Business Management for Cybersecurity. Prior to joining JPMorgan Chase & Co., Mr. Ward served as a Special Agent in the United States Secret Service focusing on cybersecurity, personal protection and fraud. Mr. Ward holds a Bachelor of Arts degree from Seton Hall University. We believe that Mr. Ward is qualified to serve on our Board because of his extensive management and operational experience in the areas of security and risk management.

## **Directors Continuing in Office Until the 2020 Annual General Meeting**

*Christopher FitzGerald, 72*, has served as a member of our Board since April 2007. He has served as our lead independent director since our initial public offering in 2015. Mr. FitzGerald served as a non-executive director of City Merchants High Yield Trust, a London based investment company (LON: CMHY), and The Intercare Group, a U.K. pharmaceuticals business. Mr. FitzGerald was also a member of the Committee of Executive Directors and General Counsel at NatWest Group plc. Before that, Mr. FitzGerald was a partner in the London law firm Slaughter and May, where he specialized in advising major financial services businesses. From 2003 to present, Mr. FitzGerald has served as a member of the finance committee of the governing body of Lincoln College, Oxford University. Mr. FitzGerald holds a Master of Arts in Jurisprudence from Oxford University. We believe that Mr. FitzGerald is qualified to serve on our Board because of his extensive business, financial, legal and governance experience, and his long service to our Company.

*Neil Murray, 51*, has served as our Chief Technology Officer and a member of our Board since co-founding Mimecast in 2003. Prior to that, Mr. Murray served as the Chief Technical Officer of Global Technology Services, a South African provider of business information solutions that acquired Pro Solutions (Prosol Group Pty), a software development company that he co-founded in 1992. We believe Mr. Murray is qualified to serve on our Board because of his extensive knowledge and experience with our Company and its technologies, as well as the industry in which we compete.

## **Executive Officers**

In addition to Mr. Bauer, our Chief Executive Officer, and Mr. Murray, our Chief Technology Officer, who also serve as directors, our executive officers are:

*Peter Campbell, 53*, has served as our Chief Financial Officer since 2006, and from 2007 to 2015, Mr. Campbell served as a member of our Board. Prior to joining Mimecast, Mr. Campbell served as the Chief Financial Officer of SR Telecom Inc. where he was employed from 2002 to 2006. From 1998 to 2002, Mr. Campbell was an auditor at Ernst & Young in Montreal, Canada. Mr. Campbell is a Chartered Accountant and holds a Bachelor of Commerce and a Graduate Diploma in accounting from the John Molson School of Business, Concordia University, where he also served as a lecturer.

Edgar Filing: Mimecast Ltd - Form DEF 14A

*Edward Jennings, 48*, has served as our Chief Operating Officer since August 2015. From January 2014 to August 2015, Mr. Jennings was the Chief Marketing Officer of Veracode, Inc., a provider of cloud-based application security, where he also served as Executive Vice President of Sales and Services from February 2012 to December 2013. Prior to that, from February 2011 to January 2012, Mr. Jennings was General Manager at ADP, Inc. (Nasdaq: ADP), a provider of business outsourcing solutions. From August 2008 to December 2010, Mr. Jennings was the Chief Executive Officer of Copanion, Inc., where he also served as Senior Vice

## **Table of Contents**

President of Sales and Marketing from July 2007 to July 2008. Mr. Jennings holds a Master of Business Administration from the Kellogg School of Management, Northwestern University, and a Bachelor of Arts degree from Boston College.

*Janet Bishop-Levesque, 51*, has served as our Senior Vice President, Systems, Risk and Security, since December 2017. From April 2014 to December 2017 she served as the Chief Information Security Officer of RSA, a Dell Technologies Company, a provider of security technology solutions. Prior to that, from September 2010 to March 2014, Ms. Bishop-Levesque was the Director, Information Security and Regulatory Compliance, at Aspect Software, Inc., a provider of customer contact center software solutions. She also served in a number of senior security and risk roles at Circles, a Sodexo group company, from 2003 to 2010. She serves as a director of the National Cyber Security Alliance and the Advanced Cyber Security Center. Ms. Bishop-Levesque holds a Bachelor of Science degree from the University of Vermont.

*Robert P. Nault, 54*, has served as our Senior Vice President and General Counsel since September 2016. From May 2014 to May 2016, he served as Senior Vice President, General Counsel and Secretary of Constant Contact, Inc., a provider of email marketing software, where he also served as Vice President, General Counsel and Secretary from March 2007 to May 2014 and as interim Chief Financial Officer from March 2010 to July 2010. Prior to that, Mr. Nault served as Senior Vice President, General Counsel and Secretary of RSA Security Inc., from November 2005 until November 2006 following its acquisition by EMC Corporation in September 2006. Prior to that, Mr. Nault was Vice President and General Counsel of Med-i-Bank, Inc., a provider of software and services for electronic benefit payments, from October 2004 to July 2005; Legal Consultant and Vice President and General Counsel of ON Technology Corporation, an enterprise software company, from 2001 to 2004; and Senior Vice President and General Counsel of The Pioneer Group, Inc., a financial services and alternative investments company, from 1995 to 2000. Before joining Pioneer, Mr. Nault was a member of the corporate department of Hale and Dorr LLP (now Wilmer Cutler Pickering Hale and Dorr LLP). Mr. Nault holds a Bachelor of Arts degree from the University of Rhode Island, and a Juris Doctorate from Boston University School of Law.

*Christina Van Houten, 51*, has served as our Chief Strategy Officer, since April 2018. Prior to joining Mimecast, from 2014 to March 2018, Ms. Van Houten was Senior Vice President, Marketing Strategy & Product Management, at Infor Global Solutions, an enterprise software company that provides comprehensive business solutions. She served as Vice President, Industry Solution and Strategy, at Infor, from 2011 to 2014. She was Vice President of Strategy and Solutions at IBM Netezza from 2010 to 2011. Prior to that, from 2005 to 2010, she served in senior roles at Oracle Corporation. Ms. Van Houten holds a Master of Business Administration from the Booth School of Business at the University of Chicago, and a Bachelor of Arts degree from Georgetown University.

*John J. Walsh, Jr., 53*, has served as our Senior Vice President, Engineering, since May 2017. From October 2015 to April 2017, Mr. Walsh served as the Chief Technology Officer of Tremor Video, a provider of video ad platforms. Prior to that, from January 2013 to June 2015, he was the Chief Technology Officer of CareCloud Corporation, a provider of cloud-based practice management, electronic health record, and medical billing software and services. He served as the Senior Vice President, Engineering and Operations, at Constant Contact from 2008 until 2012. Mr. Walsh holds a Master of Business Administration from Boston University, and a Bachelor of Science degree from Rensselaer Polytechnic Institute.

## **CORPORATE GOVERNANCE**

### **Board Independence**



Edgar Filing: Mimecast Ltd - Form DEF 14A

The Board has determined that each of our directors, except for Mr. Bauer as Chief Executive Officer and Mr. Murray as Chief Technology Officer, has no relationship that would interfere with the exercise of

## **Table of Contents**

independent judgment in carrying out the responsibilities of a director and is independent within the meaning of our director independence standards and the director independence standards of Nasdaq and the SEC. Furthermore, the Board has determined that each member of each of the committees of the Board is independent within the meaning of Nasdaq's, the SEC's, and our applicable committees' independence standards, including Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended (the Exchange Act). In making that determination, the Board considered all relevant facts and circumstances, including (but not limited to) the director's commercial, industrial, banking, consulting, legal, accounting, charitable, and familial relationships. There are no family relationships among any of our directors or executive officers. In addition, a majority of the members of the Board meets the independence standards under the rules of Nasdaq.

Periodically, the Board will evaluate all relationships between us and each director in light of relevant facts and circumstances for the purposes of determining whether a material relationship exists that might signal a potential conflict of interest or otherwise interfere with such director's ability to satisfy his or her responsibilities as an independent director. Based on this evaluation, the Board will make periodic determinations of whether each director is independent within the meaning of Nasdaq's, the SEC's, and our applicable committees' independence standards.

## **Code of Business Conduct and Ethics**

We have adopted a Code of Business Conduct and Ethics that applies to all of our employees, officers and directors, including our chief executive officer, chief financial officer, controller or principal accounting officer, or other persons performing similar functions. The current version of the Code of Business Conduct and Ethics is available on the Investor Relations/ Corporate Governance section on our website at [www.mimecast.com](http://www.mimecast.com). A copy of the Code of Business Conduct and Ethics may also be obtained, free of charge, upon a request directed to our Chief Compliance Officer at Mimecast Limited, 191 Spring Street, Lexington, Massachusetts 02421 USA, or [complianceofficer@mimecast.com](mailto:complianceofficer@mimecast.com). We intend to disclose any amendment or waiver of a provision of the Code of Business Conduct and Ethics 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 [www.mimecast.com](http://www.mimecast.com)) and/or in our public filings with the SEC.

## **Corporate Governance Guidelines**

The Board has adopted corporate governance guidelines to assist and guide its members in the exercise of its responsibilities. These guidelines should be interpreted in accordance with any requirements imposed by applicable Jersey law or regulation, Nasdaq corporate governance listing standards and our Articles of Association. Our corporate governance guidelines are available on the Investor Relations/ Corporate Governance section of our website at [www.mimecast.com](http://www.mimecast.com). Although these corporate governance guidelines have been approved by the Board, it is expected that these guidelines will evolve over time as customary practice and legal requirements change. In particular, those guidelines that encompass legal, regulatory or exchange requirements as they currently exist will be deemed to be modified as and to the extent that such legal, regulatory or exchange requirements are modified. In addition, the guidelines may also be amended by the Board at any time as it deems appropriate.

## **Board and Committee Meetings**

The Board meets on a regularly scheduled basis during the year to review significant developments affecting us and to act on matters requiring their approval. It also holds special meetings when important matters require action between scheduled meetings. Members of senior management regularly attend meetings to report on and discuss their areas of responsibility. During the year ended March 31, 2018, the Board held seven meetings. The Board has three standing committees:

the audit committee, which held seven meetings in the year ended March 31, 2018;

## **Table of Contents**

the compensation committee, which held four meetings in the year ended March 31, 2018; and

the nominating and corporate governance committee, which held three meetings in the year ended March 31, 2018.

Three of our incumbent directors attended 100%, and the remaining incumbent directors attended greater than 81%, of all meetings of the Board and meetings of committees of our Board upon which they served (during the periods that they served) during the year ended March 31, 2018. The Board regularly holds executive sessions of the independent directors. Executive sessions do not include employee directors or directors who do not qualify as independent under Nasdaq and SEC rules.

It is our policy that members of our Board are encouraged to attend annual general meetings of our shareholders; however, attendance is not mandatory. Four of the seven directors then in office attended the 2017 annual general meeting.

## **Committees**

Our Articles of Association provide that the Board may delegate any of its powers to committees. The Board has three standing committees: an audit committee, a compensation committee, and a nominating and corporate governance committee. The Board has also adopted a written charter for each of the three standing committees. Each committee charter is available on the Investor Relations/Corporate Governance section of our website at [www.mimecast.com](http://www.mimecast.com).

### ***Audit Committee***

Messrs. FitzGerald, Schwartz and Ward currently serve on the audit committee, which is chaired by Mr. Schwartz. The Board has determined that each member of the audit committee is independent for audit committee purposes as that term is defined under Rule 10A-3 of the Exchange Act, and the applicable Nasdaq rules. Each member of the audit committee meets the requirements for financial literacy under the applicable rules and regulations of the SEC and Nasdaq. The Board has designated Mr. Schwartz as an audit committee financial expert, as defined under the applicable rules of the SEC. The audit committee's responsibilities include:

appointing, approving the compensation of, and assessing the independence, objectivity and effectiveness of our independent registered public accounting firm;

overseeing the work of our independent registered public accounting firm, including through the receipt and consideration of reports from that firm;

monitoring the integrity of our financial statements by reviewing and discussing with management and our independent registered public accounting firm our annual and quarterly financial statements and related disclosures;

reviewing and monitoring our internal control over financial reporting, disclosure controls and procedures and code of business conduct;

overseeing our risk assessment and risk management policies;

establishing policies regarding hiring employees from our independent registered public accounting firm and procedures for the receipt and retention of accounting related complaints and concerns;

meeting independently with our internal auditing staff, if any, our independent registered public accounting firm and management; and

reviewing and approving or ratifying any related person transactions.

## **Table of Contents**

The audit committee met seven times during the year ended March 31, 2018. The audit committee operates under a written charter adopted by the Board, a current copy of which is available at the Investor Relations/Corporate Governance section of our website at [www.mimecast.com](http://www.mimecast.com).

### ***Compensation Committee***

Messrs. Ain, FitzGerald and Lieberman currently serve on the compensation committee, which is chaired by Mr. Lieberman. Ms. Elliott joined the compensation committee in November 2017 and replaced Mr. Schwartz, who had previously served on the compensation committee. Mr. FitzGerald joined the compensation committee in April 2018 following Ms. Elliott's resignation from the Board. The Board has determined that each member of the compensation committee is independent as that term is defined in the applicable SEC and Nasdaq rules. The compensation committee's responsibilities include:

reviewing and approving, or reviewing and making recommendations to our Board with respect to, the compensation of our executive officers, or directors and senior management, respectively;

overseeing an evaluation of our executive management; and

overseeing and administering our employee share option scheme or equity incentive plans in operation from time to time.

The compensation committee may delegate authority to one or more subcommittees consisting of one or more of its members as it deems appropriate to carry out its responsibilities. The compensation committee met four times during the year ended March 31, 2018. The compensation committee operates under a written charter adopted by the Board, a current copy of which is available on the Investor Relations/Corporate Governance section of our website at [www.mimecast.com](http://www.mimecast.com).

### ***Compensation Committee Interlocks and Insider Participation***

During the year ended March 31, 2018, the members of our compensation committee included Messrs. Ain, Lieberman and Schwartz, and Ms. Elliott. Mr. Schwartz and Ms. Elliott resigned from the compensation committee in November 2017 and March 2018, respectively. None of the members of our compensation committee has at any time been one of our officers or employees. None of our executive officers currently serves, or in the past fiscal year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our Board or compensation committee. For a description of transactions between us and members of our compensation committee and affiliates of such members, please see Certain Relationships and Related Party Transactions.

### ***Nominating and Corporate Governance Committee***

Messrs. Ain, FitzGerald and Lieberman currently serve on the nominating and corporate governance committee, which is chaired by Mr. FitzGerald. The Board has determined that each member of the nominating and corporate governance committee is independent as that term is defined in the applicable SEC and Nasdaq rules. The nominating and corporate governance committee's responsibilities include:

identifying individuals qualified to become members of our Board;

recommending to our Board the persons to be nominated for election as directors and to each of our Board's committees;

reviewing and making recommendations to our Board with respect to our board leadership structure;

reviewing and making recommendations to our Board with respect to management succession planning; and

developing and recommending to our Board corporate governance principles.

The nominating and corporate governance committee met three times during the year ended March 31, 2018. The nominating and corporate governance committee operates under a written charter adopted by the Board, a current

## **Table of Contents**

copy of which is available on the Investor Relations/Corporate Governance section of our website at [www.mimecast.com](http://www.mimecast.com).

### **Identifying and Evaluating Director Nominees**

The Board has delegated the director selection and nomination process to the nominating and corporate governance committee, with the expectation that other members of the Board, and of management, will be requested to take part in the process as appropriate.

Generally, the nominating and corporate governance committee identifies candidates for director nominees in consultation with management, through the use of search firms or other advisors, through the recommendations submitted by shareholders or through such other methods as the nominating and corporate governance committee deems to be helpful to identify candidates. Once candidates have been identified, the nominating and corporate governance committee confirms that the candidates meet all of the minimum qualifications for director nominees established by the nominating and corporate governance committee. The nominating and corporate governance committee may gather 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 appropriate 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 the Board. Based on the results of the evaluation process, the nominating and corporate governance committee recommends candidates for the Board's approval as director nominees for election to the Board. Our nominating and corporate governance committee also has the authority to retain the services of an executive search firm to help identify and evaluate potential director candidates and did so with respect to the candidacy of each of Mr. Ain, who was elected to the Board in April 2017, and Ms. Elliott, who was elected to the Board in November 2017.

### ***Minimum Qualifications***

In evaluating proposed director candidates, the nominating and corporate governance committee may consider all facts and circumstances that it deems appropriate or advisable, including, among other things, the skills of the proposed director candidate, his or her depth and breadth of professional experience or other background characteristics, his or her independence, the current size and composition of our Board and the needs of our Board and its respective committees. Some of the qualifications that our nominating and corporate governance committee considers include, without limitation, integrity, judgment, diversity of experience, expertise, business acumen, understanding of our business and industry, potential conflicts of interest and other commitments. Nominees must also have proven achievement and competence in their field and the ability to provide guidance to our management team and make significant contributions to our success, and an understanding of the fiduciary responsibilities that are required of a director. Director candidates must have sufficient time available in the judgment of our nominating and corporate governance committee to perform all Board and committee responsibilities. Members of our Board are expected to prepare for, attend, and participate in all Board and applicable committee meetings.

The charter of our nominating and corporate governance committee includes a specific policy with regard to the consideration of diversity in identifying director nominees, which we believe is essential to have directors representing diversity in many areas, including but not limited to race, ethnicity, gender, age, background, and professional experience. Accordingly, diversity is one of the factors considered by the nominating and corporate governance committee in identifying director nominees.

### ***Shareholder Recommendations***



Edgar Filing: Mimecast Ltd - Form DEF 14A

Shareholders may submit recommendations for director candidates to the nominating and corporate governance committee by sending the individual's name, age, address, current and previous employment dating back five

## **Table of Contents**

fiscal years, and qualifications to Mimecast Limited, 191 Spring Street, Lexington, Massachusetts 02421 USA, Attn: Company Secretary, who will forward all recommendations to the nominating and corporate governance committee. The nominating and corporate governance committee will evaluate any candidates recommended by shareholders against the same criteria and pursuant to the same policies and procedures applicable to the evaluation of candidates proposed by directors or management.

## **Shareholder Communications**

The Board provides to every shareholder the ability to communicate with the Board, as a whole, and with individual directors on the Board through an established process for shareholder communication. For a shareholder communication directed to the Board as a whole, or a shareholder communication directed to an individual director in his or her capacity as a member of the Board, shareholders may send such communication to the attention of the Company's legal department via U.S. Mail or expedited delivery service to Mimecast Limited, 191 Spring Street, Lexington, Massachusetts 02421 USA, Attn: Legal Department.

Our legal department will review all incoming shareholder communications and, if appropriate, will forward any such communication to each director, and the Chairman of the Board in his or her capacity as a representative of the Board, to whom such communication is addressed, unless there are safety or security concerns that mitigate against further transmission.

## **Board and Committee Evaluations**

The nominating and corporate governance committee oversees the annual Board and committee evaluation process. Generally, the Board and each committee conduct self-evaluations. During the year ended March 31, 2018, the nominating and corporate governance committee met to assess the effectiveness of the Board and the committees. The nominating and corporate governance committee then provided this assessment to the full Board. The nominating and corporate governance committee establishes the Board and committee evaluation process each year and may determine to use an independent third party evaluation process from time to time in the future.

## **Board Leadership Structure and Board's Role in Risk Oversight**

Mr. Bauer serves as our Chief Executive Officer and as Chairman of the Board. The Board believes that having our Chief Executive Officer as Chairman of the Board facilitates the Board's decision-making process because Mr. Bauer has first-hand knowledge of our operations and the major issues facing us. This also enables Mr. Bauer to act as the key link between the Board and other members of management.

Our Board has appointed Mr. FitzGerald to serve as our Lead Independent Director. As Lead Independent Director, Mr. FitzGerald presides over meetings of our independent directors, serves as a liaison between the Chairman of the Board and the independent directors and performs such additional duties as our Board may otherwise determine and delegate.

One of the key functions of our Board is informed oversight of our risk management process. Our Board does not have a standing risk management committee, but rather administers this oversight function directly through the Board as a whole, as well as through its standing committees that address risks inherent in their respective areas of oversight. In particular, our Board is responsible for monitoring and assessing strategic risk exposure. Our audit committee is responsible for reviewing and discussing our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies with respect to risk assessment and risk management. Our audit committee also monitors compliance with legal and regulatory requirements, in addition to

oversight of the performance of our external audit function. Our nominating and corporate governance committee monitors the effectiveness of our corporate governance guidelines. Our compensation committee reviews and discusses the risks arising from our compensation philosophy and practices applicable to all employees that are reasonably likely to have a materially adverse effect on us.

**Table of Contents****Director Compensation**

Members of our Board who are our employees do not receive compensation for their service as directors. The chart below sets forth the annual cash compensation our non-employee directors receive for service on the Board and the committees on which they serve. Messrs. Dallé, Fiore and Lieberman are not considered to be non-employee directors for this purpose and did not receive any compensation under our non-employee director compensation policy.

	<b>Director Cash Compensation</b>
Annual Retainer All non-employee directors	\$ 50,000
Audit Committee Chairperson	\$ 25,000
Compensation Committee Chairperson	\$ 7,500
Nominating and Corporate Governance Committee Chairperson	\$ 5,000
Lead Independent Director	\$ 15,000

We pay our non-employee directors quarterly. We also reimburse each non-employee director for out-of-pocket expenses incurred in connection with attending our Board and committee meetings. The compensation committee, with the assistance of our independent compensation consultant, reviews director compensation periodically and recommends changes to the Board as necessary.

Under our non-employee director compensation policy, each new non-employee director receives, at the time of his or her appointment to the Board, an initial, one-time equity grant (the Initial Grant) of restricted share units with a grant date fair value equal to \$200,000. The Initial Grant vests in equal annual installments over three years, provided, however, that all vesting ceases if the director resigns from the Board or otherwise ceases to serve as a director of the Company, unless the Board determines that the circumstances warrant continuation of vesting. There is a requirement that each non-employee director retain at least 50% of the shares underlying the Initial Grant while the director remains a member of the Board. In addition, on the date of each annual general meeting of shareholders, each continuing non-employee director who has served as a director for the previous six months receives an annual equity grant of restricted share units with a grant date fair value equal to \$150,000 that vests in full on the first anniversary of the date of grant, provided, however, that all vesting ceases if the director resigns from the Board or otherwise ceases to serve as a director, unless the Board determines that the circumstances warrant continuation of vesting.

The following table sets forth information regarding compensation earned by each non-employee director who served during the year ended March 31, 2018:

<b>Name</b>	<b>Fees Earned or Paid in Cash (\$)(1)</b>	<b>Stock Awards (\$)(2)</b>	<b>Total (\$)</b>
Aron Ain	50,000	199,994	249,994
Geraldine Elliott (3)	20,875	199,974	220,849
Christopher FitzGerald (4)	70,000	149,975	219,975
Hagi Schwartz	75,000	149,975	224,975
Stephen Ward (5)	12,500	199,981	212,481

Edgar Filing: Mimecast Ltd - Form DEF 14A

- (1) Amounts in this column represent fees earned under the Non-Employee Director Compensation Policy for the fiscal year ended March 31, 2018.
- (2) Amounts in this column represent the grant date fair value of restricted share unit awards granted to the non-employee directors during the year ended March 31, 2018, calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 ( FASB ASC Topic 718 ), excluding the estimated impact of forfeitures related to service-based vesting conditions, and do not represent the actual value that may be realized by directors upon vesting or settlement of the awards. The

**Table of Contents**

- assumptions made in valuing the restricted share units reported in this column are discussed in Note 11 to our audited financial statements for the year ended March 31, 2018, included in our Annual Report on Form 10-K.
- (3) Ms. Elliott resigned from the Board on March 31, 2018, and forfeited the equity award granted to her when she joined the Board.
- (4) Mr. FitzGerald's director fees are set in U.S. dollars, but are paid in British pounds based on the then current currency exchange rate.
- (5) Mr. Ward joined the Board effective January 1, 2018.

The following table sets forth the aggregate number of ordinary shares underlying restricted share units held as of March 31, 2018 by each of the persons who served as a non-employee director during the year ended March 31, 2018:

	<b>Number of Restricted Share Units Held as of March 31, 2018 (#)</b>
Aron Ain	9,259
Geraldine Elliott	6,499*
Christopher FitzGerald	5,426
Hagi Schwartz	10,994
Stephen Ward	7,084

\* Ms. Elliott forfeited these restricted share units upon her resignation from the Board on March 31, 2018.

**Compensation Risk Assessment**

We believe that although a portion of the compensation provided to our executive officers and other employees is performance-based, our executive compensation program does not encourage excessive or unnecessary risk taking. Our compensation programs are designed to encourage our executive officers and other employees to remain focused on both short-term and long-term financial, operational and strategic goals, in particular in connection with our pay-for-performance compensation philosophy. As a result, we do not believe that our compensation programs are reasonably likely to have a material adverse effect on us.

**Anti-Hedging and Anti-Pledging Policies**

Our insider trading policies prohibit all directors, executive officers, and employees from buying our securities on margin, or holding such securities in a margin account and, without prior approval, buying or selling derivatives on such securities, engaging in short sales involving such securities or pledging our securities as collateral for a loan. To date, no such requests have been made or approved.

**RESOLUTIONS FOUR AND FIVE****APPROVAL OF THE APPOINTMENT OF OUR INDEPENDENT AUDITOR, AND AUTHORISATION OF THE BOARD TO DETERMINE THE REMUNERATION OF THE AUDITORS**

We have appointed Ernst & Young LLP in the United Kingdom as our independent auditor to perform the audit of our consolidated financial statements in Jersey for the fiscal year ending March 31, 2019, and we are asking shareholders to approve this appointment. On a global basis, we have appointed Ernst & Young LLP as our independent registered

public accounting firm, for SEC reporting purposes. Ernst & Young LLP has served as our auditors since 2014.

The audit committee annually reviews the auditors' independence, including reviewing all relationships between the auditors and us and any disclosed relationships or services that may impact the objectivity and independence

**Table of Contents**

of the auditors, and the auditors' performance. A majority of the votes properly cast is required in order to appoint Ernst & Young LLP in the United Kingdom as our auditors.

We expect that a representative of Ernst & Young LLP will attend the Annual Meeting and the representative will have an opportunity to make a statement if he or she so chooses. The representative will also be available to respond to appropriate questions from shareholders.

**Audit Fees**

The following table sets forth the total fees billed by Ernst & Young LLP for audit, audit-related, tax and all other services rendered for the year ended March 31, 2018 and the year ended March 31, 2017:

<b>Fee Category</b>	<b>Year Ended March 31, 2018</b>	<b>Year Ended March 31, 2017</b>
Audit Fees (1)	\$ 1,514,425	\$ 1,727,417
Audit-Related Fees (2)	500	
Tax Fees (3)		
Other Fees (4)	2,775	2,775
<b>Total Fees</b>	<b>\$ 1,517,700</b>	<b>\$ 1,730,192</b>

- (1) *Audit Fees*. Represents aggregate fees for professional services provided in connection with the annual audit of our consolidated financial statements and, in the year ended March 31, 2018, our internal control over financial reporting, the review of our quarterly condensed consolidated financial statements, statutory audits, consultations on accounting matters directly related to the audit, consents and assistance with and review of documents filed with the SEC.
- (2) *Audit-Related Fees*. Represents aggregate fees for accounting consultations and other services that were reasonably related to the performance of audits or reviews of our consolidated financial statements and were not reported above under *Audit Fees*.
- (3) *Tax Fees*: There were no tax fees incurred for the years ended March 31, 2018 or 2017.
- (4) *Other Fees*. Represents aggregate fees billed for products and services provided by the independent registered public accounting firm other than those disclosed above. These fees consisted of an amount paid for the use of an online accounting research tool.

The audit committee pre-approved all services performed by Ernst & Young LLP for the years ended March 31, 2017 and 2018.

**Recommendation of the Board**

**THE BOARD RECOMMENDS THAT YOU VOTE FOR APPROVAL OF THE APPOINTMENT OF ERNST & YOUNG LLP IN THE UNITED KINGDOM AS OUR INDEPENDENT AUDITOR FOR THE FISCAL YEAR ENDING MARCH 31, 2019.**



**THE BOARD ALSO RECOMMENDS THAT YOU VOTE FOR APPROVAL OF THE BOARD TO DETERMINE THE AUDITOR S REMUNERATION.**

**Pre-Approval Policies for Non-Audit Services**

The audit committee has adopted policies and procedures relating to the approval of all audit and non-audit services that are to be performed by our independent registered public accounting firm. These policies generally provide that we will not engage our auditors to render audit or non-audit services unless the service is specifically approved in advance by the audit committee or the engagement is entered into pursuant to the pre-approval procedure described below.

**Table of Contents**

The audit committee pre-approves all auditing services and the terms of non-audit services, but only to the extent that the non-audit services are not prohibited under applicable law and the committee determines that the non-audit services do not impair the independence of the auditors. In situations where it is impractical to wait until the next regularly scheduled quarterly meeting, the chairman of the audit committee has been delegated authority to approve audit and non-audit services. The chairman is required to report any approvals to the full committee at its next scheduled meeting.

From time to time, the audit committee may pre-approve specified types of services that are expected to be provided to us by our auditors during the next 12 months. Any such pre-approval is detailed as to the particular service or type of services to be provided and is also generally subject to a maximum dollar amount. Any proposed services exceeding pre-approved amounts will also require separate pre-approval by the audit committee.

**Table of Contents**

**Report of the Audit Committee of the Board of Directors**

The information contained in this audit committee report shall not be deemed to be (1) soliciting material, (2) filed with the SEC, (3) subject to Regulations 14A or 14C of the Exchange Act, or (4) subject to the liabilities of Section 18 of the Exchange Act. No portion of this audit committee report shall be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended (the Securities Act), or the Exchange Act, through any general statement incorporating by reference in its entirety the proxy statement in which this report appears, except to the extent that Mimecast specifically incorporates this report or a portion of it by reference. In addition, this report shall not be deemed filed under either the Securities Act or the Exchange Act.

This report is submitted by the audit committee of the Board. None of the members of the audit committee is an officer or employee of Mimecast, and the Board has determined that each member of the audit committee is independent for audit committee purposes as that term is defined under Rule 10A-3 of the Exchange Act, and the applicable Nasdaq rules. Each member of the audit committee meets the requirements for financial literacy under the applicable rules and regulations of the SEC and Nasdaq. The Board has designated Mr. Schwartz as an audit committee financial expert, as defined under the applicable rules of the SEC. The audit committee operates under a written charter adopted by the Board.

The audit committee's general role is to assist the Board in monitoring our financial reporting process and related matters. Its specific responsibilities are set forth in its charter.

The audit committee has reviewed the company's consolidated financial statements for the year ended March 31, 2018, and met with management, as well as with representatives of Ernst & Young LLP, the company's independent public accounting firm, to discuss the consolidated financial statements. The audit committee also discussed with members of Ernst & Young LLP various matters, including those matters required to be discussed by Public Company Accounting Oversight Board Auditing Standard No. 1301 (Communications with Audit Committees).

The audit committee reviewed management's report on its assessment of the effectiveness of the company's internal control over financial reporting and the independent registered public accounting firm's report on the effectiveness of the company's internal control over financial reporting. The audit committee meets with representatives of the independent public accounting firm, with and without management present, to discuss the results of their examinations; their evaluations of the Company's internal control, including internal control over financial reporting; and the overall quality of the Company's financial reporting.

In addition, the audit committee received the written disclosures and the letter from Ernst & Young LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent public accounting firm's communications with the audit committee concerning independence, and discussed with members of Ernst & Young LLP its independence.

Based on these discussions, the financial statement review and other matters it deemed relevant, the audit committee recommended to the Board that the company's audited consolidated financial statements for the year ended March 31, 2018 be included in its Annual Report on Form 10-K for the year ended March 31, 2018.

**Audit Committee**

*Hagi Schwartz, Chairman*

*Christopher FitzGerald*

*Stephen Ward*

**Table of Contents**

**RESOLUTION SIX**

**NON-BINDING, ADVISORY VOTE TO APPROVE RECEIPT OF REPORTS AND ACCOUNTS**

As a company organized under the laws of the Bailiwick of Jersey, for each financial year the directors must present a directors' report, audited accounts and an independent auditors' report on the financial statements to shareholders at an annual general meeting. Those to be presented at the Annual Meeting are in respect of the year ended March 31, 2018 and will be delivered to the Jersey Companies Registry following the Annual Meeting. The Jersey statutory accounts are substantially similar to the financial statements included in our Annual Report on Form 10-K for the year ended March 31, 2018, which was filed with the SEC on May 29, 2018 and distributed to our shareholders with this Proxy statement. In accordance with our obligations under Jersey law, we will provide our shareholders at the Annual Meeting an opportunity to receive the annual report and ask any relevant and appropriate questions of the representative of Ernst & Young LLP in attendance at the Annual Meeting. The full accounts and reports of Mimecast will be available for inspection prior to and during the Annual Meeting. The vote on this resolution is an advisory vote only, and therefore, not binding on the Company or the Board. However, the Board will consider the voting results when making decisions regarding the future strategy and operations of the Company.

**Recommendation of the Board**

**THE BOARD RECOMMENDS THAT YOU VOTE FOR THE APPROVAL OF THE RECEIPT OF THE REPORTS OF THE AUDITORS AND THE DIRECTORS AND THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018.**

**RESOLUTION SEVEN**

**NON-BINDING, ADVISORY VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS**

Section 14A of the Exchange Act requires that we provide our shareholders with the opportunity to vote to approve, on a non-binding, advisory basis, not less frequently than once every three years, the compensation of our named executive officers as disclosed in our annual proxy statement in accordance with the compensation disclosure rules of the SEC.

As described in detail under the heading "Compensation Discussion and Analysis," we seek to closely align the interests of our named executive officers with the interests of our shareholders. Our compensation programs are designed to reward our named executive officers for the achievement of short-term and long-term financial, operational and strategic goals and the achievement of increased total shareholder return, while at the same time avoiding the encouragement of unnecessary or excessive risk-taking.

Shareholders are urged to read the "Executive Compensation" section of this Proxy Statement, including the "Compensation Discussion and Analysis," which discusses how our executive compensation policies and procedures implement our compensation philosophy and contains tabular information and narrative discussion about the compensation of our named executive officers. Our Board and the compensation committee believe that these policies and procedures are effective in implementing our compensation philosophy and in achieving our compensation program goals.

The vote on this resolution is not intended to address any specific element of compensation but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this Proxy Statement. The vote is advisory, which means that the vote is not binding on the Company, our Board or the compensation committee. Although non-binding, the Board and the compensation committee value the opinions

**Table of Contents**

that shareholders express in their votes and will review the voting results and take them into consideration as they deem appropriate when making future decisions regarding our executive compensation program.

**Recommendation of the Board**

**THE BOARD RECOMMENDS THAT YOU VOTE FOR THE APPROVAL OF, ON AN ADVISORY BASIS, THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS, AS DISCLOSED IN THIS PROXY STATEMENT.**

**RESOLUTION EIGHT**

**NON-BINDING, ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS**

Section 14A of the Exchange Act provides that shareholders must be given the opportunity to vote, on a non-binding advisory basis, for their preference as to how frequently we should seek future non-binding advisory votes to approve the compensation of our named executive officers. We are required to solicit shareholder votes on the frequency of future non-binding, advisory votes to approve the compensation of our named executive officers at least once every six years, although we may seek shareholder input more frequently.

By voting with respect to this Resolution Eight, shareholders may indicate whether they would prefer that we conduct future non-binding advisory votes to approve the compensation of our named executive officers every one, two, or three years. Our Board has determined that an annual non-binding advisory vote to approve the compensation of our named executive officers will allow our shareholders to provide timely and direct input on the Company's executive compensation philosophy, policies and practices as disclosed in the proxy statement each year. The Board believes that an annual vote is therefore consistent with our efforts to engage in an ongoing dialogue with our shareholders on executive compensation and corporate governance matters.

We recognize that the shareholders may have different views as to the best approach for Mimecast, and therefore we look forward to hearing from our shareholders as to their preferences on the frequency of an advisory vote on the compensation of our named executive officers. This vote is advisory and not binding on the Company, the compensation committee or our Board. Although non-binding, the Board and the compensation committee value the opinions that shareholders express in their votes and will review the voting results and take them into consideration when making future decisions regarding the frequency of future advisory votes on the compensation of our named executive officers.

The proxy card provides shareholders with the opportunity to choose among four options (holding the vote every one, two or three years, or abstaining) and, therefore, shareholders will not be voting to approve or disapprove the recommendation of our Board.

**Recommendation of the Board**

**THE BOARD RECOMMENDS THAT YOU VOTE FOR THE OPTION OF EVERY ONE YEAR AS THE PREFERRED FREQUENCY FOR FUTURE NON-BINDING, ADVISORY VOTES TO APPROVE THE**

**COMPENSATION OUR NAMED EXECUTIVE OFFICERS.**



Table of Contents

**SECURITY OWNERSHIP OF  
CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information known to us regarding the beneficial ownership of our ordinary shares as of June 30, 2018, for:

each person, or group of affiliated persons, who is known by us to beneficially own more than 5% of our ordinary shares;

our named executive officers;

each of our directors and director nominees; and

all executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Except as noted by footnote, and subject to community property laws where applicable, we believe, based on the information provided to us, that the persons and entities named in the table below have sole voting and investment power with respect to all ordinary shares shown as beneficially owned by them.

The table lists applicable percentage ownership based on 59,599,656 ordinary shares outstanding as of June 30, 2018, unless indicated otherwise. Options to purchase ordinary shares that are exercisable, and ordinary shares that may be acquired upon the vesting of restricted share units, in each case, within 60 days of June 30, 2018, are deemed to be beneficially owned by the persons holding these options or restricted share units, as applicable, for the purpose of computing percentage ownership of that person, but are not treated as outstanding for the purpose of computing any other person's ownership percentage. Unless otherwise indicated, the address for each beneficial owner is c/o Mimecast Limited, CityPoint, One Ropemaker Street, Moorgate, London EC2Y 9AW, United Kingdom.

Name of beneficial owner	Ordinary Shares beneficially owned	
	Number	Percentage
<b>5% shareholders:</b>		
Abdiel Capital Management, LLC (1)	4,924,658	8.3%
Entities affiliated with Insight Venture Partners (2)	9,507,752	16.0%
<b>Named executive officers and directors:</b>		
Peter Bauer (3)	4,444,250	7.4%
Peter Campbell (4)	363,587	*
Neil Murray (5)	2,633,822	4.4%
Edward Jennings (6)	267,318	*
Janet Bishop-Levesque		

Edgar Filing: Mimecast Ltd - Form DEF 14A

Robert P. Nault (7)	67,374	*
Aron Ain	3,086	*
Christopher FitzGerald (8)	121,821	*
Jeffrey Lieberman (2)	9,507,752	16.0%
Hagi Schwartz (9)	28,229	*
Stephen Ward		
All executive officers and directors as a group (13 persons) (10)	17,499,942	29.0%

(\*) Represents beneficial ownership of less than 1%.

(1) This ownership information is as of December 31, 2017 and is based solely on a Schedule 13G/A filed by Abdiel Capital Management, LLC ( Abdiel Capital ) with the SEC on January 31, 2018. The ownership

**Table of Contents**

- consists of (i) 4,749,767 ordinary shares held by Abdiel Qualified Master Fund, LP and (ii) 174,891 ordinary shares held by Abdiel Capital, LP. As reported on the Schedule 13G/A, Abdiel Capital Management, LLC and Abdiel Capital Advisors, LP serve as the general partner and the investment manager, respectively, of Abdiel Qualified Master Fund, LP and Abdiel Capital, LP. Colin T. Moran serves as managing member of Abdiel Capital Management, LLC and Abdiel Capital Partners, LLC, which serves as the general partner of Abdiel Capital Advisors, LP. The address of Abdiel Capital is 410 Park Avenue, Suite 930, New York, NY 10022.
- (2) Consists of (i) 3,616,953 ordinary shares owned by Insight Venture Partners VII, L.P., (ii) 1,592,260 ordinary shares owned by Insight Venture Partners (Cayman) VII, L.P., (iii) 83,717 ordinary shares owned by Insight Venture Partners VII (Co-Investors), L.P., (iv) 228,783 ordinary shares owned by Insight Venture Partners (Delaware) VII, L.P., and (v) 3,986,039 ordinary shares owned by Insight Ventures Partners Coinvestment Fund II, L.P. ( Coinvest II ). Insight Holdings Group, LLC ( Holdings ) is the sole shareholder of Insight Venture Associates VII, Ltd. ( IVA Ltd ). IVA Ltd is the general partner of Insight Venture Associates VII, L.P. ( IVA LP ), which is the general partner of Insight Venture Partners VII, L.P., Insight Venture Partners (Cayman) VII, L.P., Insight Venture Partners (Delaware) VII, L.P. and Insight Venture Partners VII (Co-Investors), L.P. (collectively, Fund VII ). Holdings is also the general partner of Insight Venture Associates Coinvestment II, L.P. ( IVAC ). IVAC is the general partner of Coinvest II. Each of Jeffrey Horing, Deven Parekh, Peter Sobiloff, Jeffrey Lieberman and Michael Triplett is a member of the board of managers of Holdings. Because Messrs. Horing, Parekh, Sobiloff, Lieberman and Triplett are members of the board of managers of Holdings, Holdings is the sole shareholder of IVA Ltd and the general partner of IVAC, IVA LP is the general partner of Fund VII and IVAC is the general partner of Coinvest II, Messrs. Horing, Parekh, Sobiloff, Lieberman and Triplett have voting and dispositive power over the ordinary shares noted above. The principal address of the entities affiliated with Insight Venture Management, LLC is c/o Insight Venture Partners, 1114 Avenue of the Americas, 36th Floor, New York, NY 10036.
- (3) Consists of (i) 2,026,876 ordinary shares held by the Peter Bauer Trust, (ii) 11,750 ordinary shares held directly by Mr. Bauer, (iii) 121,874 ordinary shares issuable upon the exercise of share options exercisable within 60 days of June 30, 2018, and (iv) 2,283,750 ordinary shares held by Rock Trustees Limited as Trustees of the Butterworth Trust, of which Mr. Bauer is a beneficiary. As trustee of the Butterworth Trust, Rock Trustees Limited exercises dispositive power over the ordinary shares held by the Butterworth Trust.
- (4) Consists of (i) 248,516 ordinary shares held directly by Mr. Campbell, (ii) 4,571 ordinary shares held by Mr. Campbell s spouse, and (iii) 110,500 ordinary shares issuable upon the exercise of share options exercisable within 60 days after June 30, 2018. Mr. Campbell disclaims beneficial ownership of the ordinary shares held by his spouse.
- (5) Consists of (i) 2,543,200 ordinary shares held directly by Mr. Murray and (ii) 90,622 ordinary shares issuable upon the exercise of share options exercisable within 60 days after June 30, 2018.
- (6) Consists solely of ordinary shares issuable upon the exercise of share options exercisable within 60 days after June 30, 2018.
- (7) Consists solely of ordinary shares issuable upon the exercise of share options exercisable within 60 days after June 30, 2018.
- (8) Consists of (i) 26,395 ordinary shares held directly by Mr. FitzGerald, (ii) 90,000 ordinary shares held by Mr. FitzGerald s spouse, and (iii) 5,426 ordinary shares issuable upon the vesting of restricted share units within 60 days after June 30, 2018. Mr. FitzGerald disclaims beneficial ownership of the ordinary shares held by his spouse.
- (9) Consists of (i) 2,082 ordinary shares held directly by Mr. Schwartz, (ii) 19,333 ordinary shares held by the Schwartz Family Trust, and (iii) 6,814 ordinary shares issuable upon the vesting of restricted share units within 60 days after June 30, 2018. Mr. Schwartz is a beneficiary and the sole trustee of the Schwartz Family Trust.
- (10) See footnotes 1 through 9 above. Includes 732,428 ordinary shares issuable upon the vesting of restricted share units within 60 days after June 30, 2018 or upon the exercise of share options exercisable within 60 days after June 30, 2018.



**Table of Contents**

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires our directors and executive officers and persons who own more than 10% of our ordinary shares, to file with the SEC initial reports of beneficial ownership and reports of changes in beneficial ownership. Officers, directors and greater than 10% shareholders are required by SEC regulations to furnish us with copies of all such reports.

We were a foreign private issuer under SEC rules until April 1, 2018. By virtue of our status as a foreign private issuer for the year ended March 31, 2018, our executive officers, directors and persons who beneficially own more than 10% of our ordinary shares were not required to file Section 16 reports of their beneficial ownership or changes in beneficial ownership prior to April 1, 2018.

**Table of Contents**

**EXECUTIVE COMPENSATION**

**Compensation Discussion and Analysis**

***Overview***

This Compensation Discussion and Analysis describes the Company's executive compensation program as it relates to the following named executive officers:

Peter Bauer, our Chief Executive Officer;

Peter Campbell, our Chief Financial Officer;

Edward Jennings, our Chief Operating Officer;

Robert P. Nault, our Senior Vice President and General Counsel; and

Janet Bishop-Levesque, our Senior Vice President, Systems, Risk and Security.

The following discussion should be read together with the compensation tables and related disclosures set forth below.

***Our Company***

We are a leading global provider of cloud cyber resilience solutions for corporate data and email. Email is the number-one threat vector. Our fully-integrated, pure cloud services protect customers across the globe from incidents that typically start with email, including advanced cyberattacks, data loss, downtime, and human error. We mitigate the significant business disruption caused by email failure and downtime. Our cloud archive secures, stores and manages data, while addressing compliance, regulatory and e-discovery requirements, and improving employee productivity.

We serve approximately 30,400 customers and protect millions of their employees around the world. Our service scales effectively to meet the needs of customers of all sizes. We sell our services through direct sales efforts and through our channel partners. Our sales model is designed to meet the needs of small and mid-market organizations and large enterprises across a wide range of industries and in over 130 countries. We have approximately 1,200 employees in twelve offices in the United States, the United Kingdom, South Africa, Australia, Dubai, UAE, the Netherlands and Germany.

Effective April 1, 2018, we began filing periodic reports and registration statements with the SEC as a U.S. domestic issuer, after we determined that, as of September 30, 2017, we no longer qualified as a foreign private issuer under SEC rules. As a U.S. domestic issuer, we must now, for the first time, make our SEC filings under the rules applicable to U.S. domestic issuers, and must include certain disclosures that were not previously required, including this Compensation Discussion and Analysis.

***Executive Compensation Summary***

The key objectives of our executive compensation program are:

to attract, motivate, reward and retain superior executive officers with the skills necessary to successfully lead, manage and grow our business;

to achieve accountability for performance by linking annual cash incentive compensation to the achievement of measurable performance objectives; and

to align the interests of our executive officers and our shareholders through short-term and long-term incentive compensation programs. For our executive officers, these short-term and long-term incentives are designed to accomplish these objectives by providing a significant correlation between our results of operations and their actual total compensation.

## **Table of Contents**

We expect to continue to provide our executive officers with a significant portion of their compensation through cash incentive compensation contingent upon the achievement of financial and operational metrics as well as through equity compensation. These two elements of executive compensation are aligned with the interests of our shareholders because the amount of compensation ultimately received will vary with our financial and operational performance. Equity compensation derives its value from the appreciation of our ordinary shares, which in the future is likely to fluctuate based on our financial and operating performance. Historically, all of our equity compensation for our executive officers has been in the form of options to purchase our ordinary shares, which only have intrinsic value if our share price increases over time.

## ***Performance Highlights***

Our performance in year ended March 31, 2018 was very strong. Our key financial measures, GAAP revenue and Adjusted EBITDA (calculated as set forth below under the heading [Executive Compensation Program Elements Incentive Compensation Performance Metrics, Goals and Actual Performance](#) ), also grew, with revenue rising from \$186.6 million in the prior year to \$261.9 million in fiscal 2018, a growth rate of over 40%, and Adjusted EBITDA increasing from \$11.8 million to \$25.8 million, a growth rate of 118%. In addition, our total shareholder return ( [TSR](#) ) for fiscal 2018 was 58%.

Our strong short-term performance, however, is also backed up by our equally strong long-term performance. For example, over the past three years, our TSR has grown over 250%, while our revenue has increased nearly 85%.

The first chart below reflects the Company's three-year TSR versus the three-year TSR of the other companies in the Company's compensation peer group. See [Compensation Peer Group](#) below. The second chart compares the three-year total compensation of our Chief Executive Officer ( [CEO](#) ) (as set forth in the [2018 Summary Compensation Table](#) below) and the three-year indexed TSR.



**Table of Contents*****Corporate Governance Highlights***

The compensation committee regularly reviews best practices in executive compensation and uses the guidelines below to design our compensation programs.

**WE DO:**

*Pay for Performance.* We align our executive compensation with shareholder returns by providing a significant portion of our named executive officers compensation in the form of awards tied to our short-term and long-term performance.

*Caps on Individual Incentive Awards.* We include caps on individual payouts in our executive cash incentive plan.

*Compensation Risk Assessments.* Our compensation committee annually reviews external market considerations, as well as internal considerations and the long-term interests of our shareholders, when making compensation decisions to ensure that excessively risky behaviors are not incentivized.

*Double-Trigger Condition for Payment of Severance for Named Executive Officers.* The employment agreements of our senior executive officers provide for satisfaction of double trigger conditions for payment of any cash severance amounts following a change in control.

*Entirely Independent Compensation Committee.* We have a compensation committee comprised entirely of independent directors.

*Independent Compensation Consultant.* We retain an independent compensation consultant to advise the compensation committee.

**WE DO NOT:**

X *No Hedging of Company Ordinary Shares.* We do not permit hedging of our ordinary shares.

X *No Tax Gross-Ups.* We do not provide any tax gross-ups to our executive officers.

X *No Excessive Perquisites.* We do not provide any perquisites to our executive officers other than those generally available to our employees.

X *No Excessive Executive Severance.* We do not provide excessive executive severance benefits.

X *No Repricing of Share Options.* We do not permit repricing of share options granted by the Company without prior shareholder approval.

---

**Table of Contents*****Recent Changes to Our Compensation Program***

To strengthen the alignment of the compensation program with the evolving strategic objectives of our Company, the compensation committee adopted several notable changes to the compensation program in the past two years. These changes include:

*Changed Short-Term Incentive Plan Metrics.* In the year ended March 31, 2017, we used three corporate performance metrics for determining bonuses under our executive cash incentive bonus plan: Global Net New Annual Recurring Revenue ( GNNARR ) (60% weighting), revenue (30% weighting), and Adjusted EBITDA (10% weighting). For the year ended March 31, 2018, however, our compensation committee determined to eliminate GNNARR and place a much stronger emphasis on revenue, which was weighted at 80% under our executive cash incentive bonus plan for the year ended March 31, 2018, and to increase the emphasis on Adjusted EBITDA. This shift in the performance metrics was done primarily because the compensation committee believes that our revenue reflects all of the growth levers of our business, including sales to new customers, additional sales to existing customers and retention. As a result, our revenue is more closely tied to the delivery of services to our customers. GNNARR, which is not reflective of all growth levers, remains an important metric to our senior sales leaders. The compensation committee also considered the importance of our publicly reported revenue performance to our shareholders and the corresponding alignment with our executives. The increased emphasis on Adjusted EBITDA reflects the increasing focus on driving profitability and achieving our long-term profitability goals. For additional information on our executive cash incentive plan, see *Executive Compensation Program Elements – Incentive Compensation* below.

*Included an Additional Equity Vehicle in Our Long-Term Equity Mix.* Historically, we have granted long-term incentive awards in the form of options to purchase our ordinary shares. While the compensation committee considers options to be performance-based and a simple and effective incentive vehicle, in fiscal 2019, the compensation committee determined to add restricted share units into our long-term incentive mix in order to provide a strong retention element and manage our equity usage, while still delivering a valuable incentive to our executives.

*Revisions to Peter Campbell’s Employment Agreement.* In July 2018, Mr. Campbell agreed to amend his employment agreement to eliminate any entitlement to severance in the event he was terminated for cause. He would also be eligible to receive his existing health and dental benefits for six months. The compensation committee believed that this provision, which was originally agreed to by the Company in 2009, was not in the Company’s best interest and was highly inconsistent with current market practice. In exchange for agreeing to eliminate this provision, Mr. Campbell’s employment agreement was further amended to provide to him certain rights to accelerated vesting of outstanding equity awards in the event of a change in control of the Company that are generally consistent with the contractual rights available to the Company’s other executive officers. For a description of Mr. Campbell’s employment agreement, see *Employment Arrangements with our Named Executive Officers – Peter Campbell* below.

***Compensation Setting Process***

Our Board, the compensation committee and our CEO are all involved in our executive compensation decision-making process. The compensation committee considers a broad range of quantitative and qualitative factors

to assess the overall performance of the Company and its executives, including advice from the compensation committee's independent compensation consultant and input from our CEO (with respect to the compensation of the named executive officers other than himself). After consulting with the independent compensation consultant and the CEO, the compensation committee determines the compensation of all executive officers of the Company other than the CEO. The compensation committee provides its recommendation on CEO compensation to the full Board for approval.

## **Table of Contents**

When setting executive compensation, our compensation committee and Board consider, among other things, our overall company performance, individual performance of the named executive officer, and compensation paid to executive officers in our peer group.

### ***Roles, Responsibilities and Process***

Our compensation committee, which is comprised entirely of independent directors, reviews the compensation packages for our named executive officers, including an analysis of all elements of compensation separately and in the aggregate. Our compensation committee operates under a written charter adopted by our Board, which provides that the compensation committee has overall responsibility for:

periodically reviewing and assessing our processes and procedures for the consideration and determination of executive compensation;

reviewing and approving grants and awards under incentive-based compensation plans and equity-based plans; and

determining the type and level of compensation of our CEO and our other executive officers.

In reviewing and approving these matters, our compensation committee considers such matters as it deems appropriate, including our financial and operating performance, the alignment of the interests of our executive officers and our shareholders, and our ability to attract and retain qualified and committed individuals. In determining the appropriate compensation levels for our CEO, the compensation committee meets outside the presence of all our executive officers. With respect to the compensation levels of all other executive officers, the compensation committee meets outside the presence of all executive officers except our CEO. Our CEO annually reviews the performance of each of the other named executive officers with the compensation committee. The compensation committee believes that it has established an executive compensation program that is appropriate for our Company, with consideration given to our current growth stage, industry practices, and investor sentiment. Our executive compensation program will continue to evolve as our Company matures and as corporate governance and executive compensation best practices change over time.

### ***Independent Compensation Consultant***

The compensation committee has retained the services of Radford, an Aon company, as independent executive compensation consultant, to advise the compensation committee on compensation matters related to the executive officer and director compensation programs. In the year ended March 31, 2018, Radford assisted the compensation committee with, among other things:

executive and director market pay analysis;

reviewing and making changes to the compensation peer group; and

developing and refining of executive and director pay programs.

Radford reported to the compensation committee and had direct access to the chairman and the other members of the compensation committee. Beyond advice related to the executive and director compensation programs, Radford did not provide other services to the Company in fiscal 2018.

The compensation committee determined that Radford's work for the compensation committee did not raise any conflicts of interest. Radford's work has conformed to the independence factors and guidance provided by the Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC and Nasdaq.

**Table of Contents**

***Compensation Peer Group***

The compensation committee and management have worked with Radford to identify and select a peer group of companies as a reference group to provide a broad perspective on competitive pay levels and practices. Peer companies were selected based on the following criteria:

industry classification;

revenues; and

market capitalization.

For the year ended March 31, 2018, the Company's peer group, as approved by the compensation committee, consisted of the following 20 companies:

Barracuda Networks, Inc.	HubSpot, Inc.	Proofpoint, Inc.
Benefitfocus, Inc.	Imperva, Inc.	Q2 Holdings, Inc.
Box, Inc.	Instructure, Inc.	Qualys, Inc.
Callidus Software, Inc.	LogMeIn, Inc.	Rapid7, Inc.
Carbonite, Inc.	Cvent, Inc.*	RingCentral, Inc.
CyberArk Software Ltd.	Zendesk, Inc.	Varonis Systems, Inc.
Five9, Inc.	Paylocity Holding Corp.	

\* Cvent, Inc. was originally included in the peer group established by the compensation committee, but was eliminated when Cvent, Inc. was acquired.

The compensation committee does not directly tie any pay elements to particular benchmarks within the peer group. Instead, the peer data is used as a market-check analysis and is just one factor considered in the annual compensation approval process. Other important considerations include employee knowledge, skills and experience; individual performance; internal pay equity; scope of responsibilities; and any retention concerns.

***Executive Compensation Program Elements***

The primary elements of our executive compensation program are:

base salary;

annual cash incentive compensation; and

long-term equity incentives.

The compensation committee takes a comprehensive view of all compensation components, which allows us also to make compensation determinations that reflect the principles of our compensation philosophy. We strive to achieve an appropriate mix between the various elements of our compensation program to meet our compensation objectives and philosophy. Our compensation committee, however, does not apply any rigid allocation formula in setting our executive compensation, and may make adjustments to this approach for various positions after giving due consideration to prevailing circumstances, the individuals involved and their responsibilities, experience and performance.

*Base Salary*

We provide base salary to our named executive officers to compensate them for services rendered on a day-to-day basis. Base salary also provides guaranteed cash compensation to secure the services of our executive talent. We believe that providing a competitive base salary relative to the companies with which we compete for executive talent is a necessary element of a compensation program that is designed to attract and retain talented and experienced executives. We also believe that attractive base salaries can motivate and reward our executive officers for their overall performance.

**Table of Contents**

Base salaries for our named executive officers are annually reviewed by the compensation committee with Radford. Base salaries are adjusted when it is determined necessary; however, this may not necessarily be on an annual basis. Salaries may be adjusted by the compensation committee after the review of the following items:

the scope of the executive officers' role and responsibilities;

current competitive practices of peer group companies;

individual performance and achievements;

current compensation;

future expected impact on strategic business objectives; and

recommendations from the CEO for executives who report to him.

The table below shows the annual base salaries for our named executive officers for the year ended March 31, 2017, compared to the year ended March 31, 2018:

Name	Base Salary for the Year Ended March 31, 2017	Base Salary for the Year Ended March 31, 2018	Percentage Increase
Peter Bauer	\$349,600	\$349,600	0.0%
Peter Campbell (1)	\$320,000	\$350,000	9.5%
Edward Jennings	\$301,500	\$301,500	0.0%
Robert P. Nault (2)	\$325,000	\$325,000	0.0%
Janet Bishop-Levesque (3)		\$275,000	N/A

- (1) Mr. Campbell's base salary in fiscal 2017 was originally set at \$289,000. After additional discussion, the compensation committee determined that Mr. Campbell's salary was not reflective of his recent performance and his role and responsibilities, including the complexities of our business, and was not competitive relative to the peer companies. As a result, the compensation committee determined to increase Mr. Campbell's salary in two steps by increasing it to \$320,000 in July 2016 and by increasing it again to \$350,000 at the beginning of fiscal 2018.
- (2) Mr. Nault joined the Company in September 2016 and his annual base salary was pro-rated for fiscal 2017.
- (3) Ms. Bishop-Levesque joined the Company in December 2017 and her annual base salary was pro-rated for fiscal 2018.

*Incentive Compensation*



For the year ended March 31, 2018, the compensation committee established a cash incentive bonus plan (the Incentive Plan ) for our executives, which provided for quarterly cash incentive bonus payments. The cash incentive bonuses are focused on the short-term and are intended to compensate our executives for the achievement of corporate performance targets. The corporate performance targets are designed to conform to financial metrics contained in the budget developed by our management and reviewed and approved by the Board. The target amounts payable under the Incentive Plan are calculated as a percentage of the applicable executive's base salary.

The compensation committee approves the corporate performance targets and the formula for determining potential bonus amounts based on achievement of those targets. The compensation committee works with the CEO, the Chief Financial Officer and the Chief Human Resources Officer to identify corporate performance targets generally based on the board-approved budget. The corporate performance targets typically represent stretch goals that are generally designed to be difficult to fully achieve. The compensation committee believes that establishing targets in this way incents executives to overachieve. As a result, the compensation committee generally does not expect that all of the targets will be fully achieved in all periods. As such, executive bonuses can be highly variable from year to year and are not guaranteed.

**Table of Contents**

We strongly believe that cash incentives based on corporate performance serve to align the interests of our executives with the interests of our shareholders because they focus executive attention on important metrics aligned with our long-term strategic goals aimed to drive the growth of long-term, sustainable shareholder value. Bonus payments under the Incentive Plan are capped at 200% of target.

*Payout Opportunities and Earned Awards*

The table below shows the target award under the Incentive Plan for the year ended March 31, 2018 as a percentage of each named executive officer's annual base salary and the total of all quarterly cash bonus payments made to our named executive officers for performance in the year ended March 31, 2018. Quarterly performance is reviewed and the corresponding payments are approved by the compensation committee and made following the end of each fiscal quarter. The details regarding the determination of these cash bonus awards are discussed below.

Name	Base Salary for the Year Ended March 31, 2018	Target Incentive Plan Bonus (as a % of Base Salary)	Target Incentive Plan Bonus (in Dollars)	Actual Incentive Plan Bonus for the Year Ended March 31, 2018
Peter Bauer	\$349,600	80%	\$279,680	\$282,924
Peter Campbell	\$350,000	50%	\$175,000	\$177,030
Edward Jennings	\$301,500	90%	\$271,350	\$274,499
Robert P. Nault	\$325,000	50%	\$162,500	\$164,385
Janet Bishop-Levesque (1)	\$275,000	50%	\$137,500	\$33,138

(1) Ms. Bishop-Levesque's employment with the Company commenced in December 2017. Her pro-rated base salary for the year ended March 31, 2018 was \$80,221 and her pro-rated bonus target was \$40,111.

*Performance Metrics, Goals and Actual Performance*

For the year ended March 31, 2018, our Incentive Plan bonus was based on two corporate performance metrics: (1) revenue and (2) Adjusted EBITDA. Revenue was weighted at 80% and Adjusted EBITDA was weighted at 20%. Revenue is consolidated revenue calculated in accordance with generally accepted accounting principles in the United States (GAAP), except that the effects of changes in foreign currency exchange rates are excluded from the calculation to better reflect the actual performance of our Company and the direct efforts of our executive officers. While management estimates the impact of foreign currency exchange rates in the budgeting process, the compensation committee believes that the effect of actual foreign exchange rate movements should not have a positive or negative impact on executive incentive compensation. Adjusted EBITDA is a non-GAAP financial measure that we define as net (loss) income, adjusted to exclude: depreciation, amortization, disposals and impairments of long-lived assets, share-based compensation expense, restructuring expense, interest income and interest expense, provision for income taxes and foreign exchange (expense) income and includes rent paid in the period related to locations that are accounted for as build-to-suit facilities. Similar to revenue, Adjusted EBITDA is revised to account for the effects of changes in foreign currency exchange rates. Adjusted EBITDA is also further revised to reflect certain software amortization costs. For a reconciliation of these non-GAAP financial measures to the nearest comparable GAAP measure, please see [Appendix A](#).

Edgar Filing: Mimecast Ltd - Form DEF 14A

For each metric, executives could earn 20% of the weighted target payout for achievement of threshold performance, 100% of target for target performance, and a maximum of 200% of target for meeting or exceeding

**Table of Contents**

our maximum stretch goal. The chart below reflects the payout scale for Incentive Plan bonuses based on various levels of achievement.

Revenue 80%		Adjusted EBITDA 20%	
Achievement	Award	Achievement	Award
96%	20%	80%	20%
97%	85%	85%	85%
98%	95%	90%	90%
99%	97.5%	95%	95%
100%	100%	100%	100%
101%	110%	105%	110%
102%	125%	110%	120%
103%	150%	115%	145%
104%	175%	120%	160%
105%	200%	125%	175%
		130%	190%
		135%	200%

Payouts are determined using linear interpolation between the percentages stated above. Quarterly payments are capped at 100% with any overachievement earned to be reconciled at the end of the fiscal year based on actual achievement.

The following chart sets forth for each performance metric, on a quarterly basis, the target, the achievement, the achievement percentage and the payout percentage.

Quarter	Target	Achievement	Achievement %	Award %
<b>Quarterly Revenue Targets and Results*</b>				
(in thousands)				
Q1	\$ 57,094	\$ 57,597	100.9%	109.0%
Q2	\$ 62,001	\$ 61,862	99.8%	99.5%
Q3	\$ 66,604	\$ 66,078	99.2%	98.0%
Q4	\$ 70,332	\$ 69,607	99.0%	97.5%
<b>Total FY18</b>	<b>\$256,032</b>	<b>\$255,144</b>	<b>99.7%</b>	<b>99.3%</b>

**Quarterly Adjusted EBITDA Targets and Results\***

(in thousands)				
Q1	\$ 4,450	\$ 4,966	111.6%	128.0%
Q2	\$ 5,917	\$ 6,464	109.2%	118.4%
Q3	\$ 6,251	\$ 6,718	107.5%	115.0%

Edgar Filing: Mimecast Ltd - Form DEF 14A

Q4	\$ 6,588	\$ 6,060	92.0%	92.0%
<b>Total FY18</b>	<b>\$23,207</b>	<b>\$24,209</b>	<b>104.3%</b>	<b>108.6%</b>

\* For a reconciliation of these non-GAAP financial measures to the nearest comparable GAAP measure, please see [Appendix A](#).

*Equity Incentives*

Long-term incentive compensation in the form of equity awards is an integral part of our overall executive compensation program. Providing our named executive officers with the opportunity to realize value through share ownership is a powerful tool to attract and retain highly qualified executives, achieve strong long-term share price performance and align our executive officers' interests with those of our shareholders. In addition, the vesting features of our equity awards contribute to executive retention.

**Table of Contents**

To determine the size of annual equity grants, our compensation committee generally considers prior executive performance, role and responsibility, the executive's ability to influence the Company's long-term growth and business performance, among other factors. Additionally, the compensation committee takes into consideration equity grants at approximately the 50th percentile of our peer group.

In past years, we have typically granted options to our executive officers. Our compensation committee continues to believe that options are inherently performance-based, requiring share price appreciation before there is any real value earned, while remaining a simple and transparent incentive vehicle. However, for fiscal year 2019, our compensation committee determined that annual equity grants should include a mix of options and restricted share units, which can add a strong retention element to the overall compensation mix while limiting dilution.

Historically, the compensation committee has granted equity awards to executives in February of each year. For the year ended March 31, 2018, the compensation committee, however, determined to align the grant date for executive equity awards with the grant date for other eligible employees receiving annual equity awards, which is April 1<sup>st</sup>. As a result, we did not grant any equity awards to our named executive officers in the year ended March 31, 2018, other than an option grant to Ms. Bishop-Levesque to purchase 80,000 ordinary shares in connection with the commencement of her employment with the Company in December 2017. Ms. Bishop-Levesque's grant was intended to induce her to join the Company and to compensate her for equity forfeited when she left her prior employer. All executive officers, however, received equity awards in the early part of the year ending March 31, 2019.

In connection with the executive equity grant that occurred in April 2018 (fiscal year 2019), the compensation committee sought to generally achieve a balance between share options and restricted share units based on value as follows: 75% of the value relates to share options and 25% of the value relates to restricted share units. Value for this purpose is based on an assumed share price appreciation over the vesting period of the awards. The compensation committee also recognized that the desire to achieve this balance may be outweighed by other compensation considerations. For the share options, 25% of the award vests on the first anniversary of the grant date, while the remaining award vests in equal quarterly installments over the next three years. The restricted share units vest in equal annual installments over four years from the grant date. The equity awards granted to the named executive officers in the year ending March 31, 2019 to date are set forth in the table below.

	Restricted Share	Ordinary Shares
Name	Units	Underlying Options
Peter Bauer	9,000	49,000
Peter Campbell	8,000	41,000
Edward Jennings	9,000	45,000
Robert P. Nault	5,000	24,000
Janet Bishop-Levesque	4,000	20,000

***Benefits and Perquisites***

For the year ended March 31, 2018, we provided our named executive officers with the same benefits that are provided to all employees generally, including medical, dental and vision benefits, group term life and long-term disability insurance and participation in our 401(k) plan.

***Severance and Related Benefits***

We have entered into employment agreements or offer letters with each of our named executive officers that provide for specified payments and benefits in connection with a change in control or termination of employment under certain circumstances. Our goal in providing these severance and change in control payments and benefits is to offer sufficient continuity protection such that our named executive officers will focus their full time and attention on the requirements of the business rather than the potential implications for their respective positions. We have also determined that accelerated vesting provisions with respect to outstanding equity awards in connection with a

## **Table of Contents**

change in control or a qualifying termination of employment following a change in control are appropriate because they encourage our named executive officers to stay focused on the business in those circumstances, rather than focusing on the potential implications for them personally. The employment agreements and offer letters are described in more detail below under the heading Employment Arrangements with our Named Executive Officers.

### ***Pension Benefits***

We did not sponsor any defined benefit pension or other actuarial plan for our named executive officers during the year ended March 31, 2018.

### ***Nonqualified Deferred Compensation***

We did not maintain any nonqualified defined contribution or other deferred compensation plans or arrangements for our named executive officers during the year ended March 31, 2018.

### ***Additional Compensation Policies and Practices***

#### ***Compensation Risk Oversight***

Our compensation committee has responsibility for establishing our compensation philosophy and objectives, determining the structure, components, and other elements of our compensation programs, and reviewing and approving the compensation of our named executive officers. In addition, our executive compensation programs and decisions have, as one of their objectives, to reduce incentives to expose the Company to imprudent risks that might harm the Company or our shareholders. Our compensation committee has overseen the establishment of a number of governors and controls that address compensation-related risk and serve to mitigate such risk. As a result, the compensation committee has concluded that the Company's compensation policies and practices are not reasonably likely to have a material adverse effect on our Company.

#### ***Anti-Hedging and Pledging Policies***

Under our insider trading policy, employees are prohibited from buying or selling puts, calls, other derivative securities of the Company or any derivative securities that provide the economic equivalent of ownership of any of the Company's securities or an opportunity (direct or indirect) to profit from any change in the value of the Company's securities, except with the pre-approval from the General Counsel. Furthermore, the Company's employees may not use the Company's securities as collateral in a margin account or pledge Company securities as collateral for a loan (or modify an existing pledge), except with pre-approval from the General Counsel.

#### ***Tax***

We have not provided or agreed to provide any of our executive officers with a gross-up or other reimbursement for tax amounts they might pay pursuant to Section 4999 or Section 409A of the Internal Revenue Code of 1986, as amended (the Code), or otherwise. Sections 280G and 4999 of the Code provide that executive officers, directors who hold significant shareholder interests and certain other service providers could be subject to significant additional taxes if they receive payments or benefits in connection with a change in control of our Company that exceed certain limits, and that we or our successor could lose a deduction on the amounts subject to the additional tax. Section 409A also imposes additional significant taxes on the individual in the event that an employee, director or service provider receives deferred compensation that does not meet the requirements of Section 409A.



Generally, Section 162(m) of the Code disallows a federal income tax deduction for public company compensation in excess of \$1 million paid for any fiscal year to covered employees of the company. With

**Table of Contents**

respect to taxable years before January 1, 2018, compensation in excess of \$1 million was exempt from this deduction limit if it qualified as performance-based compensation within the meaning of Section 162(m) and was payable pursuant to a binding written agreement in effect on November 2, 2017. The compensation committee has endeavored to structure compensation to maintain deductibility under Section 162(m) of the Code to the extent practicable, while maintaining the ability to provide a competitive compensation program for our named executive officers.

Recently-enacted tax legislation, effective for taxable years beginning after December 31, 2017, (1) expands the scope of Section 162(m) such that all named executive officers are covered employees and anyone who was a named executive officer in any year after 2016 will remain a covered employee for as long as he or she (or his or her beneficiaries) receive compensation from the Company and (2) eliminates the exception to the deduction limit for commission-based compensation and performance-based compensation, except with respect to certain grandfathered arrangements in effect as of November 2, 2017 that are not subsequently materially modified. Accordingly, compensation paid to our named executive officers in excess of \$1 million will not be deductible unless it qualifies for the transition relief applicable to certain arrangements in place as of November 2, 2017, as described above.

The compensation committee believes that shareholder interests are best served if the committee retains maximum flexibility to design executive compensation programs that meet stated business objectives. For these reasons, the compensation committee, while considering tax deductibility as a factor in determining executive compensation, may not limit such compensation to those levels that will be deductible, particularly in light of the recent expansion of the covered employee group and the elimination of the exception for performance-based compensation.

**2018 Summary Compensation Table**

The following table provides information regarding the compensation paid, earned, and received by each of our named executive officers for the fiscal years indicated.

Name and Principal Position	Fiscal Year	Salary (\$ (4)	Bonus (\$ (5)	Option Awards (\$ (6)	Non-Equity	All	Total (\$)
					Incentive Plan Compensation (\$ (7)	Other Compensation (\$ (8)	
Peter Bauer <i>Chief Executive Officer</i>	2018	349,525			282,924	216	632,665
	2017	347,275		704,688	472,856	216	1,525,035
	2016	331,984		591,517	172,614	216	1,096,331
Peter Campbell <i>Chief Financial Officer</i>	2018	350,225	1,036		177,030	216	528,507
	2017	303,650		939,583	273,674	216	1,517,123
	2016	285,190		946,428	120,520	216	1,352,353
Edward Jennings (1) <i>Chief Operating Officer</i>	2018	301,425			274,499	432	576,356
	2017	301,200		469,792	434,343	432	1,205,767
	2016	187,563	545,000	3,924,716	171,839	432	4,829,549
Robert P. Nault (2) <i>Senior Vice President and General Counsel and Company</i>	2018	325,225			164,385	216	489,826
	2017	181,117		1,515,398	161,876	216	1,858,606
<i>Secretary</i>							
Janet Bishop-Levesque (3)	2018	80,221		955,550	33,138	72	1,068,981

*Senior Vice President,  
Systems, Risk and Security*

- (1) Mr. Jennings' employment with the Company commenced in August 2015. His annualized base salary for fiscal year 2016 was \$300,000.
- (2) Mr. Nault's employment with the Company commenced in September 2016. His annualized base salary for fiscal year 2017 was \$325,000.

**Table of Contents**

- (3) Ms. Bishop-Levesque's employment with the Company commenced in December 2017. Her annualized base salary for fiscal year 2018 was \$275,000.
- (4) For Mr. Campbell and Mr. Nault, the reported amount for fiscal year 2018 includes an adjustment related to long-term disability insurance premiums paid by the executive and reimbursed by the Company. The benefit is available to all employees based in the United States.
- (5) The amount reported for Mr. Campbell for fiscal year 2018 represents a one-time cash award, which was paid to Mr. Campbell upon the completion of a service milestone with the Company pursuant to a Company-wide service milestone recognition program. The amount reported for Mr. Jennings for fiscal year 2016 represents a one-time sign on bonus, payable pursuant to the terms of his offer letter with the Company.
- (6) The amounts reported in this column represent the grant date fair value of each option to purchase our ordinary shares calculated in accordance with FASB ASC Topic 718, excluding the estimated impact of forfeitures related to service-based vesting conditions, and do not represent the actual value that may be realized by the named executive officers upon exercise. The assumptions made in valuing the options reported in this column are discussed in Note 11 to our audited financial statements for the year ended March 31, 2018, included in our Annual Report on Form 10-K.
- (7) Amounts listed represent cash incentive payments made with respect to the fiscal year indicated under the incentive plan for the applicable fiscal year. The Incentive Plan for fiscal year 2018 and the bonus payments made under that plan are discussed above under the heading "Compensation Discussion and Analysis - Executive Compensation Program Elements - Incentive Compensation." Bonus payments to an executive in the year during which his or her employment commenced are pro-rated to reflect the executive's start date.
- (8) The amounts reported represent Company-paid life insurance premiums.

**2018 Grants of Plan-Based Awards Table**

The following table shows information regarding grants of plan-based awards during the fiscal year ended March 31, 2018 to our named executive officers.

Name	Grant Date	Estimated	Estimated	Estimated	All	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards
		Future Payouts Under Non-Equity Incentive Plan Awards: Threshold (\$ (2))	Future Payouts Under Non-Equity Incentive Plan Awards: Target (\$ (3))	Future Payouts Under Non-Equity Incentive Plan Awards: Maximum (\$ (4))	Other Option Awards: Number of Securities Underlying of Option Awards (#) (5)		
Peter Bauer		55,936	279,680	559,360			
Peter Campbell		35,000	175,000	350,000			
Edward Jennings		54,270	271,350	542,700			
Robert P. Nault		32,500	162,500	325,000			
Janet Bishop-Levesque (1)	1/2/18	27,500	137,500	275,000	80,000	28.23	955,550

- (1) Ms. Bishop-Levesque's employment with the Company commenced in December 2017. Her pro-rated base salary for the year ended March 31, 2018 was \$80,221 and her pro-rated bonus target was \$40,111.

- (2) Represents the threshold amount of each named executive officer's cash incentive opportunity under the Incentive Plan as described in the Compensation Discussion and Analysis Executive Compensation Program Elements Incentive Compensation above. The actual cash incentive payments for fiscal year 2018 are provided in the 2018 Summary Compensation Table above.
- (3) Represents the target amount of each named executive officer's cash incentive opportunity under the Incentive Plan as described in the Compensation Discussion and Analysis Executive Compensation Program Elements Incentive Compensation above. The actual cash incentive payments for fiscal year 2018 are provided in the 2018 Summary Compensation Table above.

**Table of Contents**

- (4) Represents the maximum amount of each named executive officer's cash incentive opportunity under the Incentive Plan as described in the Compensation Discussion and Analysis Executive Compensation Program Elements Incentive Compensation above. The actual cash incentive payments for fiscal year 2018 are provided in the 2018 Summary Compensation Table above.
- (5) The exercise price of these options to purchase our ordinary shares is equal to the closing price of our ordinary shares on The Nasdaq Global Select Market on the grant date.
- (6) Represents the grant date fair value of an option granted to Ms. Bishop-Levesque in fiscal 2018, calculated in accordance with FASB ASC Topic 718, excluding the estimated impact of forfeitures related to service-based vesting conditions. The assumptions made in valuing this option are discussed in Note 11 to our audited financial statements for the year ended March 31, 2018, included in our Annual Report on Form 10-K. The amount in this column does not reflect the actual value that may be realized by Ms. Bishop-Levesque upon exercise.

**Outstanding Equity Awards at March 31, 2018 Table**

The following table sets forth certain information regarding outstanding equity awards granted to our named executive officers that remained outstanding as of March 31, 2018. Options to purchase our ordinary shares granted prior to November 2015 were granted pursuant to the Mimecast 2010 EMI Share Option Scheme and options granted after such date were granted pursuant to the Mimecast Limited 2015 Share Option and Incentive Plan.

Name	Grant Date	Option Awards		Option Exercise Price (\$)	Option Expiration Date
		Exercisable (#)	Unexercisable (#)		
Peter Bauer	2/1/17	18,750	56,250	21.83	2/1/27
	2/1/16	75,000	75,000	9.21	2/1/26
Peter Campbell	2/1/17	25,000	75,000	21.83	2/1/27
	2/1/16 (2)	45,000	120,000	9.21	2/1/26
	8/6/14 (3)	47,333		6.48	8/5/24
Edward Jennings	2/1/17	12,500	37,500	21.83	2/1/27
	2/1/16	20,000	20,000	9.21	2/1/26
	8/1/15 (4)	157,558	265,530	9.78	7/31/25
Robert P. Nault	2/1/17	6,250	18,750	21.83	2/1/27
	10/3/16	50,000	110,000	19.28	10/3/26
Janet Bishop-Levesque	1/2/18		80,000	28.23	1/2/28

- (1) Except as otherwise set forth below, the ordinary shares underlying each of the outstanding options vest and become exercisable at a rate of 25% of the total grant on the first anniversary of the grant date with the remaining 75% vesting in 12 equal quarterly installments over the first 12 quarters following the first anniversary of the grant date.
- (2) Represents an option to purchase 240,000 ordinary shares, 75,000 of which had been exercised as of March 31, 2018.
- (3) Represents an option to purchase 183,333 ordinary shares, 136,000 of which had been exercised as of March 31, 2018. The ordinary shares underlying this share option vested and became exercisable at a rate of 50% of the total

grant on the first anniversary of the grant date with the remaining 50% vesting in four equal quarterly installments over the first four quarters following the first anniversary of the grant date.

- (4) Represents an option to purchase 708,088 ordinary shares, 285,000 of which had been exercised as of March 31, 2018.

**Table of Contents****2018 Option Exercises and Stock Vested Table**

The following table shows information regarding options exercised during the year ended March 31, 2018. None of our named executive officers had share awards vest in the year ended March 31, 2018.

<b>Name</b>	<b>Option Awards</b>	
	<b>Number of Shares Acquired on Exercise (#)</b>	<b>Value Acquired on Exercise (\$) (1)</b>
Peter Bauer		
Peter Campbell	286,000	6,678,433
Edward Jennings	270,000	5,577,193
Robert P. Nault		
Janet Bishop-Levesque		

(1) Value realized on exercise calculated based on the difference between the closing price of our ordinary shares on the date of exercise and the option exercise price, multiplied by the number of shares exercised.

**Pension Benefits**

None of our named executive officers participates in or has account balances in qualified or non-qualified defined benefit plans sponsored by us.

**Non-Qualified Deferred Compensation**

None of our named executive officers participates in or has account balances in non-qualified defined contribution plans or other deferred compensation plans maintained by us.

**Employment Arrangements with our Named Executive Officers**

We have entered into employment agreements or offer letters with each of our named executive officers that provide for specified payments and benefits in connection with a change in control or a termination of employment under certain circumstances. Our goal in providing these severance and change in control payments and benefits is to offer sufficient continuity protection such that our named executive officers will focus their full time and attention on the requirements of the business rather than the potential implications for their respective positions. We have also determined that accelerated vesting provisions with respect to outstanding equity awards in connection with a change in control or a qualifying termination of employment following a change in control are appropriate because they encourage our named executive officers, to stay focused on the business in those circumstances, rather than focusing on the potential implications for them personally.

Our named executive officers are bound by confidentiality and non-disclosure provisions. None of our named executive officers is entitled to a tax gross-up payment, whether pursuant to the terms of their employment agreement or offer letter, or otherwise.

*Peter Bauer*



Pursuant to the employment agreement with Mr. Bauer, he serves as our Chief Executive Officer on an at-will basis and as a director. Mr. Bauer currently receives a base salary of \$349,600, which is subject to periodic review and adjustment. Mr. Bauer is also eligible for an annual performance bonus targeted at 80% of his base salary and to participate in the employee benefit plans generally available to employees, subject to the terms of those plans.

The employment agreement further provides that if Mr. Bauer's employment is terminated due to his death, he will be entitled to a pro-rated portion of his annual target bonus to the extent not already paid. If Mr. Bauer's

**Table of Contents**

employment is terminated by us without cause (as defined in the employment agreement) or Mr. Bauer terminates his employment with us for good reason (as defined in the employment agreement), he will be entitled to receive:

(i) continued payment of his base salary for a period of six months, plus two weeks for every year of employment completed with the Company up to a maximum of 12 months (such period, the Severance Period ) and (ii) if Mr. Bauer is participating in the Company's group health plan immediately prior to the date of termination and elects COBRA health continuation, a monthly cash payment in an amount equal to the employer portion of his monthly health insurance premium until the earlier of the end of the Severance Period or the end of Mr. Bauer's COBRA health continuation period. In lieu of the severance payments and benefits set forth in the preceding sentence, in the event Mr. Bauer's employment is terminated by us without cause or he terminates his employment with us for good reason, in either case within 12 months following a change in control (as defined in the employment agreement), he is entitled to receive (i) an amount equal to (A) his current annual base salary plus (B) his target annual cash incentive compensation for the year of termination, (ii) if Mr. Bauer is participating in the Company's group health plan immediately prior to the date of termination and elects COBRA health continuation, a monthly cash payment in an amount equal to the employer portion of his monthly health insurance premium until the earlier of 12 months following the date of termination and the expiration of his continuation coverage under COBRA, and (iii) accelerated vesting of all share options and other share-based awards held by Mr. Bauer as of the date of termination. Receipt of the severance payments and benefits described above is conditioned upon Mr. Bauer entering into an effective separation agreement, containing, among other provisions, a general release of claims against the Company and our affiliates, confidentiality, return of property and non-disparagement. In addition, pursuant to the terms of the employment agreement, upon a change in control, 50% of the unvested portion of all share options and other share-based awards held by Mr. Bauer shall immediately accelerate and vest.

Mr. Bauer's employment agreement also contains non-competition and non-solicitation provisions that apply during his employment and for one year thereafter.

***Peter Campbell***

Pursuant to the employment agreement with Mr. Campbell, he serves as our Chief Financial Officer on an at-will basis. Mr. Campbell currently receives a base salary of \$360,800, which is subject to periodic review and adjustment. Mr. Campbell is also eligible for an annual performance bonus targeted at 60% of his base salary and to participate in the employee benefit plans generally available to employees, subject to the terms of those plans.

The agreement further provides that if Mr. Campbell's employment is terminated due to his death, he will be entitled to pro-rated portion of his bonus for the year of termination to the extent not already paid. If Mr. Campbell's employment is terminated due to his disability, we are required to provide Mr. Campbell four months' written notice during which time he will continue to earn his salary and bonus. In the event that Mr. Campbell's employment is terminated by us for any reason other than cause (as defined in the employment agreement), death or disability, we are required to give Mr. Campbell (i) four months written notice or, in lieu thereof, continuation of his base salary and Company-paid medical and dental benefits for such period, (ii) a pro-rata bonus for the year of termination, and (iii) base salary continuation and continuation of Company-paid medical and dental benefits for six months following termination (which shall be inclusive of payments and benefits provided pursuant to clause (i) above). In the event that Mr. Campbell terminates his employment with us for any reason, he must provide us with 120 days' notice, which we may waive provided that we continue to pay him his base salary for such period. In such event, he will also be entitled to a pro-rated bonus for the year of termination to the extent not already paid. In the event of a change in control (as defined in the employment agreement), 50% of the unvested portion of all time-based share options and other share-based awards held by Mr. Campbell shall immediately accelerate and vest. In addition, in the event that within one year following a change in control, Mr. Campbell's employment is terminated by the Company without cause or Mr. Campbell terminates his employment for good reason (as defined in the employment agreement), subject to

execution and effectiveness of a general release of claims in favor of the Company, all unvested time-based share options and other share-based awards held by Mr. Campbell will immediately accelerate and vest.

**Table of Contents**

Mr. Campbell's employment agreement contains non-competition and non-solicitation provisions that apply during his employment and for six months thereafter.

***Edward Jennings***

Pursuant to the offer letter with Mr. Jennings, he serves as our Chief Operating Officer on an at-will basis. Mr. Jennings currently receives a base salary of \$331,500, which is subject to periodic review and adjustment. Mr. Jennings is also eligible for an annual performance bonus targeted at 90% of his base salary and to participate in the employee benefit plans generally available to employees, subject to the terms of those plans.

The offer letter further provides that in the event Mr. Jennings' employment is terminated for any reason other than for cause (as defined in the offer letter), he will be entitled to six months of base salary and medical benefit continuation. Receipt of such severance payments and benefits is conditioned upon Mr. Jennings entering into a general release of claims in favor of the Company and our affiliates. In the event of a change in control (as defined in the offer letter), 50% of the unvested portion of all share options held by Mr. Jennings shall immediately accelerate and vest. In addition, in the event that, within one year following a change in control, Mr. Jennings' employment is terminated by the Company without cause or Mr. Jennings is required to assume a position with materially different job duties or responsibilities, his base salary or total on target compensation is reduced by more than 5% or there is a change in the location of his employment of more than 50 miles (unless such relocation is within 50 miles of his then-current residence), all unvested share options held by Mr. Jennings will immediately accelerate and vest.

Mr. Jennings has signed our standard agreement, which includes non-competition and non-solicitation provisions that apply during his employment and for one year thereafter.

***Robert P. Nault***

Pursuant to the offer letter with Mr. Nault, he serves as our Senior Vice President and General Counsel on an at-will basis. Mr. Nault currently receives a base salary of \$331,800, which is subject to periodic review and adjustment. Mr. Nault is also eligible for an annual performance bonus targeted at 50% of his base salary and to participate in the employee benefit plans generally available to employees, subject to the terms of those plans.

The offer letter further provides that, in the event that Mr. Nault's employment is terminated by the Company without cause (as defined in the offer letter) or Mr. Nault terminates his employment for good reason (as defined in the offer letter), he will be entitled to continuation of base salary and health and dental insurance for nine months following termination as well as an amount equal to his target bonus. Receipt of such severance payments and benefits is conditioned upon Mr. Nault entering into a general release of claims in favor of the Company and our affiliates. In the event of a change in control (as defined in the offer letter), 50% of the unvested portion of all share options and other share-based awards held by Mr. Nault shall immediately accelerate and vest. In addition, in the event that within one year following a change in control, Mr. Nault's employment is terminated by the Company without cause or Mr. Nault terminates his employment for good reason, all unvested share options and other share-based awards held by Mr. Nault will immediately accelerate and vest.

Mr. Nault has signed our standard agreement, which includes non-competition and non-solicitation provisions that apply during his employment and for one year thereafter.

***Janet Bishop-Levesque***

Edgar Filing: Mimecast Ltd - Form DEF 14A

Pursuant to the offer letter with Ms. Bishop-Levesque, she serves as our Senior Vice President, Systems Risk and Security, on an at-will basis. Ms. Bishop-Levesque currently receives a base salary of \$275,000, which is subject to periodic review and adjustment. Ms. Bishop-Levesque is also eligible for an annual performance bonus targeted at 50% of her base salary and to participate in the employee benefit plans generally available to employees, subject to the terms of those plans.

**Table of Contents**

The offer letter further provides that, in the event that Ms. Bishop-Levesque's employment is terminated by the Company without cause (as defined in the offer letter) or Ms. Bishop-Levesque terminates her employment for good reason (as defined in the offer letter), she will be entitled to continuation of base salary and health and dental insurance for six months following termination as well as an amount equal to her target bonus. Receipt of such severance payments and benefits is conditioned upon Ms. Bishop-Levesque entering into a general release of claims in favor of the Company and our affiliates. In the event of a change in control (as defined in the offer letter), 50% of the unvested portion of all share options and other share-based awards held by Ms. Bishop-Levesque shall immediately accelerate and vest. In addition, in the event that, within one year following a change in control, Ms. Bishop-Levesque's employment is terminated by the Company without cause or Ms. Bishop-Levesque terminates her employment for good reason, all unvested share options and other share-based awards held by Ms. Bishop-Levesque will immediately accelerate and vest.

Ms. Bishop-Levesque has signed our standard agreement, which includes non-competition and non-solicitation provisions that apply during her employment and for one year thereafter.

**Estimated Payment and Benefits Upon Termination or Change of Control**

The following tables set forth the estimated payments and benefits our named executive officers would receive pursuant to the terms of the named executive officer's employment agreement or offer letter upon a qualifying termination of employment or change in control assuming such event occurred on March 31, 2018.

*Peter Bauer*

	Death (\$) <sup>(1)</sup>	Disability (\$)	Termination For Cause (\$)	Termination Without Cause or for Good Reason (\$)	Upon a Change in Control (\$) <sup>(2)</sup>	Termination Without Cause or for Good Reason Within 12 Months Following a Change in Control (\$) <sup>(2)</sup>
Cash Severance	60,816			685,234		629,280
Health Benefit Continuation				33,052		33,052
Equity Acceleration					1,365,750	1,365,750
Total	60,816			781,286	1,365,750	2,0084,036

- (1) In the event of Mr. Bauer's death, his designated beneficiary will receive his pro-rata bonus through the date of his death, to the extent not already paid.
- (2) The value of accelerated equity is calculated based upon the difference between the exercise price of the outstanding share options and the closing price of the Company's ordinary shares on March 31, 2018, which was \$35.43.



**Table of Contents****Peter Campbell**

	Termination			Termination	Resignation	Upon a	Termination
	Death	Disability	For	Without	by the	Change in	Without Cause
	(\$ (1))	(\$ (2))	Cause	Cause	Executive	Control	or for Good
			(\$ (3))	(\$ (4))	(\$ (2))	(\$ (5))	Reason
							Within
							12 Months
							Following a
							Change in
							Control
							(\$ (5))
Cash Severance	38,053	169,125		435,750	169,125		435,750
Health Benefit Continuation		10,112		15,163	10,112		15,163
Equity Acceleration						2,083,200	2,083,200
Total	38,053	179,237		450,913	179,237	2,083,200	2,534,113

- (1) In the event of Mr. Campbell's death, his designated beneficiary will receive his pro-rata bonus through the date of his death, to the extent not already paid.
- (2) Amounts reflect the contractual notice period.
- (3) As of March 31, 2018, Mr. Campbell's employment agreement provided that, in the event that Mr. Campbell's employment was terminated by us for any reason other than death or disability, we were required to give Mr. Campbell (i) four months written notice or, in lieu thereof, continuation of his base salary and Company-paid medical and dental benefits for such period, (ii) a pro-rata bonus for the year of termination and (iii) base salary continuation and continuation of Company-paid medical and dental benefits for six months following termination (inclusive of payments and benefits provided pursuant to clause (i) above). Mr. Campbell's employment agreement was amended in July 2018 to eliminate any contractual severance in the event of a termination for cause. For purposes of this table, we assume that Mr. Campbell's employment agreement was amended on March 31, 2018. In the event that Mr. Campbell's employment had been terminated for cause under the terms of his employment agreement in effect as of March 31, 2018, he would have been entitled to cash severance of \$435,750 and \$15,163 in health benefit continuation.
- (4) Amount reflects the contractual notice period and contractual severance amount. Actual amount may be less if Company elects to make a cash payment in lieu of notice.
- (5) The value of accelerated equity is calculated based upon the difference between the exercise price of the outstanding share options and the closing price of the Company's ordinary shares on March 31, 2018, which was \$35.43.

**Edward Jennings**

Death	Disability	Termination	Termination	Upon a	Termination
(\$)	(\$)	For	Without	Change in	Without
		Cause	Cause	Control	Cause or



	(\$)	(\$)	(\$) (1)	<b>for Good Reason Within 12 Months Following a Change in Control (\$ (1)</b>
Cash Severance		150,750		150,750
Health Benefit Continuation		16,526		16,526
Equity Acceleration			3,922,622	3,922,622
Total		167,276	3,922,622	4,089,898

- (1) The value of accelerated equity is calculated based upon the difference between the exercise price of the outstanding share options and the closing price of the Company's ordinary shares on March 31, 2018, which was \$35.43.

**Table of Contents****Robert P. Nault**

	<b>Death</b>	<b>Disability</b>	<b>Termination</b>	<b>Termination</b>	<b>Upon a</b>	<b>Termination</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>For</b>	<b>Without</b>	<b>Change in</b>	<b>Without</b>
			<b>Cause</b>	<b>for</b>	<b>Control</b>	<b>for</b>
			<b>(\$)</b>	<b>Good Reason</b>	<b>(\$) (1)</b>	<b>Good Reason</b>
				<b>(\$)</b>		<b>Within</b>
						<b>12 Months</b>
						<b>Following a</b>
						<b>Change in</b>
						<b>Control</b>
						<b>(\$) (1)</b>
Cash Severance				365,625		365,625
Health Benefit Continuation				24,789		24,789
Equity Acceleration					1,015,750	1,015,750
Total				390,414	1,015,750	1,406,164

- (1) The value of accelerated equity is calculated based upon the difference between the exercise price of the outstanding share options and the closing price of the Company's ordinary shares on March 31, 2018, which was \$35.43.

**Janet Bishop-Levesque**

	<b>Death</b>	<b>Disability</b>	<b>Termination</b>	<b>Termination</b>	<b>Upon a</b>	<b>Termination</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>For</b>	<b>Without</b>	<b>Change in</b>	<b>Without</b>
			<b>Cause</b>	<b>for</b>	<b>in</b>	<b>for</b>
			<b>(\$)</b>	<b>Good Reason</b>	<b>Control</b>	<b>Good Reason</b>
				<b>(\$)</b>	<b>(\$) (1)</b>	<b>Within</b>
						<b>12 Months</b>
						<b>Following a</b>
						<b>Change in</b>
						<b>Control</b>
						<b>(\$) (1)</b>
Cash Severance				206,250		206,250
Health Benefit Continuation				15,146		15,146
Equity Acceleration					288,000	288,000
Total				221,396	288,000	509,396

- (1) The value of accelerated equity is calculated based upon the difference between the exercise price of the outstanding share options and the closing price of the Company's ordinary shares on March 31, 2018, which was \$35.43.

**Rule 10b5-1 Sales Plans**

Our directors and executive officers may adopt written plans, known as Rule 10b5-1 plans, in which they will contract with a broker to buy or sell ordinary shares on a periodic basis. Under a Rule 10b5-1 plan, a broker executes trades pursuant to parameters established by the director or executive officer when entering into the plan, without further direction from them. Any Rule 10b5-1 Plan adopted by a director or officer must comply with the requirements of Rule 10b5-1 under the Exchange Act and our insider trading policy. The director or executive officer may amend or terminate the plan in some circumstances. Our directors and executive officers may also buy or sell additional ordinary shares outside of a Rule 10b5-1 plan, provided they are in compliance with our insider trading policy, which includes not being in possession of material, nonpublic information about our Company.

**Table of Contents****Equity Compensation Plans**

In accordance with SEC rules, the following table provides information, as of March 31, 2018, about the securities authorized for issuance under our equity compensation plans.

**Equity Compensation Plan Information**

<b>Plan Category</b>	<b>Number of Shares to be Issued upon Exercise of Outstanding Options and Rights (Column A)</b>	<b>Weighted Average Exercise Price of Outstanding Options (Column B)</b>	<b>Number of Shares Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Shares Reflected in Column A) (Column C)</b>
Equity compensation plans that have been approved by our shareholders	6,262,623 (1)	\$ 13.78 (2)	9,797,615 (3)
Equity compensation plans that have not been approved by our shareholders			
<b>Total</b>	<b>6,262,623 (1)</b>	<b>\$ 13.78 (2)</b>	<b>9,797,615 (3)</b>

- (1) Represents 6,229,860 ordinary shares to be issued upon exercise of outstanding share options under the Mimecast Limited 2007 Key Employee Share Option Plan, the Mimecast Limited 2010 EMI Share Option Scheme, the Mimecast Limited Approved Share Option Plan, and the Mimecast Limited 2015 Share Option and Incentive Plan. Also includes 32,763 ordinary shares to be issued upon settlement of outstanding restricted share units under the Mimecast Limited 2015 Share Option and Incentive Plan. We no longer grant equity awards under the Mimecast Limited 2007 Key Employee Share Option Plan, the Mimecast Limited 2010 EMI Share Option Scheme, or the Mimecast Limited Approved Share Option Plan.
- (2) Weighted average exercise price excludes restricted share units, which do not have an exercise price.
- (3) Includes 8,761,886 ordinary shares available for issuance under the Mimecast Limited 2015 Share Option and Incentive Plan. Also includes 1,035,729 ordinary shares available for issuance under the Mimecast Limited 2015 Employee Share Purchase Plan.

**REPORT OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS**

Edgar Filing: Mimecast Ltd - Form DEF 14A

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management, and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement, which will be incorporated by reference into our Annual Report on Form 10-K for the year ended March 31, 2018.

Compensation Committee:

*Jeffrey Lieberman, Chairman*

*Aron Ain*

*Christopher FitzGerald*

**Table of Contents**

**RELATED PARTY TRANSACTIONS**

**Certain Relationships and Related Party Transactions**

Other than compensation arrangements for our directors and named executive officers, which are described elsewhere in this Proxy Statement, below we describe transactions since April 1, 2017 to which we were a party or will be a party, in which:

the amounts involved exceeded or will exceed \$120,000; and

any of our directors, executive officers or holders of more than 5% of our ordinary shares, or any member of the immediate family of, or person sharing the household with, the foregoing persons, had or will have a direct or indirect material interest.

We believe that all of these transactions were on terms as favorable as could have been obtained from unrelated third parties.

***Registration Rights***

As of June 30, 2018, the holders of an aggregate of 16,372,828 ordinary shares, or their permitted transferees, are entitled to rights with respect to the registration of these shares under the Securities Act. These rights are provided under the terms of a Registration Rights Agreement between us and the holders of these shares, which was entered into in connection with our convertible preference share financings, and include demand registration rights, short-form registration rights and piggyback registration rights.

***Demand Registration Rights***

Under the terms of the Registration Rights Agreement, we will be required, upon the written request of the holders of a majority of the shares that are entitled to rights under the Registration Rights Agreement, held by former holders of Series A preferred shares, Series B preferred shares and founder shares, including entities affiliated with Insight Venture Partners, to register all or a portion of these shares for public resale as soon as reasonably practicable within 60 days of such request. We are not required to effect a registration pursuant to this provision of the Registration Rights Agreement (i) during the period 60 days before our good faith estimate of a date of filing of, and ending 180 days after the effective date of, a registration initiated by us; (ii) after we have effected one registration pursuant to this provision of the Registration Rights Agreement at the request of former holders of Series A preferred shares or founder shares; (iii) after we have effected two registration statements pursuant to this provision of the Registration Rights Agreement at the request of former holders of Series B preferred shares; or (iv) if the initiating holders propose to dispose of securities that may be registered on Form S-3 or Form F-3. If such a registration is to be an underwritten offering, then the holders' registration rights are conditioned upon such holders' participation in such underwriting. We may defer the filing of a registration statement once during any twelve-month period for a period of not more than 120 days, if we provide a certificate signed by our chief executive officer stating that, in the good faith judgment of our Board, it would be materially detrimental to us and our shareholders for such registration statement to be filed at that time.

***Short-Form Registration Rights***

If we are eligible to file a registration statement on Form S-3 or Form F-3 and have not effected more than two such registrations within the preceding twelve-month period, these holders have the right, upon written notice to us of more than 10% of the shares entitled to rights under the Registration Rights Agreement held by former holders of Series A preferred shares, Series B preferred shares, or founder shares, including Insight Venture Partners, to have such shares registered by us as soon as reasonably practicable within 45 days of such request, if the proposed aggregate price of the shares to be registered by the holders requesting registration is at least \$5.0 million. However, we may defer the filing of a registration statement once during any twelve-month period

## **Table of Contents**

for a period of not more than 120 days, if we provide a certificate signed by our chief executive officer stating that, in the good faith judgment of our Board, it would be materially detrimental to us and our shareholders for such registration statement to be filed at that time.

### ***Piggyback Registration Rights***

If we register any of our securities for our own account, the holders of these shares are entitled to include their shares in the registration. If such registration is to be an underwritten offering, then the holders' registration rights are conditioned on such holders' participation in such underwriting.

### ***Other Obligations***

The registration rights are subject to certain conditions and limitations, including the right of the underwriters of an offering to limit the number of ordinary shares to be included in the registrations. We are generally required to bear the expense of all registrations, except underwriting discounts and commissions. The Registration Rights Agreement also contains the mutual commitment of us and the holders to indemnify each other for losses attributable to untrue statements or omission of a material fact or violations of the Securities Act or state securities laws incurred by us with registrations under the agreement.

### ***Termination***

The registration rights and our obligations thereunder terminate on November 18, 2022, which is seven years after the closing of our initial public offering, or, as to any individual holder, at such earlier time at which all shares held by such holder can be sold in any three-month period without registration in compliance with Rule 144 of the Securities Act.

### ***Registration Statement on Form F-3***

We have filed a Registration Statement on Form F-3, commonly referred to as a shelf registration, that permits us to sell in a registered offering up to \$50 million of our securities at our discretion. In addition, the registration statement also covers the registration of 20,539,000 ordinary shares held by our existing shareholders, which includes the ordinary shares covered by the Registration Rights Agreement described above. These shareholders could affect their rights under the Registration Rights Agreement by requiring that we initiate an offering under the registration statement. The shelf registration statement was declared effective by the SEC on March 14, 2017.

### ***Other Arrangements***

We were previously party to an arrangement with Dawn Capital, pursuant to which we paid Dawn Capital an amount of £12,000 per annum for the services of Norman Fiore as a member of our Board. During the year ended March 31, 2018, we paid Dawn Capital £9,000 under this arrangement, which was terminated in January 2018 upon Mr. Fiore's resignation from the Board.

### ***Limitation of Liability and Indemnification of Officers and Directors***

We have entered into indemnification agreements with each of our directors and executive officers. These indemnification agreements require us, among other things, to indemnify our directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements also require us to advance all expenses incurred by the directors and executive officers in investigating or defending any such action,



suit or proceeding. The indemnity s granted to directors are subject to certain limitations imposed by Jersey law. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

## **Table of Contents**

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

The limitation of liability and indemnification provisions included in our indemnification agreements that we entered into or may in the future enter into with our directors and executive officers may discourage shareholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and executive officers, even though an action, if successful, might benefit us and other shareholders. Further, a shareholder's investment may be harmed to the extent that we pay the costs of settlement and damage awards against directors and executive officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, officers, employees or other agents or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

We have obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law.

Certain of our non-employee directors may, through their relationships with their employers, be insured and/or indemnified against certain liabilities incurred in their capacity as members of our Board.

### ***Other Transactions with Our Executive Officers and Directors and Affiliated Entities***

We have granted share options and restricted share units to our executive officers and certain of our directors. See the section captioned "Executive Compensation - Outstanding Equity Awards at March 31, 2018 Table" for a description of these equity awards.

### **Policies and Procedures for Related Party Transactions**

The audit committee of our Board has the primary responsibility for reviewing and approving or disapproving related party transactions, which are transactions between us and related persons in which the aggregate amount involved exceeds or may be expected to exceed \$120,000 and in which a related person has or will have a direct or indirect material interest. For this purpose, a related person is defined as a director, executive officer, nominee for director or greater than 5% beneficial owner of our ordinary shares, in each case since the beginning of the most recently completed year, and their immediate family members. Our audit committee charter provides that the audit committee shall review and approve or disapprove any related party transactions. The audit committee will review these transactions under our Code of Business Conduct and Ethics, which governs conflicts of interests, among other matters, and is applicable to our employees, officers and directors.

All of the transactions described above were entered into prior to the adoption of this policy. Accordingly, each was approved by disinterested members of our Board after making a determination that the transaction was executed on terms no less favorable than those that could have been obtained from an unrelated third party.

**TRANSACTION OF OTHER BUSINESS**

The Board knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the Annual Meeting, the persons appointed in the accompanying proxy will

---

**Table of Contents**

be entitled to vote the ordinary shares represented thereby in accordance with their best judgment on such matters, under applicable laws.

**SHAREHOLDER PROPOSALS**

**Procedures for Submitting Shareholder Proposals**

***Requirements for Shareholder Proposals to be Brought Before the Annual General Meeting.** Our Articles of Association provide an advance notice procedure for shareholders to nominate director candidates for election, including proposed nominations of persons for election to the Board. Only persons nominated by, or at the direction of, our Board or by a shareholder who has given proper and timely notice to us prior to the meeting, will be eligible for election as a director. For notice to be timely, it must be received at our registered office not less than 90 nor more than 120 calendar days prior to the first anniversary of the previous year's annual meeting (or if the date of the annual meeting is advanced more than 30 calendar days or delayed by more than 60 calendar days from such anniversary date, not earlier than the 120th calendar day nor more than 90 days prior to such meeting or the 10th calendar day after public announcement of the date of such meeting is first made). These advance notice provisions may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempt to obtain control of us.*

***Requirements for Shareholder Proposals to be Considered for Inclusion in the Company's Proxy Materials.** In addition to the requirements stated above, any shareholder who wishes to submit a proposal for inclusion in our proxy materials must comply with Rule 14a-8 promulgated under the Exchange Act. For such proposals to be included in our proxy materials relating to our annual meeting of shareholders in 2019, all applicable requirements of Rule 14a-8 must be satisfied and we must receive such proposals no later than April 24, 2019. Such proposals must be delivered to our Company Secretary at Mimecast Limited, 191 Spring Street, Lexington, Massachusetts 02421 USA, Attn: Company Secretary.*

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any reports, statements, or other information that we file at the SEC's public reference room at the following location: 100 F Street, N.E., Washington, D.C. 20549.

Please call the SEC at 1-800-732-0330 for further information on the public reference room. The Company's SEC filings are also available to the public from commercial document retrieval services and at the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). You may also read and copy any document we file with the SEC on the Investor Relations/Reports and Filings section of our website at [www.mimecast.com](http://www.mimecast.com).

We will provide without charge to each person to whom a copy of the proxy statement is delivered, upon the written or oral request of any such persons, additional copies of our Annual Report on Form 10-K for the year ended March 31, 2018 as filed with the SEC. Requests for such copies should be addressed to Mimecast Limited, 191 Spring Street, Lexington, Massachusetts 02421 USA, Attn: Robert Sanders, IR Contact, or email us at [Investors@mimecast.com](mailto:Investors@mimecast.com) or call us at (800) 614-4530.

You should rely on the information contained in this document to vote your ordinary shares at the Annual Meeting. We have not authorized anyone to provide you with information that is different from what is contained in this document. This document is dated July 27, 2018. You should not assume that the information contained in this

document is accurate as of any date other than that date, and the mailing of this document to shareholders at any time after that date does not create an implication to the contrary. This Proxy Statement does not constitute a solicitation of a proxy in any jurisdiction where, or to or from any person to whom, it is unlawful to make such proxy solicitations in such jurisdiction.

**Table of Contents****Appendix A****Reconciliation of Non-GAAP Financial Measures****REPORTED RESULTS VARIATION FROM EXECUTIVE COMPENSATION TARGET ACHIEVEMENT  
FISCAL 2018**

	<b>Q1 FY 2018</b>	<b>Q2 FY 2018</b>	<b>Q3 FY 2018</b>	<b>Q4 FY 2018</b>	<b>FY18</b>
	<b>(in thousands)</b>				
GAAP Revenue (as reported)	\$ 58,158	\$ 63,066	\$ 67,272	\$ 73,401	\$ 261,897
Effects of foreign exchange rate movements on reported GAAP Revenue	\$ 561	\$ 1,203	\$ 1,194	\$ 3,794	\$ 6,753
Revenue for the purposes of executive compensation calculation	\$ 57,597	\$ 61,862	\$ 66,078	\$ 69,607	\$ 255,144
Revenue Performance Target	\$ 57,094	\$ 62,001	\$ 66,604	\$ 70,332	\$ 256,032
	<b>Q1 FY 2018</b>	<b>Q2 FY 2018</b>	<b>Q3 FY 2018</b>	<b>Q4 FY 2018</b>	<b>FY18</b>
	<b>(in thousands)</b>				
Net loss (as reported)	\$ (1,900)	\$ (1,339)	\$ (2,593)	\$ (6,554)	\$ (12,386)
Depreciation, amortization and disposals of long-lived assets	3,609	4,250	4,719	6,562	19,141
Rent expense related to build-to-suit facilities				(785)	(785)
Interest (income) expense, net	(208)	(245)	(245)	(14)	(712)
Provision for income taxes	457	421	845	982	2,705
Share-based compensation expense	2,646	2,910	3,142	3,036	11,734
Impairments of long-lived assets				1,712	1,712
Restructuring				832	832
Foreign exchange expense	540	655	864	1,452	3,511
Adjusted EBITDA (as reported)	\$ 5,144	\$ 6,652	\$ 6,732	\$ 7,223	\$ 25,752
Adjustment related to software amortization	(87)	(169)	(274)	(759)	(1,289)
Effects of foreign exchange rate movements on reported results	(91)	(19)	260	(404)	(254)
Adjusted EBITDA for purposes of executive compensation calculation	\$ 4,966	\$ 6,464	\$ 6,718	\$ 6,060	\$ 24,209
Adjusted EBITDA Performance Target	\$ 4,450	\$ 5,917	\$ 6,251	\$ 6,588	\$ 23,207



**Table of Contents**



**Table of Contents**

