

CITRIX SYSTEMS INC

FORM 8-K (Current report filing)

Filed 07/10/17 for the Period Ending 07/07/17

Address	851 WEST CYPRESS CREEK ROAD FORT LAUDERDALE, FL 33309
Telephone	9542673000
CIK	0000877890
Symbol	CTXS
SIC Code	7372 - Prepackaged Software
Industry	Software
Sector	Technology
Fiscal Year	12/31

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

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of Earliest Event Reported): July 7, 2017

CITRIX SYSTEMS, INC.

(Exact name of Registrant as specified in its Charter)

Delaware
(State or other Jurisdiction of
Incorporation or Organization)

0-27084
(Commission
File Number)

75-2275152
(I.R.S. Employer
Identification No.)

**851 West Cypress Creek Road
Fort Lauderdale, Florida 33309**
(Address of Principal Executive Offices) (Zip Code)

Telephone: (954) 267-3000
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, If Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

The information under this Item 2.02, including the press release attached hereto, is intended to be furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such filing.

On July 10, 2017, Citrix Systems, Inc. (the “Company”) issued a press release reaffirming the Company’s guidance for the quarter ended June 30, 2017. A copy of the press release is furnished herewith as Exhibit 99.1.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On July 7, 2017, the Board of Directors of the Company appointed David J. Henshall as President and Chief Executive Officer of the Company, effective as of July 10, 2017. In such capacity, Mr. Henshall will serve as the “principal executive officer” of the Company for purposes of filings with the U.S. Securities and Exchange Commission (the “SEC”). Mr. Henshall succeeds Kirill Tatarinov who stepped down from his roles as President and Chief Executive Officer and director of the Company on July 7, 2017, upon mutual agreement with the Board of Directors. Mr. Henshall also has been elected to the Board of Directors of the Company, effective as of July 10, 2017.

Also, on July 7, 2017, the Board of Directors appointed Mark M. Coyle as Interim Chief Financial Officer, effective as of July 10, 2017, and in such capacity, Mr. Coyle will succeed Mr. Henshall as the “principal financial officer” of the Company for purposes of filings with the SEC.

Mr. Henshall, age 49, has served as the Company’s Executive Vice President and Chief Financial Officer beginning in September 2011 and as the Company’s Chief Operating Officer beginning in February 2014. Mr. Henshall was appointed Acting Chief Executive Officer and President from October 2013 to February 2014. From January 2006 to September 2011, Mr. Henshall served as the Company’s Senior Vice President and Chief Financial Officer, and from April 2003 to January 2006, he served as the Company’s Vice President and Chief Financial Officer. Mr. Henshall serves on the Boards of Directors of LogMeIn, Inc., a publicly-traded company offering communication and conferencing, identity and access, and customer engagement and support solutions, and Everbridge, Inc., a publicly-traded global software company.

Mr. Coyle, age 59, has served as Senior Vice President, Finance, of the Company since February 2015, leading the Company’s global finance, accounting, treasury, tax and real estate teams. Prior to joining the Company, from 2010 to 2013, Mr. Coyle served as Senior Vice President and Chief Financial Officer for the Customer Solutions Group of CA Technologies, where he was responsible for all business unit finance activities. From 2007 to 2010, Mr. Coyle was Vice President of Global Sales Finance for Cisco Systems, Inc., where his teams managed pricing, commissions, the deals desk, and commerce build-outs. Prior to Cisco, Mr. Coyle held a variety of leadership roles with IBM for twenty-four years with increasing scope and responsibility throughout his tenure, including a number of Divisional CFO roles, as well as roles in the EMEA and Americas software businesses.

There are no arrangements or understandings between either Mr. Henshall or Mr. Coyle and any other person with respect to the appointments described above. Neither Mr. Henshall nor Mr. Coyle is a party to any transaction that would require disclosure under Item 404(a) of Regulation S-K.

Employment Agreement with David J. Henshall

On July 10, 2017, the Company entered into an Employment Agreement with Mr. Henshall in connection with his appointment as President and Chief Executive Officer of the Company. The Employment Agreement has a term of three years, with one-year extensions thereafter unless written notice of non-renewal is given by either party not less than 180 days prior to the end of the then current term.

Mr. Henshall will be paid an initial base salary of \$1.0 million, which will be subject to annual review and may be increased but not decreased. In addition, Mr. Henshall will be entitled to participate in the Company's executive variable cash compensation program at an annual target variable cash payment of 125% of his base salary and a maximum variable cash payment of 200% of his base salary, with the actual amount to be determined in the discretion of the Compensation Committee based on Company and individual performance.

In connection with his promotion, Mr. Henshall will receive an equity grant consisting of (i) \$2.5 million of time-based restricted stock units that vest in three annual installments and (ii) \$2.5 million of performance-based restricted stock units which may be earned based on the Company's non-GAAP net operating margin percentage and percentage mix of new bookings as cloud/hybrid-cloud subscriptions at the end of a performance period ending on December 31, 2019. Mr. Henshall will be eligible to receive annual equity awards with a target value of \$8.0 million beginning in 2018. Mr. Henshall also will be entitled to participate in all employee benefit plans or programs of the Company generally available to any of its senior executive employees.

Upon a termination of Mr. Henshall's employment without "cause" or for "good reason" before a "change in control" (each as defined in the Employment Agreement), Mr. Henshall will be entitled to severance pay and benefits as follows: (i) salary continuation in an amount equal to two times the sum of Mr. Henshall's base salary and target variable cash compensation payable over 24 months; (ii) continued health insurance coverage for 18 months; and (iii) acceleration of unvested equity awards with time-based vesting then scheduled to vest over the following 24 months. In such event, his performance-based equity awards will remain outstanding and may be earned on a pro-rata basis at the end of the relevant performance period based on actual performance.

In the event Mr. Henshall's employment is terminated without "cause" or if he resigns his position for "good reason" in the 18-month period following a "change in control," he will be entitled to receive: (i) a lump sum payment equal to three times the sum of his annual base salary plus his target variable cash compensation for the then-current fiscal year; (ii) continued health coverage for 18 months; and (iii) accelerated vesting of all unvested equity awards with time-based vesting. In the case of unvested equity awards with performance-based vesting, each award will be deemed earned at the time of the change in control based on actual achievement of the relevant performance metric; however, the shares deemed earned will remain subject to time-based vesting over the remaining measurement period, subject to full vesting if Mr. Henshall is terminated without cause or resigns for good reason following the change in control.

Upon Mr. Henshall's death or disability (as defined in the Employment Agreement), all unvested equity awards with time-based vesting held by Mr. Henshall will immediately vest, and any equity awards with performance-based vesting will remain outstanding and may be earned on a pro-rata basis at the end of the relevant performance period based on actual performance. Mr. Henshall (or his estate, if applicable) also will be entitled to receive his target variable cash compensation on a pro-rata basis for such year.

All severance payments and benefits under the Employment Agreement are subject to the execution of a separation and release agreement by Mr. Henshall containing, among other provisions, a general release of claims in favor of the Company. The Employment Agreement does not provide for any tax gross-up payments. The Employment Agreement supersedes Mr. Henshall's existing Executive Agreement with the Company.

The foregoing summary of the Employment Agreement with Mr. Henshall does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Employment Agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Amended and Restated Employment Agreement with Robert M. Calderoni

As previously reported by the Company on a Current Report on Form 8-K filed with the SEC on January 20, 2017, the Company entered into an Employment Agreement with Robert M. Calderoni, the Company's Executive Chairman, to reflect the terms of Mr. Calderoni's employment with the Company during a two-year transition period ending on December 31, 2018. The parties amended and restated Mr. Calderoni's Employment Agreement, effective as of July 10, 2017, to provide for: (i) an increase in his annual base salary from \$500,000 to \$750,000; (ii) the grant of a restricted stock unit award to Mr. Calderoni in 2018 with time-based vesting and a target value of \$5.0 million; and (iii) the accelerated vesting of any unvested equity awards with time-based vesting held by Mr. Calderoni upon his death or disability (as defined in the Employment Agreement). The amendments to the Employment Agreement were made in recognition of the increased time commitment expected from Mr. Calderoni during this period as a result of the changes in management described above and the Company's announcement of a series of strategic initiatives around operational efficiencies, capital allocation and the Company's transformation to a cloud-based subscription business, including Mr. Calderoni's role as chair of a new *ad hoc* Operations and Capital Committee of the Board of Directors (which also includes Mr. Henshall, Jesse A. Cohn and Peter J. Sacripanti). The foregoing summary of the Amended and Restated Employment Agreement with Mr. Calderoni does not purport to be complete and is subject to, and qualified in its entirety by, the full text of such agreement, a copy of which is filed as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated herein by reference.

Separation Agreement and Release with Kirill Tatarinov

In connection with his departure from the Company, Kirill Tatarinov entered into a Separation Agreement and Release with the Company in substantially the form attached as an exhibit to his existing Employment Agreement (the "Separation Agreement"), which was filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on January 20, 2016. In accordance with the terms of the Separation Agreement, Mr. Tatarinov will receive the severance and other separation benefits provided under his existing Employment Agreement. A summary of Mr. Tatarinov's Employment Agreement is set forth in the Company's proxy statement for its 2017 Annual Meeting of Stockholders filed with the SEC on April 27, 2017 under the caption "Executive Compensation—Potential Payments upon Termination or Change in Control—President and Chief Executive Officer," which summary is incorporated herein by reference.

Compensation Arrangements with Mark M. Coyle

In connection with his appointment as Interim Chief Financial Officer of the Company, the Compensation Committee of the Board of Directors approved (i) an increase in Mr. Coyle's annual base salary from \$400,000 to \$520,000, and (ii) an increase in Mr. Coyle's target annual variable cash compensation opportunity from 75% to 90% of his annual base salary, effective July 10, 2017 and until such time as he is no longer serving as Interim Chief Financial Officer.

Item 9.01 Financial Statements and Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Employment Agreement, dated July 10, 2017, by and between Citrix Systems, Inc. and David J. Henshall
10.2	Amended and Restated Employment Agreement, dated July 7, 2017, by and between Citrix Systems, Inc. and Robert M. Calderoni
99.1*	Press release dated July 10, 2017 of Citrix Systems, Inc.

* Furnished herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CITRIX SYSTEMS, INC.

Dated: July 10, 2017

By: /s/ Antonio G. Gomes

Name: Antonio G. Gomes

Title: Senior Vice President and General Counsel

EXHIBIT INDEX

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* Furnished herewith

EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is made this 10th day of July, 2017, between Citrix Systems, Inc., a Delaware corporation (the “Company”), and David J. Henshall (the “Executive”).

WHEREAS, the Executive currently serves as the Executive Vice President, Chief Operating Officer and Chief Financial Officer of the Company;

WHEREAS, the Company and the Executive entered into an Executive Agreement on January 19, 2017 providing for severance benefits upon certain termination events (the “Executive Agreement”);

WHEREAS, the Company and the Executive desire to supersede and replace the Executive Agreement with this Agreement; and

WHEREAS, the Company desires to employ the Executive as the Company’s Chief Executive Officer and President beginning on July 10, 2017 (the “Commencement Date”) on the terms contained herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Employment.

(a) Term. The term of the Executive’s employment with the Company shall commence on the Commencement Date and shall continue until and including the third anniversary of the Commencement Date unless earlier terminated as provided herein or extended as described in this paragraph (the “Initial Term”). The Initial Term shall be renewed automatically for periods of one year (each, an “Extended Term”) commencing at the third anniversary of the Commencement Date and each subsequent anniversary thereof, unless written notice of non-renewal is given by either party to the other not less than 180 days prior to the end of the Initial Term or any Extended Term. As used herein, “Term” shall include the Initial Term and any Extended Term, but the Term shall end upon any termination of the Executive’s employment with the Company as provided herein. Notwithstanding the foregoing, in the event a Change in Control (as defined in Section 6(d)) occurs during the Initial Term or any Extended Term, the Term shall be extended until 18 months after the Change in Control.

(b) Position and Duties. During the Term, (i) the Executive shall serve as the President and Chief Executive Officer of the Company, reporting to the Board of Directors of the Company (the “Board”), and shall have supervision and control over and responsibility for the day-to-day business and affairs of the Company and shall have such other powers and duties as may from time to time be prescribed by the Chairman of the Board, provided that such duties are consistent with the Executive’s position or other positions that he may hold from time to time; and (ii) shall be initially appointed to the Board and nominated for election by the stockholders at each applicable annual meeting thereafter subject to the terms and conditions of the Company’s

Corporate Governance Guidelines and rules and procedures applicable to the Nominating and Corporate Governance Committee of the Board. The Executive shall devote his full working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, the Executive may serve on one outside public board of directors, consistent with the Company's Corporate Governance Guidelines and with the approval of the Board, which shall not be unreasonably withheld or conditioned, and engage in non-personal religious, charitable or other community activities and manage his personal investments, as long as such services and activities are disclosed to the Board and do not interfere with the Executive's performance of his duties to the Company as provided in this Agreement; provided, however that the Company acknowledges that the Executive is currently serving on two outside public boards of directors and the Executive agrees that he shall resign from one of such boards effective as soon as practicable but by no later than the end of the current fiscal year.

(c) Principal Place of Employment. The Executive's principal place of employment during the Term shall be at the Company's office in Fort Lauderdale, Florida. The Company may transfer the Executive's principal place of employment during the Term to the Company's office in Santa Clara, California, subject to the Company receiving the Executive's written consent before planning or effectuating any such transfer.

(d) Corporate Policies. During the Term, the Executive shall be subject to all of the Company's corporate governance and executive compensation policies in effect from time to time, including any stock ownership guidelines and the Company's executive compensation recovery policy.

2. Compensation and Related Matters.

(a) Base Salary. During the Term, the Executive's initial annual base salary shall be \$1,000,000. The Executive's base salary shall be reviewed at least annually by the Board and may be increased in its discretion but, once increased, may not be decreased. The base salary in effect at any given time is referred to herein as "Base Salary." The Base Salary shall be payable in a manner that is consistent with the Company's usual payroll practices for senior executives.

(b) Incentive Compensation. During the Term, the Executive shall be eligible to receive variable cash incentive compensation as determined by performance goals established by the Board upon consultation with the Executive. The Executive's target annual incentive compensation shall be 125 percent of his Base Salary ("Target Variable Cash Compensation") and his maximum annual cash incentive compensation shall be 200 percent of his Base Salary. The cash incentive compensation for calendar year 2017 will be based on the Executive's base salary and target variable cash compensation in effect prior to the Commencement Date for the period prior to the Commencement Date and on the Base Salary and Target Variable Cash Compensation set forth herein from and after the Commencement Date. For all years, eligibility for cash incentive compensation shall be contingent on the Executive's employment through the end of the calendar year for which incentive compensation is determined. Incentive compensation for any calendar year will be payable in a lump sum in cash within 75 days after the end of such year.

(c) Initial Equity Awards. In recognition of the Executive's promotion to President and Chief Executive Officer, on August 1, 2017 the Executive shall be granted equity awards with an aggregate value of \$5,000,000 (the "Initial Equity"). For purposes of the preceding sentence, the number of units granted will be calculated based on \$5,000,000 divided by the 20 trading day average closing price of a share of the Company's common stock as of and including August 1, 2017. The Initial Equity shall be provided 50 percent in time-based restricted stock units and 50 percent in performance-based restricted stock units. The time-based restricted stock units will vest in three equal annual installments on each anniversary of the grant date, subject to continued employment of the Executive other than as stated herein. One-half of the performance-based restricted stock units (25% of the Initial Equity) will be based on the Company's non-GAAP net operating margin percentage ("Non-GAAP Net Op Margin") at the end of the performance period commencing on the Commencement Date and ending on December 31, 2019 (the "Performance Period"), subject to the performance hurdles illustrated in Exhibit I. The remaining one-half of the performance-based restricted stock units (25% of the Initial Equity) will be based on the percentage mix of new bookings as cloud/hybrid-cloud subscription ("New Cloud Bookings") at the end of the Performance Period, as illustrated in Exhibit I.

(d) Equity Compensation. For each calendar year during the Term beginning in 2018, the Executive will be eligible to participate in the Company's long-term incentive equity program and will be eligible to receive annual equity grants with a grant-date target value of \$8,000,000. The structure and terms of the equity grants to the Executive (which will be the same for the senior management team) will be determined by the Compensation Committee of the Board in consultation with the Executive.

(e) Expenses. The Executive shall be entitled to receive prompt reimbursement for any and all reasonable expenses incurred by him during the Term in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its senior executive officers. Any reimbursement that the Executive is entitled to receive shall (i) be paid as soon as practicable and in any event no later than the last day of the Executive's tax year following the tax year in which the expense was incurred, (ii) not be affected by any other expenses that are eligible for reimbursement in any tax year and (iii) not be subject to liquidation or exchange for another benefit.

(f) Other Benefits. During the Term, the Executive shall be eligible to participate in or receive benefits under the Company's employee benefit plans in effect from time to time, subject to the terms of such plans.

(g) Vacations. During the Term and beginning on the Commencement Date, the Executive shall be entitled to accrue up to four weeks paid vacation for each full calendar year of employment, which shall be accrued ratably. The Executive shall also be entitled to all paid holidays given by the Company to its executives.

3. Indemnification. The Company and the Executive have entered into an Indemnification Agreement pursuant to which the Company shall indemnify the Executive with respect to any actions commenced against the Executive in his capacity as a director or officer or former director or officer of the Company, or any affiliate thereof for which he may serve in such

capacity, and the Company shall advance on a timely basis any expenses incurred in defending such actions. The Company agrees to secure and maintain reasonably satisfactory directors' and officers' liability insurance with respect to the Executive. The Executive shall be designated as a "covered person" under the Company's Director's and Officer's insurance coverage and shall be covered to the same extent as other directors and executive officers, including following the termination of the Executive's employment for the maximum statute of limitations period which could apply to any claim against the Executive which otherwise would be covered by such insurance.

4. Termination. During the Term, the Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) Death. The Executive's employment hereunder shall terminate upon his death.

(b) Disability. The Company may terminate the Executive's employment if he is disabled and unable to perform the essential functions of the Executive's then existing position or positions under this Agreement (or is expected, based on a reasonable degree of medical certainty, to be unable to perform such functions) with or without reasonable accommodation for a period of 180 days (which need not be consecutive) in any 12-month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive's then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company's determination of such issue shall be binding on the Executive. Nothing in this Section 4(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq.* and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq.*

(c) Termination by Company for Cause. The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean: a termination of the Executive's employment which is a result of:

(i) the indictment of the Executive for the commission of any felony or a misdemeanor involving deceit, material dishonesty or fraud, or any willful conduct by the Executive that would reasonably be expected to result in material injury or reputational harm to the Company if he were retained in his position; or

(ii) willful disclosure of material trade secrets or other material confidential information related to the business of the Company and its subsidiaries or affiliates; or

(iii) willful and continued failure substantially to perform the Executive's duties with the Company (other than any such failure resulting from the Executive's incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to the Executive by the Board, which demand identifies the specific actions which the Board believes constitute willful and continued failure substantially to perform the Executive's duties, and which performance is not substantially corrected by the Executive within 30 days of receipt of such demand; or

(iv) willful and knowing participation in releasing false or materially misleading financial statements or submission of a false certification to the Securities and Exchange Commission; or

(v) failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Board to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation.

For the avoidance of doubt, any termination of the Executive's employment by the Company shall not constitute a termination for Cause unless (i) the Company provides written notice to the Executive of the Cause for his termination of employment and (ii) the termination of the Executive's employment is approved by at least 75 percent of all the members of the Board other than the Executive, in each case with the Executive having been given an opportunity, with the Executive's counsel present, to explain to the Board any actions or conduct giving rise to a potential termination of his employment for Cause. Subject to having such opportunity to provide an explanation, the Executive shall recuse himself from any Board deliberations concerning the possibility of terminating his employment.

(d) Termination Without Cause. The Company may terminate the Executive's employment hereunder at any time without Cause. Any termination by the Company of the Executive's employment under this Agreement which does not constitute a termination for Cause under Section 4(c) and does not result from the death or disability of the Executive under Section 4(a) or (b) shall be deemed a termination without Cause.

(e) Termination by the Executive. The Executive may terminate his employment hereunder at any time for any reason, including but not limited to Good Reason. For purposes of this Agreement, "Good Reason" shall mean that the Executive has complied with the "Good Reason Process" (hereinafter defined) following the occurrence of any of the following events without the Executive's written consent:

(i) a substantial reduction, not consented to by the Executive, in the nature or scope of the Executive's responsibilities, authorities, powers, functions or duties (including the Company's failure to appoint the Executive to the Board or to nominate the Executive for election or re-election to the Board in accordance with Section 1(b)(ii) hereof) or change in the Executive's title to any position other than President and Chief Executive Officer, including, without limitation, any requirement that the Executive

report to any person(s) other than the Board; provided that it will be considered a substantial reduction in duties and responsibilities if after a Change in Control (as defined herein), the Executive is not President and Chief Executive Officer of the ultimate parent of the resulting company or such parent is not a publicly traded company; or

(ii) a reduction in the Executive's annual base salary or Target Variable Cash Compensation, each as in effect on the date hereof or as the same may be increased from time to time hereafter; or

(iii) the relocation of the Company's office at which the Executive is expected to be principally employed (the "Current Office") to any other location more than 35 miles from the Current Office, or the requirement by the Company for the Executive to be based more than 35 miles away from the Current Office, except for required travel on the Company's business to an extent substantially consistent with the business travel obligations of the President and Chief Executive Officer of a global corporation; or

(iv) the material breach by the Company of any agreements, plans, policies and practices relating to the Executive's employment with the Company, including this Agreement and, for the avoidance of doubt, Section 21 of this Agreement; or

(v) the failure to provide the Executive with any payments, rights and other entitlements included hereunder, including without limitation upon a Change in Control as provided for in Section 6 herein; or

(vi) the Company's issuance to the Executive of a notice of non-renewal under Section 1(a) herein.

"Good Reason Process" shall mean that (1) the Executive reasonably determines in good faith that a "Good Reason" condition has occurred; (2) the Executive notifies the Company in writing of the first occurrence of the Good Reason condition within 60 days of the first occurrence of such condition, if such condition occurs prior to a Change in Control and within 90 days of the first occurrence with respect to a condition that occurs in connection with or following a Change in Control; (3) the Executive cooperates in good faith with the Company's efforts, for a period not less than 30 days following such notice (the "Cure Period"), to remedy the condition; (4) notwithstanding such efforts, the Good Reason condition continues to exist; and (5) the Executive terminates his employment within 60 days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason shall be deemed not to have occurred.

(f) Notice of Termination. Except for termination as specified in Section 4(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon.

(g) Date of Termination. "Date of Termination" shall mean: (i) if the Executive's employment is terminated by his death, the date of his death; (ii) if the Executive's employment is terminated on account of disability under Section 4(b) or by the Company for Cause under Section 4(c), the date on which Notice of Termination is given; (iii) if the Executive's employment is terminated by the Company under Section 4(d), the date on which a Notice of Termination is given; (iv) if the Executive's employment is terminated by the Executive under Section 4(e) without Good Reason, 30 days after the date on which a Notice of Termination is given; and (v) if the Executive's employment is terminated by the Executive under Section 4(e) with Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement. Unless otherwise requested by the Board, the Executive shall resign as a member of the Board and as a director and/or officer of any subsidiaries of the Company, effective as of the Date of Termination. The Executive agrees to execute any additional documentation with respect thereto reasonably requested by the Company.

5. Compensation Upon Termination.

(a) Termination Generally. If the Executive's employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to his authorized representative or estate) (i) any Base Salary earned through the Date of Termination, unpaid expense reimbursements (subject to, and in accordance with, Section 2(e) of this Agreement) and unused vacation that accrued through the Date of Termination on or before the time required by law but in no event more than 30 days after the Executive's Date of Termination; (ii) if the Date of Termination is effective after the end of a calendar year but before the cash incentive compensation for such calendar year is paid, an amount equal to the cash incentive compensation for the prior calendar year to the extent earned as determined by the Board; and (iii) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the "Accrued Benefit").

(b) Termination by the Company Without Cause or by the Executive with Good Reason. During the Term, if the Executive's employment is terminated by the Company without Cause as provided in Section 4(d), or the Executive terminates his employment with Good Reason as provided in Section 4(e), then the Company shall pay the Executive his Accrued Benefit. In addition, subject to the Executive signing a separation agreement substantially in the form attached hereto as Exhibit II (the "Separation Agreement and Release") and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination:

(i) the Company shall pay the Executive an amount equal to two times the sum of (A) the Executive's Base Salary plus (B) the Executive's Target Variable Cash Compensation (the "Severance Amount"). Notwithstanding the foregoing, if the Executive breaches any of the provisions contained in the Non-Solicitation, Non-Compete and Confidentiality and Employee Non-Disclosure Agreement entered into between the Executive and the Company on April 15, 2003 (the "Non-Solicitation

Agreement”) and such breach is not cured by the Executive within 30 days following receipt of notice from the Company, all payments of the Severance Amount shall immediately cease; and

(ii) (A) all time-based equity awards (including any awards originally subject to performance vesting conditions that remain subject to time-based vesting after satisfaction of such performance conditions) held by the Executive in which the Executive would have vested solely if he had remained employed for an additional 24 months following the Date of Termination shall vest and become exercisable or nonforfeitable and (B) all performance-based equity awards held by the Executive in which the Executive would have vested had he remained employed through the end of the performance period in respect of each such award shall become vested as of the end of such performance period(s) based on the Company’s actual performance through the end of such performance period(s) but such amount shall be further prorated in the manner set forth in the applicable award agreement (and if such award agreement does not contain a proration rule, shall be prorated based on the number of days elapsed in the applicable performance period prior to the Date of Termination over the total number of days contained in the applicable performance period); and

(iii) for a period of 18 months following the Date of Termination or until the Executive becomes covered under a group health plan of another employer, whichever is earlier, subject to the Executive’s continued copayment of premium amounts in amounts consistent with that applicable to active employees, the Executive, the Executive’s spouse and dependents shall continue to participate in the Company’s health insurance plan (medical, dental and vision) upon the same terms and conditions in effect for other executives of the Company; provided, however, that the Company has the right to terminate its payment of its portion of COBRA premiums on behalf of the Executive and instead pay the Executive a lump sum amount equal to its portion of the monthly COBRA premium times the number of months remaining in the 18-month period if the Company determines in its discretion that continued payment of such premiums is or may be discriminatory under Section 105(h) of the Code; provided, further, that the continuation of health benefits under this Subsection shall reduce and count against the rights of the Executive, the Executive’s spouse and dependents under COBRA; and

(iv) the Severance Amount shall be paid out in substantially equal installments in accordance with the Company’s payroll practice over 24 months commencing within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the Severance Amount shall begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. Each payment pursuant to this Section 5(b) is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

(c) Benefits upon Death/Disability. During the Term, if the Executive's employment is terminated on account of death under Section 4(a) or Disability under Section 4(b), then:

(i) all time-based equity awards (including any awards originally subject to performance vesting conditions that remain subject to time-based vesting after satisfaction of such performance conditions) held by the Executive on the Date of Termination shall vest and become exercisable or nonforfeitable and all performance-based equity awards held by the Executive on the Date of Termination which the Executive would have vested had he remained employed through the end of the performance period in respect of each such award shall become vested as of the end of such performance period(s) based on the Company's actual performance through the end of such performance period(s) but such amount shall be further prorated in the manner set forth in the applicable award agreement (and if such award agreement does not contain a proration rule, shall be prorated based on the number of days elapsed in the applicable performance period prior to the Date of Termination over the total number of days contained in the applicable performance period); and

(ii) the Executive (or his estate, if applicable) shall be paid an amount equal to the Target Variable Cash Compensation multiplied by a fraction, the numerator of which is the number of days elapsed between January 1 of the calendar year in which such Date of Termination occurs until the Date of Termination and the denominator of which is 365, with such amount to be paid in a single lump sum in cash within 30 days after the Date of Termination.

6. Change in Control Payment. The provisions of this Section 6 are intended to assure and encourage in advance the Executive's continued attention and dedication to his assigned duties and his objectivity during the pendency and after the occurrence of a Change in Control. These provisions shall apply in lieu of, and expressly supersede, the provisions of Section 5(b) regarding severance pay and benefits upon a termination of employment, if such termination of employment occurs within 18 months after the occurrence of the first event constituting a Change in Control. These provisions shall terminate and be of no further force or effect beginning 18 months after the occurrence of a Change in Control (provided that any obligation to satisfy payment obligations thereafter shall remain in effect until all such payments are made).

(a) Treatment of Equity Awards with Performance-Based Vesting. Upon a Change in Control, any equity award with performance-based vesting held by the Executive shall be deemed earned based on actual achievement of the performance metric, but the shares deemed earned shall remain subject to time-based cliff vesting at the end of the remaining performance measurement period.

(b) Change in Control Benefits. During the Term, if upon or within 18 months after a Change in Control, the Executive's employment is terminated by the Company without Cause as provided in Section 4(d) or the Executive terminates his employment with Good Reason as provided in Section 4(e), then, subject to the signing of the Separation

Agreement and Release by the Executive and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination,

(i) the Company shall pay the Executive a lump sum in cash in an amount equal to 300% of the sum of (A) the Executive's current Base Salary (or the Executive's Base Salary in effect immediately prior to the Change in Control, if higher) plus (B) the Executive's Target Variable Cash Compensation; and

(ii) all equity awards held by the Executive shall immediately accelerate and become fully vested, exercisable (if applicable) and nonforfeitable; and

(iii) for a period of 18 months following the Date of Termination or until the Executive becomes covered under a group health plan of another employer, whichever is earlier, subject to the Executive's continued copayment of premium amounts in amounts consistent with that applicable to active employees, the Executive, the Executive's spouse and dependents shall continue to participate in the Company's health insurance plan (medical, dental and vision) upon the same terms and conditions in effect for other executives of the Company; provided, however, that the Company has the right to terminate its payment of its portion of COBRA premiums on behalf of the Executive and instead pay the Executive a lump sum amount equal to its portion of the monthly COBRA premium times the number of months remaining in the 18-month period if the Company determines in its discretion that continued payment of such premiums is or may be discriminatory under Section 105(h) of the Code; provided, further, that the continuation of health benefits under this Subsection shall reduce and count against the rights of the Executive, the Executive's spouse and dependents under COBRA; and

(iv) the amount payable under this Section 6(b)(i) shall be paid within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payment shall be paid or commence to be paid in the second calendar year by the last day of such 60-day period.

Notwithstanding the foregoing, if the Change in Control does not constitute a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company, within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), the amount of cash severance payable under Section 6(b)(i) equal to the Severance Amount under Section 5(b)(i) shall be paid in equal installments in accordance with the Company's then payroll practice over a 24-month period, and the balance shall be paid in a lump sum payment. Solely for purposes of Section 409A of the Code, each installment payment is considered a separate payment.

(c) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable

pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code and the applicable regulations thereunder (the "Aggregate Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be \$1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; provided that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; provided that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(ii) For purposes of this Section 6(c), the "After Tax Amount" means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive's receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 6(c)(i) shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm") with the Executive's consent, which will not be unreasonably withheld. The Accounting Firm shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive absent manifest error. The Company shall bear all costs of such Accounting Firm. The parties shall cooperate with such Accounting Firm, including, if necessary, to make reasonable compensation calculations under Section 280G by valuing applicable restrictive covenants for such calculations purposes.

(d) Definitions. For purposes of this Section 6, the following terms shall have the following meanings:

“Change in Control” shall mean any of the following:

(i) any “Person,” as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended and in effect from time to time (the “Exchange Act”) (other than the Company, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan or trust of the Company or any of its subsidiaries), together with all “affiliates” and “associates” (as such terms are defined in Rule 12b-2 under the Exchange Act) of such person, shall become the “beneficial owner” (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30 percent or more of the combined voting power of the Company’s then outstanding securities having the right to vote in an election of the Company’s Board of Directors (“Voting Securities”) (in such case other than as a result of an acquisition of securities directly from the Company); or

(ii) the consummation of a consolidation, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company in a single transaction or series of related transactions (a “Corporate Transaction”); excluding, however, a Corporate Transaction in which the stockholders of the Company immediately prior to the Corporate Transaction, would, immediately after the Corporate Transaction, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, shares representing in the aggregate more than 50 percent of the voting shares of the corporation issuing cash or securities in the Corporate Transaction (or of its ultimate parent corporation, if any); or

(iii) persons who, as of the date hereof, constitute the Company’s Board of Directors (the “Incumbent Directors”) cease for any reason, including, without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Board, provided that any person becoming a director of the Company subsequent to the date hereof shall be considered an Incumbent Director if such person’s election was approved by or such person was nominated for election by either (A) a vote of at least a majority of the Incumbent Directors or (B) a vote of at least a majority of the Incumbent Directors who are members of a nominating committee comprised, in the majority, of Incumbent Directors; but provided further, that any such person whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of members of the Board of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board, including by reason of agreement intended to avoid or settle any such actual or threatened contest or solicitation, shall not be considered an Incumbent Director; or

(iv) any other acquisition of the business of the Company in which a majority of the Board votes in favor of a decision that a Change in Control has occurred within the meaning of this Agreement; or

(v) the approval by the Company’s stockholders of any plan or proposal for the liquidation or dissolution of the Company.

Notwithstanding the foregoing, a “Change in Control” shall not be deemed to have occurred for purposes of the foregoing clause (a) solely as the result of an acquisition of securities by the Company that, by reducing the number of shares of Voting Securities outstanding, increases the proportionate number of shares of Voting Securities beneficially owned by any person to 30 percent or more of the combined voting power of all then outstanding Voting Securities; provided, however, that if any person referred to in this sentence shall thereafter become the beneficial owner of any additional shares of Voting Securities (other than pursuant to a stock split, stock dividend, or similar transaction or as a result of an acquisition of securities directly from the Company) and immediately thereafter beneficially owns 30 percent or more of the combined voting power of all then outstanding Voting Securities, then a “Change in Control” shall be deemed to have occurred for purposes of the foregoing clause (a).

7. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive’s separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a “specified employee” within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement on account of the Executive’s separation from service would be considered deferred compensation otherwise subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive’s separation from service, or (B) the Executive’s death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes “non-qualified deferred compensation” under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive’s termination of employment, then such payments or benefits shall be payable only upon the Executive’s “separation from service.” The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

8. Third Party Agreements: Cooperation and Continuing Obligations.

(a) Third-Party Agreements and Rights. Except as previously disclosed to the Company, the Executive hereby confirms that the Executive is not bound by the terms of any agreement with any previous employer or other party which restricts in any way the Executive's use or disclosure of information or the Executive's engagement in any business. Except as previously disclosed to the Company, the Executive represents to the Company that the Executive's execution of this Agreement, the Executive's employment with the Company and the performance of the Executive's proposed duties for the Company will not violate any obligations the Executive may have to any such previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and the Executive will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.

(b) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while the Executive was employed by the Company. The Executive's full cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. Any cooperation pursuant to this Section 8(b) is subject to the Company's obligation to (i) reimburse the Executive for any expenses incurred during activities reasonably performed at the Company's request pursuant to this Section 8(b), subject to the same standards and procedures as apply to business expense reimbursements pursuant to the Company's Travel and Expense reimbursement policy, and (ii) compensate the Executive at a daily rate equal to the sum of the

Executive's annual Base Salary as of the date of the Executive's separation from employment and the Executive's Target Variable Cash Compensation, divided by 365, to the extent that the Executive reasonably expends any time in performing activities at the Company's request pursuant to this Section 8(b) at any time after the Executive's separation from employment; provided that the Executive acknowledges that he shall not at any time be entitled to compensation for time spent in activities that could have been compelled pursuant to a subpoena, including testimony and related attendance at depositions, hearings or trials. The Executive shall not be required to cooperate against his own legal interests.

(c) Continuing Obligations. The Executive has entered into the Non-Solicitation Agreement, which is incorporated herein by reference and survives the termination or expiration of this Agreement. In consideration of the benefits received under this Agreement, the Executive hereby reconfirms his obligations under the Non-Solicitation Agreement in all respects. Notwithstanding the foregoing, nothing in this Agreement shall be construed to affect the Executive's right to initiate or participate in any proceeding before a federal, state or local administrative agency or commission (a "Government Agency"), including, without limitation, by cooperating with any such Government Agency's request for information, including by providing documents or other information without notice to the Company, or by making any good faith report to a Government Agency concerning any act or omission that the Executive believes constitutes a possible violation of federal or state law or making other disclosures that are protected under the anti-retaliation or whistleblower provisions of applicable federal or state law or regulation.

9. Arbitration of Disputes. Any controversy or claim arising out of or relating to this Agreement or the breach thereof or otherwise arising out of the Executive's employment or the termination of that employment (including, without limitation, any statutory claims, including claims of unlawful employment discrimination whether based on age or otherwise, as well as common law claims) shall, to the fullest extent permitted by law, be settled by arbitration in any forum and form agreed upon by the parties or, in the absence of such an agreement, under the auspices of the American Arbitration Association ("AAA") in Fort Lauderdale, Florida in accordance with the Employment Arbitration Rules of the AAA, including, but not limited to, the rules and procedures applicable to the selection of arbitrators. In the event that any person or entity other than the Executive or the Company may be a party with regard to any such controversy or claim, such controversy or claim shall be submitted to arbitration subject to such other person or entity's agreement. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. This Section 9 shall be specifically enforceable. Notwithstanding the foregoing, this Section 9 shall not preclude either party from pursuing a court action for the sole purpose of obtaining a temporary restraining order or a preliminary injunction in circumstances in which such relief is appropriate; provided that any other relief shall be pursued through an arbitration proceeding pursuant to this Section 9. Notwithstanding the above, if the Company has moved the Executive's principal place of work to the Santa Clara, California area prior to a proceeding referred to in this Section, then "California" and "San Jose, California" shall be substituted for "Florida" and "Fort Lauderdale, Florida" above. All fees and expenses of such arbitration (other than the Executive's attorneys' fees and similar expenses incurred by the Executive) shall be borne by the Company.

10. Consent to Jurisdiction. To the extent that any court action is permitted consistent with or to enforce Section 9 of this Agreement, the parties hereby consent to the jurisdiction of the Superior Court of the State of Florida and the United States District Court for the District of Florida. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process. Notwithstanding the above, if the Company has moved the Executive's principal place of work to the Santa Clara, California area prior to a court action referred to in this Section, then "California" and "Northern District of California" shall be substituted for "Florida" and "District of Florida" above.

11. Integration. This Agreement, together with the Non-Solicitation Agreement and the additional agreements referred to herein, constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter, including the Executive Agreement. For the avoidance of doubt, the previously executed equity award agreements between the Company and the Executive, the Indemnification Agreement between the Company and the Executive, the Non-Solicitation Agreement and the Company's executive compensation recovery policy are not superseded hereby.

12. Withholding. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law.

13. Successor to the Executive. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal representatives, executors, administrators, heirs, distributees, devisees and legatees. In the event of the Executive's death after his termination of employment but prior to the completion by the Company of all payments due him under this Agreement, the Company shall continue such payments to the Executive's beneficiary designated in writing to the Company prior to his death (or to his estate, if the Executive fails to make such designation).

14. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

16. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

17. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company (with a copy to his counsel, Henry Morgenbesser, Esq. of Katzke & Morgenbesser LLP, 1345 Avenue of the Americas, 11th Floor, New York, NY 10105) or, in the case of the Company, at its main offices, attention of the Board.

18. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

19. Governing Law. This is a Florida contract and shall be construed under and be governed in all respects by the laws of the State of Florida, without giving effect to the conflict of laws principles of such State. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the Eleventh Circuit.

20. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

21. Successor to Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no succession had taken place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession shall be a material breach of this Agreement.

22. Gender Neutral. Wherever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.

23. Attorney's Fees. The Company shall pay the Executive's reasonable attorney's fees incurred in the preparation and negotiation of this Agreement up to a maximum of \$25,000 upon receipt of a written invoice from counsel.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date and year first above written.

CITRIX SYSTEMS, INC.

By: /s/ Robert M. Calderoni

Robert M. Calderoni
Executive Chairman

EXECUTIVE

/s/ David J. Henshall

David J. Henshall

EXHIBIT I
PERFORMANCE HURDLES

- Non-GAAP Net Op Margin ¹: earned based on Non-GAAP Net Op Margin at the end of the Performance Period. There will be no payout if Non-GAAP Net Op Margin is less than the threshold amount; 50% payout if Non-GAAP Net Op Margin is at the threshold amount; 100% payout if Non-GAAP Net Op Margin is at the target amount; and a maximum payout of 200% if Non-GAAP Net Op Margin is at or above the maximum amount. The Non-GAAP Net Op Margin threshold, target and maximums will be the percentages approved by the Compensation Committee based on the Board of Directors approval of a multi-year plan in September 2017.
- New Cloud Bookings: earned based on New Cloud Bookings at the end of the Performance Period. There will no payout if New Cloud Bookings is less than the threshold amount; 50% payout if New Cloud Bookings is at the threshold amount; 100% payout if New Cloud Bookings is at the target amount; and a maximum 200% payout if New Cloud Bookings is at or above the maximum amount. The New Cloud Bookings threshold, target and maximums will be the percentages approved by the Compensation Committee based on the Board of Directors approval of a multi-year plan in September 2017.

Actual vesting will be based on straight-line interpolation between the %s to be designated per the above.

¹ The financial targets and attainment levels thereof will be adjusted to exclude certain GAAP measurements in accordance with the Company's past practices, including amortization of intangible assets primarily related to business combinations, non-cash charges associated with the expensing of equity-based compensation, non-cash charges related to amortization of debt discount, accruals related to patent litigation, charges related to the Company's restructuring programs, charges related to separation activities, the tax effects related to these items and any other items adjusted from the GAAP results in the Company's reported earnings as approved by the Audit Committee of the Board of Directors.

EXHIBIT II
SEPARATION AGREEMENT AND RELEASE

I, David J. Henshall (referred to herein with the pronouns “I,” “me” and “my”), and Citrix Systems, Inc. (the “Company”) enter into this Separation Agreement and Release (the “Release”) pursuant to Section 5(b) or Section 6(b) of the Employment Agreement between the Company and me dated July 10, 2017 (the “Employment Agreement”). I acknowledge that my timely execution and return and my non-revocation of this Release are conditions to my entitlement to the benefits set forth in Section 5 or 6 of the Employment Agreement (the “Separation Benefits”). I therefore agree to the following terms:

1. Release of Claims. I voluntarily release and forever discharge the Company, its parents, subsidiaries, and affiliated entities, and each of those entities’ respective current and former shareholders, investors, directors, officers, employees, agents, attorneys, insurers, legal successors and assigns (collectively referred to as the “Releasees”) generally from all claims, demands, debts, damages and liabilities of every name and nature, known or unknown (“Claims”) that, as of the date when I sign this Release, I have, ever had, now claim to have or ever claimed to have had against any or all of the Releasees. This includes, without limitation, the release of all Claims:

- relating to my employment by the Company and my separation from employment;
- of wrongful discharge;
- of breach of contract;
- of retaliation or discrimination under federal, state or local law (including, without limitation, Claims of age discrimination or retaliation under the Age Discrimination in Employment Act, Claims of disability discrimination or retaliation under the Americans with Disabilities Act, Claims of discrimination or retaliation under Title VII of the Civil Rights Act of 1964 and Claims of any form of discrimination or retaliation that is prohibited by the Florida Civil Rights Act or the law of any other state);
- under any other federal or state statute;
- of defamation or other torts;
- of violation of public policy;
- for wages, bonuses, incentive compensation, vacation pay or any other compensation or benefits; and
- for damages or other remedies of any sort, including, without limitation, compensatory damages, punitive damages, injunctive relief and attorney’s fees;

provided, however, that this release shall not affect my rights under the Company’s Section 401(k) plan or any other vested and accrued benefits, my rights to the Separation Benefits under the Employment Agreement, my rights to indemnification under the Indemnification Agreement between the Company and me (the “Indemnification Agreement”), my rights to Directors’ and Officers’ insurance, my rights to any vested equity awards or as a shareholder, my rights to file an administrative charge or complaint with the Equal Employment Opportunity Commission or other administrative agency, and any rights and claims that cannot be waived by law.

I agree that I shall not seek or accept damages of any nature, other equitable or legal remedies for my own benefit, attorney's fees, or costs from any of the Releasees with respect to any Claim released by this Release. I represent that I have not assigned to any third party and I have not filed with any court any Claim released by this Release.

2. Ongoing Obligations. I reaffirm my ongoing obligations under the Citrix Systems, Inc. Non-Solicitation, Non-Compete and Confidentiality and Employee Non-Disclosure Agreement between me and the Company dated April 15, 2003 (the "Restrictive Covenant Agreement"), including, without limitation, my obligations to maintain the confidentiality of all confidential and proprietary information of the Company, to return to the Company (in good condition) all of the Company's equipment, property, and documents (whether in paper, electronic, or other format, and all copies thereof) that are in my possession or control, and refrain from certain competition and solicitation activities for a twelve (12) month period after my termination of employment by the Company, subject to the terms and conditions of the Restrictive Covenant Agreement. I acknowledge that the execution of Exhibit A to the Restrictive Covenant Agreement, entitled "Citrix Systems, Inc. Termination Certification" (the "Certification"), is required by the Restrictive Covenant Agreement and accordingly agree to sign and return to the Company, at the same time I return the Release, the Certification (attached hereto as Appendix A) as a condition to my entitlement to the Separation Benefits. I also reaffirm my ongoing obligations under the Citrix Systems, Inc. Statement of Company Policy Regarding Insider Trading and Disclosure of Material Non-Public Information (the "Insider Trading Policy") and agree that those obligations continue to apply following my separation from employment, until such time as any material, nonpublic information possessed by me has become public or is no longer material, but not to exceed 12 months. Without limiting the foregoing, I acknowledge and agree that I shall continue to be subject to the remainder of any Quarterly Black Out or Special Black Out (as defined in the Insider Trading Policy), if such black out period was instituted prior to my separation from employment.

3. Litigation and Regulatory Cooperation. I agree to cooperate fully with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while I was employed by the Company. My full cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. I also agree to cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while I was employed by the Company. Any cooperation pursuant to this Section 3 is subject to the Company's obligation to (i) reimburse me for any expenses incurred during activities reasonably performed at the Company's request pursuant to this Section 3, subject to the same standards and procedures as apply to business expense reimbursements pursuant to the Company's Travel and Expense reimbursement policy, and (ii) compensate me at a daily rate equal to the sum of my annual base salary as of my separation from employment and my "Target Variable Cash Compensation", each as defined in the Employment Agreement, divided by 365 to the extent that I reasonably expend any time in performing activities at the Company's request pursuant to this Section 3 at any time more than two years after my separation from employment; *provided* that I acknowledge that I shall not at any time be entitled to compensation for time spent in activities that could have been compelled pursuant to a subpoena, including testimony and related attendance at depositions, hearings or trials.

4. Non-Disparagement and No Cooperation. I agree that I will not, at any time in the future, make any written or oral statement that disparages or damages (i) the business of the Company or any affiliate of the Company (together, "Company Parties"), (ii) any products or services of any Company Party, (iii) any member of the board of directors or management of any Company Party or (iv) any investor in the securities of the Company or any representative thereof. In addition, the Company will direct its directors and officers not to, at any time in the future, make or cause to be made any written or oral statement that disparages or damages me or my reputation. I agree that I will not counsel or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against the Company and/or any other Releasee, unless under a subpoena or other court order to do so; *provided* that nothing in this Release shall be construed to affect my right to participate in any proceeding before a federal or state administrative agency, including, without limitation, by cooperating with any such agency's request for information or by making any good faith report to a governmental entity concerning any act or omission that I reasonably believe constitutes a possible violation of federal or state law or making other disclosures that are protected under the anti-retaliation or whistleblower provisions of applicable federal or state law or regulation. In addition, I recognize that the Company's business relationships with its customers, distributors, resellers and partners (collectively, "Customers and Partners") are very important to the Company, and that if I – as an important Company representative in its dealings with Customers and Partners during the course of my employment – make any statement (directly or indirectly) to such Customers or Partners about the Company, any other Company Party, employees of any Company Party or the products or services of any Company Party that is untrue or otherwise may be reasonably expected to be harmful to the Company or any other Company Party, I will be deemed to have violated this Section 4. For the avoidance of doubt, neither my obligations nor the direction to directors and officers or the public statement prohibition shall be construed to limit or otherwise affect statements made in the course of testimony under oath in any legal proceeding.

5. California Civil Code Section 1542. I acknowledge that I have been advised to consult with legal counsel and am familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown claims, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Being aware of said code section, I agree to expressly waive any rights I may have thereunder, as well as under any other statute or common law principles of similar effect. I further acknowledge and agree that the inclusion of the waiver of said code section in this Release shall not be construed to affect the applicability of Florida law to this Release or to any other agreement between the Company and me.

6. Right to Consider and Revoke Release. I acknowledge that I have been given the opportunity to consider this Release for a period ending twenty-one (21) days after the date when it was proposed to me. In the event that I execute this Release within less than twenty-one (21) days after such date, I acknowledge that such decision was entirely voluntary and that I had the opportunity to consider this Release until the end of the twenty-one (21) day period. To accept this Release, I shall deliver a signed Release to the Company's General Counsel within such twenty-one (21) day period. For a period of seven (7) days from the date when the I execute this Release (the "Revocation Period"), I shall retain the right to revoke this Release by written notice that is received by the General Counsel on or before the last day of the Revocation Period. This Release shall take effect only if it is executed within the twenty-one (21) day period as set forth above and if it is not revoked pursuant to the preceding sentence. If those conditions are satisfied, this Release shall become effective and enforceable on the date immediately following the last day of the Revocation Period (the "Effective Date").

7. Other Terms.

(a) Legal Representation; Review of Release. I acknowledge that I have been advised to discuss all aspects of this Release with my attorney, that I have carefully read and fully understand all of the provisions of this Release and that I am voluntarily entering into this Release.

(b) Binding Nature of Release. This Release shall be binding upon me and upon my heirs, administrators, representatives and executors.

(c) Amendment. This Release may be amended only upon a written agreement executed by the Company and me.

(d) Severability. In the event that at any future time it is determined by an arbitrator or court of competent jurisdiction that any covenant, clause, provision or term of this Release is illegal, invalid or unenforceable, the remaining provisions and terms of this Release shall not be affected thereby and the illegal, invalid or unenforceable term or provision shall be severed from the remainder of this Release. In the event of such severance, the remaining covenants shall be binding and enforceable.

(e) Governing Law and Interpretation. This Release shall be deemed to be made and entered into in the State of Florida, and shall in all respects be interpreted, enforced and governed under the laws of the State of Florida, without giving effect to the conflict of laws provisions of Florida law. The language of all parts of this Release shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against the Company or me.

(f) Entire Agreement; Absence of Reliance. I acknowledge that I am not relying on any promises or representations by the Company or any of its agents, representatives or attorneys regarding any subject matter addressed in this Release. I acknowledge that this Release constitutes the entire agreement between the Company and me and that this Release supersedes any previous agreements or understandings between me and the Company, except the Employment Agreement, the Indemnification Agreement, the Restrictive Covenant Agreement, the Insider Trading Policy, and any equity award agreements and equity plans to which they are subject, and any other obligations specifically preserved in this Release.

So agreed.

CITRIX SYSTEMS, INC.

David J. Henshall

By: _____
Robert M. Calderoni
Executive Chairman

Date:

Appendix A

Citrix Systems, Inc.
Termination Certification

This is to certify that except as may be needed to provide transition assistance, I do not have in my possession, nor have I failed to return, any devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, equipment, other documents or property, or reproductions of any aforementioned items belonging to Citrix Systems, Inc., its subsidiaries, affiliates, successors or assigns (together, the "Company").

I further certify that I have complied with all the terms of the Company's Confidential Information, Inventions Assignment and Non-Solicitation Agreement signed by me, including the reporting of any Developments and original works of authorship (as defined therein) conceived or made by me (solely or jointly with others) covered by that agreement.

I further agree that, in compliance with the Confidential Information and Inventions Assignment Agreement and subject to the limitations and restrictions therein, I will preserve as confidential all trade secrets, confidential knowledge, data or other proprietary information relating to products, processes, know-how, designs, formulas, developmental or experimental work, computer programs, data bases, other original works of authorship, customer lists, business plans, financial information or other subject matter pertaining to any business of the Company or any of its clients, consultants or licenses.

Date:

David J. Henshall

CITRIX SYSTEMS, INC.

Date:

By: _____

Title: _____

AMENDED AND RESTATED**EMPLOYMENT AGREEMENT**

This Amended and Restated Employment Agreement (“Agreement”) is made this 7th day of July, 2017, between Citrix Systems, Inc., a Delaware corporation (the “Company”), and Robert M. Calderoni (the “Executive”).

WHEREAS, the Executive is currently serving as the Executive Chairman of the Company;

WHEREAS, the Executive and the Company entered into an Employment Agreement on January 18, 2017 (the “Original Agreement”);

WHEREAS, the Board of Directors (the “Board”) and the Chief Executive Officer of the Company desire for the Executive to remain in the role of Executive Chairman through December 31, 2018, and thereafter continue solely as a director of the Company with such compensation as is consistent with the non-employee directors of the Company; and

WHEREAS, the Company and the Executive desire to amend and restate the Original Agreement and enter into this Agreement to reflect the terms of the Executive’s employment with the Company through December 31, 2018.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Employment.

(a) Term. This Agreement shall commence effective as of July 10, 2017 (the “Commencement Date”) and continue until December 31, 2018, subject to the Executive’s re-election to the Board by the stockholders of the Company (the “Term”). Notwithstanding the foregoing, in the event a Change in Control (as defined in Section 5(c)) occurs during the Term, or should the Company enter into a definitive agreement during the Term that would result in a Change in Control occurring after what would otherwise have been the end of the Term, then in either case the Term shall be extended until 18 months after the Change in Control. The parties acknowledge that, upon the termination of this Agreement at the end of the Term, the Executive’s employment will automatically terminate and, thereafter, he shall be entitled to receive compensation solely in his role as a director of the Company in accordance with the Company’s director compensation program in effect at such time and consistent with the compensation paid to the non-employee directors of the Company.

(b) Position and Duties. During the Term, the Executive shall continue to serve as the Executive Chairman of the Company, reporting to the Board. The Executive shall devote the necessary working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, the Executive may serve on other boards of directors, consistent with the Company’s Corporate Governance Guidelines and with the approval of the Board, which shall not be unreasonably withheld or conditioned, and engage in religious, charitable or

other community activities as long as such services and activities are disclosed to the Board and do not interfere with the Executive's performance of his duties to the Company as provided in this Agreement.

(c) Principal Place of Employment. The Executive's principal place of employment during the Term shall be at the Company's office in Fort Lauderdale, Florida.

2. Compensation and Related Matters.

(a) Base Salary. As of the Commencement Date, the Executive's annual base salary shall be \$750,000 ("Base Salary"), which shall be prorated for calendar year 2017. The Base Salary may not be decreased during the Term. The Base Salary shall be payable in a manner that is consistent with the Company's usual payroll practices for senior executives.

(b) Equity Award. In recognition of the Executive entering into this Agreement, in January 2018 the Executive shall be granted a restricted stock unit award with an aggregate value of \$5,000,000 (the "2018 Grant"). For purposes of the preceding sentence, the number of units granted will be calculated based on the 20 trading day average closing price of a share of the Company's common stock as of and including the grant date. The 2018 Grant will cliff vest approximately twelve months after the grant date, subject to continued service of the Executive (including service as a Board member) through such date. Notwithstanding the foregoing, if prior to the date on which the 2018 grant is made, (i) the Executive's employment is terminated on account of death under Section 3(a) or Disability under Section 3(b), or (ii) the Executive is involuntarily terminated from the Board by reason of his resignation at the request of the Board, where he is otherwise willing and able to continue serving in such capacity, or (iii) there is a Change in Control, the 2018 Grant (or, in the Company's sole discretion, the cash equivalent thereof) shall be made to the Executive in connection with such termination or Change in Control (as applicable) and such award shall be fully vested at grant.

(c) Expenses. The Executive shall be entitled to receive prompt reimbursement for any and all reasonable expenses incurred by him during the Term in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its senior executive officers. Any reimbursement that the Executive is entitled to receive shall (i) be paid as soon as practicable and in any event no later than the last day of the Executive's tax year following the tax year in which the expense was incurred, (ii) not be affected by any other expenses that are eligible for reimbursement in any tax year and (iii) not be subject to liquidation or exchange for another benefit.

(d) Other Benefits. During the Term, the Executive shall be eligible to participate in or receive benefits under the Company's employee benefit plans in effect from time to time, subject to the terms of such plans.

3. Termination. During the Term, the Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) Death. The Executive's employment hereunder shall terminate upon his death.

(b) Disability. The Company may terminate the Executive's employment if he is disabled and unable to perform the essential functions of the Executive's then existing position or positions under this Agreement (or is expected, based on a reasonable degree of medical certainty, to be unable to perform such functions) with or without reasonable accommodation for a period of 180 days (which need not be consecutive) in any 12-month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive's then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company's determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq.* and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq.*

(c) Termination by Company for Cause. The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean a termination of the Executive's employment which is a result of:

(i) The indictment of the Executive for the commission of any felony or a misdemeanor involving deceit, material dishonesty or fraud, or any willful conduct by the Executive that would reasonably be expected to result in material injury or reputational harm to the Company if he were retained in his position; or

(ii) Willful disclosure of material trade secrets or other material confidential information related to the business of the Company and its subsidiaries or affiliates; or

(iii) Willful and continued failure substantially to perform the Executive's duties with the Company (other than any such failure resulting from the Executive's incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to the Executive by the Board, which demand identifies the specific actions which the Board believes constitute willful and continued failure substantially to perform the Executive's duties, and which performance is not substantially corrected by the Executive within 30 days of receipt of such demand; or

(iv) Willful and knowing participation in releasing false or materially misleading financial statements or submission of a false certification to the Securities and Exchange Commission; or

(v) Failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Board to cooperate, or the willful destruction or failure to preserve documents or other

materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation.

For the avoidance of doubt, any termination of the Executive's employment by the Company shall not constitute a termination for Cause unless (i) the Company provides written notice to the Executive of the Cause for his termination of employment and (ii) the termination of the Executive's employment is approved by at least 75 percent of all the members of the Board other than the Executive, in each case with the Executive having been given an opportunity, with the Executive's counsel present, to explain to the Board any actions or conduct giving rise to a potential termination of his employment for Cause. Subject to having such opportunity to provide an explanation, the Executive shall recuse himself from any Board deliberations concerning the possibility of terminating his employment.

(d) Termination Without Cause. The Company may terminate the Executive's employment hereunder at any time without Cause. Any termination by the Company of the Executive's employment under this Agreement which does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or (b) shall be deemed a termination without Cause.

(e) Termination by the Executive. The Executive may terminate his employment hereunder at any time for any reason, including but not limited to Good Reason. For purposes of this Agreement, "Good Reason" shall mean that the Executive has complied with the "Good Reason Process" (hereinafter defined) following the occurrence of any of the following events without the Executive's consent:

(i) A substantial reduction, not consented to by the Executive, in the nature or scope of the Executive's duties, responsibilities, authorities, powers or functions; provided that it will be considered a substantial reduction in duties and responsibilities if after a Change in Control (as defined herein), the Executive is not Executive Chairman of the ultimate parent of the resulting company or such parent is not a publicly traded company; or

(ii) A reduction in the Executive's annual base salary, as in effect on the date hereof or as the same may be increased from time to time hereafter; or

(iii) The relocation of the Company's Fort Lauderdale, Florida office (the "Current Office") to any other location more than 35 miles from the Current Office, or the requirement by the Company for the Executive to be based more than 35 miles away from the Current Office, except for required travel on the Company's business to an extent substantially consistent with the Executive's business travel obligations as of the date of this Agreement; or

(iv) Material breach by the Company of any agreements, plans, policies and practices relating to the Executive's employment with the Company; or

(v) Failure to provide the Executive with any payments, rights and other entitlements included hereunder, including, without limitation, upon a Change in Control as provided for in Section 5 herein; or

(vi) Failure of the Company to require any successor to its business as a result of a Change in Control or otherwise to assume the Company's obligations to the Executive under any written agreement between the Company and the Executive.

"Good Reason Process" shall mean that (1) the Executive reasonably determines in good faith that a "Good Reason" condition has occurred; (2) the Executive notifies the Company in writing of the first occurrence of the Good Reason condition within 90 days of the first occurrence with respect to a condition that occurs in connection with or following a Change in Control; (3) the Executive cooperates in good faith with the Company's efforts, for a period not less than 30 days following such notice (the "Cure Period"), to remedy the condition; (4) notwithstanding such efforts, the Good Reason condition continues to exist; and (5) the Executive terminates his employment within 60 days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason shall be deemed not to have occurred.

(f) Notice of Termination. Except for termination as specified in Section 1 or Section 3(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon.

(g) Date of Termination. "Date of Termination" shall mean: (i) if the Executive's employment is terminated by his death, the date of his death; (ii) if the Executive's employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given; (iii) if the Executive's employment is terminated by the Company under Section 3(d), the date on which a Notice of Termination is given; (iv) if the Executive's employment is terminated by the Executive under Section 3(e) without Good Reason, 30 days after the date on which a Notice of Termination is given; and (v) if the Executive's employment is terminated by the Executive under Section 3(e) with Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

4. Compensation Upon Termination.

(a) Termination Generally. If the Executive's employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to his authorized representative or estate) (i) any Base Salary earned through the Date of Termination and unpaid expense reimbursements (subject to, and in accordance with, Section 2(c) of this Agreement); and (ii) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans.

(b) Acceleration of Time-Based Equity Awards on Death or Disability. During the Term, if the Executive's employment is terminated on account of death under Section 3(a) or Disability under Section 3(b), all time-based equity awards held by the Executive on the Date of Termination shall immediately accelerate and become fully vested, exercisable (if applicable) and nonforfeitable.

5. Change in Control Payment. The provisions of this Section 5 are intended to assure and encourage in advance the Executive's continued attention and dedication to his assigned duties and his objectivity during the pendency and after the occurrence of any such event. These provisions shall terminate and be of no further force or effect on the later of (i) 18 months after the occurrence of a Change in Control, if these benefits have not been triggered by such date, or (ii) if such benefits have been triggered, on the date when all payments and benefits have been provided to the Executive under the terms hereof.

(a) Change in Control Benefits. During the Term, if upon or within 18 months after a Change in Control, the Executive's employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates his employment for Good Reason as provided in Section 3(e), then, subject to the Executive signing a separation agreement substantially in the form attached hereto as Exhibit I (the "Separation Agreement and Release") and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination,

(i) the Company shall pay the Executive a lump sum in cash in an amount equal to 1.5 times the Executive's current Base Salary (or the Executive's Base Salary in effect immediately prior to the Change in Control, if higher); and

(ii) all time-based equity awards held by the Executive shall immediately accelerate and become fully vested, exercisable (if applicable) and nonforfeitable; and

(iii) for a period of 18 months following the Date of Termination or until the Executive becomes covered under a group health plan of another employer, whichever is earlier (the "COBRA Coverage Period"), the Company shall provide the Executive, and his eligible dependents, at the Company's sole expense, continued medical, dental and vision insurance benefit coverage in accordance with the provisions of COBRA, provided that the Executive timely executes all necessary COBRA election documentation and remains eligible for COBRA coverage. To the extent that such benefit coverage constitutes a taxable benefit to the Executive, the Executive shall be responsible for such tax obligation, and the Company shall not be required to pay any tax gross-up amount. COBRA election documentation will be sent to the Executive after the Executive's Date of Termination. After the Executive's COBRA Coverage Period, if the Executive wishes to continue such COBRA coverage or other group health plan coverage offered by the Company, and is eligible therefor, such continuation shall be at the discretion of the Company and the Executive will be required to pay all requisite premiums for such continued coverage; and

(iv) the amount payable under this Section 5(a)(i) shall be paid within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payment shall be paid in the second calendar year by the last day of such 60-day period.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations thereunder (the "Aggregate Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be \$1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; provided that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; provided that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(ii) For purposes of this Section 5(b), the "After Tax Amount" means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive's receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 5(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm") with the Executive's consent, which will not be unreasonably withheld. The Accounting Firm

shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. For purposes of this Section 5, the following terms shall have the following meanings:

“Change in Control” shall mean any of the following:

(i) any “Person,” as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended and in effect from time to time (the “Exchange Act”) (other than the Company, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan or trust of the Company or any of its subsidiaries), together with all “affiliates” and “associates” (as such terms are defined in Rule 12b-2 under the Exchange Act) of such person, shall become the “beneficial owner” (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30 percent or more of the combined voting power of the Company’s then outstanding securities having the right to vote in an election of the Company’s Board of Directors (“Voting Securities”) (in such case other than as a result of an acquisition of securities directly from the Company); or

(ii) the consummation of a consolidation, merger or sale or other disposition of all or substantially all of the assets of the Company in a single transaction or series of related transactions (a “Corporate Transaction”); excluding, however, a Corporate Transaction in which the stockholders of the Company immediately prior to the Corporate Transaction, would, immediately after the Corporate Transaction, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, shares representing in the aggregate more than 50 percent of the voting shares of the corporation issuing cash or securities in the Corporate Transaction (or of its ultimate parent corporation, if any); or

(iii) persons who, as of the date hereof, constitute the Company’s Board of Directors (the “Incumbent Directors”) cease for any reason, including, without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Board, provided that any person becoming a director of the Company subsequent to the date hereof shall be considered an Incumbent Director if such person’s election was approved by or such person was nominated for election by either (A) a vote of at least a majority of the Incumbent Directors or (B) a vote of at least a majority of the Incumbent Directors who are members of a nominating committee comprised, in the majority, of Incumbent Directors; but provided further, that any such person whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of members of the Board of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board, including by reason of agreement intended to avoid or settle any such actual or threatened contest or solicitation, shall not be considered an Incumbent Director; or

(iv) any other acquisition of the business of the Company in which a majority of the Board votes in favor of a decision that a Change in Control has occurred within the meaning of this Agreement; or

(v) the approval by the Company's stockholders of any plan or proposal for the liquidation or dissolution of the Company.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred for purposes of the foregoing clause (a) solely as the result of an acquisition of securities by the Company that, by reducing the number of shares of Voting Securities outstanding, increases the proportionate number of shares of Voting Securities beneficially owned by any person to 30 percent or more of the combined voting power of all then outstanding Voting Securities; provided, however, that if any person referred to in this sentence shall thereafter become the beneficial owner of any additional shares of Voting Securities (other than pursuant to a stock split, stock dividend, or similar transaction or as a result of an acquisition of securities directly from the Company) and immediately thereafter beneficially owns 30 percent or more of the combined voting power of all then outstanding Voting Securities, then a "Change in Control" shall be deemed to have occurred for purposes of the foregoing clause (a).

6. Executive's Covenant. The Executive has entered into a Confidential Information, Inventions Assignment and Non-Solicitation Agreement with the Company dated on or before the Executive's commencement of employment with the Company (the "Non-Solicit Agreement"), which is incorporated herein by reference and survives the termination or expiration of this Agreement. In consideration of the benefits received under this Agreement, the Executive hereby reconfirms his obligations under the Non-Solicit Agreement in all respects. Notwithstanding the foregoing, nothing in this Agreement shall be construed to affect the Executive's right to initiate or participate in any proceeding before a federal, state or local administrative agency or commission (a "Government Agency"), including, without limitation, by cooperating with any such Government Agency's request for information, including by providing documents or other information without notice to the Company, or by making any good faith report to a Government Agency concerning any act or omission that the Executive believes constitutes a possible violation of federal or state law or making other disclosures that are protected under the anti-retaliation or whistleblower provisions of applicable federal or state law or regulation.

7. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive's separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement on account of the Executive's separation from service would be considered deferred compensation otherwise subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section

409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive's separation from service, or (B) the Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive's termination of employment, then such payments or benefits shall be payable only upon the Executive's "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

8. Third Party Agreement and Cooperation.

(a) Third-Party Agreements and Rights. The Executive hereby confirms that the Executive is not bound by the terms of any agreement with any previous employer or other party which restricts in any way the Executive's use or disclosure of information or the

Executive's engagement in any business. The Executive represents to the Company that the Executive's execution of this Agreement and the performance of the Executive's proposed duties for the Company will not violate any obligations the Executive may have to any such previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and the Executive will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.

(b) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while the Executive was employed by the Company. The Executive's full cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. Any cooperation pursuant to this Section 8(b) is subject to the Company's obligation to (i) reimburse the Executive for any expenses incurred during activities reasonably performed at the Company's request pursuant to this Section 8(b), subject to the same standards and procedures as apply to business expense reimbursements pursuant to the Company's Travel and Expense reimbursement policy, and (ii) compensate the Executive at a daily rate equal to the Executive's annual Base Salary as of the date of the Executive's separation from employment, divided by 365, to the extent that the Executive reasonably expends any time in performing activities at the Company's request pursuant to this Section 8(b) at any time after the Executive's separation from employment; provided that the Executive acknowledges that he shall not at any time be entitled to compensation for time spent in activities that could have been compelled pursuant to a subpoena, including testimony and related attendance at depositions, hearings or trials.

9. Arbitration of Disputes. Any controversy or claim arising out of or relating to this Agreement or the breach thereof or otherwise arising out of the Executive's employment or the termination of that employment (including, without limitation, any statutory claims, including claims of unlawful employment discrimination whether based on age or otherwise and any other claims based on any statute, as well as common law claims) shall, to the fullest extent permitted by law, be settled by arbitration in any forum and form agreed upon by the parties or, in the absence of such an agreement, under the auspices of the American Arbitration Association ("AAA") in Fort Lauderdale, Florida in accordance with the Employment Arbitration Rules of the AAA, including, but not limited to, the rules and procedures applicable to the selection of arbitrators. In the event that any person or entity other than the Executive or the Company may be a party with regard to any such controversy or claim, such controversy or claim shall be submitted to arbitration subject to such other person or entity's agreement. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. This Section 9 shall be specifically enforceable. Notwithstanding the foregoing, this Section 9 shall not preclude either party from pursuing a court action for the sole purpose of obtaining a

temporary restraining order or a preliminary injunction in circumstances in which such relief is appropriate; provided that any other relief shall be pursued through an arbitration proceeding pursuant to this Section 9.

10. Consent to Jurisdiction. To the extent that any court action is permitted consistent with or to enforce Section 9 of this Agreement, the parties hereby consent to the jurisdiction of the Superior Court of the State of Florida and the United States District Court for the District of Florida. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

11. Integration. This Agreement, together with the Non-Solicit Agreement and the additional agreements referred to herein, constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter, other than the restricted stock and restricted stock unit agreements with a grant date prior to the date hereof and the Indemnification Agreement between the Company and the Executive.

12. Withholding. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law.

13. Successor to the Executive. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal representatives, executors, administrators, heirs, distributees, devisees and legatees. In the event of the Executive's death after his termination of employment but prior to the completion by the Company of all payments due him under this Agreement, the Company shall continue such payments to the Executive's beneficiary designated in writing to the Company prior to his death (or to his estate, if the Executive fails to make such designation).

14. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

16. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

17. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention of the Board.

18. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

19. Governing Law. This is a Florida contract and shall be construed under and be governed in all respects by the laws of the State of Florida, without giving effect to the conflict of laws principles of such State. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the Eleventh Circuit.

20. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

21. Successor to Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no succession had taken place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession shall be a material breach of this Agreement.

22. Gender Neutral. Wherever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.

23. Attorney's Fees. The Company shall pay the Executive's reasonable attorney's fees incurred in the preparation and negotiation of this Agreement up to a maximum of \$25,000.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date and year first above written.

CITRIX SYSTEMS, INC.

By: /s/ Antonio G. Gomes
Antonio G. Gomes
Senior Vice President and General Counsel

/s/ Robert M. Calderoni
Robert M. Calderoni

EXHIBIT I
SEPARATION AGREEMENT AND RELEASE

I, Robert M. Calderoni (referred to herein with the pronouns “I,” “me” and “my”), and Citrix Systems, Inc. (the “Company”) enter into this Separation Agreement and Release (the “Release”) pursuant to Section 5 of the Amended and Restated Employment Agreement between the Company and me dated July 7, 2017 (the “Employment Agreement”). I acknowledge that my timely execution and return and my non-revocation of this Release are conditions to my entitlement to the benefits set forth in Section 5 of the Employment Agreement (the “Separation Benefits”). I therefore agree to the following terms:

1. Release of Claims. I voluntarily release and forever discharge the Company, its parents, subsidiaries, and affiliated entities, and each of those entities’ respective current and former shareholders, investors, directors, officers, employees, agents, attorneys, insurers, legal successors and assigns (collectively referred to as the “Releasees”) generally from all claims, demands, debts, damages and liabilities of every name and nature, known or unknown (“Claims”) that, as of the date when I sign this Release, I have, ever had, now claim to have or ever claimed to have had against any or all of the Releasees. This includes, without limitation, the release of all Claims:

- relating to my employment by the Company and my separation from employment;
- of wrongful discharge;
- of breach of contract;
- of retaliation or discrimination under federal, state or local law (including, without limitation, Claims of age discrimination or retaliation under the Age Discrimination in Employment Act, Claims of disability discrimination or retaliation under the Americans with Disabilities Act, Claims of discrimination or retaliation under Title VII of the Civil Rights Act of 1964 and Claims of any form of discrimination or retaliation that is prohibited by the Florida Civil Rights Act or the law of any other state);
- under any other federal or state statute;
- of defamation or other torts;
- of violation of public policy;
- for wages, bonuses, incentive compensation, vacation pay or any other compensation or benefits; and
- for damages or other remedies of any sort, including, without limitation, compensatory damages, punitive damages, injunctive relief and attorney’s fees;

provided, however, that this release shall not affect my rights under the Company’s Section 401(k) plan, my rights to the Separation Benefits under the Employment Agreement, my rights to indemnification under the Indemnification Agreement between the Company and me (the “Indemnification Agreement”), my rights to Directors’ and Officers’ insurance, my rights to any vested equity awards, my rights to file an administrative charge or complaint with the Equal Employment Opportunity Commission or other administrative agency, and any rights and claims that cannot be waived by law.

I agree that I shall not seek or accept damages of any nature, other equitable or legal remedies for my own benefit, attorney's fees, or costs from any of the Releasees with respect to any Claim released by this Release; provided that nothing in this Release limits any right I may have to receive a whistleblower award or bounty for information provided to the Securities and Exchange Commission. I represent that I have not assigned to any third party and I have not filed with any court any Claim released by this Release.

2. Ongoing Obligations. I reaffirm my ongoing obligations under the Citrix Systems, Inc. Confidential Information, Inventions Assignment and Non-Solicitation Agreement between me and the Company (the "Restrictive Covenant Agreement"), including, without limitation, my obligations to maintain the confidentiality of all confidential and proprietary information of the Company, to return to the Company (in good condition) all of the Company's equipment, property, and documents (whether in paper, electronic, or other format, and all copies thereof) that are in my possession or control, and refrain from certain competition and solicitation activities for a twelve (12) month period after my termination of employment by the Company. I acknowledge that if the execution of Exhibit A to the Restrictive Covenant Agreement, entitled "Citrix Systems, Inc. Termination Certification" (the "Certification"), is required by the Restrictive Covenant Agreement, I agree to sign and return to the Company, at the same time I return the Release, the Certification (attached hereto as Appendix A) as a condition to my entitlement to the Separation Benefits. I also reaffirm my ongoing obligations under the Citrix Systems, Inc. Statement of Company Policy Regarding Insider Trading and Disclosure of Material Non-Public Information (the "Insider Trading Policy") and agree that those obligations continue to apply following my separation from employment, until such time as any material, nonpublic information possessed by me has become public or is no longer material, but not to exceed 12 months. Without limiting the foregoing, I acknowledge and agree that I shall continue to be subject to the remainder of any Quarterly Black Out or Special Black Out (as defined in the Insider Trading Policy), if such black out period was instituted prior to my separation from employment. Notwithstanding anything in this Release or the Restrictive Covenant Agreement to the contrary, I understand that pursuant to the federal Defend Trade Secrets Act of 2016, I shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

3. Litigation and Regulatory Cooperation. I agree to cooperate fully with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while I was employed by the Company. My full cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. I also agree to cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while I was employed by the Company. Any cooperation pursuant to this Section 3 is subject to the Company's obligation to (i) reimburse me for any expenses incurred during activities reasonably performed at the Company's request pursuant to this Section 3, subject to the same standards and procedures as apply to business expense reimbursements pursuant to the Company's Travel and Expense reimbursement policy, and (ii) compensate me at a daily rate equal to my annual Base

Salary as of my separation from employment, as defined in the Employment Agreement, divided by 365 to the extent that I reasonably expend any time in performing activities at the Company's request pursuant to this Section 3; *provided* that I acknowledge that I shall not at any time be entitled to compensation for time spent in activities that could have been compelled pursuant to a subpoena, including testimony and related attendance at depositions, hearings or trials.

4. Non-Disparagement and No Cooperation.

(a) I agree that I will not, at any time in the future, make any written or oral statement that disparages or damages (i) the business of the Company or any affiliate of the Company (together, "Company Parties"), (ii) any products or services of any Company Party, (iii) any member of the board of directors or management of any Company Party or (iv) any investor in the securities of the Company or any representative thereof. In addition, the Company will direct its directors and officers not to, at any time in the future, make or cause to be made any written or oral statement that disparages or damages me or my reputation. I agree that I will not counsel or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against the Company and/or any of the other Releasees, unless under a subpoena or other court order to do so. In addition, I recognize that the Company's business relationships with its customers, distributors, resellers and partners (collectively, "Customers and Partners") are very important to the Company, and that if I – as an important Company representative in its dealings with Customers and Partners during the course of my employment – make any statement (directly or indirectly) to such Customers or Partners about the Company, any other Company Party, employees of any Company Party or the products or services of any Company Party that is untrue or otherwise may be harmful to the Company or any other Company Party, I will be deemed to have violated this Section 4(a). For the avoidance of doubt, neither my obligations nor the direction to directors and officers shall be construed to limit or otherwise affect statements made in the course of testimony under oath in any legal proceeding.

(b) Nothing in this Release shall be construed to affect my right to initiate or participate in any proceeding before a federal, state or local administrative agency or commission (a "Government Agency"), including, without limitation, by cooperating with any such Government Agency's request for information, including by providing documents or other information without notice to the Company, or by making any good faith report to a Government Agency concerning any act or omission that I believe constitutes a possible violation of federal or state law or making other disclosures that are protected under the anti-retaliation or whistleblower provisions of applicable federal or state law or regulation.

5. California Civil Code Section 1542. I acknowledge that I have been advised to consult with legal counsel and am familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown claims, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Being aware of said code section, I agree to expressly waive any rights I may have thereunder, as well as under any other statute or common law principles of similar effect. I further acknowledge and agree that the inclusion of the waiver of said code section in this Release shall not be construed to affect the applicability of Florida law to this Release or to any other agreement between the Company and me.

6. Right to Consider and Revoke Release. I acknowledge that I have been given the opportunity to consider this Release for a period ending twenty-one (21) days after the date when it was proposed to me. In the event that I execute this Release within less than twenty-one (21) days after such date, I acknowledge that such decision was entirely voluntary and that I had the opportunity to consider this Release until the end of the twenty-one (21) day period. To accept this Release, I shall deliver a signed Release to the Company's General Counsel within such twenty-one (21) day period. For a period of seven (7) days from the date when I execute this Release (the "Revocation Period"), I shall retain the right to revoke this Release by written notice that is received by the General Counsel on or before the last day of the Revocation Period. This Release shall take effect only if it is executed within the twenty-one (21) day period as set forth above and if it is not revoked pursuant to the preceding sentence. If those conditions are satisfied, this Release shall become effective and enforceable on the date immediately following the last day of the Revocation Period (the "Effective Date").

7. Other Terms.

(a) Legal Representation; Review of Release. I acknowledge that I have been advised to discuss all aspects of this Release with my attorney, that I have carefully read and fully understand all of the provisions of this Release and that I am voluntarily entering into this Release.

(b) Binding Nature of Release. This Release shall be binding upon me and upon my heirs, administrators, representatives and executors.

(c) Amendment. This Release may be amended only upon a written agreement executed by the Company and me.

(d) Severability. In the event that at any future time it is determined by an arbitrator or court of competent jurisdiction that any covenant, clause, provision or term of this Release is illegal, invalid or unenforceable, the remaining provisions and terms of this Release shall not be affected thereby and the illegal, invalid or unenforceable term or provision shall be severed from the remainder of this Release. In the event of such severance, the remaining covenants shall be binding and enforceable.

(e) Governing Law and Interpretation. This Release shall be deemed to be made and entered into in the State of Florida, and shall in all respects be interpreted, enforced and governed under the laws of the State of Florida, without giving effect to the conflict of laws provisions of Florida law. The language of all parts of this Release shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against the Company or me.

(f) Entire Agreement; Absence of Reliance. I acknowledge that I am not relying on any promises or representations by the Company or any of its agents, representatives or attorneys regarding any subject matter addressed in this Release. I acknowledge that this Release constitutes the entire agreement between the Company and me and that this Release supersedes any previous agreements or understandings between me and the Company, except the Employment Agreement, the Indemnification Agreement, the Restrictive Covenant Agreement, the Insider Trading Policy, and any equity award agreements and equity plans to which they are subject, and any other obligations specifically preserved in this Release.

So agreed.

CITRIX SYSTEMS, INC.

Robert M. Calderoni

By: _____
Name:
Title:

Date:

Appendix A

Citrix Systems, Inc.
Termination Certification

This is to certify that except as may be needed to provide transition assistance, I do not have in my possession, nor have I failed to return, any devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, equipment, other documents or property, or reproductions of any aforementioned items belonging to Citrix Systems, Inc., its subsidiaries, affiliates, successors or assigns (together, the "Company").

I further certify that I have complied with all the terms of the Company's Confidential Information, Inventions Assignment and Non-Solicitation Agreement signed by me, including the reporting of any Developments and original works of authorship (as defined therein) conceived or made by me (solely or jointly with others) covered by that agreement.

I further agree that, in compliance with the Confidential Information and Inventions Assignment Agreement and subject to the limitations and restrictions therein, I will preserve as confidential all trade secrets, confidential knowledge, data or other proprietary information relating to products, processes, know-how, designs, formulas, developmental or experimental work, computer programs, data bases, other original works of authorship, customer lists, business plans, financial information or other subject matter pertaining to any business of the Company or any of its clients, consultants or licenses.

Date:

Robert M. Calderoni

CITRIX SYSTEMS, INC.

Date:

By: _____

Name:

Title:

FOR IMMEDIATE RELEASE

Citrix Announces Leadership Transition to Accelerate Cloud Transformation, Enhance Profitability and Return Capital to Shareholders

David J. Henshall Appointed President and Chief Executive Officer

Mark M. Coyle to Serve as Interim Chief Financial Officer

Board Forms Operations and Capital Committee with Focus on Margin Expansion and Capital Allocation

Robert Calderoni, Executive Chairman, to Lead Operations and Capital Committee

Reaffirms Guidance for the Second Quarter

FORT LAUDERDALE, Florida, July 10, 2017 — Citrix Systems, Inc. today announced that its board of directors has appointed David J. Henshall, chief financial officer and chief operating officer of Citrix, as president, chief executive officer (CEO) and a member of the board, effective immediately. Mr. Henshall's appointment follows the mutual separation decision between the Citrix board and Kirill Tatarinov, president, CEO and director of Citrix.

The Citrix board has identified the leadership team to drive the company's long-term strategy and growth, led by David Henshall. In addition to product excellence and growth, Citrix is committed to operational efficiency and value creation. This includes a series of strategic initiatives intended to drive operating margin expansion, increase capital return and facilitate further investment in accelerating Citrix's transformation to a cloud-based subscription business and in high-growth areas, such as data security and analytics services. Citrix will provide additional details on these initiatives on the upcoming second quarter earnings call.

"David is a proven leader who knows our company inside and out, and the board has the utmost confidence in him," said Robert Calderoni, executive chairman of the Citrix board. "Moving forward, the board believes that accelerating our cloud transformation will position the company for even greater success in the years ahead, driving greater value for our shareholders. We now have the right team in place to execute on that vision."

David Henshall said, "We have a talented team at Citrix, and I am honored to lead Citrix through this new chapter. We have created an impressive platform of best-in-class products and services that customers and partners rely on every day to embrace the future of work. I can assure you that we will continue to deliver and innovate for our customers and partners as we move forward as a more powerful Citrix. Citrix will also leverage Bob's extensive experience successfully leading software companies through a transition to the cloud and establishing subscription-based businesses.

"Q2 demonstrated that the momentum of our cloud transformation is accelerating, resulting in a year-over-year double-digit increase in deferred revenue. Broad-based demand from customers for Citrix Cloud and other subscription solutions was strong, demonstrating the value of the innovation we are delivering to customers and partners."

Mr. Calderoni concluded, "On behalf of the entire Citrix board, I want to thank Kirill for his leadership. The progress we made under his leadership has positioned Citrix well for the next phase of its corporate transformation."

In connection with Mr. Henshall's appointment, Mark M. Coyle, Senior Vice President, Finance, has been appointed interim CFO, effective immediately. The Company has retained a leading executive search firm to assist in a comprehensive search process to identify a permanent CFO with both internal and external candidates being considered.

The Board has also formed an Operations and Capital Committee that will work with Citrix's management team and advise the Citrix Board on a comprehensive review of opportunities to drive margin expansion and return capital to shareholders. The Committee will be led by Citrix Executive Chairman, Robert Calderoni, joined by Citrix President and CEO, David Henshall, and Citrix Directors, Jesse Cohn and Peter J. Sacripanti.

Reaffirms Guidance for the Second Quarter

Citrix also reaffirmed guidance for the second quarter of fiscal year 2017 ended June 30, 2017. Revenue for the quarter is expected to be in line with the company's current guidance of \$685 million to \$695 million with strong demand from customers for subscription-based solutions.

Net income for the second quarter of fiscal year 2017 per diluted share is expected to be in line with the company's current guidance of \$0.70 to \$0.74 per diluted share. Non-GAAP net income for the second quarter of fiscal year 2017 per diluted share is expected to be in line with the company's current guidance of \$0.97 to \$1.00 per diluted share. Non-GAAP net income for the second quarter of fiscal year 2017 excludes the effects of stock-based compensation expense, amortization of acquired intangible assets, amortization of debt discount, restructuring charges, and the tax effects related to these items.

The above statements are based on management's initial review of operations for the quarter ended June 30, 2017, remain subject to change based on management's ongoing review of the second quarter results and actual results may differ materially.

Second Quarter 2017 Earnings Call

Citrix will host a conference call Wednesday, August 2, 2017 at 4:45 p.m. ET to discuss its financial results, quarterly highlights and business outlook. The call will include a slide presentation and participants are encouraged to view the presentation via webcast at <http://www.citrix.com/investors>.

The conference call may also be accessed by dialing: (888) 799-0519 or (706) 634-0155, using passcode: CITRIX. A replay of the webcast can be viewed for approximately 30 days on the Investor Relations section of the Citrix corporate website at <http://www.citrix.com/investors>.

About Citrix

Citrix (NASDAQ:CTXS) aims to power a world where people, organizations and things are securely connected and accessible to make the extraordinary possible. We help customers reimagine the future of work by providing the most comprehensive secure digital workspace that unifies the apps, data and services people need to be productive, and simplifies IT's ability to adopt and manage complex cloud environments. With 2016 annual revenue of \$3.42 billion, Citrix solutions are in use by more than 400,000 organizations including 99 percent of the Fortune 100 and 98 percent of the Fortune 500.

For Citrix Investors

This release contains forward-looking statements that are made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933 and of Section 21E of the Securities Exchange Act of 1934. The forward-looking statements in this release do not constitute guarantees of future performance. Investors are cautioned that statements in this press release, which are not strictly historical statements, including, without limitation, statements by Citrix's Executive Chairman and President and Chief Executive Officer, statements contained in the Reaffirms Guidance for the Second Quarter section and under the Non-GAAP Financial Measures Reconciliation section, including statements regarding revenue and net income per diluted share guidance for the second quarter 2017, and statements regarding management's strategic initiatives, objectives and strategies, constitute forward-looking statements. Such forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated by the forward-looking statements, including, without limitation, the identification of adjustments upon completion of the financial close process for the quarter; risks associated with

transitions in key personnel and succession risk, including transitions in the Company's Chief Executive Officer, President and Chief Financial Officer; the impact of the global economy, volatility in global stock markets, foreign exchange rate volatility and uncertainty in the IT spending environment; the success and growth of the company's product lines, including competition, demand and pricing dynamics and our ability to transition to new business models, including a subscription model, and markets for Citrix's virtualization and networking products and secure data services; the introduction of new products by competitors or the entry of new competitors into the markets for Citrix's products and services; the concentration of customers in Citrix's networking business; the company's ability to develop, maintain a high level of quality and commercialize new products and services while growing its established virtualization and networking products and services; changes in our revenue mix towards products and services with lower gross margins; seasonal fluctuations in the company's business; disruptions to execution due to actions that may be taken as a result of Citrix's operational reviews; failure to execute Citrix's sales and marketing plans; failure to successfully partner with key distributors, resellers, system integrators, service providers and strategic partners and the company's reliance on the success of those partners for the marketing and distribution of the company's products; the company's ability to maintain and expand its business in large enterprise accounts and reliance on large service provider customers; the size, timing and recognition of revenue from significant orders; the success of investments in its product groups, foreign operations and vertical and geographic markets; the ability of Citrix to make suitable acquisitions on favorable terms in the future; risks associated with Citrix's acquisitions and divestitures, including failure to further develop and successfully market the technology and products of acquired companies, failure to achieve or maintain anticipated revenues and operating performance contributions from acquisitions, which could dilute earnings, the retention of key employees from acquired companies, difficulties and delays integrating personnel, operations, technologies and products, disruption to our ongoing business and diversion of management's attention from our ongoing business, and failure to realize expected benefits or synergies from divestitures; risks associated with the failure to achieve the expected strategic, operational and competitive benefits of the separation of the GoTo business, and the effect of the separation on Citrix its shareholders, customers, partners and employees; tax risks related to the separation of the GoTo business; the recruitment and retention of qualified employees; risks in effectively controlling operating expenses; ability to effectively manage our capital structure and the impact of related changes on our operating results and financial condition; the effect of new accounting pronouncements on revenue and expense recognition; the risks associated with securing data and maintaining security of our networks and customer data stored by our services; failure to comply with federal, state and international regulations; litigation and disputes, including challenges to our intellectual property rights or allegations of infringement of the intellectual property rights of others; the inability to further innovate our technology or enter into new businesses due to the intellectual property rights of others; the ability to maintain and protect our collection of brands; changes in Citrix's pricing and licensing models, promotional programs and product mix, all of which may impact Citrix's revenue recognition; charges in the event of a write-off or impairment of acquired assets, underperforming businesses, investments or licenses; international market readiness, execution and other risks associated with the markets for Citrix's products and services; risks related to servicing our debt; unanticipated changes in tax rates, non-renewal of tax credits or exposure to additional tax liabilities; risks of political uncertainty and social turmoil; and other risks detailed in Citrix's filings with the Securities and Exchange Commission. Citrix assumes no obligation to update any forward-looking information contained in this press release or with respect to the announcements described herein.

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Citrix Contacts:

Investors

Eduardo Fleites

954-229-5758

eduardo.fleites@citrix.com

Press

Eric Armstrong

954-267-2977

eric.armstrong@citrix.com

Reconciliation of Non-GAAP Financial Measures to Comparable U.S. GAAP Measures

(Unaudited)

Pursuant to the requirements of Regulation G, the Company has provided a reconciliation of each non-GAAP financial measure used in this release to the most directly comparable GAAP financial measure. These measures differ from GAAP in that they exclude amortization primarily related to acquired intangible assets and debt discount, stock-based compensation expenses, charges associated with the Company's restructuring programs, the related tax effect of those items. The income tax effect on non-GAAP items is calculated based upon the tax laws and statutory income tax rates applicable in the tax jurisdiction(s) of the underlying non-GAAP adjustment. The Company also excludes the effect of anti-dilutive convertible note hedges in the number of shares used in non-GAAP diluted earnings per share. The Company's basis for these adjustments is described below.

Management uses these non-GAAP measures for internal reporting and forecasting purposes, when publicly providing its business outlook, to evaluate the Company's performance and to evaluate and compensate the Company's executives. The Company has provided these non-GAAP financial measures in addition to GAAP financial results because it believes that these non-GAAP financial measures provide useful information to certain investors and financial analysts for comparison across accounting periods not influenced by certain non-cash items that are not used by management when evaluating the Company's historical and prospective financial performance. In addition, the Company has historically provided this or similar information and understands that some investors and financial analysts find this information helpful in analyzing the Company's operating margins, operating expenses and net income and comparing the Company's financial performance to that of its peer companies and competitors.

Management typically excludes the amounts described above when evaluating the Company's operating performance and believes that the resulting non-GAAP measures are useful to investors and financial analysts in assessing the Company's operating performance due to the following factors:

- The Company does not acquire businesses on a predictable cycle. The Company, therefore, believes that the presentation of non-GAAP measures that adjust for the impact of amortization of intangible assets and stock-based compensation expenses and the related tax effects that are primarily related to acquisitions, provide investors and financial analysts with a consistent basis for comparison across accounting periods and, therefore, are useful to investors and financial analysts in helping them to better understand the Company's operating results and underlying operational trends.
- Amortization of intangible assets and the related tax effects are fixed at the time of an acquisition, are then amortized over a period of several years after the acquisition and generally cannot be changed or influenced by management after the acquisition.
- Although stock-based compensation is an important aspect of the compensation of the Company's employees and executives, stock-based compensation expense is generally fixed at the time of grant, then amortized over a period of several years after the grant of the stock-based instrument, and generally cannot be changed or influenced by management after the grant.
- Under GAAP, certain convertible debt instruments that may be settled in cash on conversion are required to be accounted for as separate liability (debt) and equity (conversion option) components in a manner that reflects the issuer's non-convertible debt borrowing rate. The difference between the imputed interest expense and the coupon interest expense, net of the interest amount capitalized, is excluded from management's assessment of the company's operating performance because management believes that the exclusion of these charges will better help investors and financial analysts understand the Company's operating results and underlying operational trends.
- The Company has engaged in various restructuring activities over the past several years that have resulted in costs associated with reductions in headcount, consolidation of leased facilities and related costs. Each restructuring activity has been a discrete event based on a unique set of business objectives or circumstances, and each has differed from the others in terms of its operational implementation, business impact and scope. The Company does not engage in

restructuring activities in the ordinary course of business. While the Company's operations previously benefited from the employees and facilities covered by the various restructuring charges, these employees and facilities have benefited different parts of the Company's business in different ways, and the amount of these charges has varied significantly from period to period. The Company, therefore, believes that the exclusion of these charges will better help investors and financial analysts understand the Company's operating results and underlying operational trends as compared to prior periods.

- The Company has convertible note hedges in place to offset potential dilution from the embedded conversion feature in its convertible notes. For GAAP diluted earnings per share purposes, the Company cannot reflect the anti-dilutive impact of the convertible note hedges. The Company believes that reflecting the anti-dilutive impact of the convertible note hedges in non-GAAP diluted earnings per share provides investors with useful information in evaluating the financial performance of the Company on a per share basis.

These non-GAAP financial measures are not prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and may differ from the non-GAAP information used by other companies. There are significant limitations associated with the use of non-GAAP financial measures. The additional non-GAAP financial information presented here should be considered in conjunction with, and not as a substitute for or superior to, the financial information presented in accordance with GAAP (such as net income and earnings per share) and should not be considered measures of the Company's liquidity.

CITRIX SYSTEMS, INC.**Reconciliation of Non-GAAP Diluted Earnings per Share Estimate**

(In thousands, except per share, gross margin and operating margin data—unaudited)

The following tables show the non-GAAP financial measures used in this press release reconciled to the most directly comparable GAAP financial measures.

	Three Months Ended June 30, 2017
Number of shares used in diluted earnings per share calculations:	
GAAP weighted average shares outstanding	156,037
Less: effect of convertible note hedges	(2,644)
Non-GAAP weighted average shares outstanding	<u>153,393</u>
	Three Months Ended June 30, 2017
GAAP earnings per share – diluted	\$ 0.70 to \$0.74
Add: stock-based compensation	0.26
Add: amortization of intangible assets	0.10
Add: amortization of debt discount	0.05
Add: restructuring charges	0.01
Less: tax effects related to above items	(0.15) to (0.16)
Non-GAAP earnings per share – diluted	<u>\$ 0.97 to \$1.00</u>