

# FIVE9, INC.

## CORPORATE GOVERNANCE GUIDELINES

(As Adopted by the Board of Directors to be effective on March 10, 2017)

### Introduction

The Board of Directors (the “Board”) of Five9, Inc. (“Five9”) has adopted these corporate governance guidelines to assist it in following corporate practices that serve the best interests of Five9 and its stockholders. The Board intends that these guidelines serve as a flexible framework within which the Board may conduct its business, not as a set of binding legal obligations. The guidelines should be interpreted in the context of all applicable laws, Five9’s governing documents and other applicable regulatory requirements.

### Roles and Responsibilities

A. Role of Senior Management. Senior management, led by the Chief Executive Officer, is responsible for running Five9’s day-to-day operations and appropriately informing the Board of the status of such operations.

B. Role of the Board of Directors. The Board oversees management’s performance on behalf of Five9’s stockholders. Its primary duties are (1) to oversee the Chief Executive Officer who, with senior management, runs Five9 on a daily basis, and (2) to monitor management’s performance in operating Five9 in an effective, efficient and ethical manner.

C. Formal Evaluation of Executive Officers. The Board is responsible for evaluating the performance of Five9’s executive officers, including the Chief Executive Officer. The Board has delegated the formal evaluation to the Compensation Committee of the Board, in consultation with the Chief Executive Officer. That committee is responsible for the annual evaluation and approval of the salary, bonus and equity compensation of all executive officers, including the Chief Executive Officer.

### Board Composition

A. Size of the Board. The Board will periodically review the appropriate size of the Board as set forth in Five9’s bylaws. The term of office of each member of the Board shall be as set forth in Five9’s Amended and Restated Certificate of Incorporation.

B. Majority of Independent Directors. A majority of the directors serving on the Board will meet the standard of director independence set forth in the rules of the NASDAQ Stock Market, as the same may be amended from time to time (the “listing standards”), as well as other factors not inconsistent with the listing standards that the Board considers appropriate for effective oversight and decision-making by the Board.

C. Affirmative Determination of Independence. The Board shall affirmatively determine annually and at other times required by the listing standards or applicable laws that the directors designated as independent have no material relationships to Five9 or its management (either

directly or with an organization in which the director is a partner, stockholder or officer or is financially interested) that may interfere with the exercise of their independence from management and Five9.

D. Management Directors. The Board anticipates that Five9's Chief Executive Officer will serve on the Board. The Board may also appoint or nominate other members of Five9's management whose experience and role at Five9 are expected to help the Board fulfill its responsibilities.

E. Chair. The Board will periodically appoint a Chair of the Board. Both independent and management directors, including the Chief Executive Officer, are eligible for appointment as the Chair.

F. Designation of Lead Independent Director. To the extent that the Chair is a management director, the Board shall designate a lead independent director (the "Lead Independent Director") to preside at the executive sessions of independent directors.

G. Selection of Board Nominees. The Board is responsible for the selection of candidates for nomination or appointment to the Board. The Nominating and Governance Committee will recommend director candidates to the Board for nomination or appointment, in consultation with the Chief Executive Officer in accordance with the Nominating Policy.

H. Other Public Company Board Memberships. As a general policy, no Board member may serve on more than four public company boards (including Five9's Board), subject to the waiver of such restriction by a majority of non-affected members of the Board. For purposes hereof, a "public company" is a company whose stock is traded on a national securities exchange, the OTCBB or the "pink sheets."

I. Length of Board Service. The Board, based on recommendations by the Nominating and Governance Committee, will review the length of service of its members when a director is eligible to be re-nominated for Board membership, including an assessment of individual director performance, number of other company boards on which the individual serves, composition of the Board at that time, and other relevant factors.

J. Retirement Age. If during any 12-month period prior to the next annual meeting of Five9's stockholders in which such director's term of office as a director will expire, such director will reach or exceed 72 years of age, then by November 30 of the prior year, the affected director shall tender his or her resignation to the Nominating and Governance Committee, for consideration by the Board upon the recommendation of the Nominating and Governance Committee. Such resignation, unless rejected or deferred for consideration to a later date by a majority of the non-affected directors, shall become effective as of the date of the next annual meeting of Five9 stockholders.

K. Significant Changes in Director Occupation. A director should notify the Nominating and Governance Committee promptly if he or she contemplates retirement or a material change in his or her principal occupation or business association. Upon an individual director's material change in principal occupation or business association, unless such change has been approved previously by the Nominating and Governance Committee (which may consider such change as

a committee or, at the committee's discretion, submit such change for consideration to the Board), the director shall tender his or her resignation to the Nominating and Governance Committee, for consideration by the Board upon the recommendation of the Nominating and Governance Committee. Such a letter of resignation shall become effective only if accepted by the Board.

L. Director Recusal. Any director who tenders his or her resignation from the Board pursuant to these corporate governance guidelines shall not participate in the Nominating and Governance Committee or Board deliberations regarding whether to accept that resignation.

M. Board Vacancies. To the extent that one or more directors' resignation are accepted by the Board, the Nominating and Governance Committee will recommend to the Board whether to fill such vacancy or vacancies or take the appropriate action to reduce the size of the Board.

N. Board Compensation. The Board, through the Compensation Committee, will review or request management or outside consultants to review appropriate compensation policies or changes in compensation policies for the directors serving on the Board and its committees. This review may consider Board compensation practices of other comparable companies, contributions to the Board functions, time commitment expected for Board and committee service and other appropriate factors.

O. Stock Ownership Guidelines.

Ownership of shares of Five9's Common Stock by the Chief Executive Officer and the other executive officers is encouraged and will be reviewed by the Board.

## **Board Meetings**

A. Scheduling of Full Board Meetings. The Chair of the Board will schedule in advance regular meetings of the Board, ordinarily held four times per year at Five9's principal executive office.

B. Executive Sessions of Independent Directors. The independent directors will hold during each fiscal year regular executive sessions of the independent members of the Board without management present, at such times and for such purposes as the independent directors consider to be appropriate. For the convenience of the directors, these executive sessions may, but need not, be scheduled to coincide with the dates of regular Board meetings. The independent directors may invite Five9's independent auditors, legal counsel, finance staff and other employees and any other advisors or persons they deem appropriate to attend all or a portion of these executive sessions.

C. Agenda. The Chair of the Board and Five9's Chief Executive Officer, in consultation with the Lead Independent Director, will have primary responsibility for preparing the agenda for each meeting and arranging for it to be sent in advance of the meeting to the directors along with appropriate written information and background materials. Each Board committee, and each director, is encouraged to suggest items for inclusion on the agenda. The Chair, the Lead Independent Director, and the full Board separately have authority to require the Board to meet in executive sessions to discuss sensitive matters with or without distribution of written materials.

D. Access to Information. Five9's management will afford each Board member access to Five9 employees, legal counsel, investment bankers, the outside auditors and any other Five9 advisors as well as books, records and facilities for any purpose reasonably related to the Board's responsibilities. Management is responsible for arranging presentations at Board meetings by Five9 executives and other employees and otherwise providing reports to the Board that will communicate to the Board at appropriate times meaningful information about (1) Five9's financial and business plans, strategies and objectives; (2) the recent financial results and condition of Five9 and its business segments; (3) significant accounting, regulatory, competitive, litigation and other external issues affecting Five9; and (4) systems of disclosure controls and procedures and internal controls which promote accurate and timely reporting of financial information to stockholders and compliance with laws and corporate policies. Each director is entitled to inspect Five9's books and records and obtain such other data and information as the director may reasonably request; inspect facilities as reasonably appropriate for the performance of director duties; and to receive copies of all Board meeting minutes.

E. Independent Inquiries and Advisers. The Board is authorized to conduct investigations, and to retain at Five9's expense, independent legal, accounting, financial, governance, or other professional advisors selected by the Board, for any matters relating to the purpose or responsibilities of the Board.

F. Confidentiality. The materials, proceedings and deliberations of the Board and its committees are confidential. Each director will maintain the confidentiality of information received in connection with his or her service as a director.

## **Board Committees**

A. Committees. The principal committees of the Board are the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee.

B. Committee Member Selection. After considering the recommendations of the Nominating and Governance Committee, if such recommendations are requested by the Board, the Board will designate the members and the Chair of each committee, endeavoring to match the committee's function and needs for expertise with individual skills and experience of the appointees to the committee. Each member of the Audit, Compensation and Nominating and Governance Committees shall meet the applicable standards for independence as set forth in the listing standards and applicable laws, rules and regulations and shall comply with all listing standards, applicable laws, rules and regulations. In addition, the members of the Compensation Committee shall meet the independence standards set forth under applicable tax and securities laws.

C. Committee Functions. Each of the Audit, Compensation and Nominating and Governance Committees shall have a written charter approved by the Board in compliance with applicable listing standards, laws and regulations. The number and content of committee meetings and means of carrying out committee responsibilities will be determined by each committee in accordance with the committee's charter, the authority delegated by the Board to the committee, and legal, regulatory, accounting or governance principles applicable to that committee's function. Five9 will afford access to Five9's employees, legal counsel, outside

auditors and other professional advisors and resources, if needed, to enable committee members to carry out their responsibilities.

## **Board Member Responsibilities**

### **A. Director Responsibilities.**

1. *Generally.* A director is expected to discharge his or her director duties, including duties as a member of any committee on which he or she serves, in good faith and in a manner the director reasonably believes to be in the best interests of Five9 and its stockholders.

2. *Disclose Relationships.* Each independent director is expected to disclose promptly to Five9's Chief Financial Officer or General Counsel (to the extent one has been appointed) any existing or proposed relationships with Five9 (other than service as a Board member or on Board committees) which could affect the independence of the director under applicable listing standards or any additional standards as may be established by the Board from time to time, including direct relationships between Five9 and the director, and indirect relationships between Five9 and any business, nonprofit or other organization in which the director is a general partner or manager, officer, or significant stockholder, or is materially financially interested. All of these relationships should be disclosed to the Chief Financial Officer or General Counsel whether or not the director considers them to be material.

3. *Reporting and Compliance Systems.* Based on information available to the director, each director should be satisfied that Five9 management maintains an effective system for timely reporting to the Board or appropriate Board committees on the following: (i) Five9's financial and business plans, strategies and objectives; (ii) the recent financial results and condition of Five9 and its business segments; (iii) significant accounting, regulatory, competitive, litigation and other external issues affecting Five9; and (iv) systems of control which promote accurate and timely reporting of financial information and disclosure of all other required information to stockholders and compliance with laws and corporate policies. Each director is expected to have a basic understanding of the foregoing matters to the extent information is furnished by management or otherwise available to the Board.

4. *Preparation and Attendance.* Board members are expected to devote sufficient time and attention to prepare for, attend and participate in Board meetings and meetings of committees on which they serve, including advance review of meeting materials that may be circulated prior to each meeting. All directors are encouraged to attend Five9's annual meeting of stockholders.

5. *Reliance on Information.* In discharging responsibilities as a director, a director is entitled to rely in good faith on reports or other information provided by Five9 management, independent auditors, legal counsel and other persons as to matters the director reasonably believes to be within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of Five9.

**B. Transactions Affecting Director Independence.** Without the prior approval of the Audit Committee, Five9 will not make significant charitable contributions to organizations in which a director, or a director's immediate family member (as defined under the listing

standards), is affiliated, enter into consulting contracts with (or otherwise provide indirect forms of compensation to) a director, or enter into any relationships or transactions (other than service as a director and Board committee member) between Five9 and the director (or any business or nonprofit entity or organization in which the director is a general partner, controlling stockholder, officer, manager, or trustee, or materially financially interested) or any other related party transactions. Notwithstanding the foregoing, to the extent required to comply with SEC rules, no member of the Audit Committee shall be an affiliated person of Five9 or receive any direct or indirect compensation from Five9 other than for service as a director and on committees on which the individual serves.

C. Orientation and Continuing Education. The Board is expected to periodically review appropriate practices and procedures for providing orientation sessions for newly elected or appointed directors, and recommending continuing director education programs for Board and committee members.

D. Annual Evaluation. The Board (either itself or through the Nominating and Governance Committee) is expected to annually evaluate these corporate governance guidelines and whether the Board, its members and its committees are functioning effectively and whether each director is fulfilling his or her obligations.

## **Management Responsibility**

A. Selection and Annual Performance Review of Chief Executive Officer. The Board will select a Chief Executive Officer in a manner that is in the best interests of Five9. At least annually, the Board will evaluate the performance of the Chief Executive Officer. As part of this process, the Board will review the financial and non-financial corporate goals and objectives the Compensation Committee deemed relevant to the compensation of the Chief Executive Officer and the Board, or the Compensation Committee on its behalf, will conduct its own evaluation of the performance of the Chief Executive Officer in light of those corporate goals and objectives and any other factors as it deems appropriate.

B. Management Succession Planning. The Board will, at least annually, review a succession plan for executive officers of Five9, which succession plan will include appropriate contingencies in case the Chair of the Board, the Chief Executive Officer or any other key executive officer retires, resigns or is incapacitated. The Chair and the Chief Executive Officer should at all times make available their recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals. The Board may from time to time ask the Compensation Committee to undertake specific reviews concerning management succession planning.

C. Financial Reporting and Legal Compliance. The Board's governance and oversight functions do not relieve the primary responsibilities of Five9's management for (1) preparing financial statements which accurately and fairly present Five9's financial results and condition, and (2) maintaining systems, procedures and corporate culture which promote compliance with legal and regulatory requirements and the ethical conduct of Five9's business.

C. Corporate Communications. Executive management has the primary responsibility to establish policies concerning Five9's communications with investors, the press, customers, suppliers and employees.

D. Communication of Corporate Governance Guidelines. As required by the listing standards, management will ensure that Five9's Web site will include a copy of these guidelines, copies of the charters of the Audit, Compensation, and Nominating and Governance Committees and, if applicable, other key committees of the Board, and a copy of Five9's code of business conduct and ethics. Management will also include in Five9's annual proxy statement statements to the effect that this information is available on Five9's website and in print to any stockholder who requests it, as required by applicable laws, rules and regulations.