

A10 Networks, Inc.  
Form DEF 14A  
April 14, 2017

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

---

**SCHEDULE 14A INFORMATION**  
**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

---

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-11(c) or §240.14a-2

**A10 NETWORKS, INC.**

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

Edgar Filing: A10 Networks, Inc. - Form DEF 14A

- (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:



**A10 NETWORKS, INC.**

**3 WEST PLUMERIA DRIVE**

**SAN JOSE, CALIFORNIA 95134**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held at 10 a.m. Pacific Time on Wednesday, May 31, 2017**

Dear Stockholders of A10 Networks, Inc.:

The 2017 annual meeting of stockholders (the “Annual Meeting”) of A10 Networks, Inc., a Delaware corporation, will be held on **Wednesday, May 31, 2017 at 10:00 a.m. Pacific Time**, at 3 West Plumeria Drive, San Jose, California, for the following purposes, as more fully described in the accompanying proxy statement:

1. To elect two Class III directors to serve until the 2020 annual meeting of stockholders and until their successors are duly elected and qualified;
2. To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2017; and
3. To transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

Our board of directors has fixed the close of business on April 7, 2017 as the record date for the Annual Meeting. Only stockholders of record on April 7, 2017 are entitled to notice of and to vote at the Annual Meeting. Further information regarding voting rights and the matters to be voted upon is presented in the accompanying proxy statement. If you plan on attending this year’s annual meeting as a stockholder, please follow the instructions on page 3 of the proxy statement.

Edgar Filing: A10 Networks, Inc. - Form DEF 14A

This proxy statement and our annual report can be accessed directly at the following Internet address:  
<http://www.proxyvote.com>. All you have to do is enter the control number located on your proxy card.

**YOUR VOTE IS IMPORTANT. Whether or not you plan to attend the Annual Meeting, we urge you to submit your vote via the Internet, telephone or mail.**

We appreciate your continued support of A10 Networks, Inc. and look forward to either greeting you personally at the Annual Meeting or receiving your proxy.

By order of the Board of Directors,

Lee Chen  
President, Chief Executive Officer and Chairman  
San Jose, California  
April 14, 2017

**TABLE OF CONTENTS**

	<b>Page</b>
<u>QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND OUR ANNUAL MEETING</u>	1
<u>BOARD OF DIRECTORS AND CORPORATE GOVERNANCE</u>	5
<u>Nominees for Director</u>	5
<u>Continuing Directors</u>	6
<u>Director Independence</u>	6
<u>Board Leadership Structure</u>	7
<u>Lead Independent Director</u>	7
<u>Board Meetings and Committees</u>	7
<u>Compensation Committee Interlocks and Insider Participation</u>	8
<u>Considerations in Evaluating Director Nominees</u>	9
<u>Stockholder Recommendations for Nominations to the Board of Directors</u>	9
<u>Communications with the Board of Directors</u>	9
<u>Corporate Governance Guidelines and Code of Business Conduct and Ethics</u>	10
<u>Risk Management</u>	10
<u>Director Compensation</u>	10
<u>PROPOSAL NO. 1 ELECTION OF DIRECTORS</u>	12
<u>Nominees</u>	12
<u>Vote Required</u>	12
<u>PROPOSAL NO. 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	13
<u>Fees Paid to the Independent Registered Public Accounting Firm</u>	13
<u>Auditor Independence</u>	13
<u>Audit Committee Policy on Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm</u>	13
<u>Vote Required</u>	13
<u>REPORT OF THE AUDIT COMMITTEE</u>	14
<u>EXECUTIVE OFFICERS</u>	15
<u>EXECUTIVE COMPENSATION</u>	17
<u>Processes and Procedures for Compensation Decisions</u>	17
<u>Fiscal 2016 Summary Compensation Table</u>	17
<u>Non-Equity Incentive Plan Compensation</u>	18
<u>Executive Officer Employment Agreements</u>	18
<u>Executive Incentive Compensation Plan</u>	20
<u>Retirement Plan</u>	20
<u>Outstanding Equity Awards at 2016 Year-End</u>	21
<u>Compensation Committee Report</u>	22
<u>Equity Compensation Plan Information</u>	22
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	23
<u>RELATED PERSON TRANSACTIONS</u>	25
<u>Investors Rights Agreement</u>	25
<u>Employment Arrangements and Indemnification Agreements</u>	25
<u>Stock Option Grants to Executive Officers and Directors</u>	25
<u>Other Transactions</u>	25

<u>Policies and Procedures for Related Party Transactions</u>	25
<u>OTHER MATTERS</u>	26
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	26
<u>Fiscal Year 2016 Annual Report and SEC Filings</u>	26

**A10 NETWORKS, INC.**

**PROXY STATEMENT**

**FOR 2017 ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held at 10:00 a.m. Pacific Time on Wednesday, May 31, 2017**

This proxy statement and the enclosed form of proxy are furnished in connection with the solicitation of proxies by our board of directors for use at the 2017 annual meeting of stockholders of A10 Networks, Inc., a Delaware corporation, and any postponements, adjournments or continuations thereof (the “Annual Meeting”). The Annual Meeting will be held on Wednesday, May 31, 2017 at 10:00 a.m. Pacific Time, at 3 West Plumeria Drive, San Jose, California. The Notice of Internet Availability of Proxy Materials (the “Notice”) containing instructions on how to access this proxy statement and our annual report is first being mailed on or about April 14, 2017 to all stockholders entitled to vote at the Annual Meeting.

The information provided in the “question and answer” format below is for your convenience only and is merely a summary of the information contained in this proxy statement. You should read this entire proxy statement carefully. Information contained on, or that can be accessed through, our website is not intended to be incorporated by reference into this proxy statement and references to our website address in this proxy statement are inactive textual references only.

**What matters am I voting on?**

You will be voting on:

the election of two Class III directors to serve until the 2020 annual meeting of stockholders and until their successors are duly elected and qualified;

a proposal to ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2017; and

any other business as may properly come before the Annual Meeting.



**How does the board of directors recommend I vote on these proposals?**

Our board of directors recommends a vote:

“FOR” the election of Lee Chen and Alan S. Henricks as Class III directors;

“FOR” the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2017.

**Who is entitled to vote?**

Holders of our common stock as of the close of business on April 7, 2017, the record date, may vote at the Annual Meeting. As of the record date, there were 69,337,156 shares of our common stock outstanding. In deciding all matters at the Annual Meeting, each stockholder will be entitled to one vote for each share of our common stock held by them on the record date. We do not have cumulative voting rights for the election of directors.

*Registered Stockholders.* If shares of our common stock are registered directly in your name with our transfer agent, you are considered the stockholder of record with respect to those shares, and the Notice was provided to you directly by us. As the stockholder of record, you have the right to grant your voting proxy directly to the individuals listed on the proxy card or to vote in person at the Annual Meeting.

*Street Name Stockholders.* If shares of our common stock are held on your behalf in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of those shares held in “street name,” and the Notice was forwarded to you by your broker or nominee, who is considered the stockholder of record with respect to those shares. As the beneficial owner, you have the right to direct your broker or nominee how to vote your shares. Beneficial owners are also invited to attend the Annual Meeting. However, since a beneficial owner is not the stockholder of record, you may not vote your shares of our common stock in person at the Annual Meeting unless you follow your broker’s procedures for obtaining a legal proxy. If you request a printed copy of our proxy materials by mail, your broker or nominee will provide a voting instruction card for you to use. Throughout this proxy, we refer to stockholders who hold their shares through a broker, bank or other nominee as “street name stockholders.”

**How many votes are needed for approval of each proposal?**

*Proposal No. 1:* The election of directors requires a plurality vote of the shares of our common stock present in person or by proxy at the Annual Meeting and entitled to vote thereon to be approved. “Plurality” means that the nominees who

receive

1

the largest number of votes cast “for” are elected as the Class III directors. As a result, any shares not voted “for” a particular nominee (whether as a result of stockholder abstention or a broker non-vote) will not be counted in such nominee’s favor and will have no effect on the outcome of the election. You may vote “for” or “withhold” on each of the nominees for election as a director.

*Proposal No. 2:* The ratification of the appointment of Deloitte & Touche LLP requires the affirmative vote of a majority of the shares of our common stock present in person or by proxy at the Annual Meeting and entitled to vote thereon. Abstentions are considered votes present and entitled to vote on this proposal, and thus, will have the same effect as a vote “against” the proposal. Broker non-votes will have no effect on the outcome of this proposal.

### **What is a quorum?**

A quorum is the minimum number of shares required to be present at the Annual Meeting for the Annual Meeting to be properly held under our amended and restated bylaws and Delaware law. The presence, in person or by proxy, of a majority of all issued and outstanding shares of our common stock entitled to vote at the Annual Meeting will constitute a quorum at the Annual Meeting. Abstentions, withhold votes and broker non-votes are counted as shares present and entitled to vote for purposes of determining a quorum.

### **How do I vote?**

If you are a stockholder of record, there are four ways to vote:

by Internet at <http://www.proxyvote.com>, 24 hours a day, seven days a week, until 11:59 p.m. EST on May 30, 2017 (have your proxy card in hand when you visit the website);

by toll-free telephone at 1-800-690-6903 (have your proxy card in hand when you call);

by completing and mailing your proxy card (if you received printed proxy materials); or

by written ballot at the Annual Meeting.

If you are a street name stockholder, you will receive voting instructions from your broker, bank or other nominee. You must follow the voting instructions provided by your broker, bank or other nominee in order to instruct your

broker, bank or other nominee on how to vote your shares. Street name stockholders should generally be able to vote by returning an instruction card, or by telephone or on the Internet. However, the availability of telephone and Internet voting will depend on the voting process of your broker, bank or other nominee. As discussed above, if you are a street name stockholder, you may not vote your shares in person at the Annual Meeting unless you obtain a legal proxy from your broker, bank or other nominee.

### **Can I change my vote?**

Yes. If you are a stockholder of record, you can change your vote or revoke your proxy any time before the Annual Meeting by:

entering a new vote by Internet or by telephone;

returning a later-dated proxy card;

notifying the Secretary of A10 Networks, Inc., in writing, at A10 Networks, Inc., 3 West Plumeria Drive, San Jose, California 95134; or

completing a written ballot at the Annual Meeting.

If you are a street name stockholder, your broker, bank or other nominee can provide you with instructions on how to change your vote.

### **What do I need to do to attend the Annual Meeting in person?**

If you plan to attend the meeting, you must be a holder of Company shares as of the record date of April 7, 2017. Please contact the Company to notify of your intention to attend no later than May 30, 2017 at 6:00 p.m. PST ([jgarcia@a10networks.com](mailto:jgarcia@a10networks.com)/408-643-8105).

On the day of the meeting, each stockholder may be required to present a valid picture identification such as a driver's license or passport and you may be denied admission if you do not. Please note that seating is limited. Use of cameras, recording devices, computers and other personal electronic devices will not be permitted at the Annual Meeting. Photography and video are prohibited at the Annual Meeting.



**What is the effect of giving a proxy?**

Proxies are solicited by and on behalf of our board of directors. Lee Chen, Shiva Natarajan and Robert Cochran have been designated as proxies by our board of directors. When proxies are properly dated, executed and returned, the shares represented by such proxies will be voted at the Annual Meeting in accordance with the instructions of the stockholder. If no specific instructions are given, however, the shares will be voted in accordance with the recommendations of our board of directors as described above. If any matters not described in this proxy statement are properly presented at the Annual Meeting, the proxy holders will use their own judgment to determine how to vote the shares. If the Annual Meeting is adjourned, the proxy holders can vote the shares on the new Annual Meeting date as well, unless you have properly revoked your proxy instructions, as described above.

**Why did I receive a Notice of Internet Availability of Proxy Materials instead of a full set of proxy materials?**

In accordance with the rules of the Securities and Exchange Commission (“SEC”), we have elected to furnish our proxy materials, including this proxy statement and our annual report, primarily via the Internet. The Notice containing instructions on how to access our proxy materials is first being mailed on or about April 14, 2017 to all stockholders entitled to vote at the Annual Meeting. Stockholders may request to receive all future proxy materials in printed form by mail or electronically by e-mail by following the instructions contained in the Notice. We encourage stockholders to take advantage of the availability of our proxy materials on the Internet to help reduce the environmental impact of our annual meetings of stockholders.

**How are proxies solicited for the Annual Meeting?**

Our board of directors is soliciting proxies for use at the Annual Meeting. All expenses associated with this solicitation will be borne by us. We will reimburse brokers or other nominees for reasonable expenses that they incur in sending our proxy materials to you if a broker or other nominee holds shares of our common stock on your behalf.

**How may my brokerage firm or other intermediary vote my shares if I fail to provide timely directions?**

Brokerage firms and other intermediaries holding shares of our common stock in street name for customers are generally required to vote such shares in the manner directed by their customers. In the absence of timely directions, your broker will have discretion to vote your shares on our sole “routine” matter: the proposal to ratify the appointment of Deloitte & Touche LLP. Your broker will not have discretion to vote on the election of directors, which is a “non-routine” matter, absent direction from you.

**Where can I find the voting results of the Annual Meeting?**

We will announce preliminary voting results at the Annual Meeting. We will also disclose voting results on a Current Report on Form 8-K that we will file with the SEC within four business days after the Annual Meeting. If final voting results are not available to us in time to file a Current Report on Form 8-K within four business days after the Annual Meeting, we will file a Current Report on Form 8-K to publish preliminary results and will provide the final results in an amendment to this Current Report on Form 8-K as soon as they become available.

**I share an address with another stockholder, and we received only one paper copy of the proxy materials. How may I obtain an additional copy of the proxy materials?**

We have adopted a procedure called “householding,” which the SEC has approved. Under this procedure, we deliver a single copy of the Notice and, if applicable, our proxy materials to multiple stockholders who share the same address unless we have received contrary instructions from one or more of the stockholders. This procedure reduces our printing costs, mailing costs, and fees. Stockholders who participate in householding will continue to be able to access and receive separate proxy cards. Upon written or oral request, we will deliver promptly a separate copy of the Notice and, if applicable, our proxy materials to any stockholder at a shared address to which we delivered a single copy of any of these materials. To receive a separate copy, or, if a stockholder is receiving multiple copies, to request that we only send a single copy of the Notice and, if applicable, our proxy materials, such stockholder may contact us at the following address:

A10 Networks, Inc.  
Attention: Investor Relations  
3 West Plumeria Drive  
San Jose, California 95134  
(408) 325-8668

Stockholders who beneficially own shares of our common stock held in street name may contact their brokerage firm, bank, broker- dealer or other similar organization to request information about householding.

**What is the deadline to propose actions for consideration at next year's annual meeting of stockholders or to nominate individuals to serve as directors?**

*Stockholder Proposals*

Stockholders may present proper proposals for inclusion in our proxy statement and for consideration at the next annual meeting of stockholders by submitting their proposals in writing to our Secretary in a timely manner. For a stockholder proposal to be considered for inclusion in our proxy statement for our 2018 annual meeting of stockholders, our Secretary must receive the written proposal at our principal executive offices not later than December 15, 2017. In addition, stockholder proposals must comply with the requirements of Rule 14a-8 regarding the inclusion of stockholder proposals in company-sponsored proxy materials. Stockholder proposals should be addressed to:

A10 Networks, Inc.  
Attention: Secretary

3 West Plumeria Drive

San Jose, California 95134

Our amended and restated bylaws also establish an advance notice procedure for stockholders who wish to present a proposal before an annual meeting of stockholders but do not intend for the proposal to be included in our proxy statement. Our amended and restated bylaws provide that the only business that may be conducted at an annual meeting is business that is (i) specified in our proxy materials with respect to such meeting, (ii) otherwise properly brought before the annual meeting by or at the direction of our board of directors, or (iii) properly brought before the annual meeting by a stockholder of record entitled to vote at the annual meeting who has delivered timely written notice to our Secretary, which notice must contain the information specified in our amended and restated bylaws. To be timely for our 2018 annual meeting of stockholders, our Secretary must receive the written notice at our principal executive offices:

not earlier than January 29, 2018; and

not later than the close of business on February 28, 2018.

In the event that we hold our 2018 annual meeting of stockholders more than 30 days before or more than 30 days after the one-year anniversary of the Annual Meeting, then notice of a stockholder proposal that is not intended to be



included in our proxy statement must be received no earlier than the close of business on the 120th day before such annual meeting and no later than the close of business on the latter of the following two dates:

the 90th day prior to such annual meeting; or

the 10th day following the day on which public announcement of the date of such annual meeting is first made.

If a stockholder who has notified us of his, her or its intention to present a proposal at an annual meeting does not appear to present his, her or its proposal at such annual meeting, we are not required to present the proposal for a vote at such annual meeting.

#### *Nomination of Director Candidates*

You may propose director candidates for consideration by our nominating and corporate governance committee. Any such recommendations should include the nominee's name and qualifications for membership on our board of directors and should be directed to our Secretary at the address set forth above. For additional information regarding stockholder recommendations for director candidates, see "Board of Directors and Corporate Governance—Stockholder Recommendations for Nominations to the Board of Directors."

In addition, our amended and restated bylaws permit stockholders to nominate directors for election at an annual meeting of stockholders. To nominate a director, the stockholder must provide the information required by our amended and restated bylaws. In addition, the stockholder must give timely notice to our Secretary in accordance with our amended and restated bylaws, which, in general, require that the notice be received by our Secretary within the time period described above under "Stockholder Proposals" for stockholder proposals that are not intended to be included in a proxy statement.

#### *Availability of Bylaws*

You may contact our Secretary at our principal executive offices for a copy of the relevant bylaw provisions regarding the requirements for making stockholder proposals and nominating director candidates.

**BOARD OF DIRECTORS AND CORPORATE GOVERNANCE**

Our business affairs are managed under the direction of our board of directors, which is currently composed of five members. Three of our directors are independent within the meaning of the listing standards of the New York Stock Exchange. Our board of directors is divided into three staggered classes of directors. At each annual meeting of stockholders, a class of directors will be elected for a three- year term to succeed the same class whose term is then expiring.

The following table sets forth the names, ages as of April 7, 2017, and certain other information for each of the directors with terms expiring at the annual meeting (who are also nominees for election as a director at the annual meeting) and for each of the continuing members of our board of directors:

	<b>Class</b>	<b>Age</b>	<b>Position</b>	<b>Director Since</b>	<b>Current Term Expires</b>	<b>Expiration of Term For Which Nominated</b>
<b>Directors with Terms expiring at the Annual Meeting/Nominees</b>						
Lee Chen	III	63	Chief Executive Officer, President and Chairman	2004	2017	2020
Alan S. Henricks <sup>(1)(2)(3)</sup>	III	66	Director	2014	2017	2020
<b>Continuing Directors</b>						
Peter Y. Chung <sup>(1)(2)(3)</sup>	II	49	Director	2013	2019	
Robert Cochran	II	59	Executive Vice President, Legal and Corporate Collaboration and Secretary	2012	2019	
Phillip J. Salsbury <sup>(1)(2)(3)</sup>	I	74	Director	2013	2018	

(1) Member of our audit committee

(2) Member of our compensation committee

(3) Member of our nominating and corporate governance committee

**Nominees for Director**

*Lee Chen* has served as our President, Chief Executive Officer and as a member of our board of directors since July 2004, and as the Chairman of our board of directors since March 2014. From 1996 to August 2004, Mr. Chen served in a variety of positions, including as Vice President of Software Engineering and Quality Assurance at Foundry Networks, Inc., a company that designed, manufactured and sold high-end enterprise and service provider switches and routers, as well as wireless, security, and traffic management solutions. Mr. Chen has previously held management and senior technical positions at OTS, Apple Computer, Convergent Technologies, Inc. and InSync Group, and was a co-founder of Centillion Networks, Inc. Mr. Chen has an M.S.E.E. from San Jose State University and a B.S. in Electrophysics from National Chiao-Tung University in Taiwan. Mr. Chen is a technology pioneer, especially in the area of Internet Protocol Multicast and System & System Security and holds numerous patents. Mr. Chen has specific attributes that qualify him to serve as a member of our board of directors, including the perspective and experience he brings as our Chief Executive Officer and President, one of our founders and a significant stockholder.

*Alan S. Henricks* has served as a member of our board of directors since March 2014. Since May 2015 he has served as a member of the board of directors and audit committee of Model N, Inc. (NYSE: MODN), a provider of cloud-based Revenue Management solutions. Since February 2017, he has also served as a member of the compensation committee of Model N, Inc. From November 2014 to May 2015 he served as a member of the board of directors and audit committee chairman of APT Software Holdings. From April 2010 to June 2015 he served as a member of the board of directors and audit committee of Ellie Mae, Inc. (NYSE: ELLI), a SaaS Company, and as its lead independent director from November 2012 to May 2014. Since May 2012 he has served as a member of the board of directors and audit committee chairman of Roku, Inc., a consumer electronics company. From May 2009 to the present, Mr. Henricks has been a board member, advisor and consultant to a variety of private technology companies. His consulting CFO roles included Ring (Bot Home Automation, Inc.) and Tile, Inc. From September 2006 to May 2009, Mr. Henricks served as Chief Financial Officer of Pure Digital Technologies, Inc. Prior to September 2006, Mr. Henricks served as Chief Financial Officer of several private and public companies including Traiana Inc., Informix Software, Inc., Documentum, Inc., Borland International, Inc., Cornish & Carey and Maxim

Integrated Products, Inc. Mr. Henricks holds a Bachelor of Science in Engineering from the Massachusetts Institute of Technology and a Master of Business Administration from Stanford University. Mr. Henricks has specific attributes that qualify him to serve as a member of our board of directors, including his extensive experience serving as chief financial officer of both public and private companies, as well as his service on public and private company boards.

### **Continuing Directors**

*Peter Y. Chung* has served as a member of our board of directors since June 2013. Mr. Chung is a managing director and the chief executive officer of Summit Partners, L.P., where he has been employed since 1994. He is currently a director of Acacia Communications, Inc., a developer and manufacturer of high-speed coherent optical interconnect products, and MACOM Technology Solutions Holdings, Inc., a provider of semiconductor solutions for use in radio frequency, microwave and millimeter wave applications, as well as several privately-held companies. Previously, Mr. Chung served as a director of Ubiquiti Networks, Inc., a company that develops networking technology. Mr. Chung has an M.B.A. from the Stanford University Graduate School of Business and an A.B. in Economics from Harvard University. Mr. Chung has specific attributes that qualify him to serve as a member of our board of directors, including his experience in investment banking, private equity and venture capital investing and in the communications technology sector, as well as his prior service on public and private company boards.

*Robert Cochran* has served as our Executive Vice President, Legal and Corporate Collaboration since November 2016, as our Vice President, Legal and Corporate Collaboration from January 2012 to November 2016 and as a member of our board of directors since April 2012. In addition, Mr. Cochran was appointed as our Chief Risk Compliance Officer in October 2016, has served as our Secretary since August 2004, and previously served on our board of directors from August 2004 to October 2004. From January 1993 to January 2012, Mr. Cochran was an attorney in private practice in Woodside, California, where he had served as our outside legal counsel since our incorporation. From 2004 to 2010, Mr. Cochran served as a director of Techwell, Inc., a fabless semiconductor public company that was acquired by Intersil Corporation. Mr. Cochran also serves as a director of two privately-held companies. Mr. Cochran has a J.D. from Harvard Law School and an A.B. in Economics from Harvard University. Mr. Cochran has specific attributes that qualify him to serve as a member of our board of directors, including the perspective and experience he has acquired from counseling growth companies over the last thirty years, and his prior service on public and private company boards.

*Dr. Phillip J. Salsbury* has served as a member of our board of directors since May 2013. Dr. Salsbury is also our Lead Independent Director. From 2005 to April 2010, Dr. Salsbury served as a director of Techwell, Inc., a fabless semiconductor public company that was acquired by Intersil Corporation. Dr. Salsbury was a founder, the Chief Technology Officer, and later the president and Chief Executive Officer of SEEQ Technology, Inc., a non-volatile memory and Ethernet communications semiconductor company, from January 1981 until its acquisition by LSI Logic Corporation, a large semiconductor company, in June 1999. He holds a Ph.D. and an M.S. in Electrical Engineering from Stanford University and a B.S. in Electrical Engineering from the University of Michigan. Dr. Salsbury has specific attributes that qualify him to serve as a member of our board of directors, including his strong technical background and management experience as chief executive officer of a public company, and his prior service as a

director of a public company.

### **Director Independence**

Our common stock is listed on the New York Stock Exchange. Under the listing standards of the New York Stock Exchange, independent directors must comprise a majority of a listed company's board of directors. In addition, the listing standards of the New York Stock Exchange require that, subject to specified exceptions, each member of a listed company's audit, compensation, and nominating and corporate governance committees be independent. Under the listing standards of the New York Stock Exchange, a director will only qualify as an "independent director" if, in the opinion of that listed company's board of directors, that director does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the listing standards of the New York Stock Exchange. In addition, compensation committee members must also satisfy the independence criteria set forth under the listing standards of the New York Stock Exchange.

Our board of directors has undertaken a review of the independence of each director. Based on information provided by each director concerning his background, employment and affiliations, our board of directors has determined that Messrs. Chung, Henricks and Salsbury do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the listing standards of the New York Stock Exchange. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director, and the transactions involving them described in the section titled "Related Party Transactions."

## **Board Leadership Structure**

Mr. Chen currently serves as both chair of our Board of Directors and our chief executive officer. Our Board believes that the current Board leadership structure provides effective independent oversight of management while allowing our Board of Directors and management to benefit from Mr. Chen's leadership and years of experience as an executive in the networking industry. Mr. Chen is best positioned to identify strategic priorities, lead critical discussion and execute our strategy and business plans. Mr. Chen possesses detailed in-depth knowledge of the issues, opportunities, and challenges facing us.

## **Lead Independent Director**

Our board determined that it would be beneficial to have a Lead Independent Director to, among other things, preside over executive sessions of the independent directors, which provides the Board with the benefit of having the perspective of entirely independent directors. Independent directors and management sometimes have different perspectives and roles in strategy development.

Our board appointed Phillip J. Salsbury, Ph.D. to serve as our lead independent director. As lead independent director, Dr. Salsbury presides over periodic meetings of our independent directors, serves as a liaison between our Chairman of the board of directors and the independent directors, and performs such additional duties as our board of directors may otherwise determine and delegate.

## **Board Meetings and Committees**

During our fiscal year ended December 31, 2016, the board of directors held five (5) meetings (including regularly scheduled and special meetings) and acted by written consent three (3) times. Each director attended 100% of the aggregate of (i) the total number of meetings of our board of directors held during the period for which he or she has been a director and (ii) the total number of meetings held by all committees of our board of directors on which he or she served during the periods that he or she served.

Although we do not have a formal policy regarding attendance by members of our board of directors at annual meetings of stockholders, we encourage, but do not require, our directors to attend. Four (4) of our directors attended our 2016 annual meeting of stockholders. Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee. The composition and responsibilities of each of the

committees of our board of directors is described below. Members will serve on these committees until their resignation or until as otherwise determined by our board of directors.

### *Audit Committee*

Our audit committee is comprised of Messrs. Chung, Henricks and Salsbury, each of whom is a non-employee member of our board of directors. Mr. Henricks is the chair of our audit committee. Our board of directors has determined that each of the members of our audit committee satisfies the requirements for financial literacy under the rules and regulations of the New York Stock Exchange and the SEC. Our board of directors has also determined that Mr. Henricks qualifies as an “audit committee financial expert” as defined in the SEC rules and satisfies the financial sophistication requirements of the New York Stock Exchange.

The audit committee is responsible for, among other things:

selecting and hiring our registered public accounting firm;

evaluating the performance and independence of our registered public accounting firm;

approving the audit and pre-approving any non-audit services to be performed by our registered public accounting firm;

reviewing our financial statements and related disclosures and reviewing our critical accounting policies and practices;

reviewing the adequacy and effectiveness of our internal control policies and procedures and our disclosure controls and procedures;

overseeing procedures for the treatment of complaints on accounting, internal accounting controls, or audit matters;

reviewing and discussing with management and the independent registered public accounting firm the results of our annual audit, our quarterly financial statements, and our publicly filed reports;

reviewing and approving in advance any proposed related person transactions; and

preparing the audit committee report to be included in our annual proxy statement as required by the SEC.





The audit committee operates under a written charter that satisfies the applicable standards of the SEC and the New York Stock Exchange. A copy of the charter of our audit committee is available on our website at <http://investors.a10networks.com>. During 2016, our audit committee held four (4) meetings and did not act by written/electronic consent. Our audit committee held a meeting in the first quarter of 2017.

### ***Compensation Committee***

Our compensation committee consists of Messrs. Chung, Henricks and Salsbury. Mr. Chung is the chairman of our compensation committee. Our board of directors has determined that each member of this committee is a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Exchange Act, and an outside director, as defined under Section 162(m) of the Internal Revenue Code of 1986, as amended, or Section 162(m).

The compensation committee is responsible for, among other things:

reviewing and approving our Chief Executive Officer's and other executive officers' annual base salaries, incentive compensation plans, including the specific goals and amounts, equity compensation, employment agreements, severance arrangements and change in control agreements, and any other benefits, compensation or arrangements;

administering our equity compensation plans;

overseeing our overall compensation philosophy, compensation plans, and benefits programs; and

preparing the compensation committee report to be included in our annual proxy statement as required by the SEC.

Our compensation committee operates under a written charter that satisfies the applicable rules and regulations of the SEC and the listing standards of the New York Stock Exchange. A copy of the charter of our compensation committee is available on our website at <http://investors.a10networks.com>. During 2016, our compensation committee held five (5) meetings and acted by written/electronic consent three (3) times. Our compensation committee held one meeting and acted by written/electronic consent twice in the first quarter of 2017.

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

Our nominating and corporate governance committee consists of Messrs. Chung, Henricks and Salsbury, each of whom is a non-employee member of our board of directors. Dr. Salsbury is the chairman of our nominating and corporate governance committee. Our board of directors has determined that each member of our nominating and corporate governance committee meets the requirements for independence under the rules of the New York Stock Exchange. The nominating and corporate governance committee is responsible for, among other things:

evaluating and making recommendations regarding the composition, organization, and governance of our board of directors and its committees;

evaluating and making recommendations regarding the creation of additional committees or the change in mandate or dissolution of committees;

reviewing and making recommendations with regard to our corporate governance guidelines and compliance with laws and regulations; and

reviewing actual and potential conflicts of interest of our directors and corporate officers, other than related person transactions reviewed by the audit committee, and approving or prohibiting any involvement of such persons in matters that may involve a conflict of interest.

Our nominating and corporate governance committee operates under a written charter that satisfies the applicable listing standards of the New York Stock Exchange. A copy of the charter of our nominating and corporate governance committee is available on our website at <http://investors.a10networks.com>. During 2016, our nominating and corporate governance committee held two (2) meetings and did not act by written/electronic consent.

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

Messrs. Chung, Henricks and Salsbury are members of our compensation committee. None of the members of our compensation committee is or has been one of our officers or employees. None of our executive officers currently serves, or in the past year has served, as a member of the compensation committee or director (or other board committee performing equivalent functions or, in the absence

of any such committee, the entire board of directors) of any entity that has one or more executive officers serving on our compensation committee or our board of directors.

### **Considerations in Evaluating Director Nominees**

Our nominating and corporate governance committee uses a variety of methods for identifying and evaluating director nominees. In its evaluation of director candidates, our nominating and corporate governance committee will consider the current size and composition of our board of directors and the needs of our board of directors and the respective committees of our board of directors. Some of the qualifications that our nominating and corporate governance committee considers include, without limitation, issues of character, integrity, judgment, diversity of experience, independence, area of expertise, corporate experience, length of service, potential conflicts of interest and other commitments. Nominees must also have the ability to offer advice and guidance to our Chief Executive Officer based on past experience in positions with a high degree of responsibility and be leaders in the companies or institutions with which they are affiliated. Director candidates must have sufficient time available in the judgment of our nominating and corporate governance committee to perform all board of director and committee responsibilities. Members of our board of directors are expected to prepare for, attend, and participate in all board of director and applicable committee meetings. Other than the foregoing, there are no stated minimum criteria for director nominees, although our nominating and corporate governance committee may also consider such other factors as it may deem, from time to time, are in our and our stockholders' best interests.

Although our board of directors does not maintain a specific policy with respect to board diversity, our board of directors believes that our board of directors should be a diverse body, and our nominating and corporate governance committee considers a broad range of backgrounds and experiences. In making determinations regarding nominations of directors, our nominating and corporate governance committee may take into account the benefits of diverse viewpoints. Our nominating and corporate governance committee also considers these and other factors as it oversees the annual board of director and committee evaluations. After completing its review and evaluation of director candidates, our nominating and corporate governance committee recommends to our full board of directors the director nominees for selection.

### **Stockholder Recommendations for Nominations to the Board of Directors**

Our nominating and corporate governance committee will consider candidates for director recommended by stockholders holding at least one percent (1%) of the fully diluted capitalization of the company continuously for at least twelve (12) months prior to the date of the submission of the recommendation, so long as such recommendations comply with our amended and restated certificate of incorporation and amended and restated bylaws and applicable laws, rules and regulations, including those promulgated by the SEC. The nominating and corporate governance committee will evaluate such recommendations in accordance with its charter, our amended and restated bylaws, our policies and procedures for director candidates, as well as the regular director nominee criteria described above. This

process is designed to ensure that our board of directors includes members with diverse backgrounds, skills and experience, including appropriate financial and other expertise relevant to our business. Eligible stockholders wishing to recommend a candidate for nomination should contact our General Counsel or our Legal Department in writing. Such recommendations must include information about the candidate, a statement of support by the recommending stockholder, evidence of the recommending stockholder's ownership of our common stock and a signed letter from the candidate confirming willingness to serve on our board of directors. Our nominating and corporate governance committee has discretion to decide which individuals to recommend for nomination as directors.

Any nomination should be sent in writing to our General Counsel or our Legal Department at A10 Networks, Inc., 3 West Plumeria Drive, San Jose, CA 95134. To be timely for our 2018 annual meeting of stockholders, our General Counsel or Legal Department must receive the nomination no earlier than January 29, 2018 and no later than February 28, 2018.

### **Communications with the Board of Directors**

Interested parties wishing to communicate with our board of directors or with an individual member or members of our board of directors may do so by writing to our board of directors or to the particular member or members of our board of directors, and mailing the correspondence to our General Counsel at A10 Networks, Inc., 3 West Plumeria Drive, San Jose, CA 95134, Attn: General Counsel. Each communication should set forth (i) the name and address of the stockholder, as it appears on our books, and if the shares of our common stock are held by a nominee, the name and address of the beneficial owner of such shares, and (ii) the number of shares of our common stock that are owned of record by the record holder and beneficially by the beneficial owner.

Our General Counsel, in consultation with appropriate members of our board of directors as necessary, will review all incoming communications and, if appropriate, such communications will be forwarded to the member or members of our board of directors to whom such communication was directed, or if none is specified, to the Chairman of our board of directors.

## **Corporate Governance Guidelines and Code of Business Conduct and Ethics**

Our board of directors has adopted Corporate Governance Guidelines that address items such as the qualifications and responsibilities of our directors and director candidates and corporate governance policies and standards applicable to us in general. In addition, our board of directors has 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, and other executive and senior financial officers. The full text of our Corporate Governance Guidelines and our Code of Business Conduct and Ethics is posted on the Corporate Governance portion of our website at <http://investors.a10networks.com>. We will post amendments to our Code of Business Conduct and Ethics or waivers of our Code of Business Conduct and Ethics for directors and executive officers on the same website.

## **Risk Management**

Risk is inherent with every business, and we face a number of risks, including strategic, financial, business and operational, legal and compliance, and reputational. We have designed and implemented processes to manage risk in our operations. Management is responsible for the day-to-day management of risks the company faces, while our board of directors, as a whole and assisted by its committees, has responsibility for the oversight of risk management. In its risk oversight role, our board of directors has the responsibility to satisfy itself that the risk management processes designed and implemented by management are appropriate and functioning as designed.

Our board of directors believes that open communication between management and our board of directors is essential for effective risk management and oversight. Our board of directors meets with our Chief Executive Officer and other members of the senior management team at quarterly meetings of our board of directors, where, among other topics, they discuss strategy and risks facing the company, as well as at such other times as they deemed appropriate.

While our board of directors is ultimately responsible for risk oversight, our board committees assist our board of directors in fulfilling its oversight responsibilities in certain areas of risk. Our audit committee assists our board of directors in fulfilling its oversight responsibilities with respect to risk management in the areas of internal control over financial reporting and disclosure controls and procedures, legal and regulatory compliance, and discusses with management and the independent auditor guidelines and policies with respect to risk assessment and risk management. Our audit committee also reviews our major financial risk exposures and the steps management has taken to monitor and control these exposures. Our audit committee also monitors certain key risks on a regular basis throughout the fiscal year, such as risk associated with internal control over financial reporting and liquidity risk. Our nominating and corporate governance committee assists our board of directors in fulfilling its oversight responsibilities with respect to the management of risk associated with board organization, membership and structure, and corporate governance. Our compensation committee assesses risks created by the incentives inherent in our compensation policies. Finally, our full board of directors reviews strategic and operational risk in the context of reports from the management team, receives reports on all significant committee activities at each regular meeting,

and evaluates the risks inherent in significant transactions.

## **Director Compensation**

### *Equity Compensation.*

Each non-employee director who first joins us will be granted an initial equity award with a value of \$225,000 and each non-employee director will be granted an annual equity award with a value of \$150,000 on each of our annual stockholder meetings. However, a continuing non-employee director who, as of the date of our annual stockholder meeting, has not served as a board member for the entire 12-month period prior to the annual stockholder meeting will receive an annual award with a value that is prorated based on the number of months the director served during the prior year. The initial and annual awards will be granted in the form of restricted stock units, and the number of shares to be granted pursuant to such awards will be determined by the closing price of our shares on the grant date. However, a non-employee director who is not continuing as a director following an annual stockholder meeting will not receive an annual award at such meeting.

The initial award will vest in three equal, annual installments from the date the non-employee director joins our board of directors, subject to continued service as a board member through each such date. Each annual award will vest as to 100% of the underlying shares on the earlier of the one year anniversary of the award's grant date or the date of our next annual stockholder meeting, subject to continued service as a board member through such date.

*Cash Compensation.*

Our board of directors approved the following annual compensation package for our non-employee directors:

	Annual Cash Retainer
Annual retainer	\$ 30,000
Additional retainer for audit committee chair	\$ 20,000
Additional retainer for audit committee member	\$ 7,500
Additional retainer for compensation committee chair	\$ 12,000
Additional retainer for compensation committee member	\$ 5,000
Additional retainer for nominating and governance committee chair	\$ 7,500
Additional retainer for nominating and governance committee member	\$ 3,500
Additional retainer for non-executive chairman of the board of directors	\$ 30,000
Additional retainer for independent lead director	\$ 15,000

*Compensation for 2016*

The following table provides information regarding the total compensation that was paid by the Company to each of our directors who was not serving as an executive officer in 2016.

<b>Director</b>	Fees Earned or Paid in Cash (\$)	<b>Option Awards (\$)(1)</b>	<b>Stock Awards (\$)(1)(2)</b>	<b>Total (\$)</b>
Peter Y. Chung	\$53,000	—	\$ 149,998	\$ 202,998
Alan S. Henricks	\$58,500	—	\$ 149,998	\$ 208,498
Phillip J. Salsbury	\$65,000	—	\$ 149,998	\$ 214,998

(1) The aggregate number of option awards and stock awards outstanding at December 31, 2016 for each non-employee director is as follows:

**Aggregate**

<b>Name</b>	<b>Number of Option Awards Outstanding at December 31, 2016(#)</b>	<b>Aggregate Number of Stock Awards Outstanding at December 31, 2016(#)</b>	
Peter Y. Chung	—	22,590	
Alan S. Henricks	30,000	22,590	
Phillip J. Salsbury	—	26,757	*

\*Includes 4,167 shares of early exercised restricted stock that are subject to a right of repurchase by the Company.

The amount reported in the Stock Awards column is the aggregate grant date fair value of the stock award, computed in accordance with equity compensation provisions of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 718. As required by the rules of the SEC, the amount (2) shown excludes the impact of estimated forfeitures related to service-based vesting conditions. Note that the amount reported in this column does not correspond to the actual economic value that may be received by the director from the award.



**PROPOSAL NO. 1  
ELECTION OF DIRECTORS**

Our board of directors is currently composed of five members. In accordance with our amended and restated certificate of incorporation, our board of directors is divided into three staggered classes of directors. At the Annual Meeting, two Class III directors will be elected for a three-year term to succeed the same class whose term is then expiring.

Each director's term continues until the election and qualification of his or her successor, or such director's earlier death, resignation, or removal. Any increase or decrease in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of our directors. This classification of our board of directors may have the effect of delaying or preventing changes in control of our company.

**Nominees**

Our nominating and corporate governance committee has recommended, and our board of directors has approved, Lee Chen and Alan S. Henricks as nominees for election as the Class III directors at the Annual Meeting. If elected, Messrs. Chen and Henricks will serve as Class III directors until the 2020 annual meeting of stockholders and until their successors are duly elected and qualified. The nominees are currently directors of our company. For information concerning the nominees, please see the section titled "Board of Directors and Corporate Governance."

If you are a stockholder of record and you sign your proxy card or vote by telephone or over the Internet but do not give instructions with respect to the voting of directors, your shares will be voted "FOR" the re-election of Messrs. Chen and Henricks. We expect that Messrs. Chen and Henricks will accept such nomination; however, in the event that a director nominee is unable or declines to serve as a director at the time of the Annual Meeting, the proxies will be voted for any nominee who shall be designated by our board of directors to fill such vacancy. If you are a street name stockholder and you do not give voting instructions to your broker or nominee, your broker will leave your shares unvoted on this matter.

**Vote Required**

The election of directors requires a plurality vote of the shares of our common stock present in person or by proxy at the Annual Meeting and entitled to vote thereon to be approved. Broker non-votes will have no effect on this proposal.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” EACH OF THE NOMINEES NAMED ABOVE.**

**PROPOSAL NO. 2****RATIFICATION OF APPOINTMENT OF  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Our audit committee has appointed Deloitte & Touche LLP (“Deloitte”), an independent registered public accounting firm, to audit our consolidated financial statements for our fiscal year ending December 31, 2017. During our fiscal year ended December 31, 2016, Deloitte served as our independent registered public accounting firm.

Notwithstanding the appointment of Deloitte and even if our stockholders ratify the appointment, our audit committee, in its discretion, may appoint another independent registered public accounting firm at any time during our fiscal year if our audit committee believes that such a change would be in the best interests of A10 Networks, Inc. and its stockholders. At the Annual Meeting, our stockholders are being asked to ratify the appointment of Deloitte as our independent registered public accounting firm for our fiscal year ending December 31, 2017. Our audit committee is submitting the appointment of Deloitte to our stockholders because we value our stockholders’ views on our independent registered public accounting firm and as a matter of good corporate governance. Representatives of Deloitte will be present at the Annual Meeting, and they will have an opportunity to make a statement and will be available to respond to appropriate questions from our stockholders.

If our stockholders do not ratify the appointment of Deloitte, our board of directors may reconsider the appointment.

**Fees Paid to the Independent Registered Public Accounting Firm**

The following table presents fees for professional audit services and other services rendered to our company by Deloitte for our fiscal years ended December 31, 2015 and 2016.

	<b>2016</b>	<b>2015</b>
Audit Fees <sup>(1)</sup>	\$1,009,904	\$987,560
Audit-Related Fees <sup>(2)</sup>	—	—
Tax Fees <sup>(3)</sup>	—	70,546
All Other Fees <sup>(4)</sup>	14,000	14,000
Total Fees	\$1,023,904	\$1,072,106

(1) Audit Fees consist of professional services rendered in connection with the audit of our annual consolidated financial statements, including audited financial statements presented in our Annual Report on Form 10-K and services that are normally provided by the independent registered public accountants in connection with statutory and regulatory filings or engagements for those fiscal years.

(2) Audit-Related Fees consist of fees for professional services for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and are not reported under "Audit Fees." These services include accounting consultations concerning financial accounting and reporting standards.

(3) Tax Fees consist of fees for professional services for tax compliance, tax advice and tax planning. These services include assistance regarding federal, state and international tax compliance.

(4) All Other Fees consist of permitted services other than those that meet the criteria above.

### **Auditor Independence**

In our fiscal year ended December 31, 2016, there were no other professional services provided by Deloitte, other than those listed above, that would have required our audit committee to consider their compatibility with maintaining the independence of Deloitte.

### **Audit Committee Policy on Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm**

Our audit committee has established a policy governing our use of the services of our independent registered public accounting firm. Under the policy, our audit committee is required to pre-approve all audit and non-audit services performed by our independent registered public accounting firm in order to ensure that the provision of such services does not impair the public accountants' independence. All fees paid to Deloitte for our fiscal years ended December 31, 2015 and 2016 were pre-approved by our audit committee.

### **Vote Required**

The ratification of the appointment of Deloitte requires the affirmative vote of a majority of the shares of our common stock present in person or by proxy at the Annual Meeting and entitled to vote thereon. Abstentions will have the effect of a vote AGAINST the proposal and broker non-votes will have no effect.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” THE RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP.**

## REPORT OF THE AUDIT COMMITTEE

The audit committee is a committee of the board of directors comprised solely of independent directors as required by the listing standards of the New York Stock Exchange and rules and regulations of the SEC. The audit committee operates under a written charter approved by the board of directors, which is available on our web site at <http://investors.a10networks.com>. The composition of the audit committee, the attributes of its members and the responsibilities of the audit committee, as reflected in its charter, are intended to be in accordance with applicable requirements for corporate audit committees. The audit committee reviews and assesses the adequacy of its charter and the audit committee's performance on an annual basis.

With respect to the company's financial reporting process, the management of the company is responsible for (1) establishing and maintaining internal controls and (2) preparing the company's consolidated financial statements. Our independent registered public accounting firm, Deloitte & Touche LLP ("Deloitte"), is responsible for auditing these financial statements. It is the responsibility of the audit committee to oversee these activities. It is not the responsibility of the audit committee to prepare our financial statements. These are the fundamental responsibilities of management. In the performance of its oversight function, the audit committee has:

reviewed and discussed the audited financial statements with management and Deloitte;

discussed with Deloitte the matters required to be discussed by the Statement of Auditing Standards No. 1301 "Communications with Audit Committees," as adopted by the Public Company Accounting Oversight Board in Rule 3200T; and

received the written disclosures and the letter from Deloitte required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence, and has discussed with Deloitte its independence.

Based on the audit committee's review and discussions with management and Deloitte, the audit committee recommended to the board of directors that the audited financial statements be included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2016 for filing with the Securities and Exchange Commission.

Respectfully submitted by the members of the audit committee of the board of directors:

Alan S. Henricks (Chair)

Peter Y. Chung

Phillip J. Salsbury

This report of the audit committee is required by the SEC and, in accordance with the SEC's rules, will not be deemed to be part of or incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933, as amended ("Securities Act"), or under the Exchange Act, except to the extent that we specifically incorporate this information by reference, and will not otherwise be deemed "soliciting material" or "filed" under either the Securities Act or the Exchange Act.

14

**EXECUTIVE OFFICERS**

The following table identifies certain information about our executive officers as of April 7, 2017. Officers are elected by our board of directors to hold office until their successors are elected and qualified. There are no family relationships among any of our directors or executive officers.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Lee Chen	63	Chief Executive Officer, President and Chairman
Rajkumar Jalan	55	Chief Technology Officer
Shiva Natarajan	51	Interim Chief Financial Officer
Robert Cochran	59	Executive Vice President, Legal and Corporate Collaboration, Secretary
Ray Smets	53	Executive Vice President of Worldwide Sales
Neil Wu Becker	45	Vice President, Worldwide Marketing and Communications

*Lee Chen* has served as our President, Chief Executive Officer and as a member of our board of directors since July 2004, and as the Chairman of our board of directors since March 2014. From 1996 to August 2004, Mr. Chen served in a variety of positions, including as Vice President of Software Engineering and Quality Assurance at Foundry Networks, Inc., a company that designed, manufactured and sold high-end enterprise and service provider switches and routers, as well as wireless, security, and traffic management solutions. Mr. Chen has previously held management and senior technical positions at OTS, Apple Computer, Convergent Technologies, Inc. and InSync Group, and was a co-founder of Centillion Networks, Inc. Mr. Chen has an M.S.E.E. from San Jose State University and a B.S. in Electrophysics from National Chiao-Tung University in Taiwan. Mr. Chen is a technology pioneer, especially in the area of Internet Protocol Multicast and System & System Security and holds numerous patents.

*Rajkumar Jalan* has served as our Chief Technology Officer since November 2008. From 2005 to 2008, he served as a consultant to the Company. From 1996 to 2002, Mr. Jalan served in various capacities, including as a Director of IP Routing, for Foundry Networks, Inc., a company that designed, manufactured and sold high-end enterprise and service provider switches and routers, as well as wireless, security, and traffic management solutions. Prior to Foundry, he worked on a wide range of networking technologies from Ethernet, Token-Ring, ATM and Digital Switching Systems. Mr. Jalan's prior employers included Bay Networks, Inc. and Network Equipment Technologies Inc. Mr. Jalan holds a number of patents related to Layer 2/Layer 3 as well as Layer 4/ Layer 7 switching. He has a B.Tech from the Indian Institute of Technology Bombay.

*Shiva Natarajan* has served as our Interim Chief Financial Officer since February 2017. Mr. Natarajan joined the Company in September 2015 and has served in the position of Vice President and Controller. From July 2014 to September 2015, Mr. Natarajan was Vice President and Chief Accounting Officer of Fluidigm Corporation, a public biotechnology company specializing in microfluidics. From December 2006 to June 2014, Mr. Natarajan served in several roles including Vice President, Chief Accounting Officer and Interim Chief Financial Officer, at Applied Micro Circuits Corporation, a public semiconductor company specializing in providing computing and connectivity



solutions for next-generation cloud infrastructure and data centers. He has a B.S. from the University of Calcutta.

*Robert Cochran* has served as our Executive Vice President, Legal and Corporate Collaboration since November 2016, as our Vice President, Legal and Corporate Collaboration from January 2012 to November 2016 and as a member of our board of directors since April 2012. In addition, Mr. Cochran was appointed as our Chief Risk Compliance Officer in October 2016, has served as our Secretary since August 2004, and previously served on our board of directors from August 2004 to October 2004. From January 1993 to January

2012, Mr. Cochran was an attorney in private practice in Woodside, California, where he had served as our outside legal counsel since our incorporation. From 2004 to 2010, Mr. Cochran served as a director of Techwell, Inc., a fabless semiconductor public company that was acquired by Intersil Corporation. Mr. Cochran also serves as a director of two privately held companies. Mr. Cochran has a J.D. from Harvard Law School and an A.B. in Economics from Harvard University.

*Ray Smets* has served as our Executive Vice President of Worldwide Sales since November 2016 and as our Vice President of Worldwide Sales from July 2013 to November 2016. From December 2011 to July 2013, Mr. Smets was Senior Vice President of Field Operations, Sales and International Development for Metaswitch Networks, Inc., a telecommunications company. From December 2008 to November 2011, he was Vice President and General Manager at Cisco Systems, Inc., a designer and manufacturer of computer networking devices. From September 2007 to August 2008, Mr. Smets was Executive Vice President of Sales and Marketing for Packeteer Inc., an application classification and traffic prioritization systems provider. Mr. Smets has also held executive positions at Netopia Inc., a provider of carrier-class broadband customer premise equipment, McAfee Security, Inc., a security software company, and Bellsouth Telecommunications/ AT&T, Inc., a telecommunications company. Mr. Smets has an M.B.A. from Nova-Southeastern University, and a B.S. in Computer Engineering from the University of Florida, and is an alumnus of the Stanford University Executive Program.

*Neil Wu Becker* has served as our Vice President of Worldwide Marketing and Communications since April 2016. From May 2015 to March 2016, Mr. Becker was Head of Worldwide Public Relations for Micron Technology, a memory chip maker. From February 2014 to May 2015, Mr. Becker was Vice President of Marketing Communications at Armor Defense, a secure managed cloud provider. From March 2006 to February 2014, Mr. Becker served in a variety of positions, including as Director of Public Relations at Cisco Systems, Inc., a designer and manufacturer of computer networking devices. Mr. Becker has an M.S. in Mass Communications from San Jose State University, and a B.A. in English from the University of California, Davis.

## EXECUTIVE COMPENSATION

### Processes and Procedures for Compensation Decisions

Our compensation committee is responsible for the executive compensation programs for our executive officers and reports to our board of directors on its discussions, decisions and other actions. Typically, our Chief Executive Officer makes recommendations to our compensation committee, often attends committee meetings and is involved in the determination of compensation for the respective executive officers that report to him, except that our Chief Executive Officer does not make recommendations as to his own compensation. Our Chief Executive Officer makes recommendations to our compensation committee regarding short- and long-term compensation for all executive officers (other than himself) based on our results, an individual executive officer's contribution toward these results and performance toward individual goal achievement. Our compensation committee then reviews the recommendations and other data and makes decisions as to total compensation for each executive officer other than the Chief Executive Officer, as well as each individual compensation component. Our compensation committee makes recommendations to our board of directors regarding compensation for our Chief Executive Officer. The independent members of our board of directors make the final decisions regarding executive compensation for our Chief Executive Officer.

Our compensation committee is authorized to retain the services of one or more executive compensation advisors, as it sees fit, in connection with the establishment of our compensation programs and related policies. Radford, a national compensation consultant, has been retained by our compensation committee to provide information, recommendations and other advice relating to executive compensation. Radford was engaged to assist our compensation committee in developing an appropriate group of peer companies to help us determine the appropriate level of overall compensation for our executive officers, as well as assess each separate element of compensation, with a goal of ensuring that the compensation we offer to our executive officers is competitive and fair.

### Fiscal 2016 Summary Compensation Table

The following table provides information regarding the total compensation for services rendered in all capacities that was earned by each individual who served as our principal executive officer at any time in 2016, and our two other most highly compensated executive officers who were serving as executive officers as of December 31, 2016. These individuals were our named executive officers (each, an "NEO" and together, the "NEOs") for 2016.

	Non- Equity	Non- Qualified Deferred
--	----------------	-------------------------------

Edgar Filing: A10 Networks, Inc. - Form DEF 14A

Name and Principal Position	Year	Salary (\$)	Stock Awards		Option Awards (\$) <sup>(1)</sup>	Incentive Plan Compensation (\$)	Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
			Bonus (\$)	Awards (\$) <sup>(1)</sup>					
Lee Chen Chief Executive Officer	2016	—	—	1,269,600	673,706	—	—	1,278	(2) 1,944,584
	2015	—	—	—	—	—	—	—	—
Greg Straughn <sup>(4)</sup> Chief Financial Officer	2014	—	—	205,600	—	—	—	80,185	(3) 285,785
	2016	281,988	—	414,000	219,402	122,079	—	4,849	(5) 1,042,318
Ray Smets Executive Vice President of Worldwide Sales	2015	270,963	—	—	—	76,108	—	4,951	(6) 352,022
	2014	265,000	—	85,666	135,495	58,900	—	2,451	(7) 547,512
Ray Smets Executive Vice President of Worldwide Sales	2016	302,138	—	380,880	202,708	299,183	—	3,811	(8) 1,188,720
	2015	585,791 <sup>(9)</sup>	—	—	—	—	—	3,811	(8) 589,602
Worldwide Sales	2014	285,000	—	85,666	144,528	230,911	—	1,311	(7) 747,416

The amounts reported in the Stock Awards and the Option Awards columns represent the grant date fair value of the stock award and the stock option award as computed in accordance with FASB ASC Topic 718. As required by the rules of the SEC, the amounts shown exclude the impact of estimated forfeitures related to service-based (1) vesting conditions. Note that the amount reported in this column does not correspond to the actual economic value that may be received by the NEO from the award. The assumptions that we used to calculate these amounts are discussed in Note 6 to our audited financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 filed with the SEC on February 23, 2017.

(2) This amount represents dependent care benefits paid on behalf of the executive.

(3) The amount reported represents a Hart-Scott-Rodino filing fee paid on behalf of the executive (\$45,000) and associated tax reimbursement (\$35,185).

(4) Mr. Straughn resigned as Chief Financial Officer in February 2017.

(5) This amount represents group term life insurance premiums paid on behalf of the executive (\$2,349) and 401(k) matching contribution (\$2,500).

(6) This amount represents group term life insurance premiums paid on behalf of the executive (\$2,451) and 401(k) matching contribution (\$2,500).

(7) This amount represents group term life insurance premiums paid on behalf of the executive.

(8) This amount represents group term life insurance premiums paid on behalf of the executive (\$1,311) and 401(k) matching contribution (\$2,500).

(9) Includes earned commission of \$294,408.

### **Non-Equity Incentive Plan Compensation**

For our 2016 fiscal year, Mr. Straughn was eligible to receive an annual cash bonus based 70% on corporate performance goals and 30% on individual performance goals, under our non-sales executive bonus plan as approved by the compensation committee. His target bonus opportunity for our 2016 fiscal year was equal to 50% of his base salary. The corporate performance goals under such plan related to our revenue and non-GAAP operating income for 2016. Generally, the portion of the plan based on corporate performance goals would result in funding of bonuses upon on the achievement of threshold levels of both revenue and non-GAAP operating income as specified in a performance goal matrix approved by the compensation committee.

Mr. Smets participated in our Sales Incentive Plan for our 2016 fiscal year with respect to approximately 90% of his annual cash incentive compensation opportunity. The remaining approximately 10% was based on individual, MBO performance goals established by the compensation committee. His target annual cash incentive compensation opportunity for our fiscal year 2016 was equal to 100% of his base salary. The performance criteria under our Sales Incentive Plan related to a specified bookings quota for our fiscal year 2016.

In early 2017, our Chief Executive Officer evaluated the progress made towards achieving the corporate and individual performance goals in accordance with the terms of the applicable plans and made a recommendation to our compensation committee regarding the bonus amount for each of Messrs. Straughn and Smets based on this evaluation. The bonuses for Messrs. Straughn and Smets, as determined pursuant to the terms of the applicable plan and our Chief Executive Officer's recommendation, were approved in early 2017. For the 2016 fiscal year, Mr. Straughn earned a cash bonus of \$122,079 and Mr. Smets earned a cash bonus of \$299,183.

### **Executive Officer Employment Agreements**

*Offer Letters*

We have entered into offer letters with each of our NEOs.

*Lee Chen Offer Letter*

Under Mr. Chen's offer letter dated July 30, 2004, we hired Mr. Chen as our CEO. The letter provided for no base salary for Mr. Chen and an initial equity award grant to be determined. Mr. Chen's current annual base salary is \$0.

*Greg Straughn Offer Letter*

Under Mr. Straughn's offer letter dated May 31, 2011, we hired Mr. Straughn as our Chief Financial Officer. The letter provided for Mr. Straughn's initial base salary and bonus opportunity, plus an initial option grant covering 242,666 shares which vested as to one-fourth of the shares on June 27, 2012, and the balance was scheduled to vest in 36 successive, equal, monthly installments thereafter, subject to his continued service with us through each applicable vesting date. His award was eligible for accelerated vesting under his Change in Control and Severance Agreement, described below. Mr. Straughn's annual base salary for fiscal 2016 was \$285,000. Mr. Straughn resigned as Chief Financial Officer in February 2017.

*Ray Smets Offer Letter*

Under Mr. Smets' offer letter dated July 18, 2013, we hired Mr. Smets as our Vice President, Global Sales. The letter provided for Mr. Smets' initial base salary and bonus opportunity, plus an initial option grant covering 200,000 shares which vest over four years subject to his continued service with us through each applicable vesting date. His award is eligible for accelerated vesting under his Change in Control and Severance Agreement, described below. Mr. Smets has served as our Executive Vice President of Worldwide Sales since November 2016. His current annual base salary is \$314,150 and he earned a non-equity incentive plan payout of \$ 299,183 for 2016.

### *Change in Control and Severance Agreements*

We entered into a Change in Control and Severance Agreement (each, an “Agreement” and together, the “Agreements”) with each of our NEOs.

Each NEO’s Agreement provides that if, after the executive completes at least one year of employment with us and (a) we terminate the executive’s employment with us for any reason other than for cause and not due to the executive’s death or disability, or (b) the executive resigns for Good Reason (as defined in the Agreement), and in each case the termination does not occur during the Change in Control Period (as defined in the Agreement), the executive will receive the following severance benefits: (i) continuing payments of salary severance for a period of 12 months (in the case of Mr. Chen) or nine months (in the case of the other NEOs), and (ii) continuing payments to reimburse the executive for COBRA continuation coverage for a period of up to 12 months (in the case of Mr. Chen) or nine months (in the case of the other NEOs).

Each Agreement further provides that if we terminate the executive’s employment with us for any reason other than cause and not due to the executive’s death or disability, or the executive resigns for Good Reason, and in each case the termination occurs during the Change in Control Period, the executive will receive the following severance benefits: (i) a lump sum cash payment equal to 150% (in the case of Mr. Chen) or 100% (in the case of the other NEOs) of the greater of the executive’s salary in effect as of immediately prior to his employment termination or the Change in Control, (ii) a lump sum cash payment equal to 150% (in the case of Mr. Chen) or 100% (in the case of the other NEOs) of the greater of the executive’s target bonus in effect for the year in which the executive’s employment terminates or the Change in Control occurs, (iii) continuing payments to reimburse the executive for COBRA continuation coverage for a period of up to 18 months (in the case of Mr. Chen) or 12 months (in the case of the other NEOs), and (iv) 100% accelerated vesting of the executive’s outstanding equity awards, with any applicable performance goals considered achieved at the target levels.

In order to receive the severance benefits under the Agreement, the executive must sign and not revoke a release of claims in our favor and comply with confidentiality obligations.

As defined in the Agreements, “Cause” generally means the executive’s (i) repeated failure to perform his duties and responsibilities to the Company or abide in all material respects with the Company’s policies after receiving written notice, (ii) engagement in illegal conduct injurious to the Company in any material respect, (iii) material violation or material breach of his confidential information and invention agreement with the Company that is not cured within 20 days of written notice or is incapable of cure, or (iv) conviction or plea of no contest to a felony (other than motor vehicle offenses that do not materially impair the executive’s performance of his employment duties) or any crime involving fraud, embezzlement or other offense involving moral turpitude, and/or committing any act of embezzlement, dishonesty or fraud against or the misappropriation of material property belonging to the Company.

As defined in the Agreements, “Change in Control Period” generally means, subject to the occurrence of a Change in Control, the period beginning on the date that an agreement to enter into such Change in Control is signed and executed, and ending on the date 12 months following such Change in Control. As will be defined in the Agreements, “Change in Control” generally means the occurrence of any of the following events: (i) a change in our ownership that occurs on the date that any one person or persons acting as a group (“Person”), acquires ownership of our stock that, together with the stock already held by such Person, constitutes more than 50% of the total voting power of our stock; or (ii) a change in our effective control that occurs on the date that a majority of members of our board of directors is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of our board of directors prior to the date of the appointment or election; or (iii) a change in the ownership of a substantial portion of our assets that occurs on the date that any Person acquires (or has acquired during a 12-month period) assets from us with a total gross fair market value equal to or more than 50% of the total gross fair market value of all of our assets immediately prior to such acquisition(s), excluding any transfer to an entity that is controlled by our stockholders immediately after the transfer and any transfer of assets by us to an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by us. For purposes of this definition, gross fair market value means the value of our assets, or the value of our assets being disposed of, determined without regard to any liabilities associated with such assets.

As defined in the Agreements, “Good Reason” generally means the executive’s voluntary termination of employment with us within 90 days following the expiration of our cure period following one or more of the following occurring without the executive’s prior consent: (i) a material reduction in the executive’s gross base salary other than in connection with a similar reduction for all similarly- situated employees; (ii) a material reduction in the executive’s authority, duties, or responsibilities; or (iii) a relocation of the executive’s principal place of work to a location that is more than 50 miles from his current principal work site for us. The executive may not resign for Good Reason without first providing us with notice within 60 days of the initial existence of the condition that he believes constitutes Good Reason identifying the grounds for Good Reason and a reasonable cure period of at least 30 days following the date of such notice, during which such grounds must not have been cured.



## **Executive Incentive Compensation Plan**

In March 2014, our board of directors adopted an Executive Incentive Compensation Plan, referred to as our Bonus Plan. Our Bonus Plan allows our compensation committee to provide cash incentive awards to selected employees, including our NEOs, based upon performance goals established by our compensation committee.

Under the Bonus Plan, our compensation committee determines the performance goals applicable to awards, which goals may include, without limitation: attainment of research and development milestones, sales bookings, business divestitures and acquisitions, cash flow, cash position, earnings (which may include any calculation of earnings, including but not limited to earnings before interest and taxes, earnings before taxes, earnings before interest, taxes, depreciation and amortization and net earnings), earnings per share, net income, net profit, net sales, operating cash flow, operating expenses, operating income, operating margin, overhead or other expense reduction, product defect measures, product release timelines, productivity, profit, return on assets, return on capital, return on equity, return on investment, return on sales, revenue, revenue growth, sales results, sales growth, stock price, time to market, total stockholder return, working capital, and individual objectives such as peer reviews or other subjective or objective criteria. Performance goals that include the Company's financial results may be determined in accordance with U.S. generally accepted accounting principles, or GAAP, or such financial results may consist of non-GAAP financial measures and any actual results may be adjusted by our compensation committee for one-time items or unbudgeted or unexpected items when determining whether the performance goals have been met. The goals may be on the basis of any factors our compensation committee determines relevant, and may be adjusted on an individual, divisional, business unit or company-wide basis. Any criteria used may be measured on such basis as our compensation committee determines. The performance goals may differ from participant to participant and from award to award.

Our compensation committee may, in its sole discretion and at any time, increase, reduce or eliminate a participant's actual award, and/or increase, reduce or eliminate the amount allocated to the bonus pool for a particular performance period. The actual award may be below, at or above a participant's target award, in our compensation committee's discretion. Our compensation committee may determine the amount of any reduction on the basis of such factors as it deems relevant, and it is not required to establish any allocation or weighting with respect to the factors it considers.

Actual awards are paid in cash (or its equivalent) in a single lump sum only after they are earned and approved by our compensation committee. Unless otherwise determined by our compensation committee, to earn an actual award, a participant must be employed by the Company (or an affiliate of the Company) through the date the bonus is paid. Payment of bonuses occurs as soon as administratively practicable after they are earned, but no later than the dates set forth in the Bonus Plan.

Our board of directors has the authority to amend, alter, suspend or terminate the Bonus Plan provided such action does not alter or impair the existing rights of any participant with respect to any earned bonus.

## Retirement Plan

We maintain a tax-qualified 401(k) retirement plan for all employees who satisfy certain eligibility requirements under the plan. The plan provides eligible employees with an opportunity to save for retirement on a tax-advantaged basis. Participants of our 401(k) plan are able to defer a percentage of their eligible compensation, subject to applicable annual Internal Revenue Code and plan limits. All participants' interests in their deferrals are 100% vested when contributed. Beginning in January 2015, we also provide matching contributions under our 401(k) plan that generally vest over a 4-year period based on the participant's employment. The Company matches 50% of the first 6% of eligible compensation contributed, for up to \$2,500 per year. Pre-tax contributions are allocated to the participant's individual account and are then invested in selected investment alternatives according to the participant's directions. The 401(k) plan is intended to qualify under Internal Revenue Code Section 401(a) with the plan's related trust intended to be tax exempt under Internal Revenue Code Section 501(a). As a tax-qualified retirement plan, the 401(k) plan allows contributions, and earnings on those contributions, not to be taxable to the employees until distributed from the 401(k) plan.

**Outstanding Equity Awards at 2016 Year-End**

The following table sets forth information regarding outstanding stock options and stock awards held by our named executive officers as of December 31, 2016.

Name	Grant Date		Option Awards		Option Exercise Price (\$)	Option Expiration Date	Stock Awards	
			Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable <sup>(3)</sup>			Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)
Lee Chen	2/12/2016	(1)(2)(3)	58,854	223,646	5.52	2/12/2026		
	12/22/2014	(1)					240,000	(4) 1,994,400
	2/12/2016	(1)					230,000	(5) 1,911,300
Greg Straughn	7/1/2011	(3)(6)	236,085		3.00	7/1/2021		
	10/24/2013	(3)(6)(7)	132,999	35,001	8.51	10/24/2023		
	12/22/2014	(1)(3)(8)	45,000	45,000	4.40	12/22/2024		
	2/12/2016	(1)(2)(3)	19,166	72,834	5.52	2/12/2026		
	12/22/2014	(1)					100,000	(4) 831,000
Ray Smets	2/12/2016	(1)					75,000	(5) 623,250
	7/23/2013	(3)(6)(9)	104,164	29,168	6.19	7/23/2023		
	10/24/2013	(3)(6)(7)	31,665	18,334	8.51	10/24/2023		
	12/22/2014	(1)(3)(8)	48,000	48,000	4.40	12/22/2024		
	2/12/2016	(1)(2)(3)	17,708	67,292	5.52	2/12/2026		
	12/22/2014	(1)					100,000	(4) 831,000
	2/12/2016	(1)					69,000	(5) 573,390

(1) Each of the outstanding stock option awards or units was granted under our 2014 Stock Plan.

One-forty-eighth (1/48) of the shares of our common stock subject to the stock option award vests in 48 successive, (2) equal, monthly installments (with the first installment having vested on March 12, 2016), subject to continued service with us through each applicable vesting date.

In the event that we terminate the NEO's employment without cause or the NEO resigns for good reason at any time (3) during the period beginning on the date that we enter into an agreement resulting in our change in control and ending on the date 12 months after the change in control, the award will accelerate vesting in full as provided under the terms of each NEO's Change in Control and Severance Agreement.

If the ATEN Stock Price is at least \$10.00 on each of twenty (20) consecutive trading days that occurs during the Performance Period (4 years from the date of grant) (the “\$10 Performance Goal”), then the \$10 Stock Price PSUs will immediately vest as of the date that the \$10 Performance Goal is achieved, subject to Participant remaining a Service Provider through such vesting date. For the avoidance of doubt, if the \$10 Performance Goal is achieved more than once during the Performance Period, Restricted Stock Units may vest only upon the first instance that (4) the \$10 Performance Goal is achieved, and thereafter, no additional Restricted Stock Units will vest. If the ATEN Stock Price is at least \$15.00 on each of twenty (20) consecutive trading days that occurs during the Performance Period (the “\$15 Performance Goal” and together with the \$10 Performance Goal, the “Stock Price Goals”), the \$15 Stock Price PSUs will vest immediately as of the date that the \$15 Performance Goal is achieved, subject to Participant remaining a Service Provider through such vesting date. 1/3 of the total PSUs are \$10 Stock Price PSU and the balance are \$15 Stock Price PSUs.

The number of shares subject to the performance-based restricted stock units shown in the table represents the target number of shares underlying the award. The maximum number of shares subject to the award that could vest is 100% of the target number of shares subject to the award. The actual number of shares subject to the award that will become eligible to vest will be determined based on the extent of achievement of the Company’s fiscal year 2016 revenue as determined in accordance with GAAP at specified levels. If the Company achieves fiscal year 2016 revenue at the minimum threshold level specified under the award, 80% of the target number of shares (5) subject to the award will become eligible to vest. If such minimum threshold is not met, then no shares subject to the award would become eligible to vest. If the Company had been acquired during fiscal year 2016, 100% of the target number of shares subject to the awards would have been considered eligible to vest. The portion of the award that becomes eligible to vest based on achievement of the performance criteria will be scheduled to vest as to 25% of such shares on each of the one, two, three, and four year anniversaries of the award’s grant date, subject to continued service with us through the applicable vesting date.

(6) Each of the outstanding stock option awards was granted under our 2008 Stock Plan.

One-forty-eighth (1/48) of the shares of our common stock subject to the stock option award vests in 48 successive, (7) equal, monthly installments (with the first installment having vested on November 24, 2013), subject to continued service with us through each applicable vesting.

One-forty-eighth (1/48) of the shares of our common stock subject to the stock option award vests in 48 successive, (8) equal, monthly installments (with the first installment having vested on January 22, 2015), subject to continued service with us through each applicable vesting date.

One-fourth (1/4) of the shares of our common stock subject to the stock option award vested on July 22, 2014, and (9) the balance vests in 36 successive, equal, monthly installments thereafter, subject to continued service with us through each applicable vesting date.

## Compensation Committee Report

The compensation committee has reviewed and discussed the section titled “Executive Compensation” with management. Based on such review and discussion, the compensation committee has recommended to the board of directors that the section titled “Executive Compensation” be included in this proxy statement.

Respectfully submitted by the members of the compensation committee of the board of directors:

Peter Y. Chung (Chair)

Alan S. Henricks

Phillip J. Salsbury

## Equity Compensation Plan Information

The following table summarizes our equity compensation plan information as of December 31, 2016. Information is included for equity compensation plans approved by our stockholders and equity compensation plans not approved by our stockholders. We will not grant equity awards in the future under any of the equity compensation plans not approved by our stockholders included in the table below.

<b>Plan Category</b>	<b>(a) Number of Securities to be Issued</b>	<b>(b) Weighted Average Exercise Price of Outstanding Options, Warrants and Rights</b>	<b>(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans(1) (Excluding Securities Reflected in Column (a))</b>
Equity compensation plans approved by stockholders	13,825,430	\$ 4.82	8,612,839

Edgar Filing: A10 Networks, Inc. - Form DEF 14A

Equity compensation plans not approved by stockholders	0	0	0
Total	13,825,430	\$ 4.82	8,612,839

22

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of April 7, 2017 for:

each of our directors and nominees for director;

each of our named executive officers;

all of our current directors and executive officers as a group; and

each person or group, who beneficially owned more than 5% of our common stock.

We have determined beneficial ownership in accordance with the rules of the SEC, and thus it represents sole or shared voting or investment power with respect to our securities. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares that they beneficially owned, subject to community property laws where applicable.

We have based our calculation of the percentage of beneficial ownership on 69,337,156 shares of our common stock outstanding as of April 7, 2017. We have deemed shares of our common stock subject to stock options that are currently exercisable or exercisable within 60 days of April 7, 2017 or issuable pursuant to RSUs which are subject to vesting conditions expected to occur within 60 days of April 7, 2017 to be outstanding and to be beneficially owned by the person holding the stock option or RSU for the purpose of computing the percentage ownership of that person. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o A10 Networks, Inc., 3 West Plumeria Drive, San Jose, California 95134. The information provided in the table is based on our records, information filed with the SEC and information provided to us, except where otherwise noted.

Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned
--	--

**Name of Beneficial Owner**

## 5% Stockholders:

Lee Chen <sup>(1)</sup>	10,793,264	15.57	%
Entities affiliated with Summit Partners, L.P. <sup>(2)</sup>	9,474,058	13.66	%
Blackrock, Inc. <sup>(3)</sup>	4,742,985	6.84	%
Named Executive Officers and Directors:			
Peter Y. Chung <sup>(2)</sup>	9,474,058	13.66	%
Greg Straughn <sup>(4)</sup>	490,265		*
Robert Cochran <sup>(5)</sup>	458,972		*
Ray Smets <sup>(6)</sup>	330,061		*
Phillip J. Salsbury <sup>(7)</sup>	111,212		*
Alan S. Henricks <sup>(8)</sup>	86,212		*
All current executive officers and directors as a group (9 persons) <sup>(9)</sup>	21,891,103	31.57	%

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

Includes (i) 10,701,783 shares of common stock held by Mr. Chen; and (ii) 3,200 shares of common stock held by (1) the U/A DTD 07/25/2000 Lee Chen Family Trust, for which Mr. Chen serves as a trustee. Includes 88,281 shares issuable upon exercise of options exercisable within 60 days after April 7, 2017.

Includes (i) 6,873,136 shares of common stock held of record by Summit Partners Growth Equity Fund VIII-A, L.P.; (ii) 2,510,989 shares of common stock held of record by Summit Partners Growth Equity Fund VIII-B, L.P.; (iii) 40,186 shares of common stock held of record by Summit Investors I, LLC, (iv) 3,535 shares of common stock held of record by Summit Investors I (UK), L.P. and (v) 23,622 shares held in the name of Peter Y. Chung. Also, includes 22,590 restricted stock units granted to Peter Y. Chung as part of the director compensation program on June 1, 2016. The restricted stock units will settle solely by delivery of an equal number of shares of common stock (2) on or about June 1, 2017. Summit Partners, L.P. is the managing member of Summit Partners GE VIII, LLC, which is the general partner of Summit Partners GE VIII, L.P., which is the general partner of each of Summit Partners Growth Equity Fund VIII-A, L.P. and Summit Partners Growth Equity Fund VIII-B, L.P. Summit Master Company, LLC is the managing member of Summit Investors Management, LLC, which is the manager of Summit Investors I, LLC, and the general partner of Summit Investors I (UK), L.P. Summit Master Company, LLC, as the managing member of Summit Investors Management, LLC, has delegated investment decisions, including voting and dispositive power, to Summit Partners, L.P. and its Investment Committee. Peter Y. Chung holds shares



and any restricted stock units for the benefit of Summit Partners, L.P., which he has empowered to determine when the underlying shares will be sold and which is entitled to the proceeds of any such sales. Summit Partners, L.P., through a two person Investment Committee currently composed of Martin J. Mannion and Peter Y. Chung, has voting and dispositive authority over the shares held by each of these entities and therefore may be deemed to beneficially owns such shares. In addition, Mr. Chung is a member of Summit Master Company, LLC. Each of the Summit entities mentioned herein, Mr. Mannion and Mr. Chung disclaim beneficial ownership of the shares of common stock and the restricted stock units in each case, to the extent of it or his pecuniary interest therein. The address for each of these entities and persons is 222 Berkeley Street, 18th Floor, Boston, MA 02116.

(3) A Schedule 13G was filed with the SEC on January 30, 2017 by BlackRock, Inc. (“BlackRock”), 55 East 52nd Street, New York, NY 10055. BlackRock is a parent holding company with the following subsidiaries who are also beneficial owners: BlackRock (Netherlands) B.V., BlackRock Advisors, LLC, BlackRock Asset Management Canada Limited, BlackRock Asset Management Ireland Limited, BlackRock Financial Management, Inc., BlackRock Fund Advisors, BlackRock Institutional Trust Company, N.A., BlackRock International Limited, BlackRock Investment Management, LLC, and BlackRock Japan Co Ltd. This Schedule 13G reports that BlackRock has sole voting power with respect to 4,587,084 shares and sole dispositive power with respect to 4,742,985 shares.

(4) Includes 469,709 shares issuable upon exercise of options exercisable within 60 days after April 7, 2017.

(5) Includes 343,781 shares issuable upon exercise of options exercisable within 60 days after April 7, 2017.

(6) Includes 248,170 shares issuable upon exercise of options exercisable within 60 days after April 7, 2017 and 2,778 shares acquired upon an early exercise of stock options, which shares are subject to a right of repurchase by us if Mr. Smets does not satisfy the option’s vesting requirements. Shares acquired upon an early exercise may not be disposed of until the vesting period has been satisfied.

(7) Includes 22,590 shares issuable pursuant to RSUs which are subject to vesting conditions expected to occur within 60 days of April 7, 2017.

(8) Includes 22,590 shares issuable pursuant to RSUs which are subject to vesting conditions expected to occur within 60 days of April 7, 2017 as well as 30,000 shares issuable upon exercise of options exercisable within 60 days after April 7, 2017, of which 8,334 shares may be acquired upon an early exercise and are subject to a right of repurchase by us if Mr. Henricks does not satisfy the option’s vesting requirements. Shares acquired upon an early exercise may not be disposed of until the vesting period has been satisfied.

(9) Includes 1,011,923 shares issuable upon exercise of options held by our current executive officers and directors exercisable within 60 days after April 7, 2017 and 69,957 shares issuable pursuant to RSUs which are subject to vesting conditions expected to occur within 60 days of April 7, 2017 held by our current executive officers and

directors.

24

## **RELATED PERSON TRANSACTIONS**

We describe below transactions and series of similar transactions, since the beginning of our last fiscal year, 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, nominees for director, executive officers or holders of more than 5% of our outstanding capital stock, or any immediate family member of, or person sharing the household with, any of these individuals or entities, had or will have a direct or indirect material interest.

Other than as described below, there has not been, nor is there any currently proposed, transactions or series of similar transactions to which we have been or will be a party.

### **Investors Rights Agreement**

We are party to an investors rights agreement which provides, among other things, that certain holders of our common stock have the right to demand that we file a registration statement, or request that the shares of such stock be covered by a registration statement that we are otherwise filing, subject to certain exceptions. Lee Chen, our President and Chief Executive Officer, Robert Cochran, our Executive Vice President, Legal and Corporate Collaborations, and certain entities affiliated with Summit Partners, L.P., which hold more than 5% of our outstanding capital stock and one of whose managing directors, Peter Y. Chung, is a member of our board of directors, are parties to the investors rights agreement.

### **Employment Arrangements and Indemnification Agreements**

We have entered into employment and consulting arrangements with certain of our current and former executive officers. See "Executive Officer Employment Agreements."

We have also entered into indemnification agreements with certain directors and officers of ours. The indemnification agreements and our restated certificate of incorporation and bylaws in effect upon the completion of this offering require us to indemnify our directors and officers to the fullest extent permitted by Delaware law.

## **Stock Option Grants to Executive Officers and Directors**

We have granted stock options to our executive officers and our non-employee directors. See the sections entitled “Executive Compensation” above.

## **Other Transactions**

Other than as described above under this section titled “Related Party Transactions,” since January 1, 2016, we have not entered into any transactions, nor are there any currently proposed transactions, between us and a related party where the amount involved exceeds, or would exceed, \$120,000, and in which any related person had or will have a direct or indirect material interest. We believe the terms of the transactions described above were comparable to terms we could have obtained in arm’s-length dealings with unrelated third parties.

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

The audit committee of our board of directors has the primary responsibility for reviewing and approving transactions with related parties. Our audit committee charter provides that the audit committee may review and approve in advance any related party transactions.

We have adopted a formal written policy providing that our executive officers, directors, nominees for election as directors, beneficial owners of more than 5% of any class of our common stock, any member of the immediate family of any of the foregoing persons, and any firm, corporation, or other entity in which any of the foregoing persons is employed, is a general partner or principal or in a similar position, or in which such person has a 5% or greater beneficial ownership interest, is not permitted to enter into a related party transaction with us without the consent of our audit committee, subject to the exceptions described below. In approving or rejecting any such proposal, our audit committee is to consider the relevant facts and circumstances available and deemed relevant to our audit committee, including, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances, and the extent of the related party’s interest in the transaction. Our audit committee has determined that certain transactions shall be deemed to be pre-approved by the audit committee, even if the aggregate amount involved will exceed \$120,000, including certain employment arrangements of executive officers, director compensation, transactions with another company at which a related party’s only relationship is as a non-executive employee or beneficial owner of less than 5% of that company’s shares, transactions where a related party’s interest arises solely from the ownership of our common stock and all holders of our common stock received the same benefit on a pro rata basis, and transactions available to all employees generally.



## **OTHER MATTERS**

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

Section 16(a) of the Exchange Act requires that our executive officers and directors, and persons who own more than 10% of our common stock, file reports of ownership and changes of ownership with the SEC. Such directors, executive officers and 10% stockholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file.

SEC regulations require us to identify in this proxy statement anyone who filed a required report late during the most recent fiscal year. Based on our review of forms we received, or written representations from reporting persons stating that they were not required to file these forms, we believe that during our fiscal ended December 31, 2016, all Section 16(a) filing requirements were satisfied on a timely basis.

### **Fiscal Year 2016 Annual Report and SEC Filings**

Our financial statements for our fiscal year ended December 31, 2016 are included in our Annual Report on Form 10-K, which we will make available to stockholders at the same time as this proxy statement. This proxy statement and our annual report are posted on our website at <http://investors.a10networks.com> and are available from the SEC at its website at [www.sec.gov](http://www.sec.gov). You may also obtain a copy of our annual report without charge by sending a written request to A10 Networks, Inc., Attention: Investor Relations, 3 West Plumeria Drive, San Jose, California 95134.

\* \* \*

The board of directors does not know of any other matters to be presented at the Annual Meeting. If any additional matters are properly presented at the Annual Meeting, the persons named in the enclosed proxy card will have discretion to vote the shares of our common stock they represent in accordance with their own judgment on such matters.

It is important that your shares of our common stock be represented at the Annual Meeting, regardless of the number of shares that you hold. You are, therefore, urged to vote by telephone or by using the Internet as instructed on the enclosed proxy card or execute and return, at your earliest convenience, the enclosed proxy card in the envelope that

has also been provided.

**THE BOARD OF DIRECTORS**

San Jose, California  
April 14, 2017

26

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time on May 30, 2017. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

***A10 NETWORKS,  
INC.  
3 WEST  
PLUMERIA  
DRIVE  
SAN JOSE, CA  
95134***

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time on May 30, 2017. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:      KEEP THIS PORTION FOR YOUR RECORDS  
DETACH AND RETURN THIS PORTION ONLY  
**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

**The Board of  
Directors  
recommends  
you vote FOR  
the following:**



To elect two  
Class III  
directors to  
serve until  
the 2020  
annual  
meeting of  
**1.** stockholders  
and until  
their  
successors  
are duly  
elected and  
qualified:

**Nominees**

**For Against Abstain**

1A Lee  
Chen

1B Alan  
S.  
Henricks

**The Board of  
Directors  
recommends you  
vote FOR the  
following proposal:**

**For Against Abstain**

**2.** To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2017.

**NOTE:** To transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

Please sign exactly as  
your name(s)  
appear(s) hereon.  
When signing as

attorney, executor,  
administrator, or  
other fiduciary,  
please give full title  
as such. Joint owners  
should each sign  
personally. All  
holders must sign. If  
a corporation or  
partnership, please  
sign in full corporate  
or partnership name,  
by authorized officer.

Signature  
[PLEASE  
SIGN  
WITHIN  
BOX]

Date    Signature (Joint Owners)    Date

0000329680\_1    R1.0.1.15

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:** The Notice & Proxy Statement and Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com)

**A10 NETWORKS, INC.**

**Annual Meeting of Stockholders**

**May 31, 2017**

**This proxy is solicited by the Board of Directors**

The undersigned hereby appoints Lee Chen, Shiva Natarajan and Robert Cochran, and each of them, with full power of substitution and power to act alone, as proxies to vote all the shares of Common Stock which the undersigned would be entitled to vote if personally present and acting at the Annual Meeting of Stockholders of A10 Networks, Inc., to be held on Wednesday, May 31, 2017 at 10:00 a.m. Pacific time, at the Company's executive offices located at 3 West Plumeria Drive, San Jose, California 95134, and at any adjournments or postponements thereof, as follows:

**This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.**

**Continued and to be signed on reverse side**

0000329680\_2 R1.0.1.15