

CITRIX SYSTEMS INC

FORM 10-Q (Quarterly Report)

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

Form 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2017

or

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

For the transition period from _____ to _____.

Commission File Number 0-27084

CITRIX SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware

*(State or other jurisdiction of
incorporation or organization)*

75-2275152

*(IRS Employer
Identification No.)*

**851 West Cypress Creek Road
Fort Lauderdale, Florida**

(Address of principal executive offices)

33309

(Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 1, 2017 there were 151,148,332 shares of the registrant's Common Stock, \$.001 par value per share, outstanding.

CITRIX SYSTEMS, INC.
Form 10-Q
For the Quarterly Period Ended March 31, 2017
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PART I: FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CITRIX SYSTEMS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2017	December 31, 2016
(In thousands, except par value)		
Assets		
Current assets:		
Cash and cash equivalents	\$ 907,977	\$ 836,095
Short-term investments, available-for-sale	506,118	726,923
Accounts receivable, net of allowances of \$5,435 and \$5,883 at March 31, 2017 and December 31, 2016, respectively	485,769	681,206
Inventories, net	15,210	12,522
Prepaid expenses and other current assets	170,083	124,842
Current assets of discontinued operations	—	179,689
Total current assets	<u>2,085,157</u>	<u>2,561,277</u>
Long-term investments, available-for-sale	952,157	980,142
Property and equipment, net	260,149	261,954
Goodwill	1,616,817	1,585,893
Other intangible assets, net	199,339	173,681
Deferred tax assets, net	184,208	233,900
Other assets	62,739	54,449
Long-term assets of discontinued operations	—	538,931
Total assets	<u>\$ 5,360,566</u>	<u>\$ 6,390,227</u>
Liabilities, Temporary Equity and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 64,075	\$ 72,724
Accrued expenses and other current liabilities	255,013	256,799
Income taxes payable	28,188	39,771
Current portion of deferred revenues	1,169,891	1,208,229
Short-term debt	100,000	—
Convertible notes, short-term	—	1,348,156
Current liabilities of discontinued operations	13,820	172,670
Total current liabilities	<u>1,630,987</u>	<u>3,098,349</u>
Long-term portion of deferred revenues	493,862	476,135
Convertible notes, long-term	1,357,580	—
Other liabilities	144,395	119,813
Long-term liabilities of discontinued operations	—	7,708
Commitments and contingencies		
Temporary equity from Convertible notes	—	79,495
Stockholders' equity:		
Preferred stock at \$.01 par value: 5,000 shares authorized, none issued and outstanding	—	—
Common stock at \$.001 par value: 1,000,000 shares authorized; 304,775 and 302,851 shares issued and outstanding at March 31, 2017 and December 31, 2016, respectively	305	303
Additional paid-in capital	4,882,838	4,761,588
Retained earnings	3,553,680	4,010,737
Accumulated other comprehensive loss	(10,934)	(28,704)
	<u>8,425,889</u>	<u>8,743,924</u>
Less - common stock in treasury, at cost (153,643 and 146,552 shares at March 31, 2017 and December 31, 2016, respectively)	<u>(6,692,147)</u>	<u>(6,135,197)</u>
Total stockholders' equity	<u>1,733,742</u>	<u>2,608,727</u>
Total liabilities, temporary equity and stockholders' equity	<u>\$ 5,360,566</u>	<u>\$ 6,390,227</u>

See accompanying notes.

CITRIX SYSTEMS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended March 31,	
	2017	2016
(In thousands, except per share information)		
Revenues:		
Product and licenses	\$ 191,597	\$ 202,033
Software as a service	38,730	31,115
License updates and maintenance	402,755	393,018
Professional services	29,595	32,607
Total net revenues	<u>662,677</u>	<u>658,773</u>
Cost of net revenues:		
Cost of product and license revenues	29,711	31,395
Cost of services and maintenance revenues	59,659	54,359
Amortization of product related intangible assets	13,088	14,057
Total cost of net revenues	<u>102,458</u>	<u>99,811</u>
Gross margin	<u>560,219</u>	<u>558,962</u>
Operating expenses:		
Research and development	102,669	102,232
Sales, marketing and services	246,765	233,927
General and administrative	76,211	77,819
Amortization of other intangible assets	3,646	3,720
Restructuring	7,986	45,556
Separation	298	456
Total operating expenses	<u>437,575</u>	<u>463,710</u>
Income from operations	<u>122,644</u>	<u>95,252</u>
Interest income	5,612	3,751
Interest expense	11,553	11,155
Other income (expense), net	3,326	(1,003)
Income from continuing operations before income taxes	<u>120,029</u>	<u>86,845</u>
Income tax expense	49,704	13,591
Income from continuing operations	<u>70,325</u>	<u>73,254</u>
(Loss) income from discontinued operations, net of income tax expense of \$2,900 and \$5,493, respectively	<u>(42,704)</u>	<u>10,209</u>
Net income	<u>\$ 27,621</u>	<u>\$ 83,463</u>
Basic earnings (loss) per share:		
Income from continuing operations	\$ 0.46	\$ 0.47
(Loss) income from discontinued operations	<u>(0.28)</u>	<u>0.07</u>
Basic net earnings per share	<u>\$ 0.18</u>	<u>\$ 0.54</u>
Diluted earnings (loss) per share:		
Income from continuing operations	\$ 0.44	\$ 0.47
(Loss) income from discontinued operations	<u>(0.27)</u>	<u>0.07</u>
Diluted net earnings per share:	<u>\$ 0.17</u>	<u>\$ 0.54</u>
Weighted average shares outstanding:		
Basic	<u>153,247</u>	<u>154,067</u>
Diluted	<u>158,369</u>	<u>155,945</u>

See accompanying notes.

CITRIX SYSTEMS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended March 31,	
	2017	2016
	(In thousands)	
Net income	\$ 27,621	\$ 83,463
Other comprehensive income:		
Available for sale securities:		
Change in net unrealized gains	1,089	4,099
Less: reclassification adjustment for net gains included in net income	(375)	(22)
Net change (net of tax effect)	714	4,077
Loss on pension liability	(9)	—
Cash flow hedges:		
Change in unrealized gains	1,993	2,222
Less: reclassification adjustment for net losses included in net income	1,672	1,165
Net change (net of tax effect)	3,665	3,387
Other comprehensive income	4,370	7,464
Comprehensive income	\$ 31,991	\$ 90,927

See accompanying notes.

CITRIX SYSTEMS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	2017	2016
	(In thousands)	
Operating Activities		
Net income	\$ 27,621	\$ 83,463
Loss (income) from discontinued operations	42,704	(10,209)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and other	49,300	53,630
Stock-based compensation expense	34,808	36,061
Excess tax benefit from stock-based compensation	—	(5,889)
Deferred income tax expense	67,497	4,830
Effects of exchange rate changes on monetary assets and liabilities denominated in foreign currencies	(5,390)	(1,454)
Other non-cash items	2,204	2,634
Total adjustments to reconcile net income to net cash provided by operating activities	148,419	89,812
Changes in operating assets and liabilities, net of the effects of acquisitions:		
Accounts receivable	197,408	218,821
Inventories	(2,811)	(2,072)
Prepaid expenses and other current assets	(22,736)	(22,943)
Other assets	(8,845)	1,250
Income taxes, net	(30,223)	6,155
Accounts payable	(8,222)	(8,921)
Accrued expenses and other current liabilities	(27,959)	(6,570)
Deferred revenues	(26,064)	(43,098)
Other liabilities	2,241	1,767
Total changes in operating assets and liabilities, net of the effects of acquisitions	72,789	144,389
Net cash provided by operating activities of continuing operations	291,533	307,455
Net cash (used in) provided by operating activities of discontinued operations	(42,249)	32,510
Net cash provided by operating activities	249,284	339,965
Investing Activities		
Purchases of available-for-sale investments	(272,060)	(466,718)
Proceeds from sales of available-for-sale investments	458,020	234,242
Proceeds from maturities of available-for-sale investments	63,516	139,244
Purchases of property and equipment	(19,746)	(26,335)
Cash paid for acquisitions, net of cash acquired	(60,449)	—
Cash paid for licensing agreements and technology	(1,934)	(24,148)
Other	1,285	1,008
Net cash provided by investing activities of continuing operations	168,632	(142,707)
Net cash used in investing activities of discontinued operations	(3,891)	(15,348)
Net cash provided by (used in) investing activities	164,741	(158,055)
Financing Activities		
Proceeds from issuance of common stock under stock-based compensation plans	902	6,024
Proceeds from credit facility	100,000	—
Repayment of acquired debt	(4,000)	—
Excess tax benefit from stock-based compensation	—	5,889
Stock repurchases, net	(500,000)	(28,689)
Cash paid for tax withholding on vested stock awards	(34,868)	(22,428)
Transfer of cash to GoTo Business resulting from the separation	(28,523)	—
Net cash used in financing activities	(466,489)	(39,204)
Effect of exchange rate changes on cash and cash equivalents	3,485	2,082
Change in cash and cash equivalents	(48,979)	144,788
Cash and cash equivalents at beginning of period, including cash of discontinued operations of \$120,861 and \$57,762, respectively	956,956	368,518
Cash and cash equivalents at end of period	907,977	513,306

Less cash of discontinued operations

	—	(59,143)
Cash and cash equivalents at end of period	<u>\$ 907,977</u>	<u>\$ 454,163</u>

See accompanying notes.

CITRIX SYSTEMS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. BACKGROUND AND BASIS OF PRESENTATION

Background

On January 31, 2017, Citrix Systems, Inc. (the "Company") completed the spin-off of its GoTo family of service offerings (the "Spin-off") and subsequent merger of that business with LogMeIn, Inc. (the "Merger") pursuant to a pro rata distribution to its stockholders of 100% of the shares of common stock of GetGo, Inc., or GetGo, its wholly-owned subsidiary. Pursuant to the transaction, the Company transferred its GoTo Business to GetGo, and after the close of business on January 31, 2017, the Company distributed approximately 26.9 million shares of GetGo common stock to the Company's stockholders of record as of the close of business on January 20, 2017 (the "Record Date"). Immediately following the distribution, Lithium Merger Sub, Inc., a wholly-owned subsidiary of LogMeIn, merged with and into GetGo, with GetGo as the surviving corporation (the "Merger"). In connection with the Merger, GetGo became a wholly-owned subsidiary of LogMeIn, and each share of GetGo common stock was converted into the right to receive one share of LogMeIn common stock. As a result of these transactions, the Company's stockholders received approximately 26.9 million shares of LogMeIn common stock in the aggregate, or 0.171844291 of a share of LogMeIn common stock for each share of the Company's common stock held of record by such stockholders on the Record Date. No fractional shares of LogMeIn were issued, and the Company's stockholders instead received cash in lieu of any fractional shares.

The Company's revenues are derived from sales of its Workspace Services products, Networking products (formerly Delivery Networking), Cloud offerings (formerly Cloud Services) and related License updates and maintenance and Professional services. Prior to the Spin-off, the Company also derived its revenues from sales of the GoTo Business, which were delivered as cloud-based SaaS, and included Communications Cloud and Workflow Cloud service offerings. Subsequent to the Spin-off, the Company determined that it has one reportable segment. The Company identified its segment using the "management approach" which designates the internal organization that is used by management for making operating decisions and assessing performance. See Note 10 for more information on the Company's segments.

Basis of presentation

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and notes required by accounting principles generally accepted in the United States for complete financial statements. All adjustments, which, in the opinion of management, are considered necessary for a fair presentation of the results of operations for the periods shown, are of a normal recurring nature and have been reflected in the condensed consolidated financial statements and accompanying notes. The results of operations for the periods presented are not necessarily indicative of the results expected for the full year or for any future period partially because of the seasonality of the Company's business. Historically, the Company's revenue for the fourth quarter of any year is typically higher than the revenue for the first quarter of the subsequent year. The information included in these condensed consolidated financial statements should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in this report and the consolidated financial statements and accompanying notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016 .

The condensed consolidated financial statements of the Company include the accounts of its wholly-owned subsidiaries in the Americas, Europe, the Middle East and Africa ("EMEA"), and Asia-Pacific. All significant transactions and balances between the Company and its subsidiaries have been eliminated in consolidation.

In these condensed consolidated financial statements, unless otherwise indicated, references to Citrix and the Company, refer to Citrix Systems, Inc. and its consolidated subsidiaries after giving effect to the Spin-off.

As a result of the Spin-off, the condensed consolidated financial statements reflect the GoTo Business operations, assets and liabilities, and cash flows as discontinued operations for all periods presented. Refer to Note 3 for additional information regarding the Spin-off.

2. SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Significant estimates made by management include the provision for doubtful accounts receivable, the provision to reduce obsolete or excess inventory to market, the provision for estimated returns, as well as sales allowances, the assumptions used in the valuation of stock-based awards, the assumptions used in the discounted cash flows to mark certain of its investments to market, the valuation of the Company's goodwill, net realizable value of product related and other intangible assets, the fair value of convertible senior notes, the provision for lease losses, the provision for income taxes and the amortization and depreciation periods for intangible and long-lived assets. While the Company believes that such estimates are fair when considered in conjunction with the condensed consolidated financial position and results of operations taken as a whole, the actual amounts of such items, when known, will vary from these estimates.

Available-for-sale Investments

Short-term and long-term available-for-sale investments as of March 31, 2017 and December 31, 2016 primarily consist of agency securities, corporate securities, municipal securities and government securities. Investments classified as available-for-sale are stated at fair value with unrealized gains and losses, net of taxes, reported in Accumulated other comprehensive loss. The Company classifies its available-for-sale investments as current and non-current based on their actual remaining time to maturity. The Company does not recognize changes in the fair value of its available-for-sale investments in income unless a decline in value is considered other-than-temporary in accordance with the authoritative guidance.

The Company's investment policy is designed to limit exposure to any one issuer depending on credit quality. The Company uses information provided by third parties to adjust the carrying value of certain of its investments to fair value at the end of each period. Fair values are based on a variety of inputs and may include interest rates, known historical trades, yield curve information, benchmark data, prepayment speeds, credit quality and broker/dealer quotes. See Note 6 for investment information.

Revenue Recognition

Net revenues include the following categories: Product and licenses, SaaS, License updates and maintenance and Professional services. Product and licenses revenues primarily represent fees related to the licensing of the Company's software and hardware appliances. These revenues are reflected net of sales allowances, cooperative advertising agreements, partner incentive programs and provisions for returns. SaaS revenues consist primarily of fees related to online service agreements, which are recognized ratably over the contract term. Should the Company charge set-up fees, they would be recognized ratably over the contract term or the expected customer life, whichever is longer. License updates and maintenance revenues consist of fees related to the Subscription Advantage program and maintenance fees, which include technical support and hardware and software maintenance. Subscription Advantage and maintenance fees are recognized ratably over the term of the contract, which is typically 12 to 24 months. The Company capitalizes certain third-party commissions related to Subscription Advantage, maintenance and support renewals. The capitalized commissions are amortized to Sales, marketing and services expense at the time the related deferred revenue is recognized as revenue. Hardware and software maintenance and support contracts are typically sold separately. Hardware maintenance includes technical support, the latest software upgrades when and if they become available, and replacement of malfunctioning appliances. Dedicated account management is available as an add-on to the program for a higher level of service. Software maintenance, including the new Customer Success Services, includes unlimited technical support, immediate access to software upgrades, enhancements and maintenance releases when and if they become available during the term of the contract and configuration and installation support along with acceleration and automation tools. Professional services revenues are comprised of fees from consulting services related to the implementation of the Company's products and fees from product training and certification, which are recognized as the services are provided.

The Company recognizes revenue when it is earned and when all of the following criteria are met: (1) persuasive evidence of the arrangement exists; (2) delivery has occurred or the service has been provided and the Company has no remaining obligations; (3) the fee is fixed or determinable; and (4) collectability is probable.

The majority of the Company's product and license revenue consists of revenue from the sale of software products. Software sales generally include a perpetual license to the Company's software and is subject to the industry specific software revenue recognition guidance. In accordance with this guidance, the Company allocates revenue to license updates related to its stand-alone software and any other undelivered elements of the arrangement based on vendor specific objective evidence ("VSOE") of fair value of each element and such amounts are deferred until the applicable delivery criteria and other revenue recognition criteria described above have been met. The balance of the revenues, net of any discounts inherent in the

arrangement, is recognized at the outset of the arrangement using the residual method as the product licenses are delivered. If management cannot objectively determine the fair value of each undelivered element based on VSOE of fair value, revenue recognition is deferred until all elements are delivered, all services have been performed, or until fair value can be objectively determined.

For hardware appliance and software transactions, the arrangement consideration is allocated to stand-alone software deliverables as a group and the non-software deliverables based on the relative selling prices using the selling price hierarchy in the revenue recognition guidance. The selling price hierarchy for a deliverable is based on its VSOE if available, third-party evidence of selling price ("TPE") if VSOE is not available, or estimated selling price ("ESP") if neither VSOE nor TPE is available. The Company then recognizes revenue on each deliverable in accordance with its policies for product and service revenue recognition. VSOE of selling price is based on the price charged when the element is sold separately. In determining VSOE, the Company requires that a substantial majority of the selling prices fall within a reasonable range based on historical discounting trends for specific products and services. TPE of selling price is established by evaluating competitor products or services in stand-alone sales to similarly situated customers. However, as the Company's products contain a significant element of proprietary technology and its solutions offer substantially different features and functionality, the comparable pricing of products with similar functionality typically cannot be obtained. Additionally, as the Company is unable to reliably determine what competitors products' selling prices are on a stand-alone basis, the Company is not typically able to determine TPE. The estimate of selling price is established considering multiple factors including, but not limited to, pricing practices in different geographies and through different sales channels and competitor pricing strategies.

The Citrix Service Provider ("CSP") program provides subscription-based services in which the CSP partners host software services to their end users. The fees from the CSP program are recognized based on usage and as the CSP services are provided to their end users.

For the Company's non-software transactions, it allocates the arrangement consideration based on the relative selling price of the deliverables. For the Company's hardware appliances, it uses ESP as its selling price. For the Company's support and services, it generally uses VSOE as its selling price. When the Company is unable to establish selling price using VSOE for its support and services, the Company uses ESP in its allocation of arrangement consideration.

The majority of the Company's SaaS offerings are considered hosted service arrangements per the authoritative guidance.

In the normal course of business, the Company is not obligated to accept product returns from its distributors under any conditions, unless the product item is defective in manufacture. The Company establishes provisions for estimated returns, as well as other sales allowances, concurrently with the recognition of revenue. The provisions are established based upon consideration of a variety of factors, including, among other things, recent and historical return rates for both specific products and distributors and the impact of any new product releases and projected economic conditions. Product returns are provided for in the condensed consolidated financial statements and have historically been within management's expectations. Allowances for estimated product returns amounted to approximately \$1.6 million and \$2.0 million at March 31, 2017 and December 31, 2016, respectively. The Company also records estimated reductions to revenue for customer programs and incentive offerings, including volume-based incentives. The Company could take actions to increase its customer incentive offerings, which could result in an incremental reduction to revenue at the time the incentive is offered.

Foreign Currency

The functional currency for all of the Company's wholly-owned foreign subsidiaries is the U.S. dollar. Monetary assets and liabilities of such subsidiaries are remeasured into U.S. dollars at exchange rates in effect at the balance sheet date, and revenues and expenses are remeasured at average rates prevailing during the year. Prior to January 1, 2015, the functional currency of the Company's wholly-owned foreign subsidiaries of its former GoTo Business was the currency of the country in which each subsidiary is located. The Company translated assets and liabilities of these foreign subsidiaries at exchange rates in effect at the balance sheet date and included accumulated net translation adjustments in equity as a component of Accumulated other comprehensive loss. As a result of the change in functional currency, the gains and losses that were previously recorded in Accumulated other comprehensive loss prior to January 1, 2015 were kept constant. Foreign currency transaction gains and losses are the result of exchange rate changes on transactions denominated in currencies other than the functional currency, including U.S. dollars. The remeasurement of those foreign currency transactions is included in determining net income or loss for the period of exchange. As a result of the Spin-off, accumulated net translation adjustments associated with the GoTo Business recorded in Accumulated other comprehensive loss of \$13.4 million were reclassified to Retained earnings during the period ended March 31, 2017. See Note 3 for additional information regarding discontinued operations.

Accounting for Stock-Based Compensation Plans

The Company has various stock-based compensation plans for its employees and outside directors and accounts for stock-based compensation arrangements in accordance with the authoritative guidance, which requires the Company to measure and record compensation expense in its condensed consolidated financial statements using a fair value method. See Note 8 for further information regarding the Company's stock-based compensation plans.

Reclassifications

Certain reclassifications of the prior years' amounts have been made to conform to the current year's presentation.

3. DISCONTINUED OPERATIONS

On January 31, 2017, the Company completed the Spin-off of the GoTo Business. Refer to Note 1 for additional information regarding the Spin-off. The financial results of the GoTo Business are presented as (Loss) income from discontinued operations, net of income tax expense in the condensed consolidated statements of income. The following table presents the financial results of the GoTo Business through the date of the Spin-off for the indicated periods and do not include corporate overhead allocations:

Major classes of line items constituting (Loss) income from discontinued operations related to the GoTo Business

	Three Months Ended March 31,	
	2017	2016
	(in thousands)	
Net revenues	\$ 58,215	\$ 166,905
Cost of net revenues	15,456	39,281
Gross margin	42,759	127,624
Operating expenses:		
Research and development	9,108	21,727
Sales, marketing and services	20,881	58,821
General and administrative	7,636	12,960
Amortization of other intangible assets	1,176	3,674
Restructuring	3,189	509
Separation	40,573	14,231
Total operating expenses	82,563	111,922
(Loss) income from discontinued operations before income taxes	(39,804)	15,702
Income tax expense	2,900	5,493
(Loss) income from discontinued operations, net of income tax	\$ (42,704)	\$ 10,209

The Company has incurred significant costs in connection with the separation of its GoTo Business. These costs relate primarily to third-party advisory and consulting services, retention payments to certain employees, incremental stock-based compensation and other costs directly related to the separation of the GoTo Business. The Company incurred \$0.3 million and \$0.5 million of separation costs during the three months ended March 31, 2017 and 2016, respectively, which are included in continuing operations. The Company also incurred an additional \$40.6 million and \$14.2 million of separation costs during the three months ended March 31, 2017 and 2016, respectively, which are included in discontinued operations.

The assets and liabilities of the GoTo Business have been classified as discontinued operations as of December 31, 2016. The current liabilities of discontinued operations reflect accrued separation costs that are expected to be paid during the second quarter of 2017. There were no other assets or liabilities of the GoTo Business that are reflected on the Company's condensed consolidated balance sheet as of March 31, 2017.

Carrying amounts of major classes of assets and liabilities included as part of discontinued operations related to the GoTo Business

	March 31, 2017	December 31, 2016
	(in thousands)	
Assets		
Current assets:		
Cash	\$ —	\$ 120,861
Accounts receivable, net	—	44,734
Prepaid expenses and other current assets	—	14,094
Total current assets of discontinued operations	—	179,689
Property and equipment, net	—	81,866
Goodwill	—	380,917
Other intangible assets, net	—	54,312
Deferred tax assets, net	—	18,496
Other assets	—	3,340
Long-term assets of discontinued operations	\$ —	\$ 538,931
Total major classes of assets of discontinued operations	\$ —	\$ 718,620
Liabilities		
Current liabilities:		
Accounts payable	\$ 13,820	\$ 11,333
Accrued expenses and other current liabilities	—	46,088
Current portion of deferred revenues	—	115,249
Total current liabilities of discontinued operations	13,820	172,670
Long-term portion of deferred revenues	—	4,224
Other liabilities	—	3,484
Long-term liabilities of discontinued operations	\$ —	\$ 7,708
Total major classes of liabilities of discontinued operations	\$ 13,820	\$ 180,378

As a result of the Spin-off, the Company recorded a \$479.4 million reduction in retained earnings which included net assets of \$466.0 million as of January 31, 2017. Of this amount, \$28.5 million represents cash transferred to the GoTo Business, with the remainder considered a non-cash activity in the Condensed Consolidated Statements of Cash Flows. The Spin-off also resulted in a reduction of Accumulated other comprehensive loss associated with foreign currency translation adjustments of \$13.4 million, which was reclassified to Retained earnings.

Citrix and GetGo entered into several agreements in connection with the Spin-off, including a transition services agreement ("TSA"), separation and distribution agreement, tax matters agreement, intellectual property matters agreement, and an employee matters agreement. Pursuant to the TSA, Citrix, GetGo and their respective subsidiaries are providing various services to each other on an interim, transitional basis. Services being provided by Citrix include, among others, finance, information technology and certain other administrative services. The services generally commenced on February 1, 2017 and are generally expected to terminate within 12 months of that date. Billings by Citrix under the TSA are not expected to be material.

The following table presents the changes in Total stockholders' equity during the three months ended March 31, 2017 :

	(in thousands)
Balance as of December 31, 2016	\$ 2,608,727
Cumulative-effect adjustment from adoption of accounting standard on stock-based compensation	386
Distribution of the net assets of the GoTo Business	(465,974)
Shares issued under stock-based compensation plans	902
Stock-based compensation expense	36,012
Temporary equity reclassification	79,495
Stock repurchases, net	(500,000)
Restricted shares turned in for tax withholding	(56,950)
Other comprehensive gain, net of tax	4,370
Net income	27,621
Other	(847)
Balance as of March 31, 2017	<u>\$ 1,733,742</u>

4. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing income available to stockholders by the weighted-average number of common shares outstanding during each period. Diluted earnings per share is computed using the weighted-average number of common and dilutive common share equivalents outstanding during the period. Dilutive common share equivalents consist of shares issuable upon the exercise or settlement of stock awards (calculated using the treasury stock method) during the period they were outstanding.

The following table sets forth the computation of basic and diluted net income per share (in thousands, except per share information):

	Three Months Ended March 31,	
	2017	2016
Numerator:		
Income from continuing operations	\$ 70,325	\$ 73,254
(Loss) income from discontinued operations, net of income taxes	(42,704)	10,209
Net income	<u>\$ 27,621</u>	<u>\$ 83,463</u>
Denominator:		
Denominator for basic net earnings per share - weighted-average shares outstanding	153,247	154,067
Effect of dilutive employee stock awards	3,446	1,878
Effect of dilutive Convertible Notes	1,676	—
Denominator for diluted net earnings per share - weighted-average shares outstanding	<u>158,369</u>	<u>155,945</u>
Basic earnings (loss) per share:		
Income from continuing operations	\$ 0.46	\$ 0.47
(Loss) income from discontinued operations	(0.28)	0.07
Basic net earnings per share	<u>\$ 0.18</u>	<u>\$ 0.54</u>
Diluted earnings (loss) per share:		
Income from continuing operations	\$ 0.44	\$ 0.47
(Loss) income from discontinued operations	(0.27)	0.07
Diluted net earnings per share:	<u>\$ 0.17</u>	<u>\$ 0.54</u>
Anti-dilutive weighted-average shares from stock awards	<u>54</u>	<u>1,202</u>

The weighted-average number of shares outstanding used in the computation of basic and diluted earnings per share does not include common stock issuable upon the exercise of the Company's warrants. The effects of these potentially issuable shares were not included in the calculation of diluted earnings per share because the effect would have been anti-dilutive.

The Company uses the treasury stock method for calculating any potential dilutive effect of the conversion spread on its Convertible Notes on diluted earnings per share, if applicable, because upon conversion the Company will pay cash up to the

aggregate principal amount of the Convertible Notes to be converted and pay or deliver, as the case may be, cash, shares of common stock or a combination of cash and shares of common stock, at the Company's election, in respect of the remainder, if any, of the Company's conversion obligation in excess of the aggregate principal amount of the Convertible Notes being converted. The conversion spread will have a dilutive impact on diluted earnings per share when the average market price of the Company's common stock for a given period exceeds the conversion price. Prior to the separation of the GoTo Business on January 31, 2017, the conversion price was \$90.00 per share. As a result of the Spin-off, the conversion rate for the Convertible Notes was re-set as of the opening of business on February 1, 2017 to 13.9061 shares of the Company's common stock per \$1,000 principal amount of Convertible Notes, which corresponds to a conversion price of \$71.91 per share of common stock. Similar adjustments were made to the conversion rates for the Convertible Note Hedge and Warrant Transactions as of the opening of business on February 1, 2017. For the three months ended March 31, 2017, the average market price of the Company's common stock exceeded the new conversion price, therefore the dilutive effect of the Convertible Notes was included in the denominator of diluted earnings per share. For the three months ended March 31, 2016, the Convertible Notes have been excluded from the computation of diluted earnings per share as the effect would be anti-dilutive since the prior conversion price of the Convertible Notes exceeded the average market price of the Company's common stock. In addition, the Company uses the treasury stock method for calculating any potential dilutive effect related to the warrants. See Note 11 to the Company's condensed consolidated financial statements for detailed information on the Convertible Notes offering.

5. ACQUISITIONS AND DIVESTITURES

2017 Business Combination

On January 3, 2017, the Company acquired all of the issued and outstanding securities of Unidesk Corporation ("Unidesk" or the "2017 Business Combination"). Citrix acquired Unidesk to enhance its application management and delivery offerings. The total cash consideration for this transaction was approximately \$60.4 million, net of \$2.7 million cash acquired. Transaction costs associated with the acquisition were \$0.4 million, of which the Company expensed \$0.1 million during the three months ended March 31, 2017, which were included in General and administrative expense in the accompanying condensed consolidated statements of income.

Purchase Accounting for the 2017 Business Combination

The purchase price for Unidesk was allocated to the acquired net tangible and intangible assets based on estimated fair values as of the date of the acquisition. The allocation of the total purchase price is summarized below (in thousands):

	Unidesk	
	Purchase Price Allocation	Asset Life
Current assets	\$ 5,321	
Property and equipment	131	
Intangible assets	39,470	4 years
Goodwill	30,924	Indefinite
Other assets	90	
Assets acquired	75,936	
Other current liabilities assumed	2,290	
Current portion of deferred revenues	3,042	
Long term portion of deferred revenues	2,412	
Long-term liabilities assumed	4,086	
Deferred taxes	959	
Net assets acquired	\$ 63,147	

Current assets acquired in connection with the Unidesk acquisition consisted primarily of cash, accounts receivable and other short term assets. Current liabilities assumed in connection with the acquisition consisted primarily of accounts payable and other accrued expenses. Long-term liabilities assumed in connection with the acquisition consisted primarily of long-term debt, which was paid in full subsequent to the acquisition date. The Company continues to evaluate certain income tax assets and liabilities related to the Unidesk acquisition.

The goodwill related to the Unidesk acquisition is not deductible for tax purposes and is comprised primarily of expected synergies from combining operations and other intangible assets that do not qualify for separate recognition.

The Company has included the effect of the Unidesk acquisition in its results of operations prospectively from the date of acquisition. The effect of the acquisition was not material to the Company's consolidated results for the periods presented; accordingly, proforma financial disclosures have not been presented.

Identifiable intangible assets acquired in connection with the Unidesk acquisition (in thousands) and the weighted-average lives are as follows:

	Unidesk	Asset Life
Developed technology	\$ 35,230	4 years
Customer contracts	4,240	4 years
Total	\$ 39,470	

2016 Business Combination

On September 7, 2016, the Company acquired all of the issued and outstanding securities of a privately held company. The acquisition provides a software solution that cuts the cost of desktop and application virtualization and delivers workspace performance by accelerating desktop logon and application response times for any Microsoft Windows-based environment. The total cash consideration for this transaction was approximately \$11.5 million, net of \$0.8 million cash acquired. Transaction costs were \$0.4 million, none of which were recorded during the three months ended March 31, 2017. The assets related to this acquisition relate primarily to \$8.2 million of product technology identifiable intangible assets with a 4 year life and goodwill of \$4.7 million.

2016 Asset Acquisition

On January 8, 2016, the Company acquired certain monitoring technology assets from a privately-held company for total cash consideration of \$23.6 million. The acquisition provides a monitoring solution for Citrix's products as it relates to Microsoft Windows applications and desktop delivery. The identifiable intangible assets acquired related primarily to product technologies.

2016 Divestiture

On February 29, 2016, the Company sold its CloudPlatform and CloudPortal Business Manager products to Persistent Telecom Solutions, Inc. The agreement included contingent consideration in the form of an earnout provision based on revenue for a period of five years following the closing date. Any income associated with the contingent consideration will be recognized if the earnout provisions are met. No earnout provisions were met during the three months ended March 31, 2017. Therefore, no income was recognized during the three months ended March 31, 2017.

6. INVESTMENTS

Available-for-sale Investments

Investments in available-for-sale securities at fair value were as follows for the periods ended (in thousands):

Description of the Securities	March 31, 2017				December 31, 2016			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Agency securities	\$ 373,739	\$ 587	\$ (1,202)	\$ 373,124	\$ 411,963	\$ 699	\$ (1,169)	\$ 411,493
Corporate securities	794,901	278	(1,584)	793,595	842,887	193	(2,114)	840,966
Municipal securities	12,489	4	(1)	12,492	9,989	3	(4)	9,988
Government securities	279,437	129	(502)	279,064	445,083	135	(600)	444,618
Total	\$ 1,460,566	\$ 998	\$ (3,289)	\$ 1,458,275	\$ 1,709,922	\$ 1,030	\$ (3,887)	\$ 1,707,065

The change in net unrealized gains (losses) on available-for-sale securities recorded in Other comprehensive income includes unrealized gains (losses) that arose from changes in market value of specifically identified securities that were held during the period, gains (losses) that were previously unrealized, but have been recognized in current period net income due to sales, as well as prepayments of available-for-sale investments purchased at a premium. This reclassification has no effect on total comprehensive income or equity and was not material for all periods presented. See Note 14 for more information related to comprehensive income.

The average remaining maturities of the Company's short-term and long-term available-for-sale investments at March 31, 2017 were approximately six months and two years, respectively.

Realized Gains and Losses on Available-for-sale Investments

For the three months ended March 31, 2017 and 2016, the Company received proceeds from the sales of available-for-sale investments of \$458.0 million and \$234.2 million, respectively.

The Company had realized gains on the sales of available-for-sale investments during the three months ended March 31, 2017 and 2016 of \$0.5 million and \$0.2 million, respectively. For the three months ended March 31, 2017 and 2016, the Company had realized losses on available-for-sale investments of \$0.1 million and \$0.2 million, respectively, primarily related to sales of these investments during the period.

All realized gains and losses related to the sales of available-for-sale investments are included in Other income (expense), net, in the accompanying condensed consolidated statements of income.

Unrealized Losses on Available-for-Sale Investments

The gross unrealized losses on the Company's available-for-sale investments that are not deemed to be other-than-temporarily impaired as of March 31, 2017 and December 31, 2016 were \$3.3 million and \$3.9 million, respectively. Because the Company does not intend to sell any of its investments in an unrealized loss position and it is more likely than not that it will not be required to sell the securities before the recovery of its amortized cost basis, which may not occur until maturity, it does not consider the securities to be other-than-temporarily impaired.

Cost Method Investments

The Company held direct investments in privately-held companies of approximately \$18.0 million and \$19.2 million as of March 31, 2017 and December 31, 2016, respectively, which are accounted for based on the cost method and are included in Other assets in the accompanying condensed consolidated balance sheets. The Company periodically reviews these investments for impairment. If the Company determines that an other-than-temporary impairment has occurred, it will write-down the investment to its fair value. For the three months ended March 31, 2017, certain cost method investments with a combined carrying value of \$2.6 million were determined to be impaired and written down to their estimated fair values of \$1.2 million. Accordingly, the Company recorded \$1.4 million in impairment charges during the three months ended March 31, 2017, which are included in Other income (expense), net in the accompanying condensed consolidated statements of income. For the three months ended March 31, 2016, the Company determined that certain cost method investments were impaired and recorded a charge of \$0.3 million, which was included in Other income (expense), net in the accompanying condensed consolidated statements of income. During the three months ended March 31, 2017 certain companies in which the Company held direct investments were acquired by third parties and as a result of these sales transactions the Company recorded gains of \$1.1 million, which were included in Other income (expense), net, in the accompanying condensed consolidated statements of income.

7. FAIR VALUE MEASUREMENTS

The authoritative guidance defines fair value as an exit price, representing the amount that would either be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- *Level 1.* Observable inputs such as quoted prices in active markets for identical assets or liabilities;
- *Level 2.* Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- *Level 3.* Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Available-for-sale securities included in Level 2 are valued utilizing inputs obtained from an independent pricing service (the "Service") which uses quoted market prices for identical or comparable instruments rather than direct observations of quoted prices in active markets. The Service applies a four level hierarchical pricing methodology to all of the Company's fixed income securities based on the circumstances. The hierarchy starts with the highest priority pricing source, then subsequently uses inputs obtained from other third-party sources and large custodial institutions. The Service's providers utilize a variety of inputs to determine their quoted prices. These inputs may include interest rates, known historical trades, yield curve information, benchmark data, prepayment speeds, credit quality and broker/dealer quotes. Substantially all of the Company's

available-for-sale investments are valued utilizing inputs obtained from the Service and accordingly are categorized as Level 2 in the table below. The Company periodically independently assesses the pricing obtained from the Service and historically has not adjusted the Service's pricing as a result of this assessment. Available-for-sale securities are included in Level 3 when relevant observable inputs for a security are not available.

The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the classification of assets and liabilities within the fair value hierarchy. In certain instances, the inputs used to measure fair value may meet the definition of more than one level of the fair value hierarchy. The input with the lowest level priority is used to determine the applicable level in the fair value hierarchy.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

	As of March 31, 2017	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(In thousands)				
Assets:				
Cash and cash equivalents:				
Cash	\$ 698,294	\$ 698,294	\$ —	\$ —
Money market funds	154,233	154,233	—	—
Corporate securities	55,450	—	55,450	—
Available-for-sale securities:				
Agency securities	373,124	—	373,124	—
Corporate securities	793,595	—	792,952	644
Municipal securities	12,492	—	12,492	—
Government securities	279,064	—	279,064	—
Prepaid expenses and other current assets:				
Foreign currency derivatives	2,080	—	2,080	—
Total assets	\$ 2,368,332	\$ 852,527	\$ 1,515,162	\$ 644
Accrued expenses and other current liabilities:				
Foreign currency derivatives	3,249	—	3,249	—
Total liabilities	\$ 3,249	\$ —	\$ 3,249	\$ —

	As of December 31, 2016	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(In thousands)				
Assets:				
Cash and cash equivalents:				
Cash	\$ 528,637	\$ 528,637	\$ —	\$ —
Money market funds	224,765	224,765	—	—
Corporate securities	82,693	—	82,693	—
Available-for-sale securities:				
Agency securities	411,493	—	411,493	—
Corporate securities	840,966	—	839,968	998
Municipal securities	9,988	—	9,988	—
Government securities	444,618	—	444,618	—
Prepaid expenses and other current assets:				
Foreign currency derivatives	2,506	—	2,506	—
Total assets	\$ 2,545,666	\$ 753,402	\$ 1,791,266	\$ 998
Accrued expenses and other current liabilities:				
Foreign currency derivatives	4,435	—	4,435	—
Total liabilities	\$ 4,435	\$ —	\$ 4,435	\$ —

The Company's fixed income available-for-sale security portfolio generally consists of investment grade securities from diverse issuers with a minimum credit rating of A-/A3 and a weighted-average credit rating of AA-/Aa3. The Company values these securities based on pricing from the Service, whose sources may use quoted prices in active markets for identical assets (Level 1 inputs) or inputs other than quoted prices that are observable either directly or indirectly (Level 2 inputs) in determining fair value, and accordingly, the Company classifies all of its fixed income available-for-sale securities as Level 2.

The Company measures its cash flow hedges, which are classified as Prepaid expenses and other current assets and Accrued expenses and other current liabilities, at fair value based on indicative prices in active markets (Level 2 inputs).

Assets Measured at Fair Value on a Non-recurring Basis Using Significant Unobservable Inputs (Level 3)

During the three months ended March 31, 2017, certain cost method investments with a combined carrying value of \$2.6 million were determined to be impaired and written down to their estimated fair values of \$1.2 million. Accordingly, the Company recorded \$1.4 million of impairment charges during the three months ended March 31, 2017, which are included in Other income (expense), net in the accompanying condensed consolidated statements of income. For the three months ended March 31, 2016, the Company determined that certain cost method investments were impaired and recorded a charge of \$0.3 million, which was included in Other income (expense), net in the accompanying condensed consolidated statements of income. In determining the fair value of cost method investments, the Company considers many factors including but not limited to operating performance of the investee, the amount of cash that the investee has on-hand, the ability to obtain additional financing and the overall market conditions in which the investee operates. The fair value of the cost method investments represent a Level 3 valuation as the assumptions used in valuing these investments were not directly or indirectly observable.

For certain intangible assets where the unamortized balances exceeded the undiscounted future net cash flows, the Company measures the amount of the impairment by calculating the amount by which the carrying values exceed the estimated fair values, which are based on projected discounted future net cash flows. These non-recurring fair value measurements are categorized as Level 3 significant unobservable inputs. See Note 9 to the Company's condensed consolidated financial statements for detailed information related to Goodwill and Other Intangible Assets.

Additional Disclosures Regarding Fair Value Measurements

The carrying value of accounts receivable, accounts payable and accrued expenses approximate their fair value due to the short maturity of these items.

As of March 31, 2017, the fair value of the Convertible Notes, which was determined based on inputs that are observable in the market (Level 2) based on the closing trading price per \$100 as of the last day of trading for the quarter ended March 31, 2017, and carrying value of debt instruments (carrying value excludes the equity component of the Company's Convertible Notes classified in equity) was as follows (in thousands):

	Fair Value	Carrying Value
Convertible Senior Notes	\$ 1,808,023	\$ 1,357,580

8. STOCK-BASED COMPENSATION

The Company's stock-based compensation program is a long-term retention program that is intended to attract and reward talented employees and align stockholder and employee interests. As of March 31, 2017, the Company had one stock-based compensation plan under which it was granting equity awards. The Company is currently granting stock-based awards from its 2014 Equity Incentive Plan (the "2014 Plan"). In February 2017, the Company's Board of Directors approved the Amended and Restated 2014 Equity Incentive Plan, which is subject to stockholder approval at the Company Annual Meeting of Stockholders on June 22, 2017. There will be no grants under this amended and restated plan until the plan is approved by the Company's stockholders. In connection with certain of the Company's acquisitions, the Company has assumed certain plans from acquired companies. The Company's Board of Directors has provided that no new awards will be granted under the Company's acquired stock plans. Awards previously granted under the Company's superseded and expired stock plans that are still outstanding typically expire between five and ten years from the date of grant and will continue to be subject to all the terms and conditions of such plans, as applicable. The Company's superseded and expired stock plans include the Amended and Restated 2005 Equity Incentive Plan and the 2005 Employee Stock Purchase Plan.

Under the terms of the 2014 Plan, the Company is authorized to grant incentive stock options ("ISOs"), non-qualified stock options ("NSOs"), non-vested stock, non-vested stock units, stock appreciation rights ("SARs"), and performance units and to make stock-based awards to full and part-time employees of the Company and its subsidiaries or affiliates, where legally eligible to participate, as well as to consultants and non-employee directors of the Company. SARs and ISOs are not currently being granted. Currently, the 2014 Plan provides for the issuance of 29,000,000 shares of common stock. In addition, shares of common stock underlying any awards granted under the Company's Amended and Restated 2005 Equity Incentive Plan, as amended, that are forfeited, canceled or otherwise terminated (other than by exercise) are added to its shares of common stock available for issuance under the 2014 Plan. Under the 2014 Plan, NSOs must be granted at exercise prices no less than fair market value on the date of grant. Non-vested stock awards may be granted for such consideration in cash, other property or services, or a combination thereof, as determined by the Company's Compensation Committee of its Board of Directors. Stock-based awards are generally exercisable or issuable upon vesting. The Company's policy is to recognize compensation cost for awards with only service conditions and a graded vesting schedule on a straight-line basis over the requisite service period for the entire award. As of March 31, 2017, there were 13,167,593 shares of common stock reserved for issuance pursuant to the Company's stock-based compensation plans including authorization under its 2014 Plan to grant stock-based awards covering 7,689,270 shares of common stock. In connection with the completion of the Spin-off, these awards were modified as described below.

Under the 2015 ESPP, all full-time and certain part-time employees of the Company are eligible to purchase common stock of the Company twice per year at the end of a six-month payment period (a "Payment Period"). During each Payment Period, eligible employees who so elect may authorize payroll deductions in an amount no less than 1% nor greater than 10% of his or her base pay for each payroll period in the Payment Period. At the end of each Payment Period, the accumulated deductions are used to purchase shares of common stock from the Company up to a maximum of 12,000 shares for any one employee during a Payment Period. Shares are purchased at a price equal to 85% of the fair market value of the Company's common stock, on either the first business day of the Payment Period or the last business day of the Payment Period, whichever is lower. Employees who, after exercising their rights to purchase shares of common stock in the 2015 ESPP, would own shares representing 5% or more of the voting power of the Company's common stock, are ineligible to continue to participate under the 2015 ESPP. The 2015 ESPP provides for the issuance of a maximum of 16,000,000 shares of common stock. As of March 31, 2017, 974,830 shares have been issued under the 2015 ESPP. The Company recorded stock-based compensation costs related to its employee stock purchase plans of \$1.6 million and \$2.3 million for the three months ended March 31, 2017 and 2016, respectively.

The Company used the Black-Scholes model to estimate the fair value of its Employee Stock Purchase Plan awards with the following weighted-average assumptions:

	Three Months Ended	
	March 31, 2017	March 31, 2016
Expected volatility factor	0.29	0.41
Risk free interest rate	0.60%	0.35%
Expected dividend yield	0%	0%
Expected life (in years)	0.5	0.5

The Company determined the expected volatility factor by considering the implied volatility in six-month market-traded options of the Company's common stock based on third party volatility quotes. The Company's decision to use implied volatility was based upon the availability of actively traded options on the Company's common stock and its assessment that implied volatility is more representative of future stock price trends than historical volatility. The risk-free interest rate was based on a U.S. Treasury instrument whose term is consistent with the expected term of the stock options. The Company's expected dividend yield input was zero as it has not historically paid, nor expects in the future to pay, cash dividends on its common stock. The expected term is based on the term of the purchase period for grants made under the ESPP.

Modifications of Share-Based Awards

In connection with the completion of the Spin-off, the terms of the Company's existing stock-based compensation arrangements required adjustments to the number and exercise price of outstanding stock options, non-vested stock units, non-vested stock, performance units, and other share-based awards to preserve the intrinsic value of the awards immediately before and after the Spin-off. The outstanding awards continue to vest over the original vesting periods. Certain outstanding awards at the time of the Spin-off held by employees of the GoTo Business were forfeited at the time of the separation. The stock awards held as of January 31, 2017 were adjusted as follows:

- The number of shares of common stock subject to each outstanding stock option was increased and the corresponding exercise price was decreased to maintain the intrinsic value of each outstanding stock option immediately before and after the Spin-off. There was no incremental expense related to this adjustment.
- The number of shares of common stock underlying each outstanding non-vested stock unit and performance unit was increased to preserve the intrinsic value of such award immediately prior to the Spin-off.
- The opening prices of the performance units granted in 2015 and 2016 were adjusted to reflect the value of the shares of LogMeIn stock distributed to the Company's shareholders as a result of the Spin-off. These adjustments resulted in \$6.5 million in incremental compensation expense to be recognized over the remaining vesting life of the underlying awards.

Stock-Based Compensation

The detail of the total stock-based compensation recognized by income statement classification is as follows (in thousands):

<u>Income Statement Classifications</u>	Three Months Ended	
	March 31, 2017	March 31, 2016
Cost of services and maintenance revenues	\$ 592	\$ 494
Research and development	9,666	7,755
Sales, marketing and services	11,597	10,944
General and administrative	12,953	16,868
Total	\$ 34,808	\$ 36,061

Non-vested Stock Units

Market Performance and Service Condition Stock Units

In March 2017, the Company granted senior level employees non-vested stock unit awards representing, in the aggregate, 275,148 non-vested stock units that vest based on certain target performance and service conditions. The number of non-vested

stock units underlying the award will be determined within sixty days of the three -year performance period ending December 31, 2019. The attainment level under the award will be based on the Company's relative total return to stockholders over the performance period compared to a pre-established custom index group. If the Company's relative total return to stockholders is between the 41st percentile and the 80th percentile when compared to the index companies, the number of non-vested stock units earned will be based on interpolation. The maximum number of non-vested stock units that may vest pursuant to the awards is capped at 200% of the target number of non-vested stock units set forth in the award agreement and is earned if the Company's relative total return to stockholders when compared to the index companies is at or greater than the 80th percentile. If the Company's total return to stockholders is negative, the number of non-vested stock units earned will be no more than 100% regardless of the Company's relative total return to stockholders compared to the index companies. If the awardee is not employed by the Company at the end of the performance period, the extent to which the awardee will vest in the award, if at all, is dependent upon the timing and character of the termination as provided in the award agreement. Each non-vested stock unit, upon vesting, represents the right to receive one share of the Company's common stock.

In January 2016, the Company granted its Chief Executive Officer 220,235 non-vested stock units that vest based on certain target performance conditions; and in March 2016, the Company granted senior level employees 234,816 non-vested stock units that vest based on certain target performance conditions. These awards were modified as described above as a result of the Spin-off. The attainment level under the awards will be based on the Company's compound annualized total return to stockholders over a three -year performance period, with 100% of such stock units earned if the Company achieves total shareholder return of 10% over the performance period. Further, if the Company achieves annualized total shareholder return of less than 10% during the performance period, the awardees may earn all or a portion of the target award, but not in excess of 100% of such stock units, depending upon the Company's relative total shareholder return compared to companies listed in the S&P Computer Software Select Index. If the Company's compound annualized total shareholder return is 5% or above, the number of non-vested stock units earned will be based on interpolation, with the maximum number of non-vested stock units earned capped at 200% of the target number of non-vested stock units for a compound annualized total return to stockholders of 30% over a three-year performance period as set forth in the award agreement. Within sixty days following an interim measurement period of 18 months, the Compensation Committee will determine the number of restricted stock units that would be deemed earned based on performance to date, and up to 33% of the target award may be earned based on such performance; however, any stock units that are deemed earned will remain subject to continued service vesting until the end of the three-year performance period, or a change in control, if earlier. Within sixty days following the conclusion of the performance period, the Company's Compensation Committee will determine the number of restricted stock units that would vest upon the final day of the performance period based on the Company's performance during the period and in accordance with the terms of the award. On the vesting date, the greater of the full period restricted stock units, or the interim earned restricted stock units, will vest in one installment.

The market condition requirements are reflected in the grant date fair value of the award, and the compensation expense for the award will be recognized assuming that the requisite service is rendered regardless of whether the market conditions are achieved. The grant date fair value of the non-vested performance stock unit awards was determined through the use of a Monte Carlo simulation model, which utilized multiple input variables that determined the probability of satisfying the market condition requirements applicable to each award as follows:

	March 2017 Grant	March 2016 Grant	January 2016 Grant
Expected volatility factor	0.27-0.32	0.29 - 0.39	0.29 - 0.37
Risk free interest rate	1.48%	0.91%	1.10%
Expected dividend yield	0%	0%	0%

For the March 2017 grant, the range of expected volatilities utilized was based on the historical volatilities of the Company's common stock and the average of its peer group. The Company chose to use historical volatility to value these awards because historical stock prices were used to develop the correlation coefficients between the Company and its peer group in order to model the stock price movements. The volatilities used were calculated over the most recent 2.75 year period, which is commensurate with the awards' performance period at the date of grant. The risk free interest rate was based on the implied yield available on U.S. Treasury zero-coupon issues with remaining terms equivalent to the performance period. The Company does not intend to pay dividends on its common stock in the foreseeable future. Accordingly, the Company used a dividend yield of zero in its model. The estimated fair value of each award as of the date of grant was \$104.05 .

For the March 2016 and January 2016 grants, the range of expected volatilities utilized was based on the historical volatilities of the Company's common stock and the average of its peer group. The Company chose to use historical volatility to value these awards because historical stock prices were used to develop the correlation coefficients between the Company and its peer group in order to model the stock price movements. The volatilities used were calculated over a three year period, which is commensurate with the awards' performance period at the date of grant. The risk free interest rate was based on the

implied yield available on U.S. Treasury zero-coupon issues with remaining terms equivalent to the performance period. The Company does not intend to pay dividends on its common stock in the foreseeable future. Accordingly, the Company used a dividend yield of zero in its model. The estimated fair value of each award as of the date of grant was \$66.18 for the March 2016 grant and \$49.68 for the January 2016 grant.

Service Based Stock Units

The Company also awards senior level employees, certain other employees and new non-employee directors, non-vested stock units granted under the 2014 Plan that vest based on service. The majority of these non-vested stock unit awards generally vest 33.33% on each anniversary subsequent to the date of the award. The Company also assumes non-vested stock units in connection with certain of its acquisitions. The assumed awards have the same three year vesting schedule. Each non-vested stock unit, upon vesting, represents the right to receive one share of the Company's common stock. In addition, the Company awards non-vested stock units to all of its continuing non-employee directors. These awards vest monthly in 12 equal installments based on service and, upon vesting, each stock unit represents the right to receive one share of the Company's common stock.

Unrecognized Compensation Related to Stock Units

As of March 31, 2017, the number of all non-vested stock units outstanding, including market performance and service condition awards and service-based awards, including service-based awards assumed in connection with acquisitions, were 5,392,268. As of March 31, 2017, there was \$200.2 million of total unrecognized compensation cost related to non-vested stock units. The unrecognized cost is expected to be recognized over a weighted-average period of 2.46 years. See Note 5 for more information regarding the Company's acquisitions.

Non-vested Stock

During the three months ended March 31, 2016, the Company granted non-vested stock awards of 118,588 shares to its Chief Executive Officer, with a vesting period of approximately three years from the date of grant, subject to the holder's continued employment with the Company. Non-vested stock is issued and outstanding upon grant; however, award holders are restricted from selling the shares until they vest. If the vesting conditions are not met, the award will be forfeited. Compensation expense is measured based on the closing market price of the Company's common stock at the date of grant and is recognized on a straight-line basis over the vesting period. For the three months ended March 31, 2017, the Company recognized \$0.6 million of stock-based compensation expense related to non-vested stock awards. At March 31, 2017, there was approximately \$4.7 million of total unrecognized compensation expense related to these awards, which is expected to be recognized over a weighted average period of 1.76 years.

9. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

The Company accounts for goodwill in accordance with the authoritative guidance, which requires that goodwill and certain intangible assets are not amortized, but are subject to an annual impairment test. As part of its continued transformation, effective January 1, 2016, the Company reorganized a part of its business by creating a new Cloud product grouping. In connection with this change, during the fourth quarter of 2016, the Company performed an assessment of its goodwill reporting units and determined that the reorganization resulted in the identification of two goodwill reporting units (excluding the GoTo Business). There was no impairment of goodwill or indefinite lived intangible assets as a result of the annual impairment test analysis completed during the fourth quarter of 2016.

On January 31, 2017, the Company completed the Spin-off of the GoTo Business and \$380.9 million of the goodwill attributable to the GoTo Business as of December 31, 2016 was distributed to GetGo. As a result of the Spin-off, the Company performed an assessment of the two remaining goodwill reporting units for the quarter ended March 31, 2017 and determined that these goodwill reporting units remain unchanged. There were no indicators of impairment during the three months ended March 31, 2017. See Note 5 for more information regarding the Company's acquisitions.

The following table presents the change in goodwill during the three months ended March 31, 2017 (in thousands):

	<u>Balance at January 1, 2017</u>	<u>Additions</u>	<u>Other</u>	<u>Balance at March 31, 2017</u>
Goodwill	\$ 1,585,893	\$ 30,924 ⁽¹⁾	\$ —	\$ 1,616,817

- (1) Amount relates to preliminary purchase price allocation of goodwill associated with the 2017 business combination. See Note 5 for more information regarding the Company's acquisitions.

Intangible Assets

The Company has intangible assets which were primarily acquired in conjunction with business combinations and technology purchases. Intangible assets with finite lives are recorded at cost, less accumulated amortization. Amortization is computed over the estimated useful lives of the respective assets, generally three to seven years, except for patents, which are amortized over the lesser of their remaining life or ten years. In-process R&D is initially capitalized at fair value as an intangible asset with an indefinite life and assessed for impairment thereafter. When in-process R&D projects are completed, the corresponding amount is reclassified as an amortizable intangible asset and is amortized over the asset's estimated useful life.

Intangible assets consist of the following (in thousands):

	March 31, 2017		December 31, 2016	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Product related intangible assets	\$ 685,746	\$ 533,834	\$ 647,594	\$ 520,746
Other	227,932	180,505	223,692	176,859
Total	\$ 913,678	\$ 714,339	\$ 871,286	\$ 697,605

Amortization of product-related intangible assets, which consists primarily of product-related technologies and patents, was \$13.1 million and \$14.1 million for the three months ended March 31, 2017 and 2016, respectively, and is classified as a component of Cost of net revenues in the accompanying condensed consolidated statements of income. Amortization of other intangible assets, which consist primarily of customer relationships, trade names and covenants not to compete was \$3.6 million and \$3.7 million for the three months ended March 31, 2017 and 2016, respectively, and is classified as a component of Operating expenses in the accompanying condensed consolidated statements of income.

The Company monitors its intangible assets for indicators of impairment. If the Company determines that an impairment has occurred, it will write-down the intangible asset to its fair value. For certain intangible assets where the unamortized balances exceeded the undiscounted future net cash flows, the Company measures the amount of the impairment by calculating the amount by which the carrying values exceed the estimated fair values, which are based on projected discounted future net cash flows.

Estimated future amortization expense of intangible assets with finite lives as of March 31, 2017 is as follows (in thousands):

Year ending December 31,	Amount
2017 (remaining nine months)	\$ 47,484
2018	58,895
2019	38,269
2020	24,110
2021	8,149
Thereafter	22,432
Total	\$ 199,339

10. SEGMENT INFORMATION

On January 31, 2017, Citrix completed the Spin-off of the GoTo Business. As a result, the Company re-evaluated its operating segments in the first quarter of 2017, and determined that it has one reportable segment. The Company's chief operating decision maker ("CODM") reviews financial information presented on a consolidated basis for purposes of allocating resources and evaluating financial performance. The Company's CEO is the CODM. During the first quarter of 2017, the Company classified the results of the GoTo Business, formerly a reportable segment, as discontinued operations in its condensed consolidated statement of income for all periods presented. See Note 3 for more information regarding discontinued operations.

Revenues by Product Grouping

Revenues by product grouping were as follows (in thousands):

	Three Months Ended March 31,	
	2017	2016
Net revenues:		
Workspace Services revenues ⁽¹⁾	\$ 399,504	\$ 399,514
Networking revenues ⁽²⁾	193,420	195,470
Cloud revenues ⁽³⁾	40,035	31,134
Professional services and other ⁽⁴⁾	29,718	32,655
Total net revenues	\$ 662,677	\$ 658,773

- (1) Workspace Services revenues are primarily comprised of sales from the Company's application virtualization products, which include XenDesktop and XenApp, and the Company's enterprise mobility management products, which include XenMobile and related license updates and maintenance and support.
- (2) Networking revenues primarily include NetScaler ADC and NetScaler SD-WAN, and related license updates and maintenance and support.
- (3) Cloud revenues primarily include ShareFile, Podio and Citrix Cloud.
- (4) Professional services and other revenues are primarily comprised of revenues from consulting services and product training and certification services.

Revenues by Geographic Location

The following table presents revenues by geographic location, for the following periods (in thousands):

	Three Months Ended March 31,	
	2017	2016
Net revenues:		
Americas	\$ 391,346	\$ 388,686
EMEA	201,852	206,931
Asia-Pacific	69,479	63,156
Total net revenues	\$ 662,677	\$ 658,773

11. CONVERTIBLE SENIOR NOTES

Convertible Notes Offering

During 2014, the Company completed a private placement of approximately \$1.44 billion principal amount of 0.500% Convertible Notes due 2019. The net proceeds from this offering were approximately \$1.42 billion, after deducting the initial purchasers' discounts and commissions and the estimated offering expenses payable by the Company. The Company used approximately \$82.6 million of the net proceeds to pay the cost of the Bond Hedges described below (after such cost was partially offset by the proceeds to the Company from the Warrant Transactions described below). The Company used the remainder of the net proceeds from the offering and a portion of its existing cash and investments to purchase an aggregate of approximately \$1.5 billion of its common stock, as authorized under its share repurchase program. The Company used approximately \$101.0 million to purchase shares of common stock from certain purchasers of the Convertible Notes in privately negotiated transactions concurrently with the closing of the offering, and the remaining \$1.4 billion to purchase additional shares of common stock through an Accelerated Share Repurchase ("ASR") which the Company entered into with Citibank, N.A. (the "ASR Counterparty") on April 25, 2014 (the "ASR Agreement").

The Convertible Notes are governed by the terms of an indenture, dated as of April 30, 2014 (the "Indenture"), between the Company and Wilmington Trust, National Association, as trustee (the "Trustee"). The Convertible Notes are the senior unsecured obligations of the Company and bear interest at a rate of 0.500% per annum, payable semi-annually in arrears on April 15 and October 15 of each year. The Convertible Notes will mature on April 15, 2019, unless earlier repurchased or converted. Upon conversion, the Company will pay cash up to the aggregate principal amount of the Convertible Notes to be

converted and pay or deliver, as the case may be, cash, shares of common stock or a combination of cash and shares of common stock, at the Company's election, in respect of the remainder, if any, of the Company's conversion obligation in excess of the aggregate principal amount of the Convertible Notes being converted.

The initial conversion rate for the Convertible Notes was 11.1111 shares of common stock per \$1,000 principal amount of Convertible Notes, which corresponds to a conversion price of \$90.00 per share of common stock. The conversion rate is subject to adjustment from time to time upon the occurrence of certain events, including, but not limited to, the issuance of certain stock dividends on common stock, the issuance of certain rights or warrants, subdivisions, combinations, distributions of capital stock, indebtedness, or assets, the payment of cash dividends and certain issuer tender or exchange offers. As a result of the Spin-off, the conversion rate for the Convertible Notes was adjusted under the terms of the Indenture. As a result of this adjustment, the conversion rate for the Convertible Notes was re-set as of the opening of business on February 1, 2017 to 13.9061 shares of the Company's common stock per \$1,000 principal amount of Convertible Notes, which corresponds to a conversion price of \$71.91 per share of common stock. Similar adjustments were made to the conversion rates for the Convertible Note Hedge and Warrant Transactions (as defined below) as of the opening of business on February 1, 2017.

The Company may not redeem the Convertible Notes prior to the maturity date and no "sinking fund" is provided for the Convertible Notes, which means that the Company is not required to periodically redeem or retire the Convertible Notes. Upon the occurrence of certain fundamental changes involving the Company, holders of the Convertible Notes may require the Company to repurchase for cash all or part of their Convertible Notes in principal amounts of \$1,000 or an integral multiple thereof at a repurchase price equal to 100% of the principal amount of the Convertible Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

In accounting for the issuance of the Convertible Notes, the Company separated the Convertible Notes into liability and equity components. The carrying amount of the liability component was calculated by measuring the estimated fair value of a similar liability that does not have an associated convertible feature. The carrying amount of the equity component representing the conversion option was determined by deducting the fair value of the liability component from the face value of the Convertible Notes as a whole. The excess of the principal amount of the liability component over its carrying amount ("debt discount") is amortized to interest expense over the term of the Convertible Notes using the effective interest method with an effective interest rate of 3.0 percent per annum. The equity component is not remeasured as long as it continues to meet the conditions for equity classification.

In accounting for the transaction costs related to the Convertible Note issuance, the Company allocated the total amount incurred to the liability and equity components based on their relative values. Issuance costs attributable to the \$1.4 billion liability component are being amortized to expense over the term of the Convertible Notes, and issuance costs attributable to the equity component are included along with the equity component in stockholders' equity. Additionally, a deferred tax liability of \$8.2 million related to a portion of the equity component transaction costs which are deductible for tax purposes is included in Other liabilities in the accompanying condensed consolidated balance sheets.

As a result of the structure of the Reverse Morris Trust (RMT) transaction with LogMeIn, Inc., and the notification on October 10, 2016 to noteholders in accordance with the Indenture, the Convertible Notes became convertible until the earlier of (1) the close of business on the business day immediately preceding the ex-dividend date for the distribution of the outstanding shares of GetGo common stock to the Company's stockholders by way of a pro rata dividend, and (2) the Company's announcement that such distribution will not take place, even though the Convertible Notes were not otherwise convertible at December 31, 2016. The \$1.44 billion Convertible Notes became convertible with the notice to noteholders. Accordingly, as of December 31, 2016, the carrying amount of the Convertible Notes of \$1.36 billion was reclassified from Other liabilities to Current liabilities and the difference between the face value and carrying value of \$79.5 million was reclassified from stockholders' equity to temporary equity in the accompanying condensed consolidated balance sheets. The conversion period terminated as of the close of business on January 31, 2017 in connection with the Spin-off. As a result, the Convertible Notes were reclassified to Other liabilities from Current liabilities, and the amount previously recorded as Temporary equity was reclassified to Stockholders' equity as of March 31, 2017. See Note 3 for more information on the Company's separation of its GoTo Business.

The Convertible Notes consist of the following (in thousands):

	March 31, 2017	December 31, 2016
Liability component		
Principal	\$ 1,437,483	\$ 1,437,500
Less: note discount and issuance costs	(79,903)	(89,344)
Net carrying amount	<u>\$ 1,357,580</u>	<u>\$ 1,348,156</u>
Equity component		
Temporary equity	\$ —	\$ 79,495
Additional paid-in capital	162,869	83,374
Total equity (including temporary equity)	<u>\$ 162,869</u>	<u>\$ 162,869</u>

The following table includes total interest expense recognized related to the Convertible Notes (in thousands):

	Three Months Ended	
	March 31,	
	2017	2016
Contractual interest expense	\$ 1,797	\$ 1,797
Amortization of debt issuance costs	1,031	1,009
Amortization of debt discount	8,410	8,161
	<u>\$ 11,238</u>	<u>\$ 10,967</u>

See Note 7 to the Company's condensed consolidated financial statements for fair value disclosures related to the Company's Convertible Notes.

Convertible Note Hedge and Warrant Transactions

In connection with the pricing of the Convertible Notes, the Company entered into convertible note hedge transactions relating to approximately 16.0 million shares of common stock (the "Bond Hedges"), with JPMorgan Chase Bank, National Association, London Branch; Goldman, Sachs & Co.; Bank of America, N.A.; and Royal Bank of Canada (the "Option Counterparties") and also entered into separate warrant transactions (the "Warrant Transactions") with each of the Option Counterparties relating to approximately 16.0 million shares of common stock. As a result of the Spin-off, the number of shares of the Company's common stock covered by the Bond Hedges and Warrant Transactions were adjusted to approximately 20.0 million shares.

The Bond Hedges are generally expected to reduce the potential dilution upon conversion of the Convertible Notes and/or offset any payments in cash, shares of common stock or a combination of cash and shares of common stock, at the Company's election, that the Company is required to make in excess of the principal amount of the Convertible Notes upon conversion of any Convertible Notes, as the case may be, in the event that the market price per share of common stock, as measured under the terms of the Bond Hedges, is greater than the strike price of the Bond Hedges, which initially corresponds to the conversion price of the Convertible Notes and is subject to anti-dilution adjustments substantially similar to those applicable to the conversion rate of the Convertible Notes. The Warrant Transactions will separately have a dilutive effect to the extent that the market value per share of common stock, as measured under the terms of the Warrant Transactions, exceeds the applicable strike price of the warrants issued pursuant to the Warrant Transactions (the "Warrants"). The initial strike price of the Warrants is \$120.00 per share. Subsequent to the Spin-off, the strike price of the Warrants was adjusted to a weighted-average strike price of \$95.25 as of February 1, 2017. The Warrants will expire in ratable portions on a series of expiration dates commencing after the maturity of the Convertible Notes. The Bond Hedges and Warrants are not marked to market. The value of the Bond Hedges and Warrants were initially recorded in stockholders' equity and continue to be classified within stockholders' equity. As of March 31, 2017, no warrants have been exercised.

Aside from the initial payment of a premium to the Option Counterparties under the Bond Hedges, which amount is partially offset by the receipt of a premium under the Warrant Transactions, the Company is not required to make any cash payments to the Option Counterparties under the Bond Hedges and will not receive any proceeds if the Warrants are exercised.

12. CREDIT FACILITY

Effective January 7, 2015, the Company entered into a Credit Facility with a group of financial institutions (the "Lenders"). The Credit Facility provides for a five year revolving line of credit in the aggregate amount of \$250.0 million, subject to continued covenant compliance. The Company may elect to increase the revolving credit facility by up to \$250.0 million if existing or new lenders provide additional revolving commitments in accordance with the terms of the Credit Agreement. A portion of the revolving line of credit (i) in the aggregate amount of \$25.0 million may be available for issuances of letters of credit and (ii) in the aggregate amount of \$10.0 million may be available for swing line loans, as part of, not in addition to, the aggregate revolving commitments. The Credit Facility bears interest at LIBOR plus 1.10% and adjusts in the range of 1.00% to 1.30% above LIBOR based on the ratio of the Company's total debt to its adjusted earnings before interest, taxes, depreciation, amortization and certain other items ("EBITDA") as defined in the agreement. In addition, the Company is required to pay a quarterly facility fee ranging from 0.125% to 0.20% of the aggregate revolving commitments under the Credit Facility and based on the ratio of the Company's total debt to the Company's consolidated EBITDA. The weighted average interest rate for the period that amounts were outstanding under the Credit Facility was 2.70%. As of March 31, 2017, there was \$100.0 million outstanding under the Credit Facility.

The Credit Agreement contains certain financial covenants that require the Company to maintain a consolidated leverage ratio of not more than 3.5 : 1.0 and a consolidated interest coverage ratio of not less than 3.0 : 1.0. In addition, the Credit Agreement contains customary affirmative and negative covenants, including covenants that limit or restrict the ability of the Company to grant liens, merge, dissolve or consolidate, dispose of all or substantially all of its assets, pay dividends during the existence of a default under the Credit Agreement, change its business and incur subsidiary indebtedness, in each case subject to customary exceptions for a credit facility of this size and type. The Company was in compliance with these covenants as of March 31, 2017.

13. DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives Designated as Hedging Instruments

As of March 31, 2017, the Company's derivative assets and liabilities primarily resulted from cash flow hedges related to its forecasted operating expenses transacted in local currencies. A substantial portion of the Company's overseas expenses are and will continue to be transacted in local currencies. To protect against fluctuations in operating expenses and the volatility of future cash flows caused by changes in currency exchange rates, the Company has established a program that uses foreign exchange forward contracts to hedge its exposure to these potential changes. The terms of these instruments, and the hedged transactions to which they relate, generally do not exceed 12 months.

Generally, when the dollar is weak, foreign currency denominated expenses will be higher, and these higher expenses will be partially offset by the gains realized from the Company's hedging contracts. Conversely, if the dollar is strong, foreign currency denominated expenses will be lower. These lower expenses will in turn be partially offset by the losses incurred from the Company's hedging contracts. The change in the derivative component in Accumulated other comprehensive loss includes unrealized gains or losses that arose from changes in market value of the effective portion of derivatives that were held during the period, and gains or losses that were previously unrealized but have been recognized in the same line item as the forecasted transaction in current period net income due to termination or maturities of derivative contracts. This reclassification has no effect on total comprehensive income or equity.

The total cumulative unrealized gain on cash flow derivative instruments was \$0.5 million at March 31, 2017, and is included in Accumulated other comprehensive loss in the accompanying condensed consolidated balance sheets. The total cumulative unrealized loss on cash flow derivative instruments was \$3.1 million at December 31, 2016, and is included in Accumulated other comprehensive loss in the accompanying condensed consolidated balance sheets. See Note 14 for more information related to comprehensive income. The net unrealized gain as of March 31, 2017 is expected to be recognized in income over the next 12 months at the same time the hedged items are recognized in income.

Derivatives not Designated as Hedging Instruments

A substantial portion of the Company's overseas assets and liabilities are and will continue to be denominated in local currencies. To protect against fluctuations in earnings caused by changes in currency exchange rates when remeasuring the Company's balance sheet, it utilizes foreign exchange forward contracts to hedge its exposure to this potential volatility.

These contracts are not designated for hedge accounting treatment under the authoritative guidance. Accordingly, changes in the fair value of these contracts are recorded in Other income (expense), net.

Fair Values of Derivative Instruments

	Asset Derivatives				Liability Derivatives			
	(In thousands)							
	March 31, 2017		December 31, 2016		March 31, 2017		December 31, 2016	
Derivatives Designated as Hedging Instruments	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Foreign currency forward contracts	Prepaid expenses and other current assets	\$1,870	Prepaid expenses and other current assets	\$460	Accrued expenses and other current liabilities	\$1,306	Accrued expenses and other current liabilities	\$3,816

	Asset Derivatives				Liability Derivatives			
	(In thousands)							
	March 31, 2017		December 31, 2016		March 31, 2017		December 31, 2016	
Derivatives Not Designated as Hedging Instruments	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Foreign currency forward contracts	Prepaid expenses and other current assets	\$210	Prepaid expenses and other current assets	\$2,046	Accrued expenses and other current liabilities	\$1,943	Accrued expenses and other current liabilities	\$619

The Effect of Derivative Instruments on Financial Performance

	For the Three Months Ended March 31, 2017					
	(In thousands)					
	Amount of Gain Recognized in Other Comprehensive Income (Effective Portion)		Location of Loss Reclassified from Accumulated Other Comprehensive Loss into Income (Effective Portion)		Amount of Loss Reclassified from Accumulated Other Comprehensive Loss (Effective Portion)	
	2017	2016			2017	2016
Derivatives in Cash Flow Hedging Relationships						
Foreign currency forward contracts	\$ 3,665	\$ 3,387	Operating expenses		\$ (1,672)	\$ (1,165)

There was no material ineffectiveness in the Company's foreign currency hedging program in the periods presented.

	For the Three Months Ended March 31, 2017			
	(In thousands)			
	Location of Loss Recognized in Income on Derivative		Amount of Loss Recognized in Income on Derivative	
Derivatives Not Designated as Hedging Instruments			2017	2016
Foreign currency forward contracts	Other income (expense), net		\$ (3,087)	\$ (1,973)

Outstanding Foreign Currency Forward Contracts

As of March 31, 2017, the Company had the following net notional foreign currency forward contracts outstanding (in thousands):

Foreign Currency	Currency Denomination
Australian Dollar	AUD 6,400
Brazilian Real	BRL 8,900
Pounds Sterling	GBP 3,500
Canadian Dollar	CAD 3,250
Chinese Yuan Renminbi	CNY 62,500
Danish Krone	DKK 5,300
Euro	EUR 11,300
Hong Kong Dollar	HKD 26,000
Indian Rupee	INR 44,000
Japanese Yen	JPY 1,030,000
Singapore Dollar	SGD 10,400
Swiss Franc	CHF 32,650

14. COMPREHENSIVE INCOME

The changes in Accumulated other comprehensive loss by component, net of tax, are as follows:

	Foreign currency	Unrealized (loss) gain on available-for-sale securities	Unrealized (loss) gain on derivative instruments	Other comprehensive loss on pension liability	Total
	(In thousands)				
Balance at December 31, 2016	\$ (16,346)	\$ (3,108)	\$ (3,130)	\$ (6,120)	\$ (28,704)
Other comprehensive income before reclassifications	—	1,089	1,993	—	3,082
Amounts reclassified from accumulated other comprehensive loss	—	(375)	1,672	(9)	1,288
Net current period other comprehensive income	—	714	3,665	(9)	4,370
Distribution of the GoTo Business	\$ 13,400	\$ —	\$ —	\$ —	\$ 13,400
Balance at March 31, 2017	\$ (2,946)	\$ (2,394)	\$ 535	\$ (6,129)	\$ (10,934)

Income tax expense or benefit allocated to each component of other comprehensive loss is not material.

Reclassifications out of Accumulated other comprehensive loss are as follows:

	For the Three Months Ended March 31, 2017	
	(In thousands)	
Details about accumulated other comprehensive loss components	Amount reclassified from accumulated other comprehensive loss, net of tax	Affected line item in the Condensed Consolidated Statements of Income
Unrealized net gains on available-for-sale securities	\$ (375)	Other income (expense), net
Unrealized net losses on cash flow hedges	1,672	Operating expenses *
	\$ 1,297	

* Operating expenses amounts allocated to Research and development, Sales, marketing and services, and General and administrative are not individually significant.

15. INCOME TAXES

The Company is required to estimate its income taxes in each of the jurisdictions in which it operates as part of the process of preparing its condensed consolidated financial statements. The Company maintains certain strategic management and operational activities in overseas subsidiaries and its foreign earnings are taxed at rates that are generally lower than in the United States. The Company does not expect to remit earnings from its foreign subsidiaries.

In March 2016, the Financial Accounting Standards Board issued an accounting standard update on the accounting of stock-based compensation to provide guidance that changes the accounting for certain aspects of share-based payments to employees. The guidance requires, among other things, the recognition of the income tax effects of awards in the income statement when the awards vest or are settled, thus eliminating additional paid-in capital pools. The Company adopted this standard in the first quarter of 2017. There was no material impact upon adoption of this guidance since the recognition of income tax effects of awards was not materially different from amounts previously recorded in the Company's financial statements.

The Company's continuing operations effective tax rate was approximately 41.4% and 15.7% for the three months ended March 31, 2017 and 2016, respectively. The increase in the effective tax rate when comparing the three months ended March 31, 2017 to the three months ended March 31, 2016 was due to a tax charge and a tax benefit unique to the period. These amounts include a \$46.1 million income tax charge to establish a valuation allowance due to a change in expectation of realizability of state R&D credits arising from the separation of the GoTo Business. This charge was partially offset by a \$17.8 million benefit due to the adoption of the accounting standard update requiring recognition of income tax effects related to stock-based compensation when the awards vest or settle.

The Company's net unrecognized tax benefits totaled approximately \$73.4 million and \$69.8 million as of March 31, 2017 and December 31, 2016, respectively. All amounts included in the balance at March 31, 2017 for tax positions would affect the annual effective tax rate if recognized. The Company has \$2.8 million accrued for the payment of interest and penalties as of March 31, 2017.

The Company and one or more of its subsidiaries are subject to U.S. federal income taxes in the United States, as well as income taxes of multiple state and foreign jurisdictions. The Company is currently no longer subject to U.S. federal income tax examination. With few exceptions, the Company is generally not under examination for state and local income tax, or non-U.S. jurisdictions by tax authorities for years prior to 2013.

In the ordinary course of global business, there are transactions for which the ultimate tax outcome is uncertain; thus, judgment is required in determining the worldwide provision for income taxes. The Company provides for income taxes on transactions based on its estimate of the probable liability. The Company adjusts its provision as appropriate for changes that impact its underlying judgments. Changes that impact provision estimates include such items as jurisdictional interpretations on tax filing positions based on the results of tax audits and general tax authority rulings. Due to the evolving nature of tax rules combined with the large number of jurisdictions in which the Company operates, it is possible that the Company's estimates of its tax liability and the realizability of its deferred tax assets could change in the future, which may result in additional tax liabilities and adversely affect the Company's results of operations, financial condition and cash flows.

At March 31, 2017, the Company had approximately \$163.8 million in net deferred tax assets from continuing operations. The authoritative guidance requires a valuation allowance to reduce the deferred tax assets reported if, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company reviews deferred tax assets periodically for recoverability and makes estimates and judgments regarding the expected geographic sources of taxable income and gains from investments, as well as tax planning strategies in assessing the need for a valuation allowance. During the quarter ended March 31, 2017, the Company determined a \$61.9 million valuation allowance relating to continuing operations deferred tax assets for net operating losses and tax credits was necessary. If the estimates and assumptions used in the Company's determination change in the future, the Company could be required to revise its estimates of the valuation allowances against its deferred tax assets and adjust its provisions for additional income taxes.

The Company's effective tax rate generally differs from the U.S. federal statutory rate of 35% due primarily to lower tax rates on earnings generated by the Company's foreign operations that are taxed primarily in Switzerland. The Company has not provided for U.S. taxes for those earnings because it plans to reinvest all of those earnings indefinitely outside the United States. From time to time, there may be other items that impact the Company's effective tax rate, such as the items specific to the current period discussed above.

16. TREASURY STOCK

Stock Repurchase Program

The Company's Board of Directors authorized an ongoing stock repurchase program with a total repurchase authority granted to the Company of \$6.8 billion, of which \$500.0 million was approved in January 2017. The Company may use the approved dollar authority to repurchase stock at any time until the approved amount is exhausted. The objective of the Company's stock repurchase program is to improve stockholders' returns. At March 31, 2017, approximately \$404.0 million was available to repurchase common stock pursuant to the stock repurchase program. All shares repurchased are recorded as treasury stock. A portion of the funds used to repurchase stock over the course of the program was provided by net proceeds from the Convertible Notes offering, as well as proceeds from employee stock option exercises and the related tax benefit. The Company is authorized to make open market purchases of its common stock using general corporate funds through open market purchases, pursuant to a Rule 10b5-1 plan or in privately negotiated transactions.

During the three months ended March 31, 2017, the Company expended approximately \$500.0 million on open market purchases under the stock repurchase program, repurchasing 6,399,499 shares of outstanding common stock at an average price of \$78.13.

During the three months ended March 31, 2016, the Company expended approximately \$28.7 million on open market purchases under the stock repurchase program, repurchasing 426,300 shares of outstanding common stock at an average price of \$67.30.

Shares for Tax Withholding

During the three months ended March 31, 2017, the Company withheld 691,154 shares from equity awards that vested, totaling \$57.0 million, to satisfy minimum tax withholding obligations that arose on the vesting of such equity awards. During the three months ended March 31, 2016, the Company withheld 428,838 shares from equity awards that vested, totaling \$32.9 million, to satisfy minimum tax withholding obligations that arose on the vesting of such equity awards. These shares are reflected as treasury stock in the Company's condensed consolidated balance sheets and the related cash outlays do not reduce the Company's total stock repurchase authority.

17. COMMITMENTS AND CONTINGENCIES

Leases

The Company leases certain office space and equipment under various operating leases. In addition to rent, the leases require the Company to pay for taxes, insurance, maintenance and other operating expenses. Certain of these leases contain stated escalation clauses while others contain renewal options. The Company recognizes rent expense on a straight-line basis over the term of the lease, excluding renewal periods, unless renewal of the lease is reasonably assured.

Legal Matters

The Company accrues a liability for legal contingencies when it believes that it is both probable that a liability has been incurred and that it can reasonably estimate the amount of the loss. The Company reviews these accruals and adjusts them to reflect ongoing negotiations, settlements, rulings, advice of legal counsel and other relevant information. To the extent new information is obtained and the Company's views on the probable outcomes of claims, suits, assessments, investigations or legal proceedings change, changes in the Company's accrued liabilities would be recorded in the period in which such determination is made. For the matters referenced below, the amount of liability is not probable or the amount cannot be reasonably estimated; and, therefore, accruals have not been made. In addition, in accordance with the relevant authoritative guidance, for matters in which the likelihood of material loss is at least reasonably possible, the Company provides disclosure of the possible loss or range of loss. If a reasonable estimate cannot be made, however, the Company will provide disclosure to that effect.

Due to the nature of the Company's business, the Company is subject to patent infringement claims, including current suits against it or one or more of its wholly-owned subsidiaries alleging infringement by various Company products and services. The Company believes that it has meritorious defenses to the allegations made in its pending cases and intends to vigorously defend these lawsuits; however, it is unable currently to determine the ultimate outcome of these or similar matters or the potential exposure to loss, if any. In addition, the Company is a defendant in various litigation matters generally arising out of the normal course of business. Although it is difficult to predict the ultimate outcomes of these cases, the Company believes that it is not reasonably possible that the ultimate outcomes will materially and adversely affect its business, financial position, results of operations or cash flows.

Guarantees

The authoritative guidance requires certain guarantees to be recorded at fair value and requires a guarantor to make disclosures, even when the likelihood of making any payments under the guarantee is remote. For those guarantees and indemnifications that do not fall within the initial recognition and measurement requirements of the authoritative guidance, the Company must continue to monitor the conditions that are subject to the guarantees and indemnifications, as required under existing generally accepted accounting principles, to identify if a loss has been incurred. If the Company determines that it is probable that a loss has been incurred, any such estimable loss would be recognized. The initial recognition and measurement requirements do not apply to the provisions contained in the majority of the Company's software license agreements that indemnify licensees of the Company's software from damages and costs resulting from claims alleging that the Company's software infringes the intellectual property rights of a third party. The Company has not made payments pursuant to these provisions. The Company has not identified any losses that are probable under these provisions and, accordingly, the Company has not recorded a liability related to these indemnification provisions.

18. RESTRUCTURING

The Company has implemented multiple restructuring plans to reduce its cost structure, align resources with its product strategy and improve efficiency, which has resulted in workforce reductions and the consolidation of certain leased facilities.

For the three months ended March 31, 2017 and March 31, 2016, restructuring charges were comprised of the following (in thousands):

	Three Months Ended March 31,	
	2017	2016
Employee severance and related costs	\$ 6,446	\$ 35,868
Consolidation of leased facilities	1,540	9,688
Total Restructuring charges	<u>\$ 7,986</u>	<u>\$ 45,556</u>

During the three months ended March 31, 2017, the Company incurred costs of \$5.7 million related to operational initiatives designed to improve infrastructure scalability and cost saving efficiencies. The charges primarily related to employee severance. Total charges related to this initiative are expected to be approximately \$16.0 million. As of March 31, 2017, total charges incurred since inception were \$5.7 million.

During the three months ended March 31, 2017 and 2016, the Company incurred costs of \$1.2 million and \$38.5 million, respectively, primarily related to its announced plan in November 2015 to simplify the Company's enterprise go-to-market motion and roles while improving coverage, reflect changes in the Company's product focus, and balance resources with demand across the Company's marketing, general and administration areas. The charges are primarily related to employee severance, outplacement, professional service fees, and facility closing costs. The majority of the activities related to this program were substantially completed as of the end of the first quarter of 2016. As of March 31, 2017, total charges related to this program incurred since inception were \$76.4 million.

During the three months ended March 31, 2017 and 2016, the Company also recorded charges of \$0.8 million and \$7.1 million, respectively, related to its announced plan in January 2015 to increase strategic focus and operational efficiency. The charges primarily related to severance and other costs directly related to the reduction of the Company's workforce and consolidation of leased facilities. The majority of the activities related to this program were substantially completed by the end of 2015. As of March 31, 2017, total charges related to this program incurred since inception were \$93.7 million.

Restructuring accruals

The activity in the Company's restructuring accruals for the three months ended March 31, 2017 is summarized as follows (in thousands):

	Total
Balance at January 1, 2017	\$ 38,059
Restructuring charges	7,986
Payments	(4,482)
Balance at March 31, 2017	<u>\$ 41,563</u>

As of March 31, 2017, the \$41.6 million in outstanding restructuring accruals primarily relate to future payments for leased facilities.

19. RECENT ACCOUNTING PRONOUNCEMENTS

In January 2017, the Financial Accounting Standards Board issued an accounting standard update on the accounting for business combinations by clarifying the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions or disposals of assets or businesses. The new guidance is effective for annual and interim periods beginning after December 15, 2017. The Company is currently evaluating the potential impact of this standard on its financial position and results of operations.

In October 2016, the Financial Accounting Standards Board issued an accounting standard update on the accounting for income taxes, which requires entities to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transaction occurs as opposed to deferring tax consequences and amortizing them into future periods. This update is effective for annual and interim periods beginning after December 15, 2017, with early adoption permitted. A modified retrospective approach with a cumulative-effect adjustment directly to retained earnings at the beginning of the period of adoption is required. The Company does not expect the adoption of this standard to have a material impact on its consolidated financial position or results of operations.

In March 2016, the Financial Accounting Standards Board issued an accounting standard update on the accounting for stock-based compensation. The guidance requires the recognition of the income tax effects of awards in the income statement when the awards vest or are settled, thus eliminating additional paid in capital pools. The guidance also allows for the employer to repurchase more of an employee's shares for tax withholding purposes without triggering liability accounting. In addition, the guidance allows for a policy election to account for forfeitures as they occur rather than on an estimated basis. The Company adopted this standard effective January 1, 2017. The impact of the adoption on the condensed consolidated financial statements was as follows:

- *Income tax accounting* - The Company adopted the guidance related to the recognition of excess tax benefits and deficiencies as income tax expense or benefit in the Company's condensed consolidated statements of income on a prospective basis. The Company adopted on a modified retrospective basis the recognition of previously unrecognized excess tax benefits and recorded the cumulative effect of the change as a \$0.4 million increase to Retained earnings with a corresponding adjustment to Deferred tax assets, net as of January 1, 2017.
- *Forfeitures* - The Company elected to account for forfeitures as they occur on a modified retrospective basis, rather than estimate expected forfeitures and recorded the cumulative effect of the change as a \$5.7 million decrease to Retained earnings as of January 1, 2017 with a corresponding adjustment to Additional paid-in capital.
- *Cash flow presentation* - The Company elected to adopt the guidance related to the presentation of excess tax benefits in the condensed consolidated statements of cash flows on a prospective basis. The presentation requirements for cash flows related to employee taxes paid for withheld shares had no impact to any of the periods presented on the Company's condensed consolidated statements of cash flows since such cash flows have historically been presented as a financing activity.

In February 2016, the Financial Accounting Standards Board issued an accounting standard update on the accounting of leases. The new guidance requires that lessees in a leasing arrangement recognize a right-of-use asset and a lease liability for most leases (other than leases that meet the definition of a short-term lease). The liability will be equal to the present value of lease payments. The asset will be based on the liability, subject to adjustment, such as for initial direct costs. The new guidance is effective for annual reporting periods beginning after December 15, 2018. Early adoption is permitted. The new standard must be adopted using a modified retrospective transition, and provides for certain practical expedients. Transition will require application of the new guidance at the beginning of the earliest comparative period presented. The Company is currently evaluating the potential impact of this standard on its financial position and results of operations.

In July 2015, the Financial Accounting Standards Board issued an accounting standard update modifying the accounting for inventory. Under the new guidance, the measurement principle for inventory will change from lower of cost or market value to lower of cost and net realizable value. The standard defines net realizable value as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The standard is applicable to inventory that is accounted for under the first-in, first-out method and is effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years, with early adoption permitted. The Company adopted this standard effective January 1, 2017. The adoption of this guidance did not have a significant impact on the Company's financial position or results of operations.

In May 2014, the Financial Accounting Standards Board issued an accounting standard update on revenue recognition. The new guidance creates a single, principle-based model for revenue recognition and expands and improves disclosures about revenue. In July 2015, the Financial Accounting Standards Board issued an accounting standard update that defers the effective date of the new revenue recognition standard by one year. The new guidance is effective for annual reporting periods beginning on or after December 15, 2017, and must be adopted using either a full retrospective approach for all periods presented in the period of adoption or a modified retrospective approach. The Company has completed its assessment of its information technology systems, data and processes related to the implementation of this accounting standard. Additionally, the Company has substantially completed its information technology system design and solution development, and has commenced implementation of the solution in the first quarter of fiscal year 2017. The Company expects to adopt the accounting standard update on a modified retrospective basis in the first quarter of fiscal year 2018, and is currently evaluating the potential impact of this standard on its financial position and results of operations. Under the new standard the Company expects to capitalize and amortize certain commissions over the expected customer life rather than expensing them as incurred. Additionally, under the new standard, the Company would be required to recognize term license revenues upfront at time of delivery rather than ratably over the related contract period. The Company expects revenue recognition related to perpetual software, hardware, cloud offerings and professional services to remain substantially unchanged.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our operating results and financial condition have varied in the past and could in the future vary significantly depending on a number of factors. From time to time, information provided by us or statements made by our employees contain "forward-looking" information that involves risks and uncertainties. In particular, statements contained in this Quarterly Report on Form 10-Q, and in the documents incorporated by reference into this Quarterly Report on Form 10-Q, that are not historical facts, including, but not limited to, statements concerning new products, research and development, offerings of products and services, market positioning and opportunities, headcount, customer demand, distribution and sales channels, financial information and results of operations for future periods, product and price competition, strategy and growth initiatives, seasonal factors, restructuring activities, international operations, investment transactions and valuations of investments and derivative instruments, reinvestment or repatriation of foreign earnings, fluctuations in foreign exchange rates, tax matters, tax rates, the expected benefits of acquisitions, changes in domestic and foreign economic conditions and credit markets, liquidity and debt obligations, share repurchase activity, litigation and intellectual property matters, constitute forward-looking statements and are made under the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements are neither promises nor guarantees. Our actual results of operations and financial condition have varied and could in the future vary materially from those stated in any forward-looking statements. The factors described in Part I, Item 1A, "Risk Factors," in our Annual Report on Form 10-K for the year ended December 31, 2016, as may be updated in Part II, Item 1A in this Quarterly Report on Form 10-Q, among others, could cause actual results to differ materially from those contained in forward-looking statements made in this Quarterly Report on Form 10-Q, in the documents incorporated by reference into this Quarterly Report on Form 10-Q or presented elsewhere by our management from time to time. Such factors, among others, could have a material adverse effect upon our business, results of operations and financial condition. We caution readers not to place undue reliance on any forward-looking statements, which only speak as of the date made. We undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made.

Overview

Management's discussion and analysis of financial condition and results of operations is intended to help the reader understand our financial condition and results of operations. This section is provided as a supplement to, and should be read in conjunction with, our financial statements and the accompanying notes to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for the three months ended March 31, 2017. The results of operations for the periods presented in this report are not necessarily indicative of the results expected for the full year or for any future period, due in part to the seasonality of our business. Historically, our revenue for the fourth quarter of any year is typically higher than our revenue for the first quarter of the subsequent year.

Citrix delivers solutions to make applications secure and easy to access, anywhere, anytime and on any device or network. Our mission is to power a world where people, organizations and things are securely connected and accessible.

We market and license our products directly to customers, over the Web, and through systems integrators, or SIs, in addition to indirectly through value-added resellers, or VARs, value-added distributors, or VADs, original equipment manufacturers, or OEMs and service providers.

Executive Summary

Our products and services mobilize desktops, apps, data, and people to help our customers drive value. We continue driving innovation in the datacenter with our products and services across both physical and software defined networking platforms while powering some of the world's largest clouds and giving enterprises the capabilities to combine best-in-class application networking services on a single, consolidated footprint.

During the three months ended March 31, 2017, we delivered solid progress from our operational initiatives driving leverage and a strengthened product portfolio, while continuing to see a return on our go-to market investments that drive additional growth. Additionally, we are seeing an increasing shift in the way that our products are being delivered, evolving towards a more subscription-based model.

On January 31, 2017, we completed the spin-off of our GoTo Business and subsequent merger of that business with LogMeIn, Inc. pursuant to the terms of (1) an Agreement and Plan of Merger, dated as of July 26, 2016, by and among Citrix, GetGo, Inc., a wholly-owned subsidiary of Citrix, LogMeIn, and a wholly-owned subsidiary of LogMeIn ("Merger Sub"), and (2) a Separation and Distribution Agreement, dated as of July 26, 2016, by and among Citrix, LogMeIn and GetGo. As a result of the Spin-off, we distributed approximately 26.9 million shares of GetGo common stock to our stockholders of record as of the close of business on January 20, 2017. We delivered the shares of GetGo common stock to our transfer agent, who held

such shares for the benefit of our stockholders. Immediately thereafter, Merger Sub was merged with and into GetGo, with GetGo continuing as a wholly owned subsidiary of LogMeIn. As a result of the Merger, each share of GetGo common stock was converted into the right to receive one share of LogMeIn common stock. As a result of these transactions, our stockholders received approximately 26.9 million shares of LogMeIn common stock in the aggregate, or 0.171844291 of a share of LogMeIn common stock for each share of Citrix common stock held of record by our stockholders as of the close of business on January 20, 2017. No fractional shares of LogMeIn were issued, and our stockholders instead received cash in lieu of any fractional shares. The distribution of the shares of GetGo common stock to our stockholders also resulted in an adjustment to the conversion rate for our 0.500% Convertible Notes due 2019 under the terms of the related indenture. As a result of this adjustment, the conversion rate for the Convertible Notes in effect as of the opening of business on February 1, 2017 was 13.9061 shares of Citrix common stock per \$1,000 principal amount of Convertible Notes, which corresponds to a conversion price of \$71.91 per share of common stock.

As a result of the Spin-off, the GoTo Business is accounted for as a discontinued operation for all periods presented.

Summary of Results

For the three months ended March 31, 2017 compared to the three months ended March 31, 2016, a summary of our results from continuing operations included:

- Product and licenses revenue decreased 5.2% to \$191.6 million ;
- Software as a service revenue increased 24.5% to \$ 38.7 million ;
- License updates and maintenance revenue increased 2.5% to \$ 402.8 million ;
- Professional services revenue decreased 9.2% to \$ 29.6 million ;
- Gross margin as a percentage of revenue remained consistent at 84.5% ;
- Operating income from continuing operations increased 28.8% to \$ 122.6 million ; and
- Diluted net income per share from continuing operations decreased 6.4% to \$0.44 .

Our Product and licenses revenue decreased due to lower sales of our Networking products. Our Software as a service revenue increased primarily due to increased sales of our Cloud offerings. The increase in License updates and maintenance revenue was primarily due to increased sales of maintenance services across our Workspace Services and Delivery Networking products, partially offset by a decrease in our Subscription Advantage product and our technical and premier support as customers continue to migrate to our new software maintenance solutions. The decrease in Professional services revenue was primarily due to decreased implementation services and product training and certification related to our Workspace Services solutions. We currently expect total revenue to increase when comparing the second quarter of 2017 to the second quarter of 2016 and when comparing the 2017 fiscal year to the 2016 fiscal year. The increase in operating income from continuing operations was primarily due to the reduction in restructuring activities. The decrease in diluted net income per share from continuing operations was primarily due to a \$46.1 million charge to income tax expense, partially offset by an income tax benefit of \$17.8 million and an increase in operating income.

2017 Business Combination

On January 3, 2017, we acquired all of the issued and outstanding securities of Unidesk Corporation (“Unidesk”). We acquired Unidesk to enhance our application management and delivery offerings. The total cash consideration for this

transaction was approximately \$60.4 million , net of \$2.7 million cash acquired. Transaction costs associated with the acquisition are at \$0.4 million , of which we expensed \$0.1 million during the three months ended March 31, 2017 , which were included in General and administrative expense in the accompanying condensed consolidated statements of income.

2016 Business Combination

On September 7, 2016, we acquired all of the issued and outstanding securities of a privately held company. The acquisition provides a software solution that cuts the cost of desktop and application virtualization and delivers workspace performance by accelerating desktop logon and application response times for any Microsoft Windows-based environment. The total cash consideration for this transaction was approximately \$11.5 million , net of \$0.8 million cash acquired. Transaction costs were \$0.4 million , none of which were recorded during the three months ended March 31, 2017 . The assets related to this acquisition relate primarily to \$8.2 million of product technology identifiable intangible assets with a 4 year life and goodwill of \$4.7 million .

2016 Asset Acquisition

On January 8, 2016, we acquired certain monitoring technology assets from a privately-held company for total cash consideration of \$23.6 million. The acquisition provides a monitoring solution for our products as it relates to Microsoft Windows applications and desktop delivery. The identifiable intangible assets acquired related primarily to product technologies.

2016 Divestiture

On February 29, 2016, we sold our CloudPlatform and CloudPortal Business Manager products to Persistent Telecom Solutions, Inc. The agreement included contingent consideration in the form of an earnout provision based on revenue for a period of five years following the closing date. Any income associated with the contingent consideration will be recognized if the earnout provisions are met. No earnout provisions were met during the three months ended March 31, 2017 . Therefore, no income was recognized during the three months ended March 31, 2017 .

Critical Accounting Policies and Estimates

Our discussion and analysis of financial condition and results of operations are based upon our condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent liabilities. We base these estimates on our historical experience and on various other assumptions that we believe to be reasonable under the circumstances, and these estimates form the basis for our judgments concerning the carrying values of assets and liabilities that are not readily apparent from other sources. We periodically evaluate these estimates and judgments based on available information and experience. Actual results could differ from our estimates under different assumptions and conditions. If actual results significantly differ from our estimates, our financial condition and results of operations could be materially impacted. For more information regarding our critical accounting policies and estimates please refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations —Critical Accounting Policies and Estimates” contained in our Annual Report on Form 10-K for the year ended December 31, 2016, or the Annual Report, and Note 2 to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q. There have been no material changes to the critical accounting policies disclosed in the Annual Report.

Results of Operations

The following table sets forth our unaudited condensed consolidated statements of income data and presentation of that data as a percentage of change from period-to-period (in thousands):

	Three Months Ended		Three Months Ended March 31, 2017 vs. March 31, 2016
	2017	2016	
Revenues:			
Product and licenses	\$ 191,597	\$ 202,033	(5.2)%
Software as a service	38,730	31,115	24.5
License updates and maintenance	402,755	393,018	2.5
Professional services	29,595	32,607	(9.2)
Total net revenues	662,677	658,773	0.6
Cost of net revenues:			
Cost of product and license revenues	29,711	31,395	(5.4)
Cost of services and maintenance revenues	59,659	54,359	9.7
Amortization of product related intangible assets	13,088	14,057	(6.9)
Total cost of net revenues	102,458	99,811	2.7
Gross margin	560,219	558,962	0.2
Operating expenses:			
Research and development	102,669	102,232	0.4
Sales, marketing and services	246,765	233,927	5.5
General and administrative	76,211	77,819	(2.1)
Amortization of other intangible assets	3,646	3,720	(2.0)
Restructuring	7,986	45,556	(82.5)
Separation	298	456	(34.6)
Total operating expenses	437,575	463,710	(5.6)
Income from operations	122,644	95,252	28.8
Interest income	5,612	3,751	49.6
Interest expense	11,553	11,155	3.6
Other income (expense), net	3,326	(1,003)	(431.6)
Income from continuing operations before income taxes	120,029	86,845	38.2
Income tax expense	49,704	13,591	265.7
Income from continuing operations	70,325	73,254	(4.0)
(Loss) income from discontinued operations, net of income tax expense of \$2,900 and \$5,493, respectively	(42,704)	10,209	(518.3)
Net income	\$ 27,621	\$ 83,463	(66.9)

Revenues

Net revenues include Product and licenses, License updates and maintenance, Professional services and SaaS revenues related to our Cloud offerings. Product and licenses primarily represent fees related to the licensing of the following major products:

- Workspace Services is primarily comprised of our Application Virtualization products which include XenDesktop and XenApp, our Enterprise Mobility Management products which include XenMobile products and Workspace Suite;
- Networking primarily includes NetScaler ADC and Netscaler SD-WAN; and
- Our CSP program provides subscription-based services in which the CSP partners host software services to their end users. The fees from the CSP program are recognized based on usage and as the CSP services are provided to their end users.

In addition, we offer incentive programs to our VADs and VARs to stimulate demand for our products. Product and license revenues associated with these programs are partially offset by these incentives to our VADs and VARs.

License updates and maintenance consists of:

- Our Subscription Advantage program, an annual renewable program that provides subscribers with automatic delivery of unspecified software upgrades, enhancements and maintenance releases when and if they become available during the term of the subscription, for which fees are recognized ratably over the term of the contract, which is typically 12 to 24 months;
- Our maintenance fees, which include technical support and hardware and software maintenance, and which are recognized ratably over the contract term; and
- Effective July 2017, Customer Success Services will replace Software Maintenance and Subscription Advantage and will provide a higher standard of service that empowers customer success whether in the cloud, on-premises or in a hybrid environment through additional services. Customer Success Services gives customers a choice of tiered support offerings that combine the elements of product version upgrades, guidance, enablement, support and proactive monitoring to help our customers and our partners fully realize their business goals. Fees associated with this offering are recognized ratably over the term of the contract.

Professional services are comprised of:

- Fees from consulting services related to implementation of our products, which are recognized as the services are provided; and
- Fees from product training and certification, which are recognized as the services are provided.

Our SaaS revenues, which are recognized ratably over the contractual term, primarily consist of fees related to our Cloud offerings, primarily ShareFile.

	Three Months Ended		Three Months Ended
	March 31,		March 31, 2017
	2017	2016	vs. March 31, 2016
	(In thousands)		
Product and licenses	\$ 191,597	\$ 202,033	\$ (10,436)
Software as a service	38,730	31,115	7,615
License updates and maintenance	402,755	393,018	9,737
Professional services	29,595	32,607	(3,012)
Total net revenues	\$ 662,677	\$ 658,773	\$ 3,904

Product and Licenses

Product and licenses revenue decreased for the three months ended March 31, 2017 compared to the three months ended March 31, 2016 primarily due to lower sales of our Networking products. We currently expect Product and licenses revenue to decrease when comparing the second quarter of 2017 to the second quarter of 2016.

Software as a Service

Software as a service revenue increased for the three months ended March 31, 2017 compared to the three months ended March 31, 2016 primarily due to increased sales of our Cloud offerings. We currently expect Software as a service revenue to increase when comparing the second quarter of 2017 to the second quarter of 2016.

License Updates and Maintenance

In October 2016, we announced the launch of Customer Success Services, which replaced Software Maintenance and provides a higher standard of service that empowers customer success whether in the cloud, on-premises or in a hybrid environment through additional services providing expert guidance, proactive monitoring and enablement. In connection with this launch, beginning in 2017, our customers began migrating from the Subscription Advantage and Software Maintenance programs to this new offering.

License updates and maintenance revenue increased for the three months ended March 31, 2017 compared to the three months ended March 31, 2016 primarily due to an increase in hardware and software maintenance revenues of \$64.7 million, primarily driven by increased sales of maintenance revenues across our Workspace Services and Networking products, partially offset by a decrease in our Subscription Advantage product of \$45.8 million and our technical and premier support of \$9.2 million. These results are due to our new Customer Success Services offering discussed above. We currently expect License updates and maintenance revenue to increase when comparing the second quarter of 2017 to the second quarter of 2016.

Professional Services

The decrease in Professional services revenue when comparing the three months ended March 31, 2017 to the three months ended March 31, 2016 was primarily due to decreased implementation services and product training and certification related to our Workspace Services products. We currently expect Professional services revenue to decrease slightly when comparing the second quarter of 2017 to the second quarter of 2016.

Deferred Revenue

Deferred revenues are primarily comprised of License updates and maintenance revenue from maintenance fees, which include software and hardware maintenance, our Subscription Advantage product and technical support. Deferred revenues also include SaaS revenue primarily from our Cloud offerings and Professional services revenue primarily related to our consulting contracts.

Deferred revenues decreased approximately \$20.6 million as of March 31, 2017 compared to December 31, 2016 primarily due to a decrease in sales of our Subscription Advantage product of \$72.9 million and a decrease in technical and premier support of \$11.9 million, partially offset by an increase in sales of our software maintenance offerings of \$62.9 million.

International Revenues

International revenues (sales outside the United States) accounted for approximately 45.3% of our net revenues for the three months ended March 31, 2017, and 45.9% of our net revenues for the three months ended March 31, 2016. The decrease in our international revenues as a percentage of our net revenues for the periods presented is not significant. See Note 10 to our condensed consolidated financial statements for detailed information on net revenues by geography.

Cost of Net Revenues

	Three Months Ended March 31,		Three Months Ended March 31, 2017
	2017	2016	vs. March 31, 2016
	(In thousands)		
Cost of product and license revenues	\$ 29,711	\$ 31,395	\$ (1,684)
Cost of services and maintenance revenues	59,659	54,359	5,300
Amortization of product related intangible assets	13,088	14,057	(969)
Total cost of net revenues	\$ 102,458	\$ 99,811	\$ 2,647

Cost of product and license revenues consists primarily of hardware, shipping expense, royalties, product media and duplication, manuals and packaging materials. Cost of services and maintenance revenues consists primarily of compensation

and other personnel-related costs of providing technical support and consulting, as well as the costs related to providing our software as a service offerings. Also included in Cost of net revenues is amortization of product related intangible assets.

Cost of product and license revenues decreased for the three months ended March 31, 2017 compared to the three months ended March 31, 2016 was primarily due to lower overall sales of our Networking products, which contains hardware components that have a higher cost than our software products. We currently expect a decrease in Cost of product and license revenues when comparing the second quarter of 2017 to the second quarter of 2016 consistent with the expected decrease in Product and licenses revenue.

Cost of services and maintenance revenues increased for the three months ended March 31, 2017 compared to the three months ended March 31, 2016 primarily due to an increase in sales of our Cloud offerings. We currently expect Cost of services and maintenance revenues to increase when comparing the second quarter of 2017 to the second quarter of 2016, consistent with the expected increases in Software as a service revenue and License updates and maintenance revenue as discussed above.

Gross Margin

Gross margin as a percentage of revenue was 84.5% for the three months ended March 31, 2017 and 84.8% for the three months ended March 31, 2016 . The change in gross margin when comparing the three months ended March 31, 2017 to March 31, 2016 was not significant.

Operating Expenses

Foreign Currency Impact on Operating Expenses

The functional currency for all of our wholly-owned foreign subsidiaries is the U.S. dollar. A substantial majority of our overseas operating expenses and capital purchasing activities are transacted in local currencies and are therefore subject to fluctuations in foreign currency exchange rates. In order to minimize the impact on our operating results, we generally initiate our hedging of currency exchange risks up to 12 months in advance of anticipated foreign currency expenses. When the dollar is weak, the resulting increase to foreign currency denominated expenses will be partially offset by the gain in our hedging contracts. When the dollar is strong, the resulting decrease to foreign currency denominated expenses will be partially offset by the loss in our hedging contracts. There is a risk that there will be fluctuations in foreign currency exchange rates beyond the timeframe for which we hedge our risk.

Research and Development Expenses

	Three Months Ended		Three Months Ended	
	March 31,		March 31, 2017	
	2017	2016	vs. March 31, 2016	
	(In thousands)			
Research and development	\$ 102,669	\$ 102,232	\$	437

Research and development expenses consisted primarily of personnel related costs and facility and equipment costs directly related to our research and development activities. We expensed substantially all development costs included in the research and development of our products.

Research and development expenses increased during the three months ended March 31, 2017 compared to the three months ended March 31, 2016 primarily due to an increase in compensation and other employee-related costs of \$4.0 million primarily related to a net increase in headcount and an increase in stock-based compensation of \$1.9 million. These increases are partially offset by a decrease in facility and equipment costs of \$3.3 million and consulting fees of \$2.2 million.

Sales, Marketing and Services Expenses

	Three Months Ended		Three Months Ended	
	March 31,		March 31, 2017	
	2017	2016	vs. March 31, 2016	
	(In thousands)			
Sales, marketing and services	\$ 246,765	\$ 233,927	\$	12,838

Sales, marketing and services expenses consisted primarily of personnel related costs, including sales commissions, pre-sales support, the costs of marketing programs aimed at increasing revenue, such as brand development, advertising, trade shows, public relations and other market development programs and costs related to our facilities, equipment and information systems that are directly related to our sales, marketing and services activities.

Sales, marketing and services expenses increased during the three months ended March 31, 2017 compared to the three months ended March 31, 2016 primarily due to an increase in compensation and other employee-related costs, including variable compensation, of \$9.8 million primarily related to a net increase in headcount, an increase in cloud infrastructure costs of \$2.8 million and an increase in marketing programs of \$2.4 million. These increases are partially offset by a decrease in certain facility and depreciation costs of \$4.9 million.

General and Administrative Expenses

	Three Months Ended March 31,		Three Months Ended
	2017	2016	March 31, 2017 vs. March 31, 2016
(In thousands)			
General and administrative	\$ 76,211	\$ 77,819	\$ (1,608)

General and administrative expenses consisted primarily of personnel related costs and expenses related to outside consultants assisting with information systems, as well as accounting and legal fees.

General and administrative expenses decreased for the three months ended March 31, 2017 compared to the three and months ended March 31, 2016 primarily due to a decrease in stock-based compensation of \$3.9 million, partially offset by an increase in certain facility and information technology related costs of \$1.9 million.

Restructuring Expenses

	Three Months Ended March 31,		Three Months Ended
	2017	2016	March 31, 2017 vs. March 31, 2016
(In thousands)			
Restructuring	\$ 7,986	\$ 45,556	\$ (37,570)

During the three months ended March 31, 2017 , we incurred costs of \$5.7 million related to operational initiatives designed to improve infrastructure scalability and cost saving efficiencies. The charges primarily related to employee severance. Total charges related to this initiative are expected to be approximately \$16.0 million . As of March 31, 2017 , total charges incurred since inception were \$5.7 million .

During the three months ended March 31, 2017 and 2016 , we incurred costs of \$1.2 million and \$38.5 million , respectively, primarily related to our announced plan in November 2015 to simplify our enterprise go-to-market motion and roles while improving coverage, reflect changes in our product focus, and balance resources with demand across our marketing, general and administration areas. The charges are primarily related to employee severance, outplacement, professional service fees, and facility closing costs. The majority of the activities related to this program were substantially completed as of the end of the first quarter of 2016. As of March 31, 2017 , total charges related to this program incurred since inception were \$76.4 million .

During the three months ended March 31, 2017 and 2016 , we also recorded charges of \$0.8 million and \$7.1 million , respectively, related to our announced plan in January 2015 to increase strategic focus and operational efficiency. The charges primarily related to the severance and other costs directly related to the reduction of our workforce and consolidation of leased facilities. The majority of the activities related to this program were substantially completed by the end of 2015. As of March 31, 2017 , total charges related to this program incurred since inception were \$93.7 million . For more information, see Note 18 to our condensed consolidated financial statements.

2017 Operating Expense Outlook

When comparing the second quarter of 2017 to the second quarter of 2016, we currently expect an overall increase in Operating expenses with an expected increase in Sales, marketing and services related to go-to market investments to drive growth, while remaining at consistent levels across the other functional areas.

Interest Income

	Three Months Ended		Three Months Ended
	March 31,		March 31, 2017
	2017	2016	vs. March 31, 2016
	(In thousands)		
Interest income	\$ 5,612	\$ 3,751	\$ 1,861

Interest income primarily consists of interest earned on our cash, cash equivalents and investment balances. Interest income increased for the three months ended March 31, 2017 compared to the three months ended March 31, 2016 due to overall balances and higher yields on investments. See Note 6 for investment information.

Other Income (Expense), Net

	Three Months Ended		Three Months Ended
	March 31,		March 31, 2017
	2017	2016	vs. March 31, 2016
	(In thousands)		
Other income (expense), net	\$ 3,326	\$ (1,003)	\$ 4,329

Other income (expense), net is primarily comprised of gains (losses) from remeasurement of foreign currency transaction, realized losses related to changes in the fair value of our investments that have a decline in fair value considered other-than-temporary and recognized gains (losses) related to our investments, which was not material for all periods presented.

The change in Other income (expense), net during the three months ended March 31, 2017 compared to the three months ended March 31, 2016 is primarily driven by a decrease in net losses on remeasurement and settlements of foreign currency transactions.

Income Taxes

We are required to estimate our income taxes in each of the jurisdictions in which we operate as part of the process of preparing our condensed consolidated financial statements. We maintain certain strategic management and operational activities in overseas subsidiaries and our foreign earnings are taxed at rates that are generally lower than in the United States. We do not expect to remit earnings from our foreign subsidiaries.

In March 2016, the Financial Accounting Standards Board issued an accounting standard update on the accounting of stock-based compensation to provide guidance that changes the accounting for certain aspects of share-based payments to employees. The guidance requires, among other things, the recognition of the income tax effects of awards in the income statement when the awards vest or are settled, thus eliminating additional paid-in capital pools. We adopted this standard in the first quarter of 2017. There was no material impact upon adoption of this guidance since the recognition of income tax effects of awards was not materially different from amounts previously recorded in our financial statements.

Our continuing operations effective tax rate was approximately 41.4% and 15.7% for the three months ended March 31, 2017 and 2016, respectively. The increase in the effective tax rate when comparing the three months ended March 31, 2017 to the three months ended March 31, 2016 was due to a tax charge and a tax benefit unique to the period. These amounts include a \$46.1 million income tax charge to establish a valuation allowance due to a change in expectation of realizability of state R&D credits arising from the separation of the GoTo Business. This charge was partially offset by a \$17.8 million benefit due to the adoption of the accounting standard update requiring recognition of income taxes related to stock-based compensation when the awards vest or settle.

Our net unrecognized tax benefits totaled approximately \$73.4 million and \$69.8 million as of March 31, 2017 and December 31, 2016 respectively. All amounts included in the balance at March 31, 2017 for tax positions would affect the annual effective tax rate if recognized. We have \$2.8 million accrued for the payment of interest and penalties as of March 31, 2017 .

We and one or more of our subsidiaries are subject to federal income taxes in the United States, as well as income taxes of multiple state and foreign jurisdictions. We are currently not subject to a U.S. federal income tax examination. With few exceptions, we are generally not under examination for state and local income tax, or non-U.S. jurisdictions by tax authorities for years prior to 2013.

In the ordinary course of global business, there are transactions for which the ultimate tax outcome is uncertain; thus, judgment is required in determining the worldwide provision for income taxes. We provide for income taxes on transactions based on our estimate of the probable liability. We adjust our provision as appropriate for changes that impact our underlying judgments. Changes that impact provision estimates include such items as jurisdictional interpretations on tax filing positions based on the results of tax audits and general tax authority rulings. Due to the evolving nature of tax rules combined with the large number of jurisdictions in which we operate, it is possible that our estimates of our tax liability and the realizability of our deferred tax assets could change in the future, which may result in additional tax liabilities and adversely affect our results of operations, financial condition and cash flows.

At March 31, 2017 , we had approximately \$ 163.8 million in net deferred tax assets from continuing operations. The authoritative guidance requires a valuation allowance to reduce the deferred tax assets reported if, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. We review deferred tax assets periodically for recoverability and make estimates and judgments regarding the expected geographic sources of taxable income and gains from investments, as well as tax planning strategies in assessing the need for a valuation allowance. During the quarter ended March 31, 2017 , we determined a \$61.9 million valuation allowance relating to continuing operations deferred tax assets for net operating losses and tax credits was necessary. If the estimates and assumptions used in our determination change in the future, we could be required to revise our estimates of the valuation allowances against our deferred tax assets and adjust our provisions for additional income taxes.

Our effective tax rate generally differs from the U.S. federal statutory rate of 35% due primarily to lower tax rates on earnings generated by our foreign operations that are taxed primarily in Switzerland. We have not provided for U.S. taxes for those earnings because we plan to reinvest all of those earnings indefinitely outside the United States. From time to time, there may be other items that impact our effective tax rate, such as the items specific to the current period discussed above.

Liquidity and Capital Resources

During the three months ended March 31, 2017 , we generated continuing operating cash flows of \$ 291.5 million . These continuing operating cash flows related primarily to net income from continuing operations of \$70.3 million , adjusted for, among other things, deferred income tax expense of \$67.5 million , non-cash charges, depreciation and amortization expenses of \$39.9 million , and stock-based compensation expense of \$34.8 million . Also contributing to these cash inflows was a change in operating assets and liabilities of \$ 72.8 million , net of effect of our acquisitions. The change in our net operating assets and liabilities was primarily a result of an inflow in accounts receivable of \$197.4 million driven by an increase in collections from higher prior period bookings. These inflows are partially offset by changes in income taxes, net of \$30.2 million mostly due to an increase in prepaid taxes and a decrease in income taxes payable, changes in accrued expenses and other liabilities \$28.0 million primarily due to a decrease in employee-related accruals, changes in deferred revenue of \$26.1 million , and a decrease in prepaid expenses and other current assets of \$22.7 million . Our continuing investing activities provided \$168.6 million of cash consisting primarily of net proceeds from the sale of investments of \$250.8 million , partially offset by cash paid for acquisitions of \$60.4 million and cash paid for the purchase of property and equipment of \$ 19.7 million . Our financing activities used cash of \$ 466.5 million primarily due to cash paid for stock repurchases of \$500.0 million , cash paid for tax withholding on vested stock awards of \$34.9 million , and the transfer of cash to the GoTo Business resulting from the separation of \$28.5 million , partially offset by proceeds from the credit facility \$100.0 million .

During the three months ended March 31, 2016 , we generated continuing operating cash flows of \$307.5 million . These continuing operating cash flows related primarily to net income from continuing operations of \$73.3 million , adjusted for, among other things, non-cash charges, depreciation and amortization expenses of \$44.5 million and stock-based compensation expense of \$36.1 million . Also contributing to these cash inflows was a change in operating assets and liabilities of \$144.4 million , net of effect of our acquisitions. The change in our net operating assets and liabilities was primarily a result of an inflow in accounts receivable of \$218.8 million driven by an increase in collections from higher prior period bookings, partially offset by changes in deferred revenue of \$43.1 million and prepaid expenses and other current assets of \$22.9 million . Our continuing investing activities used \$142.7 million of cash consisting primarily of net purchases from investments of \$92.5

million, cash paid for the purchase of property and equipment of \$26.3 million, and cash paid for licensing agreements and technology \$24.1 million. Our financing activities used cash of \$39.2 million primarily due to cash paid for stock repurchases of \$28.7 million and cash paid for tax withholding on vested stock awards of \$22.4 million, partially offset by the issuance of common stock under our employee stock-based compensation plans of \$6.0 million.

Credit Facility

On January 7, 2015, we entered into a credit agreement, or Credit Agreement with Bank of America, N.A., as Administrative Agent, and the other lenders party thereto from time to time collectively, the Lenders. The Credit Agreement provides for a \$250.0 million unsecured revolving credit facility for a term of five years. During the three ended March 31, 2017, we drew \$100.0 million, which remains outstanding as of March 31, 2017. We may elect to increase the revolving credit facility by up to \$250.0 million if existing or new lenders provide additional revolving commitments in accordance with the terms of the Credit Agreement. The proceeds of borrowings under the Credit Agreement may be used for working capital and general corporate purposes, including acquisitions. Borrowings under the Credit Agreement will bear interest at a rate equal to either (a) a customary London interbank offered rate formula or (b) a customary base rate formula, plus the applicable margin with respect thereto, in each case as set forth in the Credit Agreement. The weighted average interest rate for the period that amounts were outstanding under the Credit Facility was 2.70%.

The Credit Agreement requires us to maintain a consolidated leverage ratio of not more than 3.5 : 1.0 and a consolidated interest coverage ratio of not less than 3.0 : 1.0. The Credit Agreement includes customary events of default, with corresponding grace periods in certain circumstances, including, without limitation, payment defaults, cross-defaults, the occurrence of a change of control and bankruptcy-related defaults. The Lenders are entitled to accelerate repayment of the loans under the Credit Agreement upon the occurrence of any of the events of default. In addition, the Credit Agreement contains customary affirmative and negative covenants, including covenants that limit or restrict our ability to grant liens, merge or consolidate, dispose of all or substantially all of our assets, change our business and incur subsidiary indebtedness, in each case subject to customary exceptions for a credit facility of this size and type. In addition, the Credit Agreement contains customary representations and warranties. Please see Note 12 to our condensed consolidated financial statements for additional details on our Credit Agreement.

Convertible Senior Notes

In April 2014, we completed a private placement of \$1.44 billion principal amount of 0.500% Convertible Senior Notes due 2019, or the Convertible Notes. The net proceeds from this offering were approximately \$1.42 billion (including the proceeds from the Over-Allotment Option), after deducting the initial purchasers' discounts and commissions and the offering expenses payable by us. We used approximately \$82.6 million of the net proceeds to pay the cost of certain bond hedges entered into in connection with the offering (after such cost was partially offset by the proceeds to us from certain warrant transactions). Please see Note 11 to our condensed consolidated financial statements for additional details on the Convertible Notes offering and the related bond hedges and warrant transactions.

We used the remainder of the net proceeds from the offering and a portion of our existing cash and investments to purchase an aggregate of approximately \$1.5 billion of our common stock under our share repurchase program. We used approximately \$101.0 million to purchase shares of our common stock from certain purchasers of the Convertible Notes in privately negotiated transactions concurrently with the closing of the offering, and the remaining \$1.4 billion to purchase additional shares of our common stock through an accelerated share repurchase transaction, or the ASR, which we entered into with Citibank, N.A., or Citibank, on April 25, 2014.

As a result of the structure of the Reverse Morris Trust (RMT) transaction with LogMeIn, Inc., and the notification on October 10, 2016 to noteholders in accordance with the Indenture, the Convertible Notes became convertible until the earlier of (1) the close of business on the business day immediately preceding the ex-dividend date for the distribution of the outstanding shares of GetGo common stock to our stockholders by way of a pro rata dividend, and (2) our announcement that such distribution will not take place, even though the Convertible Notes were not otherwise convertible at December 31, 2016.

The conversion period for the Convertible Notes that commenced on October 10, 2016 in connection with the distribution terminated as of the close of business on January 31, 2017. As a result, the Convertible Notes were reclassified to Other liabilities from Current liabilities and the amount previously recorded as Temporary equity was reclassified to Stockholders' equity as of March 31, 2017. The distribution also resulted in an adjustment to the conversion rate for the Convertible Notes under the terms of the Indenture. As a result of this adjustment, the conversion rate for the Convertible Notes was re-set as of the opening of business on February 1, 2017 to 13.9061 shares of our common stock per \$1,000 principal amount of Convertible Notes, which corresponds to a conversion price of \$71.91 per share of common stock. Similar adjustments were

made to the conversion rates for the convertible note hedge and warrant transactions as of the opening of business on February 1, 2017.

Historically, significant portions of our cash inflows were generated by our operations. We currently expect this trend to continue throughout 2017. We believe that our existing cash and investments together with cash flows expected from continuing operations will be sufficient to meet expected operating and capital expenditure requirements for the next 12 months. We continue to search for suitable acquisition candidates and could acquire or make investments in companies we believe are related to our strategic objectives. We could from time to time continue to seek to raise additional funds through the issuance of debt or equity securities for larger acquisitions, potential redemption of our Convertible Notes and for general corporate purposes.

Cash, Cash Equivalents and Investments

	March 31, 2017		December 31, 2016		2017 Compared to 2016
	(In thousands)				
Cash, cash equivalents and investments	\$ 2,366,252	\$	2,543,160	\$	(176,908)

The decrease in Cash, cash equivalents and investments when comparing March 31, 2017 to December 31, 2016, is primarily due to cash paid for stock repurchases of \$500.0 million, cash paid for acquisitions of \$60.4 million, cash paid for tax withholding on vested stock awards of \$34.9 million, transfer of \$28.5 million in cash to the GoTo Business resulting from the separation, and the purchase of property and equipment of \$ 19.7 million, partially offset by cash provided by our continuing operating activities of \$291.5 million and proceeds from our credit facility of \$100.0 million.

As of March 31, 2017, \$2.26 billion of the \$2.37 billion of Cash, cash equivalents and investments was held by our foreign subsidiaries. If these funds are needed for our operations in the United States, we would be required to accrue and pay U.S. taxes to repatriate these funds. Our current plans are not expected to require repatriation of cash and investments to fund our U.S. operations and, as a result, we intend to permanently reinvest our foreign earnings. We generally invest our cash and cash equivalents in investment grade, highly liquid securities to allow for flexibility in the event of immediate cash needs. Our short-term and long-term investments primarily consist of interest-bearing securities.

Fair Value Measurements

The authoritative guidance defines fair value as an exit price, representing the amount that would either be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- *Level 1.* Observable inputs such as quoted prices in active markets for identical assets or liabilities;
- *Level 2.* Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- *Level 3.* Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Available-for-sale securities included in Level 2 are valued utilizing inputs obtained from an independent pricing service, or the Service, which uses quoted market prices for identical or comparable instruments rather than direct observations of quoted prices in active markets. The Service applies a four level hierarchical pricing methodology to all of our fixed income securities based on the circumstances. The hierarchy starts with the highest priority pricing source, then subsequently uses inputs obtained from other third-party sources and large custodial institutions. The Service's providers utilize a variety of inputs to determine their quoted prices. These inputs may include interest rates, known historical trades, yield curve information, benchmark data, prepayment speeds, credit quality and broker/dealer quotes. Substantially all of our available-for-sale investments are valued utilizing inputs obtained from the Service and accordingly are categorized as Level 2. We periodically independently assess the pricing obtained from the Service and historically have not adjusted the Service's pricing as a result of this assessment. Available-for-sale securities are included in Level 3 when relevant observable inputs for a security are not available.

Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the classification of assets and liabilities within the fair value hierarchy. In certain instances, the inputs used to measure fair value may meet the definition of more than one level of the fair value hierarchy. The input with the lowest level priority is used to determine the applicable level in the fair value hierarchy.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Our fixed income available-for-sale security portfolio generally consists of investment grade securities from diverse issuers with a minimum credit rating of A-/A3 and a weighted average credit rating of AA-/Aa3. We value these securities based on pricing from the Service, whose sources may use quoted prices in active markets for identical assets (Level 1 inputs) or inputs other than quoted prices that are observable either directly or indirectly (Level 2 inputs) in determining fair value, and accordingly, we classify all of our fixed income available-for-sale securities as Level 2.

We measure our cash flow hedges, which are classified as Prepaid expenses and other current assets and Accrued expenses and other current liabilities, at fair value based on indicative prices in active markets (Level 2 inputs).

Assets Measured at Fair Value on a Non-recurring Basis Using Significant Unobservable Inputs (Level 3)

During the three months ended March 31, 2017, certain cost method investments with a combined carrying value of \$2.6 million were determined to be impaired and written down to their estimated fair values of \$1.2 million. Accordingly, we recorded \$1.4 million of impairment charges during the three months ended March 31, 2017, which are included in Other income (expense), net in the accompanying condensed consolidated statements of income. For the three months ended March 31, 2016, we determined that certain cost method investments were impaired and recorded a charge of \$0.3 million, which was included in Other income (expense), net in the accompanying condensed consolidated statements of income. In determining the fair value of cost method investments, we consider many factors including but not limited to operating performance of the investee, the amount of cash that the investee has on-hand, the ability to obtain additional financing and the overall market conditions in which the investee operates. The fair value of the cost method investments represent a Level 3 valuation as the assumptions used in valuing these investments were not directly or indirectly observable.

For certain intangible assets where the unamortized balances exceeded the undiscounted future net cash flows, we measure the amount of the impairment by calculating the amount by which the carrying values exceed the estimated fair values, which are based on projected discounted future net cash flows. These non-recurring fair value measurements are categorized as Level 3 significant unobservable inputs. See Note 9 to our condensed consolidated financial statements for detailed information related to Goodwill and Other Intangible Assets.

Accounts Receivable, Net

	March 31, 2017	December 31, 2016	2017 Compared to 2016
	(In thousands)		
Accounts receivable	\$ 491,204	\$ 687,089	\$ (195,885)
Allowance for returns	(1,598)	(1,994)	396
Allowance for doubtful accounts	(3,837)	(3,889)	52
Accounts receivable, net	<u>\$ 485,769</u>	<u>\$ 681,206</u>	<u>\$ (195,437)</u>

The decrease in Accounts receivable, net, when comparing March 31, 2017 to December 31, 2016 was primarily due to lower bookings during the three months ended March 31, 2017. The activity in our Allowance for returns was comprised primarily of \$1.6 million in credits issued for returns during the three month period ended March 31, 2017, partially offset by \$1.2 million of provisions for returns recorded during the three month period ended March 31, 2017. The activity in our Allowance for doubtful accounts was comprised primarily of \$1.0 million of uncollectible accounts written off, net of recoveries during the three month period ended March 31, 2017, partially offset by \$0.9 million in provisions for doubtful accounts. From time to time, we could maintain individually significant accounts receivable balances from our distributors or customers, which are comprised of large business enterprises, governments and small and medium-sized businesses. If the financial condition of our distributors or customers deteriorates, our operating results could be adversely affected.

Stock Repurchase Programs

Our Board of Directors authorized an ongoing stock repurchase program with a total repurchase authority granted to us of \$6.8 billion, of which \$500.0 million was approved in January 2017. We may use the approved dollar authority to repurchase stock at any time until the approved amount is exhausted. The objective of our stock repurchase program is to improve stockholders' returns. At March 31, 2017, approximately \$404.0 million was available to repurchase common stock pursuant to the stock repurchase program. All shares repurchased are recorded as treasury stock. A portion of the funds used to repurchase stock over the course of the program was provided by net proceeds from employee stock option exercises and the related tax benefit.

We are authorized to make open market purchases of our common stock using general corporate funds through open market purchases or pursuant to a Rule 10b5-1 plan or in privately negotiated transactions.

During the three months ended March 31, 2017 , we expended approximately \$500.0 million on open market purchases under the stock repurchase program, repurchasing 6,399,499 shares of outstanding common stock at an average price of \$78.13 .

During the three months ended March 31, 2016 , we expended approximately \$28.7 million on open market purchases under the stock repurchase program, repurchasing 426,300 shares of outstanding common stock at an average price of \$67.30 .

Shares for Tax Withholding

During the three months ended March 31, 2017 , we withheld 691,154 shares from equity awards that vested, totaling \$57.0 million , to satisfy minimum tax withholding obligations that arose on the vesting of such equity awards. During the three months ended March 31, 2016 , we withheld 428,838 shares from equity awards that vested, totaling \$32.9 million , to satisfy minimum tax withholding obligations that arose on the vesting of such equity awards. These shares are reflected as treasury stock in our condensed consolidated balance sheets and the related cash outlays do not reduce our total stock repurchase authority.

Off-Balance Sheet Arrangements

We do not have any special purpose entities or off-balance sheet financing arrangements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There were no material changes during the quarter ended March 31, 2017 with respect to the information appearing in Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk,” of our Annual Report on Form 10-K for the year ended December 31, 2016 .

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of March 31, 2017 , our management, with the participation of our principal executive and principal financial officers, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15(b) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Based upon that evaluation, our principal executive officer and our principal financial officer concluded that, as of March 31, 2017 , our disclosure controls and procedures were effective in ensuring that material information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms, including ensuring that such material information is accumulated by and communicated to our management, including our principal executive officer and our principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

During the quarter ended March 31, 2017 , we implemented a series of changes to our information technology environment, which includes our financial reporting systems as a result of the spin-off of the GoTo Business. Additionally, during the first quarter of fiscal year 2017, we completed the implementation of a new payroll system. In conjunction with the implementation, we modified processes impacted by the new system, such as transaction processing, user access security, authorization procedures and system reporting.

Except as described above, there were no changes in our internal control over financial reporting that materially affected, or were reasonably likely to materially affect, our internal control over financial reporting during the quarter March 31, 2017 .

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Due to the nature of our business, we are subject to patent infringement claims, including current suits against us or one or more of our wholly-owned subsidiaries alleging infringement by various Citrix products and services. We believe that we have meritorious defenses to the allegations made in our pending cases and intend to vigorously defend these lawsuits; however, we are unable currently to determine the ultimate outcome of these or similar matters or the potential exposure to loss, if any. In addition, we are a defendant in various litigation matters generally arising out of the normal course of business. Although it is difficult to predict the ultimate outcomes of these cases, we believe that it is not reasonably possible that the ultimate outcomes will materially and adversely affect our business, financial position, results of operations or cash flows.

ITEM 1A. RISK FACTORS

There have been no material changes in our risk factors from those disclosed in Part 1, Item 1A, "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, which was filed with the Securities and Exchange Commission on February 16, 2017.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**Purchases of Equity Securities by the Issuer**

Our Board of Directors has authorized an ongoing stock repurchase program with a total repurchase authority granted to us of \$6.8 billion , of which \$500.0 million was approved in January 2017. The objective of the stock repurchase program is to improve stockholders' returns. As of March 31, 2017 , approximately \$404.0 million was available to repurchase common stock pursuant to the stock repurchase program. All shares repurchased are recorded as treasury stock. The following table shows the monthly activity related to our stock repurchase program for the quarter ended March 31, 2017 :

	Total Number of Shares (or Units) Purchased (1)	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (In thousands) (2)
January 1, 2017 through January 31, 2017	40,086	\$ 90.60	—	\$ 904,006
February 1, 2017 through February 28, 2017	6,638,157	78.16	6,399,499	404,006
March 1, 2017 through March 31, 2017	412,410	83.61	—	404,006
Total	<u>7,090,653</u>		<u>6,399,499</u>	404,006

(1) Represents shares acquired in open market purchases and 691,154 shares withheld from restricted stock units and stock awards that vested in the first quarter of 2017 to satisfy minimum tax withholding obligations that arose on the vesting of such restricted stock units and stock awards. We expended approximately \$500.0 million in open market share repurchases during the quarter ended March 31, 2017 . For more information see Note 16 to our condensed consolidated financial statements.

(2) Shares withheld from restricted stock units and stock awards that vested to satisfy minimum tax withholding obligations that arose on the vesting of awards do not deplete the dollar amount available for purchases under the repurchase program.

ITEM 5. OTHER INFORMATION*Rule 10b5-1 Trading Plans*

Not applicable.

ITEM 6. EXHIBITS**(a) List of exhibits**

Exhibit No.	Description
10.1*	Employment Agreement, dated January 18, 2017, by and between Citrix Systems, Inc. and Robert M. Calderoni (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on January 20, 2017)
10.2*	Form of Executive Agreement by and between Citrix Systems, Inc. and each of David J. Henshall, Carlos E. Sartorius and Timothy Minahan (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed on January 20, 2017)
10.3*	Form of Global Restricted Stock Unit Agreement under the Citrix Systems, Inc. 2014 Equity Incentive Plan (Time Based Awards)
10.4*	Form of Global Restricted Stock Unit Agreement under the Citrix Systems, Inc. 2014 Equity Incentive Plan (Performance Based Awards)
31.1	Rule 13a-14(a) / 15d-14(a) Certification of Principal Executive Officer
31.2	Rule 13a-14(a) / 15d-14(a) Certification of Principal Financial Officer
32.1†	Section 1350 Certification of Principal Executive Officer and Principal Financial Officer
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Indicates a management contract or a compensatory plan, contract or arrangements.

† Furnished herewith.

SIGNATURE

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 thereunto duly authorized on this 8th day of May, 2017.

CITRIX SYSTEMS, INC.

By:

/s/ DAVID J. H ENSHALL

David J. Henshall

Executive Vice President, Chief Operating Officer and Chief Financial Officer

(Authorized Officer and Principal Financial Officer)

EXHIBIT INDEX

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101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Indicates a management contract or a compensatory plan, contract or arrangements.

† Furnished herewith.

GLOBAL RESTRICTED STOCK UNIT AGREEMENT
UNDER THE CITRIX SYSTEMS, INC.
2014 EQUITY INCENTIVE PLAN

Name of Awardee: [Name]

Award Date: [Date]

Number of Restricted Stock Units: [Number of shares]

Pursuant to the Citrix Systems, Inc. 2014 Equity Incentive Plan (as amended from time to time, the “Plan”), Citrix Systems, Inc. (the “Company”) hereby grants an Award (as defined in the Plan) of Restricted Stock Units (as defined in the Plan) to the awardee named above (the “Awardee”). Upon acceptance of this Agreement, including any appendix for Awardee’s country (the “Appendix” and together with this Agreement, the “Award Agreement”), Awardee shall receive the number of Restricted Stock Units specified above, subject to the restrictions and conditions set forth in this Award Agreement and in the Plan.

1. Vesting. No portion of this Award may be settled until such portion shall have vested. Except as otherwise provided herein, the Restricted Stock Units vest in three annual installments, with 33.4% vesting on the first anniversary of the Award Date and 33.3% vesting on each of the second and third anniversaries of the Award Date, provided in each case that the Awardee is then, and since the Award Date has continuously been, employed by the Company or its Affiliates.

2. Issuance of Stock.

(a) Each vested Restricted Stock Unit entitles Awardee to receive one share of the Company’s common stock, par value \$.001 per share (the “Stock”), upon issuance on each vesting date for such Restricted Stock Unit (the “Vesting Date”).

(b) As soon as practicable after the Vesting Date (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Awardee’s name shall be entered as the stockholder of record on the books and records of the Company with respect to the shares of Stock underlying the Restricted Stock Units issued in accordance with Section 2(a) and upon compliance to the satisfaction of the Committee with all requirements under applicable laws or regulations in connection with such issuance and with the requirements hereof and of the Plan. The determination of the Committee as to such compliance shall be final and binding on Awardee.

(c) Until such time as shares of Stock have been issued to Awardee pursuant to Section 2(b) above, Awardee shall not have any rights as a holder of the shares of Stock underlying this Award, including but not limited to voting rights.

(d) If on any date the Company shall pay any dividend on shares of Stock, the Committee shall, in its discretion, either:

(i) make a proportionate award (based on the dividend paid) of Dividend Equivalent Rights under the Plan with respect to the unvested Restricted Stock Units hereunder, which Dividend Equivalent Rights shall vest and be settled under the same terms and conditions as the underlying

Restricted Stock Units pursuant to Section 2(b), provided that such Dividend Equivalent Rights shall be promptly forfeited if and when the Restricted Stock Units are forfeited; or

(ii) take necessary action such that the number of Restricted Stock Units credited to Awardee shall, as of such date, be increased by an amount determined by the following formula:

$W = (X \text{ multiplied by } Y) \text{ divided by } Z$, where:

W = the number of additional Restricted Stock Units to be credited to Awardee on such dividend payment date;

X = the aggregate number of Restricted Stock Units (whether vested or unvested) credited to Awardee as of the record date of the dividend;

Y = the cash dividend per share amount; and

Z = the Fair Market Value per share of Stock (as determined under the Plan) on the dividend payment date.

In the case of a dividend paid on Stock in the form of Stock, including without limitation a distribution of Stock by reason of a stock dividend, stock split or otherwise, the number of Restricted Stock Units credited to Awardee shall be increased by a number equal to the product of (A) the aggregate number of Restricted Stock Units that have been awarded to Awardee through the related dividend record date, and (B) the number of shares of Stock (including any fraction thereof) payable as dividend on one share of Stock. In the case of a dividend payable in property other than shares of Stock or cash, the per share of Stock value of such dividend shall be determined in good faith by the Board and shall be converted to additional Restricted Stock Units based on the formula above. Any additional Restricted Stock Units shall be subject to the vesting and restrictions of this Award Agreement in the same manner and for so long as the Restricted Stock Units granted pursuant to this Award Agreement to which they relate remain subject to such vesting and restrictions, and shall be promptly forfeited to the Company if and when such Restricted Stock Units are so forfeited.

3. Termination of Employment. If Awardee's employment by the Company or any of its Affiliates (as defined in the Plan) is voluntarily or involuntarily terminated for any reason (including death or disability and regardless of whether an Awardee continues to be considered an employee under local labor laws), Awardee's right in any Restricted Stock Units that are not vested shall automatically terminate as of the date that Awardee is no longer actively employed by the Company and its Affiliates, as determined by the Committee or any of its delegates in its, his or her sole discretion (the "Termination Date"), and such Restricted Stock Units shall be canceled and shall be of no further force and effect. In the event of such termination, the Company, as soon as practicable following the Termination Date (but in no event later than two and one-half months after the end of the year in which the Termination Date occurs), shall issue shares of Stock to Awardee (or Awardee's designated beneficiary or estate executor, as applicable, in the event of Awardee's death) with respect to any Restricted Stock Units which, as of the Termination Date, have vested but for which shares of Stock had not yet been issued to Awardee.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Award shall be subject to and governed by all the terms and conditions of the Plan. Capitalized terms in this Award Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Award Agreement and the Award are personal to Awardee, non-assignable and not transferable in any manner, by operation of law or otherwise, other than by will or the

laws of descent and distribution. If Awardee is a U.S. employee (as determined by the Committee or any of its delegates in its, his or her sole discretion), Awardee may be permitted to designate a beneficiary with respect to the shares of Stock to be issued upon vesting of the Award.

6. Tax Withholding. Regardless of any action the Company or, if different, Awardee's employer (the "Employer") takes with respect to any or all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Awardee's participation in the Plan and legally applicable to Awardee ("Tax-Related Items"), Awardee acknowledges that the ultimate liability for all Tax-Related Items is and remains his or her responsibility and that such liability may exceed the amount actually withheld by the Company or the Employer. Awardee further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the issuance of Stock upon settlement of the Restricted Stock Units, the subsequent sale of Stock and the receipt of any dividends and/or any dividend equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Awardee's liability for Tax-Related Items or achieve any particular tax result. Further, if Awardee has become subject to tax in more than one jurisdiction between the Award Date and the date of any relevant taxable or tax withholding event, as applicable, Awardee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Awardee's Tax-Related Items subject to a withholding obligation by the Company and/or the Employer shall be satisfied through a net issuance of shares. The Company shall withhold from shares of Stock to be issued to Awardee a number of shares of Stock with an aggregate Fair Market Value that would satisfy the Tax-Related Items due. Alternatively, or in addition, the Company or the Employer may decide in their sole and absolute discretion to satisfy Awardee's obligation for Tax-Related Items by one or a combination of the following: (i) withholding from proceeds of the sale of shares of Stock acquired upon vesting/settlement of the Restricted Stock Units either through a voluntary sale or through a mandatory sale arranged by the Company (on Awardee's behalf pursuant to this authorization); or (ii) in any other way set forth in Section 15 of the Plan; provided, however, that if Awardee is a Section 16 officer of the Company under the Exchange Act, then the Company will satisfy any withholding obligation only through a net share issuance of shares, unless the use of such withholding method is problematic under applicable tax or securities law or has materially adverse accounting consequences, in which case the obligation for Tax-Related Items may be satisfied by method (i) or (ii) above, or a combination thereof.

To avoid negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case Awardee will receive a refund of any over-withheld amount in cash and will have no entitlement to the Stock equivalent. If the obligation for Tax-Related Items is satisfied by withholding Stock, for tax purposes, Awardee is deemed to have been issued the full number of shares of Stock subject to the vested Restricted Stock Units, notwithstanding that a number of shares is held back solely for purposes of paying the Tax-Related Items due as a result of any aspect of Awardee's participation in the Plan .

Finally, Awardee shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Awardee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Stock or the proceeds of the sale of Stock, if Awardee fails to comply with Awardee's obligations in connection with the Tax-Related Items.

7. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Awardee's participation in the Plan, or Awardee's acquisition or sale of the underlying Stock. Awardee is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

8. **Data Privacy.** *In accepting the Restricted Stock Units, Awardee explicitly, voluntarily and unambiguously consents to the collection, use, and transfer, in electronic or other form, of Awardee's personal data as described in this Award Agreement and any other grant materials by an and among, as applicable, the Employer, the Company and any Affiliate for the exclusive purpose of implementing, administering and managing Awardee's participation in the Plan.*

Awardee understands that the Employer, the Company and its Affiliates may hold certain personal information about Awardee, including, but not limited to, Awardee's name, home address and telephone number, date of birth, social security number or other identification number, salary, nationality, job title, or any shares held in the Company, and details of all Awards or other entitlement to shares awarded, canceled, exercised, vested, unvested, or outstanding in Awardee's favor ("Data"), for the exclusive purpose of managing and administering the Plan.

Awardee further understands that the Employer, the Company and/or its Affiliates will transfer Data among themselves as necessary for the exclusive purposes of implementation, administration and management of Awardee's participation in the Plan, and that the Employer, the Company and/or its Affiliates may each further transfer Data to any third parties assisting the Company in the implementation, administration, and management of the Plan, including Fidelity Stock Plan Services, LLC or such other stock plan service provider as may be selected by the Company ("Data Recipients").

Awardee understands that the Data Recipients may be located in Awardee's country or elsewhere, including outside the European Economic Area, and that the Data Recipient's country (e.g., the United States) may have different data privacy laws and protections. Awardee understands that, if Awardee resides outside the United States, Awardee may request a list with the names and addresses of Data Recipients by contacting in writing Awardee's local human resources representative. Awardee authorizes the Data Recipients to receive, possess, use, retain, and transfer Data, in electronic or other form, for the purposes of implementing, administering, and managing Awardee's participation in the Plan. Awardee understands that Data will be held only as long as is necessary to implement, administer and manage Awardee's participation in the Plan.

Awardee understands that, if Awardee resides outside the United States, Awardee may, at any time, view Data, request additional information about the storage and processing of Data, or require any necessary amendments to Data to make the information contained therein factually accurate, or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Awardee's local human resources representative.

Further, Awardee understands that Awardee is providing the consents herein on a purely voluntary basis. If Awardee does not consent, or if Awardee later seeks to revoke the consents, Awardee's employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing the consents is that the Company would not be able to grant Restricted Stock Units or other equity awards to Awardee or administer or maintain such awards. Therefore, Awardee understands that refusing or withdrawing the consents may affect Awardee's ability to participate in the Plan. For more information on the consequences of Awardee's refusal to consent or withdrawal of consent,

Awardee understands that Awardee may contact in writing Awardee's local human resources representative.

9. Nature of Grant. In accepting the Restricted Stock Units, Awardee expressly acknowledges, understands and agrees to the following:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be terminated by the Company at any time, except as otherwise set forth in the Plan;

(b) the grant of the Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units or other awards have been granted in the past;

(c) all decisions with respect to future Restricted Stock Unit grants, if any, will be at the sole discretion of the Company;

(d) this Award Agreement does not confer upon Awardee any rights with respect to continuation of employment by the Employer and shall not interfere with the ability of the Employer to terminate Awardee's employment or service relationship (if any) at any time;

(e) the Restricted Stock Unit grant and Awardee's participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Company or any Affiliate;

(f) the future value of the underlying shares of Stock is unknown, indeterminable and cannot be predicted with certainty;

(g) Awardee is voluntarily participating in the Plan;

(h) for Awardees who reside outside the U.S., the following additional provisions shall apply:

i) the Restricted Stock Units and any shares of Stock acquired under the Plan, and the income and value of same, are not intended to replace any pension rights or compensation;

ii) Restricted Stock Units and the underlying shares of Stock, and the income and value of same, are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or to the Employer and are outside the scope of Awardee's employment contract, if any;

iii) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from termination of Awardee's employment or service by the Company or the Employer (whether or not in breach of local labor laws) and in consideration of the grant of the Restricted Stock Units to which Awardee is otherwise not entitled, Awardee irrevocably agrees never to institute any claim against the Company or any Affiliate, waives his or her ability, if any, to bring any such claim and releases the Company and any Affiliate from any such claim, if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Awardee shall be deemed to have

agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims; and

- iv) neither the Employer, the Company nor its Affiliates shall be liable for any foreign exchange rate fluctuation between Awardee's local currency and the United States Dollar that may affect the value of the Award or any amounts due to Awardee pursuant to the settlement of the Award, the subsequent sale of any shares of Stock acquired under the Plan or the receipt of any dividends or dividend equivalents.

10. Miscellaneous.

(a) Notice hereunder shall be given to the Company at its principal place of business, and shall be given to Awardee at the last address on record at the Employer, or in either case at such other address as one party may subsequently furnish to the other party in writing or such other form as may be specified by the Company.

(b) The Committee may amend the terms of this Award Agreement, prospectively or retroactively, provided that the Award Agreement as amended is consistent with the terms of the Plan, but no such amendment shall impair Awardee's rights under this Award Agreement without Awardee's consent.

(c) This Award Agreement shall be binding upon and inure to the benefit of any successor or assign of the Company and any executor, administrator, trustee, guardian or other legal representative of Awardee.

(d) This Award Agreement may be executed in one or more counterparts, all of which together shall constitute one instrument. This Award Agreement and the Plan together constitute the entire agreement between the parties relative to the subject matter hereof, and supersede all proposals written, oral or electronic relating to the subject matter hereof.

11. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. Awardee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

12. Language. If Awardee has received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

13. Governing Law and Venue. The Restricted Stock Units and this Award Agreement shall be construed and enforced in accordance with the laws of the State of Delaware, without regard to the conflict of laws principles thereof.

For purposes of litigating any dispute that arises under this grant or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Florida and agree that such litigation shall be conducted in the courts of Broward County, Florida, or the federal courts for the United States for the Southern District of Florida, where this grant is made and/or to be performed.

14. Appendix. Notwithstanding any provisions in this Award Agreement, the Restricted Stock Units shall be subject to any special terms and conditions set forth in any Appendix to this Award Agreement for Awardee's country. Moreover, if Awardee relocates to one of the countries included in the Appendix,

the special terms and conditions for such country will apply to Awardee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Award Agreement.

15. Imposition of Other Requirements. The Company reserves the right to impose other requirements on Awardee's participation in the Plan, on the Restricted Stock Units and on any shares of Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Awardee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

16. Severability. The provisions of this Award Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

17. Insider Trading Restrictions/Market Abuse Laws. Awardee acknowledges that, depending on Awardee's country, Awardee may be subject to insider trading restrictions and/or market abuse laws, which may affect his or her ability to acquire or sell the shares of Stock or rights to shares of Stock under the Plan during such times as Awardee is considered to have "inside information" regarding the Company (as defined by the laws in Awardee's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Awardee acknowledges that it is Awardee's responsibility to comply with any applicable restrictions, and Awardee is advised to speak to his or her personal advisor on this matter.

18. Waiver. Awardee acknowledges that a waiver by the Company of breach of any provision of this Award Agreement shall not operate or be construed as a waiver of any other provision of this Award Agreement, or of any subsequent breach by Awardee or any other awardee.

By electronically accepting the Award Agreement and participating in the Plan, Awardee agrees to be bound by the terms and conditions in the Plan and this Award Agreement, including the Appendix. Within six months of the Award Date, if Awardee has not electronically accepted this Award Agreement on Fidelity.com's website, or the website of any other stock plan service provider appointed by the Company, then this award shall automatically be deemed accepted, and Awardee shall be bound by the terms and conditions in the Plan and this Award Agreement, including the Appendix.

APPENDIX

Citrix Systems, Inc. 2014 Equity Incentive Plan Global Restricted Stock Unit Agreement Additional Terms and Conditions

Capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan and/or the Award Agreement.

Terms and Conditions

This Appendix includes additional terms and conditions that govern the Restricted Stock Units granted to Awardee under the Plan if Awardee resides and/or works in one of the countries listed below. If Awardee is a citizen or resident (or is considered as such for local law purposes) of a country other than the country in which Awardee is currently residing and/or working, or if Awardee relocates to another country after the grant of the Restricted Stock Units, the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply.

Notifications

This Appendix also includes information regarding exchange controls and certain other issues of which Awardee should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of April 2014. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Awardee not rely on the information in this Appendix as the only source of information relating to the consequences of Awardee's participation in the Plan because the information may be out of date at the time that the Restricted Stock Units vest or Awardee sells shares of Stock acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to Awardee's particular situation, and the Company is not in a position to assure Awardee of a particular result. Accordingly, Awardee is advised to seek appropriate professional advice as to how the relevant laws in Awardee's country may apply to his or her situation.

Finally, if Awardee is a citizen or resident (or is considered as such for local law purposes) of a country other than the one in which he or she is currently working and/or residing, or if Awardee relocates to another country after the Restricted Stock Units are granted, the information contained herein may not be applicable to Awardee.

ARGENTINA

Notifications

Securities Law Information. Neither the Restricted Stock Units nor the underlying shares of Stock are publicly offered or listed on any stock exchange in Argentina. This offer is private and not subject to the supervision of any Argentine governmental authority.

Exchange Control Information. Following the sale of shares of Stock or the receipt of any cash dividends, Awardee may be subject to certain restrictions in bringing such funds back into Argentina. The Argentine

bank handling the transaction may request certain documentation in connection with the request to transfer proceeds into Argentina (e.g. , evidence of the sale, proof of the source of the funds used to purchase the shares of Stock, etc.) and under certain circumstances may require that 30% of the amount transferred into Argentina be placed in a non-interest bearing U.S. dollar deposit account for a holding period of 365 days.

Awardee is solely responsible for complying with the exchange control rules that may apply in connection with Awardee's participation in the Plan. Prior to transferring proceeds into Argentina, Awardee is strongly advised to consult his or her local bank and/or personal legal advisor to confirm the applicable requirements. Awardee should note that the interpretations of the applicable Argentine Central Bank regulations vary by bank and that exchange control rules and regulations are subject to change without notice.

Foreign Asset/Account Reporting Information. Awardee must report any shares of Stock acquired and held on December 31 of each year on Awardee's annual tax return for that year.

AUSTRALIA

Terms and Conditions

Data Privacy. This provision supplements the "Data Privacy" section of the Award Agreement:

The Company can be contacted at 851 West Cypress Creek Road, Fort Lauderdale, Florida 33309, United States of America. The Australian Employer can be contacted at Citrix Systems Asia Pacific Pty Ltd Level 3, 1 Julius Avenue, Riverside Corporate Park, North Ryde, NSW 2113, Australia.

Awardee's personal information will be held in accordance with the Company's privacy policy, a copy of which can be obtained by contacting the Company or the Australian Employer at the address listed above. The Company's privacy policy contains, among other things, details of how Awardee can access and seek correction of personal information held in connection with this Award Agreement.

Awardee understands and agrees that Data may be transferred to recipients located outside of Australia, including the United States and any other country where the Company has operations.

Notifications

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding AUD10,000 and for international fund transfers. If an Australian bank is assisting with the transaction, the bank will file the report on behalf of Awardee.

Securities Law Information. If Awardee acquires Stock pursuant to the Restricted Stock Units and offers his or her shares of Stock for sale to a person or entity resident in Australia, Awardee's offer may be subject to disclosure requirements under Australian law. Awardee should obtain legal advice on his or her disclosure obligations prior to making any such offer.

AUSTRIA

Notifications

Exchange Control Information. If Awardee holds shares of Stock obtained through the Plan or otherwise outside of Austria, Awardee may be required to submit periodic reports to the Austrian National Bank, depending on the value of the shares held outside Austria. An exemption applies if the value of the shares

of Stock as of any given quarter does not exceed €30,000,000 or as of December 31 of each year does not exceed €5,000,000. If the former threshold is exceeded, quarterly obligations are imposed, whereas if the latter threshold is exceeded, annual reports must be given. The deadline for filing the annual report is January 31 of the following year.

When shares of Stock are sold or cash dividends are paid on the shares of Stock, there may be exchange control obligations if the cash received is held outside Austria. If the transaction volume of all Awardee's accounts abroad exceeds €3,000,000, the movements and balances of all accounts must be reported monthly, as of the last day of the month, on or before the fifteenth day of the following month.

Consumer Protection Information. To the extent that the provisions of the Austrian Consumer Protection Act are applicable to the Award Agreement and the Plan, Awardee may be entitled to revoke his or her acceptance of the Award Agreement under the conditions listed below:

(i) The revocation must be made within one week after Awardee accepts the Award Agreement.

(ii) The revocation must be in written form to be valid. It is sufficient if Awardee returns the Award Agreement to the Company or the Company's representative with language that can be understood as Awardee's refusal to conclude or honor the Award Agreement, provided the revocation is sent within the period set forth above.

BELGIUM

Notifications

Foreign Asset/Account Reporting Information. Awardee is required to report any securities (e.g. , shares of Stock) or bank accounts opened and maintained outside Belgium on his or her annual tax return.

BRAZIL

Terms and Conditions

Nature of Grant. In accepting the grant of the Restricted Stock Units, Awardee agrees that he or she is making an investment decision, the shares of Stock will be issued to Awardee only if the vesting conditions are met and any necessary services are rendered by Awardee over the vesting period, and the value of the underlying shares of Stock is not fixed and may increase or decrease in value over the vesting period without compensation to Awardee.

Compliance with the Law. In accepting the grant of the Restricted Stock Units, Awardee acknowledges his or her agreement to comply with applicable Brazilian laws and to pay any and all applicable tax associated with the Restricted Stock Units, the sale of the shares of Stock acquired under the Plan and the receipt of any cash dividends paid on such shares of Stock.

Notifications

Exchange Control Information. If Awardee is a resident or domiciled in Brazil, he or she will be required to submit an annual declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US\$100,000. Assets and rights that must be reported include shares of Stock.

BULGARIA

Notifications

Exchange Control Information. If Awardee receives a payment related to the Plan in Bulgaria in excess of BGN100,000 (or its equivalent in another currency, *e.g.*, U.S. dollars), he or she is required to submit a form with information regarding the source of the income to the bank receiving such payment for statistical purposes upon transfer or within 30 days of receipt. The Awardee should contact his or her bank in Bulgaria for additional information regarding this requirement.

In addition, Awardee is required to report annually to the Bulgarian National Bank (“BNB”) as of March 31 by filing statistical forms regarding their receivables in bank accounts abroad as well as their securities abroad (e.g., shares of Stock acquired under the Plan) if the total sum of all receivables and amount of securities is equal to or exceeds BGN50,000 as of the previous calendar year-end.

CANADA

Terms and Conditions

Payment of Restricted Stock Units. This provision supplements the “Issuance of Stock” section of the Award Agreement:

The grant of the Award does not provide any right for Awardee to receive a cash payment and the Restricted Stock Units are payable in Stock only.

Termination of Service. The following provision supplements the “Termination of Employment” section of the Award Agreement:

In the event of the termination of Awardee’s employment (whether or not in breach of local labor laws), Awardee’s right to vest in the Restricted Stock Units, if any, will terminate effective as of the date that is the earliest of (1) the date Awardee’s employment is terminated, (2) the date Awardee receives notice of termination from the Employer, or (3) the date Awardee is no longer actively providing service, regardless of any notice period or period of pay in lieu of such notice required under the employment laws in the jurisdiction where Awardee is employed or providing services or the terms of Awardee’s employment contract, if any; the Committee, or an officer of the Company to whom it delegates authority to administer the Plan, shall have the discretion to determine when Awardee is no longer actively providing service for purposes of the Award (including whether Awardee may still be considered to be providing service while on a leave of absence).

The following provision will apply if Awardee is a resident of Quebec:

French Language Provision. The parties acknowledge that it is their express wish that the Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de la convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la convention.

Data Privacy. This provision supplements the “Data Privacy” section of the Award Agreement:

Awardee hereby authorizes the Company and the Company’s representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. Awardee further authorizes the Company, the Employer and/or any Affiliate to disclose and discuss such information with their advisors. Awardee further authorizes the Company, the Employer and/or any Affiliate to record such information and to keep such information in Awardee’s employment file.

Notifications

Securities Law Information. Awardee is permitted to sell Stock acquired under the Plan through the designated broker appointed under the Plan, if any, provided the resale of Stock acquired under the Plan takes place outside of Canada.

Foreign Asset/Account Reporting Information. If the total value of Awardee’s foreign property (including cash held outside of Canada or shares of Stock) exceeds C\$100,000 at any time during the year, Awardee must report all of his or her foreign property on Form T1135 (Foreign Income Verification Statement) by April 30 of the following year. Foreign property may also include the unvested portion of the Restricted Stock Units. Awardee should consult with his or her personal tax advisor to determine the reporting requirements.

CHILE

Notifications

Securities Law Information. Neither the Company nor Stock purchased under the Plan are registered with the Chilean Registry of Securities or under the control of the Chilean Superintendence of Securities.

Exchange Control and Tax Information. Awardee must comply with the exchange control and tax reporting requirements in Chile when sending funds into the country in connection with the sale of shares of Stock pursuant to the Plan, and register any investments with the Chilean Internal Revenue Service (the “CIRS”).

Awardee is not required to repatriate funds obtained from the sale of Stock or the receipt of any cash dividends. However, if Awardee decides to repatriate such funds, he or she must do so through the Formal Exchange Market (*i.e.*, a commercial bank or registered foreign exchange office) if the funds exceed US\$10,000. In such case, Awardee must report the payment to a commercial bank or registered foreign exchange office receiving the funds. The commercial bank or registered foreign exchange office will then submit an affidavit to the Central Bank within a day of receipt of the foreign currency.

If Awardee’s aggregate investments held outside of Chile exceed US\$5,000,000 (including the investments made under the Plan), he or she must report the investments to the Central Bank. Annex 3.1 of Chapter XII of the Foreign Exchange Regulations must be used to file this report.

Annual Tax Reporting Information. The CIRS requires all taxpayers to provide information annually regarding: (i) the taxes paid abroad which they will use as a credit against Chilean income taxes, and (ii) the results of foreign investments. These annual reporting obligations must be complied with by submitting a sworn statement setting forth this information before March 15 of each year. The forms to be used to submit the sworn statements are Tax Form 1853 “Annual Sworn Statement Regarding Credits for Taxes Paid Abroad” and Tax Form 1851 “Annual Sworn Statement Regarding Investments Held Abroad.” The CIRS recently confirmed that if Awardee is not a Chilean citizen and has been resident in Chile for less than three years,

that Awardee is exempt from the requirement to file Tax Form 1853. These sworn statements must be submitted electronically through the CIRS' web page at www.sii.cl.

CHINA

Terms and Conditions

The following terms and conditions will apply if Awardee is subject to exchange control restrictions and regulations in the PRC, as determined by the Committee, or an officer of the Company to whom it has delegated authority to administer the Plan, in its sole discretion.

Immediate Sale of Shares. This provision supplements the "Issuance of Stock" section of the Award Agreement:

To facilitate compliance with regulatory requirements in the PRC, Awardee agrees that any shares of Stock to be issued upon vesting of the Restricted Stock Units may be immediately sold at vesting or, at the Company's discretion, at a later time. Awardee further agrees that the Company is authorized to instruct its designated broker to assist with the sale of such shares of Stock (on Awardee's behalf pursuant to this authorization), and Awardee expressly authorizes Fidelity Stock Plan Services, LLC or such other broker as may be designated by the Company in the future to complete the sale of such shares. Awardee acknowledges that the Company's designated broker is under no obligation to arrange for the sale of the shares of Stock at any particular price. Upon the sale of the shares of Stock, the Company agrees to pay the cash proceeds from the sale, less any brokerage fees or commissions, to Awardee in accordance with applicable exchange control laws and regulations and provided any liability for Tax-Related Items resulting from the vesting of the Restricted Stock Units has been satisfied.

If the Company, in its discretion, does not exercise its right to require the sale of shares of Stock upon vesting of the Restricted Stock Units, as described in the preceding paragraph, Awardee understands and agrees that the Company may require that any shares of Stock acquired by Awardee under the Plan be sold no later than six (6) months after Awardee's termination of employment, or within any other such time frame as may be permitted by the Company or required by the China State Administration of Foreign Exchange ("SAFE"). Awardee understands that any shares of Stock acquired by Awardee under the Plan that have not been sold within six (6) months of Awardee's termination of employment may be sold by the designated broker at the Company's direction, pursuant to this authorization by Awardee.

Exchange Control Requirements. Due to exchange control laws in the PRC, Awardee understands and agrees that Awardee will be required to immediately repatriate the cash proceeds from the sale of the shares of Stock or the receipt of any dividends to the PRC. Awardee understands and agrees that such cash proceeds will need to be repatriated to the PRC through a special exchange control account established by the Company or one of its Affiliates in China, and Awardee hereby consents and agrees that any proceeds from the sale of shares of Stock or the receipt of any dividends may be transferred to such special account prior to being delivered to him or her. The proceeds may be paid to Awardee in U.S. dollars or local currency at the Company's discretion. In the event the proceeds are paid to Awardee in U.S. dollars, Awardee understands that he or she will be required to set up a U.S. dollar bank account in China and provide the bank account details to the Employer and/or the Company so that the proceeds may be deposited into this account. If the proceeds are paid to Awardee in local currency, Awardee agrees to bear any currency fluctuation risk between the time the shares of Stock are sold or dividends are paid and the time the proceeds are distributed to Awardee through any such special account.

Awardee further agrees to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

COSTA RICA

There are no country-specific provisions.

DENMARK

Terms and Conditions

Nature of Grant. This provision supplements the “Nature of Grant” section of the Award Agreement:

By accepting the Restricted Stock Units, Awardee acknowledges, understands, and agrees that this grant relates to future services to be performed and is not a bonus or compensation for past services.

Danish Stock Option Act. By accepting the Restricted Stock Units, Awardee acknowledges that he or she has received the Employer Statement translated into Danish, which is attached following the end of these sections and which is being provided to comply with the Danish Stock Option Act.

Notifications

Securities Law Information and Tax Reporting Information. If Awardee holds Stock acquired under the Plan in a brokerage account with a broker or bank outside Denmark, Awardee is required to inform the Danish Tax Administration about the account. For this purpose, Awardee must file a Form V (*Erklaering V*) with the Danish Tax Administration. The Form V must be signed by Awardee and *may* be signed by the applicable broker or bank where the account is held. In the likely event that the broker or bank does not sign the Form V, Awardee is solely responsible for providing certain details regarding the foreign brokerage account and Stock in the account to the Danish Tax Administration as part of his or her income tax return. By signing the Form V, Awardee authorizes the Danish Tax Administration to examine the account.

In addition, if Awardee opens a brokerage account (or a deposit account with a U.S. bank) for the purpose of holding cash outside Denmark, Awardee is also required to inform the Danish Tax Administration about this account. To do so, Awardee must file a Form K (*Erklaering K*) with the Danish Tax Administration. The Form K must be signed *both* by Awardee and by the applicable broker or bank where the account is held, unless an exemption from the broker/bank signature requirement is granted by the Danish Tax Administration. It is possible to seek the exemption on the Form K, which Awardee should do at the time he or she submits the Form K. By signing the Form K, Awardee (and the broker/bank to the extent the exemption is not granted) undertakes an obligation, without further request each year, to forward information to the Danish Tax Administration concerning the content of the account. By signing the Form K, Awardee authorizes the Danish Tax Administration to examine the account.

Foreign Asset/Account Reporting Information. If Awardee establishes an account holding shares of Stock or cash outside of Denmark, Awardee must report the account to the Danish Tax Administration. The form which should be used in this respect can be obtained from a local bank. (Please note that these obligations are separate from and in addition to the obligations described above.)

ARBEJDSGIVERERKLÆRING	EMPLOYER STATEMENT
<p><i>Såfremt § 3, stk. 1, i lov om brug af køberet eller tegningsret m.v. i ansættelsesforhold ("Aktieoptionsloven") omfatter din tildeling, er du berettiget til i en særskilt skriftlig erklæring at modtage følgende oplysninger om Citrix Systems, Inc.'s ("Selskabets") aktieoptionsordning.</i></p> <p><i>Denne erklæring indeholder kun de oplysninger, der er nævnt i Aktieoptionsloven, mens de øvrige vilkår og betingelser for din tildeling er nærmere beskrevet i 2014 Equity Incentive Plan ("Ordningen") og i Global Restricted Stock Unit Agreement (på dansk "Betinget Aktieoptionsaftale for deltagere uden for USA") ("Aftalen"), som du har fået udleveret.</i></p> <p><i>1. Tidspunkt for tildeling af retten til at købe aktier.</i></p> <p><i>Tidspunktet for tildelingen er den dato, hvor Selskabets bestyrelses Vederlagsudvalg ("Udvalget") godkendte tildelingen til dig og besluttede, at tildelingen skulle træde i kraft.</i></p> <p><i>2. Kriterier og betingelser for tildeling af retten til senere at købe aktier</i></p> <p><i>Tildelingen af betingede aktieoptioner sker efter Udvalgets eget skøn. Ordningen samt de under Ordningen tildelte betingede aktieoptioner har til formål at hjælpe Selskabet og dets datterselskabet med at tiltrække samt fastholde det bedst mulige personale til stillinger, der indebærer betydeligt ansvar, for derved at give yderligere incitament til sådanne personer samt styrke Selskabets forretningsmæssige fremgang. Udvalget kan frit vælge ikke at tildele dig betingede aktieoptioner fremover. I henhold til bestemmelserne i Ordningen og Aftalen har du ikke nogen ret til eller noget krav på fremover at få tildelt betingede optioner.</i></p> <p><i>3. Modningstidspunkt eller -periode</i></p> <p><i>Dine betingede aktieoptioner modnes over en periode, forudsat at du fortsat er ansat i eller arbejder for Selskabet eller en tilknyttet virksomhed, medmindre optionen er modnet eller bortfaldet på et tidligere tidspunkt af de i Ordningen anførte årsager og med forbehold for pkt. 5 i denne erklæring.</i></p> <p><i>4. Udnyttelseskurs</i></p> <p><i>Der skal ikke betales nogen udnyttelseskurs ved modning af tildelingen og udstedelsen af aktier til dig.</i></p>	<p>If Section 3(1) of the Act on Stock Options in employment relations (the "Stock Option Act") applies to your award, you are entitled to receive the following information regarding Citrix Systems, Inc.'s (the "Company") stock option program in a separate written statement.</p> <p>This statement contains only the information mentioned in the Act while the other terms and conditions of your award are described in detail in the 2014 Equity Incentive Plan (the "Plan") and the Global Restricted Stock Unit Agreement (the "Agreement"), which have been given to you.</p> <p>1. Grant of right to purchase stock</p> <p>The grant date for your award is the date that the Compensation Committee of the Board of Directors (the "Committee") approved a grant for you and determined it would be effective.</p> <p>2. Terms or conditions for grant of rights to purchase of stock</p> <p>The awards will be at the sole discretion of the Committee. The Plan and the award granted under the Plan are intended to help the Company and its affiliates attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to such individuals and to promote the success of the Company's business. The Committee may decide, in its sole discretion, not to make any award to you in the future. Under the terms of the Plan and the Agreement, you have no entitlement or claim to receive future awards.</p> <p>3. Vesting date or period</p> <p>Your award shall vest over a period time, provided you remain employed by or in the service of the Company or an affiliate, unless your award has vested or has terminated earlier for the reasons set forth in the Plan and subject to Section 5 of this statement.</p> <p>4 .Exercise price</p> <p>No exercise price is payable upon the vesting of the award and the issuance of shares of stock to you.</p>

<p><i>5. Din retsstilling i forbindelse med ansættelsesforholdets ophør</i></p> <p><i>Såfremt din tildeling af betingede aktier er omfattet af bestemmelserne i Aktieoptionsloven, vil din tildeling i tilfælde af din fratræden blive behandlet i overensstemmelse med Aktieoptionslovens §§ 4 og 5, medmindre bestemmelserne i Aftalen er mere fordelagtige for dig end Aktieoptionslovens §§ 4 og 5. Såfremt vilkårene i Aftalen er mere fordelagtige for dig, vil det være disse vilkår, der er gældende for, hvordan din tildeling behandles i forbindelse med din fratræden.</i></p> <p><i>6. Økonomiske aspekter ved at deltage i Ordningen</i></p> <p><i>Tildelingen af betingede aktieoptioner har ingen umiddelbare økonomiske konsekvenser for dig. Værdien af tildelingen indgår ikke i beregningen af feriepenge, pensionsbidrag eller andre lovpligtige, vederlagsafhængige ydelser.</i></p> <p><i>Aktier er finansielle instrumenter, og investering i aktier vil altid være forbundet med en finansiell risiko. Muligheden for at opnå en gevinst på modningstidspunktet afhænger ikke alene af Selskabets økonomiske udvikling, men også af, blandt andet, den generelle udvikling på aktiemarkedet.</i></p> <p>CITRIX SYSTEMS, INC. U.S.A.</p>	<p>5. Your rights upon Termination of Employment</p> <p>If the terms of the Stock Option Act are applicable to the award, the treatment of the award upon termination of employment will be determined under Sections 4 and 5 of the Stock Option Act unless the terms contained in the Agreement are more favorable to you than Sections 4 and 5 of the Stock Option Act. If the terms contained the Agreement are more favorable to you, then such terms will govern the treatment of the award upon termination of employment.</p> <p>6. Financial aspects of participating in the Plan</p> <p>The award has no immediate financial consequences for you. The value of the award is not taken into account when calculating holiday allowances, pension contributions or other statutory consideration calculated on the basis of salary.</p> <p>Shares of stock are financial instruments and investing in stocks will always have financial risk. The possibility of profit at the time of vesting will not only be dependent on the Company's financial development, but also on the general development on the stock market, <i>inter alia</i> .</p> <p>CITRIX SYSTEMS, INC. U.S.A.</p>
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FINLAND

There are no country-specific provisions.

FRANCE

Terms and Conditions

Consent to Receive Information in English. By accepting the Restricted Stock Units, Awardee confirms having read and understood the Plan and Award Agreement, including all terms and conditions included therein, which were provided in the English language. Awardee accepts the terms of those documents accordingly.

En acceptant cette Restricted Stock Units, le Titulaire de l'Restricted Stock Units confirme avoir lu et compris le Plan et le Contrat y relatifs, incluant tous leurs termes et conditions, qui ont été transmis en langue anglaise. Le Titulaire de l'Restricted Stock Units accepte les dispositions de ces documents en connaissance de cause.

Notifications

Tax Information. The Restricted Stock Units are not intended to qualify for special tax or social security treatment in France.

Foreign Asset/Account Reporting Information. If Awardee holds Stock outside of France or maintains a foreign bank account, then Awardee is required to report such to the French tax authorities when filing his or her annual tax return.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank (*Bundesbank*). In case of payments in connection with the sale of shares of Stock acquired under the Plan or the receipt of any cash dividends, the report must be filed electronically by the 5th day of the month following the month in which the payment was received. The form of report (“ *Allgemeine Meldeportal Statistik* ”) can be accessed via the Bundesbank’s website (www.bundesbank.de) and is available in both German and English.

GREECE

There are no country-specific provisions.

HONG KONG

Terms and Conditions

Payment of Restricted Stock Units. This provision supplements the “Issuance of Stock” section of the Award Agreement:

The grant of the Award does not provide any right for Awardee to receive a cash payment and the Restricted Stock Units are payable in Stock only.

Restriction on Sale. In the event Awardee’s Restricted Stock Units vest and shares of Stock are issued to Awardee within six months of the Award Date, Awardee agrees that he or she will not dispose of any shares acquired prior to the six-month anniversary of the Award Date.

Notifications

Securities Law Information. *Warning: The Restricted Stock Units and the shares of Stock issued to Awardee at vesting of the Restricted Stock Units do not constitute a public offer of securities and are available only to employees and other service providers of the Company or an Affiliate.*

Awardee should be aware that the contents of the Award Agreement and the Plan are not intended to constitute a “prospectus” for a public offering of securities under the applicable securities legislation in Hong Kong, nor have they been reviewed by any regulatory authority in Hong Kong. Awardee is advised to exercise caution in relation to participation in the Plan. The Restricted Stock Units are intended only for the personal use of each Awardee who meets the eligibility requirements under the Plan and may not be distributed to any other person. If Awardee is in any doubt about any of the contents of the Award Agreement or the Plan, he or she should obtain independent professional advice.

INDIA

Notifications

Exchange Control Information. Awardee understands that he or she must repatriate any proceeds from the sale of Stock acquired under the Plan or any cash dividends to India within 90 days after receipt. Awardee must obtain a foreign inward remittance certificate (“FIRC”) from the bank where Awardee deposits the foreign currency and must maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India, the Company or the Employer requests proof of repatriation.

Foreign Asset/Account Reporting Information. Awardee is required to declare any foreign bank accounts and assets (including shares of Stock acquired under the Plan) on his or her annual tax return. Awardee should consult with his or her personal tax advisor to determine his or her reporting requirements.

IRELAND

Notifications

Director Notification Obligation. Directors, shadow directors and secretaries of the Company’s Irish Affiliates are subject to certain notification requirements under the Irish Companies Act. Directors, shadow directors and secretaries must notify the Irish Affiliates in writing of their interest in the Company (e.g ., Restricted Stock Units, shares of Stock, etc.) and the number and class of shares or rights to which the interest relates within five days of the acquisition or disposal of shares or within five days of becoming aware of the event giving rise to the notification. This disclosure requirement also applies to any rights or shares acquired by the director’s spouse or children (under the age of 18).

ITALY

Terms and Conditions

Data Privacy. This provision replaces in its entirety the “Data Privacy” section of the Award Agreement:

Data Privacy. *Awardee understands that the Employer and/or the Company may hold certain personal information about Awardee, including, but not limited to, Awardee's name, home address and telephone number, date of birth, social security number (or any other social or national identification number), salary, nationality, job title, number of shares of Stock held and the details of any Restricted Stock Units or any other entitlement to Stock awarded, cancelled, exercised, vested, unvested or outstanding (the "Data") for the purpose of implementing, administering and managing Awardee's participation in the Plan. Awardee is aware that providing the Company with Awardee's Data is necessary for the performance of the Award Agreement and that Awardee's refusal to provide such Data would make it impossible for the Company to perform its contractual obligations and may affect Awardee's ability to participate in the Plan.*

The Controller of personal Data processing is Citrix Systems, Inc., 851 West Cypress Creek Road, Fort Lauderdale, Florida 33309, U.S.A., and, pursuant to D.lgs 196/2003, its representative in Italy is Citrix Systems Italy SRL, with registered offices at Largo Augusto 820122 Milano (MI). Awardee understands that Data may be transferred to the Company or its Affiliates, or to any third parties assisting with the implementation, administration and management of the Plan, including any transfer required to Fidelity Stock Plan Services, LLC or such other stock plan service provider as may be selected by the Company, or any other third party with whom cash from the sale of shares of Stock acquired under the Plan may be deposited. Furthermore, the recipients that may receive, possess, use, retain and transfer such Data for the above mentioned purposes may be located in Italy or elsewhere, including outside of the European Union, and the recipients' country (e.g., the United States) may have different data privacy laws and protections from Awardee's country. The processing activity, including the transfer of Awardee's Data abroad, outside of the European Union, as herein specified and pursuant to applicable laws and regulations, does not require Awardee's consent thereto as the processing is necessary for the performance of contractual obligations related to the implementation, administration and management of the Plan. Awardee understands that Data processing relating to the purposes above specified shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations, with specific reference to D.lgs. 196/2003.

Awardee understands that Data will be held only as long as is required by law or as necessary to implement, administer and manage Awardee's participation in the Plan. Awardee understands that pursuant to art.7 of D.lgs 196/2003, Awardee has the right, including but not limited to, access, delete, update, request the rectification of Awardee's Data and cease, for legitimate reasons, Data processing. Furthermore, Awardee is aware that Awardee's Data will not be used for direct marketing purposes. In addition, Data provided can be reviewed and questions or complaints can be addressed by contacting Awardees local human representative.

Grant Terms Acknowledgment . By accepting the Restricted Stock Units, Awardee acknowledges that Awardee has received a copy of the Plan and the Award Agreement, including this Appendix, in their entirety and fully understands and accepts all the provisions of the Plan and the Award Agreement. Awardee further acknowledges having read and specifically approves the following sections of the Award Agreement: Vesting, Issuance of Stock, Termination of Employment, Tax Withholding, Nature of Grant, Governing Law and Venue and Imposition of Other Requirements, and the Data Privacy section in this Appendix.

Notifications

Foreign Asset/Account Reporting Information . If Awardee holds investments abroad or foreign financial assets (e.g. , cash, shares of Stock, Restricted Stock Units) that may generate income taxable in Italy, Awardee

is required to report them on his or her annual tax returns (UNICO Form, RW Schedule) or on a special form if no tax return is due, irrespective of their value. The same reporting duties apply to Awardee if Awardee is a beneficial owner of the investments, even if Awardee does not directly hold investments abroad or foreign assets.

Foreign Asset Tax. The value of the financial assets held outside of Italy by individuals resident of Italy is subject to a foreign asset tax. Beginning in 2014, such tax is levied at an annual rate of 2 per thousand (0.2%). The taxable amount will be the fair market value of the financial assets (e.g. , shares of Stock) assessed at the end of the calendar year.

JAPAN

Notifications

Foreign Asset/Account Reporting Information. Awardee will be required to report details of any assets held outside of Japan as of December 31 (including shares of Stock acquired under the Plan), to the extent such assets have a total net fair market value exceeding ¥50 million. Such report will be due by March 15 each year. Awardee should consult with his or her personal tax advisor as to whether the reporting obligation applies to Awardee and whether Awardee will be required to report details of his or her outstanding Restricted Stock Units, as well as shares of Stock, in the report.

KOREA

Notifications

Exchange Control Information. Korean residents who realize US\$500,000 or more in income from the sale of shares of Stock acquired under the Plan or the receipt of cash dividends in a single transaction are required to repatriate the proceeds back to Korea within eighteen months of receipt.

Foreign Asset/Account Reporting Information. Korean residents must declare all foreign financial accounts (i.e. , non-Korean bank accounts, brokerage accounts, etc.) to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 1 billion (or an equivalent amount in foreign currency). Awardee should consult with his or her personal tax advisor to determine any personal reporting obligations.

MALAYSIA

Terms and Conditions

Data Privacy. The following provisions replace in its entirety the “Data Privacy” section of the Award Agreement:

<p>Awardee hereby explicitly, voluntarily and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her personal data as described in this Award Agreement and any other Plan participation materials by and among, as applicable, the Employer, the Company and any Affiliates or any third parties authorized by same in assisting in the implementation, administration and management of Awardee's participation in the Plan.</p> <p>Awardee may have previously provided the Company and the Employer with, and the Company and the Employer may hold, certain personal information about Awardee, including, but not limited to, his or her name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, the fact and conditions of Awardee's participation in the Plan, details of all Restricted Stock Units or any other entitlement to shares of stock awarded, cancelled, exercised, vested, unvested or outstanding in Awardee's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.</p> <p>Awardee also authorizes any transfer of Data, as may be required, to Fidelity Stock Plan Services, LLC or such other stock plan service provider as may be selected by the Company from time to time, which is assisting the Company with the implementation, administration and management of the Plan and/or with whom any shares of Stock acquired upon vesting and settlement of the Restricted Stock Units are deposited. Awardee acknowledges that these recipients may be located in Awardee's country or elsewhere, and that the recipient's country (e.g. , the United States) may have different data privacy laws and protections to Awardee's country, which may not give the same level of protection to Data. Awardee understands that he or she may request a list with the names and addresses of any potential recipients of Data by contacting his or her local human resources representative. Awardee authorizes the Company, the</p>	<p><i>Penerima Anugerah dengan ini secara eksplisit, secara sukarela dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadinya seperti yang dinyatakan dalam Perjanjian Penganugerahan ini dan apa-apa bahan penyertaan Pelan oleh dan di antara, sebagaimana yang berkenaan, Majikan, Syarikat dan Syarikat Sekutu atau mana-mana pihak ketiga yang diberi kuasa oleh yang sama untuk membantu dalam pelaksanaan, pentadbiran dan pengurusan penyertaan Penerima Anugerah dalam Pelan tersebut.</i></p> <p><i>Sebelum ini, Penerima Anugerah mungkin telah membekalkan Syarikat dan Majikan dengan, dan Syarikat dan Majikan mungkin memegang, maklumat peribadi tertentu tentang Penerima Anugerah, termasuk, tetapi tidak terhad kepada, namanya, alamat rumah dan nombor telefon, tarikh lahir, nombor insurans sosial atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa syer dalam saham atau jawatan pengarah yang dipegang dalam Syarikat, fakta dan syarat-syarat penyertaan Penerima Anugerah dalam Pelan tersebut, butir-butir semua Unit Saham Terbatas atau apa-apa hak lain untuk syer dalam saham yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak diletak hak ataupun bagi faedah Penerima Anugerah ("Data"), untuk tujuan yang eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan tersebut.</i></p> <p><i>Penerima Anugerah juga memberi kuasa untuk membuat apa-apa pemindahan Data, sebagaimana yang diperlukan, kepada Fidelity Stock Plan Services, LLC atau pembekal perkhidmatan pelan saham yang lain sebagaimana yang dipilih oleh Syarikat dari semasa ke semasa, yang membantu Syarikat dalam pelaksanaan, pentadbiran dan pengurusan Pelan tersebut dan/atau dengan sesiapa yang menandatangani syer-syer Saham yang diperolehi melalui pemberian hak dan penyelesaian Unit-unit Saham Terbatas. Penerima Anugerah mengakui bahawa penerima-penerima ini mungkin berada di negara Penerima Anugerah atau di tempat lain, dan bahawa negara penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negara Penerima Anugerah, yang mungkin tidak boleh memberi tahap perlindungan yang sama kepada Data. Penerima Anugerah faham bahawa dia boleh meminta senarai nama dan alamat mana-mana penerima Data dengan menghubungi wakil sumber manusia tempatannya. Penerima Anugerah memberi</i></p>
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<p>stock plan service provider and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing Awardee's participation in the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing Awardee's participation in the Plan. Awardee understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan. Awardee understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case, without cost, by contacting in writing his or her local human resources representative, whose contact details are Peh Soo Lin, soolin.peh@citrix.com, tel number : +65 67255310. Further, Awardee understands that he or she is providing the consents herein on a purely voluntary basis. If Awardee does not consent, or if Awardee later seeks to revoke the consent, his or her employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing the consent is that the Company would not be able to grant future Restricted Stock Units or other equity awards to Awardee or administer or maintain such awards. Therefore, Awardee understands that refusing or withdrawing his or her consent may affect his or her ability to participate in the Plan. For more information on the consequences of the refusal to consent or withdrawal of consent, Awardee understands that he or she may contact his or her local human resources representative.</p>	<p><i>kuasa kepada Syarikat, pembekal perkhidmatan pelan saham dan mana-mana penerima lain yang mungkin membantu Syarikat (masa sekarang atau pada masa depan) untuk melaksanakan, mentadbir dan menguruskan penyertaan Penerima Anugerah dalam Pelan tersebut untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, semata-mata dengan tujuan untuk melaksanakan, mentadbir dan menguruskan penyertaan dalam Pelan tersebut. Penerima Anugerah faham bahawa Data akan dipegang hanya untuk tempoh yang diperlukan untuk melaksanakan, mentadbir dan menguruskan penyertaannya dalam Pelan tersebut. Penerima Anugerah faham bahawa dia boleh, pada bila-bila masa, melihat data, meminta maklumat tambahan mengenai penyimpanan dan pemrosesan Data, meminta bahawa pindaan-pindaan dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes, tanpa kos, dengan menghubungi secara bertulis wakil sumber manusia tempatannya, di mana butir-butir hubungannya adalah Peh Soo Lin, soolin.peh@citrix.com, tel number +65 67255310. Selanjutnya, Penerima Anugerah memahami bahawa dia memberikan persetujuan di sini secara sukarela. Jika Penerima Anugerah tidak bersetuju, atau jika Penerima Anugerah kemudian membatalkan persetujuannya, status pekerjaan atau perkhidmatan dan kerjayanya dengan Majikan tidak akan terjejas; satunya akibat buruk jika dia tidak bersetuju atau menarik balik persetujuannya adalah bahawa Syarikat tidak akan dapat memberikan Unit-unit Saham Terbatas pada masa depan atau anugerah ekuiti lain kepada Penerima Anugerah atau mentadbir atau mengekalkan anugerah tersebut. Oleh itu, Penerima Anugerah faham bahawa keengganan atau penarikan balik persetujuannya boleh menjejaskan keupayaannya untuk mengambil bahagian dalam Pelan tersebut. Untuk maklumat lanjut mengenai akibat keenggannya untuk memberikan keizinan atau penarikan balik keizinan, Penerima Anugerah faham bahawa dia boleh menghubungi wakil sumber manusia tempatannya.</i></p>
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Notifications

Director Notification Obligation. If Awardee is a director of the Company's Malaysian Affiliate, he or she is subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Affiliate in writing when Awardee receives or disposes of an interest (e.g. , Restricted Stock Units or Stock) in the Company or any related company. Such notifications must be made within 14 days of receiving or disposing of any interest in the Company or any related company.

MEXICO

Terms and Conditions

Modification. By accepting the Restricted Stock Units, Awardee understands and agrees that any modification of the Plan or the Award Agreement or its termination shall not constitute a change or impairment of the terms and conditions of employment.

Policy Statement. By accepting the Restricted Stock Units, Awardee acknowledges that the Company, with registered offices at 851 West Cypress Creek Road, Fort Lauderdale, Florida 33309, U.S.A. is solely responsible for the administration of the Plan. Restricted Stock Units further acknowledges that participation in the Plan and the acquisition of Stock does not, in any way, establish an employment relationship between Awardee and the Company since he or she is participating in the Plan on a wholly commercial basis and the sole employer is Citrix Sistemas de Mexico, S. de R.L. de C.V. (“Citrix-Mexico”). Based on the foregoing, Awardee expressly acknowledges that the Plan and the benefits that he or she may derive from participation in the Plan do not establish any rights between Awardee and the Employer, Citrix-Mexico, and do not form part of the employment conditions and/or benefits provided by Citrix-Mexico.

Awardee further understands that the Award the Company is making under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend and/or discontinue it at any time, without any liability.

Plan Document Acknowledgment. By accepting the Restricted Stock Units, Awardee acknowledges that he or she has received copies of the Plan, has reviewed the Plan and the Award Agreement in their entirety, and fully understands and accepts all provisions of the Plan and the Award Agreement.

In addition, by accepting the Restricted Stock Units, Awardee further acknowledges that he or she has read and specifically and expressly approves the terms and conditions in the “Nature of Grant” section, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) the Company and any Affiliate are not responsible for any decrease in the value of the shares of Stock underlying the Restricted Stock Units.

Finally, Awardee hereby declares that he or she does not reserve any action or right to bring any claim against the Company for any compensation or damages as a result of his or her participation in the Plan and therefore grants a full and broad release to the Employer, the Company and any Affiliate with respect to any claim that may arise under the Plan.

Spanish Translation

Términos y Condiciones

Modificación . *Al aceptar las Unidades de Acciones Restringidas, el Participante reconoce y acuerda que cualquier modificación al Plan o al Acuerdo de Otorgamiento del mismo o su terminación, no constituyen un cambio o desmejora en los términos y condiciones de su empleo.*

Declaración de Política . *Al aceptar las Unidades de Acciones Restringidas, el Participante reconoce y acuerda que la Compañía, con oficinas registradas ubicadas en 851 West Cypress Creek Road, Fort Lauderdale, Florida 33309, U.S.A., es la única responsable de la administración del Plan. Adicionalmente, el Participante reconoce que su participación en el Plan, así como la adquisición de Acciones, no genera de ninguna manera una relación de trabajo entre el Participante y la Compañía, ya que su participación en el Plan es de carácter comercial únicamente y su único empleador es Citrix Sistemas de Mexico, S. de R.L. de C.V. (“Citrix-México”). Derivado de lo anterior, el Participante expresamente reconoce que el Plan y los beneficios que del mismo derivan, no generan ninguna clase de derecho entre el Participante y el Patrón Citrix-México, y no forman parte de las condiciones de trabajo y/o beneficios entregados por Citrix-México.*

Además de lo anterior, el Participante entiende y reconoce que el premio otorgado bajo este plan se entrega en forma unilateral y discrecional por parte de la Compañía, y por tanto, ésta última se reserva el derecho de modificarlo y/o interrumpirlo en cualquier momento, sin responsabilidad alguna.

Reconocimiento del Documento del Plan . *Al aceptar el Otorgamiento, el Participante reconoce que ha recibido copias del Plan, ha revisado el mismo, al igual que la totalidad del Acuerdo de Otorgamiento, y que ha entendido y aceptado completamente todas las disposiciones contenidas en el Plan y en el Acuerdo de Otorgamiento.*

Adicionalmente, al aceptar el Acuerdo de Otorgamiento, el Participante reconoce que ha leído y aprobado específica y expresamente los términos y condiciones contenidos en el apartado “Naturaleza del Otorgamiento”, en el cual se encuentra claramente descrito y establecido lo siguiente: (i) la participación en el Plan no constituye un derecho adquirido; (ii) el Plan y la participación en el mismo es ofrecida por la Compañía de forma enteramente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) la Compañía, así como su Sociedad Controlante, Subsidiaria o filiales no son responsables por cualquier disminución en el valor de las Unidades de Acciones Restringidas en relación a las Unidades de Acción.

Finalmente, el Participante declara que no se reserva ninguna acción o derecho para interponer una demanda en contra de la Compañía por compensación o daños y perjuicios como resultado de su participación en el Plan y, en consecuencia, otorga el más amplio finiquito al Empleador, así como a la Compañía, a su Sociedad Controlante, Subsidiaria o filiales con respecto a cualquier demanda que pudiera originarse en virtud del Plan.

NETHERLANDS

There are no country-specific provisions.

NEW ZEALAND

WARNING

This is an offer of Restricted Stock Units which, upon vesting in accordance with the terms of the Award Agreement, will be converted into shares of Stock in Citrix Systems, Inc. The shares of Stock, if issued, will give Awardee a stake in the ownership of Citrix Systems, Inc. In that case, Awardee could receive a return if Citrix Systems, Inc. becomes more valuable, and Awardee may also receive dividends, if Citrix Systems, Inc. decides to pay them.

If Citrix Systems, Inc. runs into financial difficulties and is wound up, shareholders will be paid after all other creditors have been paid. In that case, Awardee may lose some or all of his or her investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision.

The usual rules do not apply to this offer because it is made under an employee share purchase scheme. As a result, Awardee may not be given all the information usually required. Awardee will also have fewer other legal protections for this investment.

Ask questions, read all documents carefully, and seek independent financial advice before committing to participate in the Plan.

The shares of Stock are quoted or approved for trading on the Nasdaq Global Selection Market. This means that, if Awardee vests in Restricted Stock Units and shares of Stock are issued to Awardee, Awardee can sell his or her investment on the Nasdaq Global Selection Market if there are buyers for it. If Awardee sells his or her investment, the price he or she get may vary depending on factors such as the financial condition of Citrix Systems, Inc. Awardee may receive less than the full amount that he or she paid for it, if anything.

For information on risk factors impacting Citrix Systems, Inc.'s business that may affect the value of the shares of Stock, Awardee should refer to the risk factors discussion in Citrix Systems, Inc.'s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at www.sec.gov, as well as on the Company's website at www.citrix.com (please see "SEC Filings" under "Investor Relations").

For more details on the terms and conditions of the Restricted Stock Units, please refer to this Award Agreement, the Plan and the Information Statement which are available on the Citrix intranet site and free of charge on request via email to Citrix Systems, Inc. at EmployeeServices-Stock@citrix.com.

NORWAY

There are no country-specific provisions.

POLAND

Notifications

Exchange Control Information. If Awardee holds foreign securities (including shares of Stock) and maintains accounts abroad, Awardee may be required to file certain reports with the National Bank of Poland. Specifically, if the value of securities and cash held in such foreign accounts exceeds PLN7,000,000, Awardee must file a report on the transactions and balances of the accounts on a quarterly basis.

Further, if Awardee transfers funds in excess of €15,000 into Poland in connection with the sale of shares of Stock or the receipt of dividends, the funds must be transferred via a bank account. Awardee is required to retain the documents connected with a foreign exchange transaction for a period of five years, as measured from the end of the year in which such transaction occurred.

RUSSIA

Notifications

Securities Law Information. The Award Agreement, including this Appendix, the Plan and all other materials that Awardee may receive regarding participation in the Plan do not constitute advertising or an offering of securities in Russia. Absent any requirement under local law, the issuance of shares of Stock under the Plan has not and will not be registered in Russia and, therefore, the shares described in any Plan-related documents may not be offered or placed in public circulation in Russia. Awardee is not permitted to sell Stock directly to a Russian legal entity or resident. Any sale of Stock must be made only on the Nasdaq Global Select Market where the shares of Stock are currently listed and only through a U.S. broker.

U.S. Transaction. Any shares of Stock issued to Awardee under the Plan shall be delivered to Awardee through a brokerage account in the U.S. In no event will shares of Stock be issued to Awardee and/or Stock certificates or other instruments be delivered to Awardee in Russia.

Exchange Control Information. Awardee may hold shares of Stock in his or her brokerage account in the U.S. However, Awardee must repatriate the proceeds from the sale of Stock acquired under the Plan to Russia immediately after receipt. Such proceeds must be initially credited to Awardee through a foreign currency account at an authorized bank in Russia. After the proceeds are initially received in Russia, they may be further remitted to foreign banks in accordance with Russian exchange control laws.

Awardee is encouraged to contact his or her personal advisor before vesting of the Restricted Stock Units and remitting any sale proceeds to Russia as exchange control requirements may change.

Foreign Asset/Account Reporting Notification. Russian residents will be required to notify the Russian tax authorities within one month of opening or closing a foreign bank account or of changing any account details. Effective as of January 1, 2015, Russian residents are also required to file with the Russian tax authorities reports of the transactions in their foreign bank accounts. Russian residents should consult with their personal tax advisor for additional information about these reporting obligations.

Labor Law Information. If Awardee continues to hold shares of Stock acquired at vesting of the Restricted Stock Units after an involuntary termination of employment, Awardee may not be eligible to receive unemployment benefits in Russia.

SINGAPORE

Notifications

Securities Law Information. The Award is being made pursuant to the “Qualifying Person” exemption under section 273(1)(f) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) (“SFA”). The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. Awardee should note that the Award is subject to section 257 of the SFA and Awardee will not be able to make any

subsequent sale in Singapore of the shares acquired through the vesting of the Restricted Stock Units or any offer of such sale in Singapore unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

Director Notification Obligation. Directors of a Singapore Affiliate are subject to certain notification requirements under the Singapore Companies Act. Directors must notify the Singapore Affiliate in writing of an interest (e.g. , Restricted Stock Units, shares of Stock, etc.) in the Company or any Affiliate within two days of (i) its acquisition or disposal, (ii) any change in previously disclosed interest (e.g. , when the shares are sold), or (iii) becoming a director.

SOUTH AFRICA

Terms and Conditions

Tax Withholding. The following provision supplements the “Tax Withholding” section of the Award Agreement:

By accepting the Restricted Stock Units, Awardee agrees that, immediately upon vesting of the Restricted Stock Units, Awardee will notify the Employer of the amount of any gain realized. If Awardee fails to advise the Employer of the gain realized upon vesting, Awardee may be liable for a fine.

Notifications

Exchange Control Information. To participate in the Plan, Awardee must comply with exchange control rules in South Africa, and neither the Company nor the Employer will be liable for any fines or penalties resulting from Awardee’s failure to comply with applicable laws. Because the exchange control regulations are subject to change, Awardee should consult Awardee’s personal advisor prior to vesting of Restricted Stock Units to ensure compliance with current regulations.

SPAIN

Terms and Conditions

Nature of Grant. This provision supplements the “Nature of Grant” section of the Award Agreement:

In accepting the Restricted Stock Units, Awardee consents to participation in the Plan and acknowledges that he or she has received a copy of the Plan.

Further, Awardee understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant Restricted Stock Units under the Plan to individuals who may be employees of the Company or its Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any Award will not economically or otherwise bind the Company or any of its Affiliates on an ongoing basis. Consequently, Awardee understands that the Award is granted on the assumption and condition that the Restricted Stock Units or the shares of Stock acquired upon settlement shall not become a part of any employment contract (either with the Company or any of its Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, Awardee understands that this Award would not be made to Awardee but for the assumptions and conditions referred to above; thus, Awardee acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any Award shall be null and void.

Awardee also understands and agrees that, as a condition of the grant and vesting of the Restricted Stock Units, the termination of Awardee's employment for any reason (including the reasons listed below), the Restricted Stock Units will cease vesting immediately, effective on the date of Awardee's termination of employment. This will be the case, for example, even in the event of a termination of Awardee's employment by reason of, but not limited to, resignation, retirement, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause, individual or collective dismissal on objective grounds, whether adjudged or recognized to be with or without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer and under Article 10.3 of the Royal Decree 1382/1985. Awardee acknowledges that he or she has read and specifically accepts the conditions referred to in the "Termination of Employment" and "Nature of Grant" sections of the Award Agreement.

Notifications

Securities Law Information. The grant of the Restricted Stock Units and the shares of Stock issued pursuant to the vesting of the Restricted Stock Units are considered a private placement outside of the scope of Spanish laws on public offerings and issuances of securities.

Exchange Control Information. To participate in the Plan, Awardee must comply with exchange control regulations in Spain. The acquisition of shares of Stock upon vesting of the Restricted Stock Units and the sale of shares of Stock must be declared on Form D-6, for statistical purposes, to the *Dirección General de Comercio e Inversiones* (the "DGCI") of the Ministry of Industry, Tourism and Commerce. Generally, the D-6 form must be filed each January while the shares are owned or to report the sale of shares of Stock.

Whenever receiving foreign currency payments derived from the ownership of Stock (*i.e.* , cash dividends or sale proceeds) exceeding €50,000, Awardee must inform the financial institution receiving the payment of the basis upon which such payment is made. Awardee will need to provide the institution with the following information: (i) Awardee's name, address, and fiscal identification number; (ii) the name and corporate domicile of the Company; (iii) the amount of the payment; (iv) the currency used; (v) the country of origin; (vi) the reasons for the payment; and (vii) any further information that may be required.

Foreign Asset/Account Reporting Information. To the extent that Awardee holds rights or assets (*e.g.* , shares of Stock or cash held in a bank or brokerage account) outside of Spain with a value in excess of €50,000 per type of right or asset (*e.g.* , shares of Stock, cash, etc.) as of December 31 each year, Awardee will be required to report information on such rights and assets on his or her tax return for such year. After such rights and assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported rights or assets increases by more than €20,000. The reporting must be completed by March 31 following the end of the relevant year. It is Awardee's responsibility to comply with these reporting obligations, and Awardee should consult with his or her personal tax and legal advisors in this regard.

In addition, Awardee is required to electronically declare to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the securities (including shares of Stock acquired under the Plan) held in such accounts if the value of the transactions for all such accounts during the prior tax year or the balances in such accounts as of December 31 of the prior tax year exceeds €1,000,000.

SWEDEN

There are no country-specific provisions.

SWITZERLAND

Notifications

Securities Law Information. The Award is considered a private offering in Switzerland and is therefore not subject to registration.

TAIWAN

Notifications

Securities Law Information. This Restricted Stock Units and the shares of Stock to be issued pursuant to the Plan are available only for employees of the Company and its Affiliates. The Award is not a public offer of securities by a Taiwanese company.

Exchange Control Information. Awardee may acquire foreign currency (including proceeds from the sale of shares of Stock) into Taiwan up to US\$5,000,000 per year. If the transaction amount is TWD\$500,000 or more in a single transaction, Awardee must submit a Foreign Exchange Transaction Form and also provide supporting documentation to the satisfaction of the remitting bank. If the transaction amount is US\$500,000 or more, Awardee may be required to provide additional supporting documentation to the satisfaction of the remitting bank. Awardee should consult his or her personal advisor to ensure compliance with applicable exchange control laws in Taiwan.

TURKEY

Terms and Conditions

Securities Law Information. By accepting the Restricted Stock Units, Awardee understands and agrees that he or she is not permitted to sell any shares of Stock acquired under the Plan in Turkey. The shares of Stock are currently traded on the Nasdaq Global Select Market, which is located outside of Turkey, under the ticker symbol "CTXS" and the shares may be sold through this exchange.

Notifications

Exchange Control Information. Awardee may be required to engage a Turkish financial intermediary to assist with the sale of shares of Stock acquired under the Plan even where the sale takes place on a stock exchange outside Turkey as required for securities law reasons. Awardee should not need to engage a Turkish financial intermediary with respect to the acquisition of shares of Stock because no consideration is paid by Awardee for such shares. As Awardee is solely responsible for complying with the financial intermediary requirements and their application to participation in the Plan is uncertain, Awardee should consult with his or her personal legal advisor prior to the vesting of the Restricted Stock Units or any sale of shares of Stock to ensure compliance.

THAILAND

Notifications

Exchange Control Information. Awardee must repatriate the proceeds from the sale of shares of Stock and any cash dividends received in relation to the shares to Thailand immediately upon receipt if the amount of such proceeds received in a single transaction is US\$50,000 or more. Awardee must then either convert the funds to Thai Baht or deposit the proceeds in a foreign currency deposit account maintained by a bank

in Thailand within 360 days of remitting the proceeds to Thailand. If the amount of the proceeds is equal to or greater than US\$50,000, Awardee must specifically report the inward remittance to the Bank of Thailand on a Foreign Exchange Transaction Form.

If Awardee does not comply with this obligation, Awardee may be subject to penalties assessed by the Bank of Thailand. Because exchange control regulations change frequently and without notice, Awardee should consult a legal advisor before selling shares of Stock to ensure compliance with current regulations. It is Awardee's responsibility to comply with exchange control laws in Thailand, and neither the Company nor the Employer will be liable for any fines or penalties resulting from Awardee's failure to comply with applicable laws.

UNITED ARAB EMIRATES

Notifications

Securities Law Information. This statement, the Award Agreement, the Plan and any other documents Awardee may receive in connection with the Restricted Stock Units is intended only for distribution to select employees of the Employer ("Citrix Dubai") and must not be delivered to, or relied on, by any other person.

The Restricted Stock Units to which the Award Agreement relates is granted under the Plan to select employees of Citrix Dubai only and is intended to provide employees located in the United Arab Emirates with an incentive to contribute to the success of the Company.

Any securities (*i.e.* , shares of Stock) acquired under the Plan may be subject to restrictions on their resale. Prospective acquirors of the securities offered should conduct their own due diligence with respect to the securities. If Awardee does not understand the contents of this statement, the Plan or the Award Agreement, he or she should consult an authorized financial advisor.

The Ministry of Economy, Dubai Department of Economic Development, Emirates Securities and Commodities Authority and Central Bank do not have any responsibility for reviewing or verifying any documents in connection with this statement, the Plan or the Award Agreement, nor have they reviewed, verified or approved this statement, the Plan, the Award Agreement or any of the information set forth therein.

UNITED KINGDOM

Terms and Conditions

Payment of Restricted Stock Units. This provision supplements the "Issuance of Stock" section of the Award Agreement:

The grant of the Award does not provide any right for Awardee to receive a cash payment and the Restricted Stock Units are payable in Stock only. This provision is without prejudice to the application of the "Tax Withholding" section of the Award Agreement.

Tax and National Insurance Contributions Acknowledgement. The following provision supplements the "Tax Withholding" section of the Award Agreement:

Awardee agrees that if payment or withholding of income tax due in connection with the vesting of the Restricted Stock Units, or the release or assignment of the Restricted Stock Units for consideration, or the receipt of any other benefit in connection with the Restricted Stock Units (the "Taxable Event"), is not made

within 90 days after the end of the UK tax year in which the Taxable Event occurred or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003 (the “Due Date”), the amount of any uncollected income tax shall constitute a loan owed by Awardee to the Employer, effective on the Due Date. Awardee agrees that the loan will bear interest at the then-current official rate of Her Majesty’s Revenue and Customs (“HMRC”) and will be immediately due and repayable by Awardee, and the Company and/or the Employer may recover it at any time thereafter by any of the means referred to in the “Tax Withholding” section in the Award Agreement. Notwithstanding the foregoing, if Awardee is an executive officer or director of the Company (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), Awardee shall not be eligible for a loan from the Company to cover the income tax due. In the event that Awardee is an executive officer or director and income tax is not collected from or paid by Awardee by the Due Date, the amount of any uncollected income tax may constitute a benefit to Awardee on which additional income tax and national insurance contributions (“NICs”) may be payable. Awardee understands that he or she will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company and/or the Employer (as appropriate) for the value of employee NICs due on this additional benefit which the Company and/or the Employer may recover from Awardee by any of the means set forth in the “Tax Withholding” section of the Award Agreement.

Joint Election. As a condition of Awardee’s participation in the Plan, Awardee agrees to accept any liability for secondary Class 1 NICs which may be payable by the Company and/or the Employer in connection with the Restricted Stock Units and any event giving rise to Tax-Related Items (the “Employer’s NICs”). Without limitation to the foregoing, Awardee agrees to enter into a joint election with the Company and/or the Employer (the “Joint Election”), the form of such Joint Election being formally approved by HMRC, and to execute any other consents or elections required to accomplish the transfer of the Employer’s NICs to Awardee. Awardee further agrees to execute such other joint elections as may be required between Awardee and any successor to the Company and/or the Employer. Awardee further agrees that the Company and/or the Employer may collect the Employer’s NICs from him or her by any of the means set forth in the “Tax Withholding” section of the Award Agreement.

If Awardee does not enter into a Joint Election, if approval of the Joint Election has been withdrawn by HMRC, if the Joint Election is revoked by the Company or the Employer (as applicable), or if the Joint Election is jointly revoked by Awardee and the Company or the Employer, as applicable, the Company, in its sole discretion and without any liability to the Company or the Employer, may choose not to issue or deliver any shares of Stock or proceeds from the sale of shares to Awardee upon vesting of the Restricted Stock Units.

* * * * *

**GLOBAL RESTRICTED STOCK UNIT AGREEMENT
(Long Term Incentive)**

**UNDER THE CITRIX SYSTEMS, INC.
2014 EQUITY INCENTIVE PLAN**

Name of Awardee: [*Name*]

Award Date: [*Date*]

Number of Restricted Stock Units at 100% Attainment: [*Number of Units*] (the "Target Award")

Performance Period: January 1, 2017 – December 31, 2019

Opening Average Share Value: \$71.47

Pursuant to the Citrix Systems, Inc. 2014 Equity Incentive Plan (as amended from time to time, the "Plan"), Citrix Systems, Inc. (the "Company") hereby grants an Award (as defined in the Plan) of Restricted Stock Units (as defined in the Plan) to the awardee named above (the "Awardee"). Upon acceptance of this Agreement, including any appendix for Awardee's country (the "Appendix" and together with this Agreement, the "Award Agreement"), Awardee shall receive the number of Restricted Stock Units specified above, subject to the restrictions and conditions set forth in this Award Agreement and in the Plan.

1. Vesting.

(a) No portion of this Award may be settled until the Committee has determined the portion that has vested. Except as otherwise provided herein, the number of Restricted Stock Units vested shall be based on the Company's performance during the Performance Period identified above and, except as provided in Section 4(b), shall be further subject to the Awardee's continuous employment relationship with the Company or its Affiliates through the conclusion of the Performance Period. As used herein, "Performance Period" shall mean the three-year performance period indicated above.

(b) The Committee, as promptly as practicable (but in no event later than 60 days) following the conclusion of the Performance Period, shall determine the actual number of Restricted Stock Units that vest upon the final day of the Performance Period (the "Vesting Date") in accordance with Section 2; and on the Vesting Date, 100% of such actual number of Restricted Stock Units shall vest in one installment. The Awardee shall forfeit any portion of this Award that is not vested upon the conclusion of the Performance Period.

2. Performance Criteria and Attainment Levels.

(a) Except as set forth in Section 2(b) below, the attainment level under this Restricted Stock Unit Award will be determined during the first 60 days of the calendar year immediately following the end of the Performance Period based on the Relative TSR Percentile. The number of Restricted Stock Units vested as a percentage of the Target Award shall be determined in accordance with the following table:

Relative TSR Percentile

Percentage of Target Award Vested

Below 41 st Relative TSR Percentile	None
41 st to 60 th Relative TSR Percentile	50% to 99%
61 st to 80 th Relative TSR Percentile	100% to 200%
Greater than 80 th Relative TSR Percentile	200%

The actual vesting percentage of the Target Award earned will be based on straight-line linear interpolation between the points designated above. Notwithstanding the foregoing, in the event the Company TSR is negative, the vesting percentage of the Target Award shall be no more than 100 percent regardless of the Relative TSR Percentile.

(b) Subject to the terms of any employment, executive or similar agreement between the Company and the Awardee, upon an Acquisition (as defined in the Plan) that occurs prior to the end of the Performance Period, the provisions of Section 3(d) of the Plan shall apply; provided, however, that any determination by the Committee or Board that the vesting of the Award shall accelerate shall provide that Awardee shall earn, and shall immediately vest in, his or her Target Award, provided further, however, that for purposes of this Section 2(b) only, the number of Restricted Stock Units composing the Target Award shall be multiplied by a fraction, the numerator of which shall be the number of full and partial months from the Award Date to the effective date of the Acquisition and the denominator of which shall be 36.

(c) As used herein, the following terms shall have the following respective meanings:

“Accumulated Shares” means, for a given day, the sum of (i) one share of Stock and (ii) a cumulative number of shares of Stock purchased with dividends, if any, declared on the Stock, assuming same day reinvestment of the dividends into shares of Stock at the closing price on the ex-dividend dates between the last day of the calendar year immediately preceding the start of the Performance Period and the last day of the Closing Average Period.

“Closing Average Period” means the 30 trading days ending on the last trading day of the Performance Period.

“Closing Average Share Value” means the average closing price of one share of the Stock multiplied by the Accumulated Shares for each trading day during the Closing Average Period.

“Company TSR” means the Company’s total shareholder return for the Performance Period, which shall be calculated by dividing (i) the Closing Average Share Value by (ii) the Opening Average Share Value and then subtracting one.

“Disability” means Awardee’s termination of employment from the Company or its Affiliates after becoming eligible to receive benefits under the Company’s or an Affiliate’s then current long-term disability plan applicable to such Awardee.

“Index Companies” means the companies listed in Exhibit A, each of which is an “Index Company,” subject in all cases to the rules set forth on Exhibit A in respect of the determination of Index Companies.

“Index Company Closing Average Share Value” means the average closing price of one share of the Index Company’s common stock (i.e., the class of the Index Company’s common stock that is publicly traded) during the Closing Average Period.

“Index Company Opening Average Share Value” means the average closing price of one share of the Index Company’s common stock (i.e., the class of the Index Company’s common stock that is publicly traded) during the Opening Average Period.

“Index Company Return” means each Index Company’s total shareholder return for the Performance Period, which shall be calculated by dividing (i) the Index Company Closing Average Share Value by (ii) the Index Company Opening Average Share Value, and then subtracting one (1).

“Opening Average Period” means the 30 trading days ending on the last trading day of the calendar year immediately preceding the start of the Performance Period.

“Relative TSR Percentile” means the Company TSR during the Performance Period relative to the Index Company Return of the Index Companies during the Performance Period expressed as a percentile. Relative TSR Percentile will be determined by first determining the Company’s ranking among the Index Companies by ranking the Company and the Index Companies from highest to lowest, with the highest being 1st, according to their respective Index Company Return or Company TSR, as applicable, and then calculating the Relative TSR Percentile as follows:

$$P = 1 - \frac{(R-1)}{N}$$

where:“P” is the Relative TSR Percentile, rounded, if necessary, to the nearest whole percentile by application of regular rounding.

“N” represents the number of Index Companies.

“R” represents the Company’s numeric ranking among the Index Companies.

Example : If there are 36 Index Companies remaining and the Company is ranked 19th, the Relative TSR Percentile would be at the 50th percentile: $.50 = 1 - ((19-1)/36)$.

“Retirement” means Awardee’s termination of employment from the Company or its Affiliates after attainment of the age of 65 and provided that the Awardee has at such time completed at least four years of service with the Company or its Affiliates.

“Stock” means a share of the Company’s common stock, par value \$.001 per share.

3. Issuance of Stock.

(a) Subject to determination of attainment levels by the Committee or pursuant to Section 2(b) upon an Acquisition, each vested Restricted Stock Unit entitles Awardee to receive one share of Stock.

(b) Within a reasonable amount of time after the Committee has made the determination pursuant to Section 2 or pursuant to Section 2(b) upon an Acquisition (but in no event later than two and one-half months after the year in which the Vesting Date or the Acquisition occurs, as applicable), Awardee's name shall be entered as the stockholder of record on the books and records of the Company with respect to the shares of Stock underlying the Restricted Stock Units earned in accordance with Sections 2 and 3(a) and upon compliance to the satisfaction of the Committee with all requirements under applicable laws or regulations in connection with such issuance and with the requirements hereof and of the Plan. The determination of the Committee as to such compliance shall be final and binding on Awardee.

(c) Until such time as shares of Stock have been issued to Awardee pursuant to Section 3(b) above, Awardee shall not have any rights as a holder of the shares of Stock underlying this Award, including but not limited to voting rights.

(d) If on any date the Company shall pay any dividend on shares of Stock, the Committee shall, in its discretion, either:

(i) make a proportionate award (based on the dividend paid) of Dividend Equivalent Rights under the Plan with respect to the unvested Restricted Stock Units hereunder, which Dividend Equivalent Rights shall vest and be settled under the same terms and conditions as the underlying Restricted Stock Units pursuant to Section 2 (b), provided that such Dividend Equivalent Rights shall be promptly forfeited if and when the Restricted Stock Units are forfeited; or

(ii) take necessary action such that the number of Restricted Stock Units credited to Awardee shall, as of such date, be increased by an amount determined by the following formula:

$W = (X \text{ multiplied by } Y) \text{ divided by } Z$, where:

W = the number of additional Restricted Stock Units to be credited to Awardee on such dividend payment date;

X = the aggregate number of Restricted Stock Units (whether vested or unvested) credited to Awardee as of the record date of the dividend;

Y = the cash dividend per share amount; and

Z = the Fair Market Value per share of Stock (as determined under the Plan) on the dividend payment date.

In the case of a dividend paid on Stock in the form of Stock, including without limitation a distribution of Stock by reason of a stock dividend, stock split or otherwise, the number of Restricted Stock Units credited to Awardee shall be increased by a number equal to the product of (A) the aggregate number of Restricted Stock Units that have been awarded to Awardee through the related dividend record date, and (B) the number of shares of Stock (including any fraction thereof) payable as dividend on one share of Stock. In the case of a dividend payable in property other than shares of Stock or cash, the per share of Stock value of such

dividend shall be determined in good faith by the Board and shall be converted to additional Restricted Stock Units based on the formula above or Dividend Equivalent Rights. Any additional Restricted Stock Units shall be subject to the vesting and restrictions of this Award Agreement in the same manner and for so long as the Restricted Stock Units granted pursuant to this Award Agreement to which they relate remain subject to such vesting and restrictions, and shall be promptly forfeited to the Company if and when such Restricted Stock Units are so forfeited.

4. Termination of Employment.

(a) Subject to the terms of any employment, executive or similar agreement, if Awardee's employment by the Company or any of its Affiliates (as defined in the Plan) is voluntarily or involuntarily terminated (regardless of whether an Awardee continues to be considered an employee under local labor laws) for any reason other than Disability, death or Retirement prior to the end of the Performance Period, Awardee's right in any Restricted Stock Units that are not vested shall automatically terminate as of the date that Awardee is no longer actively employed by the Company and its Affiliates as determined by the Committee or any of its delegates in its, his or her sole discretion (the "Termination Date"), and such Restricted Stock Units shall be canceled and shall be of no further force and effect.

(b) If Awardee's termination of employment is on account of Disability, death or Retirement prior to the end of the Performance Period, Awardee shall not forfeit his or her Award and shall remain eligible to earn his or her Award, subject to the requirements of Section 2; provided, however, that the number of Restricted Stock Units determined pursuant to Section 2 by the Committee shall be multiplied by a fraction, the numerator of which shall be the full and partial months from the Award Date to Awardee's Termination Date and the denominator of which shall be 36. For the avoidance of doubt, an Awardee who, at the time of such termination, has attained the age of 65 but has not completed at least four years of service with the Company shall not be deemed to have been terminated on account of Retirement and Section 4(a) above shall apply.

(c) In the event of Awardee's termination of employment after the Performance Period, the Company, as soon as practicable following the date of such termination (the "Termination Date") (but in no event later than two and one-half months after the end of the Performance Period) shall issue shares of Stock to Awardee (or Awardee's designated beneficiary or estate executor, as applicable, in the event of Awardee's death) with respect to any Restricted Stock Units which, as of the Termination Date, have been earned but for which shares of Stock had not yet been issued to Awardee.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Award shall be subject to and governed by all the terms and conditions of the Plan. Capitalized terms in this Award Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Transferability. This Award Agreement and the Award are personal to Awardee, non-assignable and not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. If Awardee is a U.S. employee (as determined by the Committee or any of its delegates in its, his or her sole discretion), Awardee may be permitted to designate a beneficiary with respect to the shares of Stock to be issued upon vesting of the Award.

7. Tax Withholding. Regardless of any action the Company, or if different, Awardee's employer (the "Employer") takes with respect to any or all income tax, social insurance, payroll tax, fringe benefits

tax, payment on account or other tax-related items related to Awardee's participation in the Plan and legally applicable to Awardee ("Tax-Related Items"), Awardee acknowledges that the ultimate liability for all Tax-Related Items is and remains his or her responsibility and that such liability may exceed the amount actually withheld by the Company or the Employer. Awardee further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the issuance of Stock upon settlement of the Restricted Stock Units, the subsequent sale of Stock and the receipt of any dividends and/or any dividend equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Awardee's liability for Tax-Related Items or achieve any particular tax result. Further, if Awardee has become subject to tax in more than one jurisdiction between the Award Date and the date of any relevant taxable or tax withholding event, as applicable, Awardee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Awardee's Tax-Related Items subject to a withholding obligation by the Company and/or the Employer shall be satisfied through a net issuance of shares. The Company shall withhold from shares of Stock to be issued to Awardee a number of shares of Stock with an aggregate Fair Market Value that would satisfy the Tax-Related Items due. Alternatively, or in addition, the Company or the Employer may decide in their sole and absolute discretion to satisfy Awardee's obligation for Tax-Related Items by one or a combination of the following: (i) withholding from proceeds of the sale of shares of Stock acquired upon vesting/settlement of the Restricted Stock Units either through a voluntary sale or through a mandatory sale arranged by the Company (on Awardee's behalf pursuant to this authorization); or (ii) in any other way set forth in Section 15 of the Plan; provided, however, that if Awardee is a Section 16 officer of the Company under the Exchange Act, then the Company will satisfy any withholding obligation only through a net share issuance of shares, unless the use of such withholding method is problematic under applicable tax or securities law or has materially adverse accounting consequences, in which case the obligation for Tax-Related Items may be satisfied by method (i) or (ii) above, or a combination thereof.

To avoid negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case Awardee will receive a refund of any over-withheld amount in cash and will have no entitlement to the Stock equivalent. If the obligation for Tax-Related Items is satisfied by withholding Stock, for tax purposes, Awardee is deemed to have been issued the full number of shares of Stock subject to the vested Restricted Stock Units, notwithstanding that a number of shares is held back solely for purposes of paying the Tax-Related Items due as a result of any aspect of Awardee's participation in the Plan.

Finally, Awardee shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Awardee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Stock or the proceeds of the sale of Stock, if Awardee fails to comply with Awardee's obligations in connection with the Tax-Related Items.

8. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Awardee's participation in the Plan, or Awardee's acquisition or sale of the underlying Stock. Awardee is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

9. Data Privacy. By entering into this Award Agreement, Awardee explicitly, voluntarily and unambiguously consents to the collection, use, and transfer, in electronic or other form, of Awardee's personal data as described in this Award Agreement and any other grant materials by an and among, as applicable, the Employer, the Company and any Affiliate for the exclusive purpose of implementing, administering and managing Awardee's participation in the Plan.

Awardee understands that the Employer, the Company and its Affiliates may hold certain personal information about Awardee, including, but not limited to, Awardee's name, home address and telephone number, date of birth, social security number or other identification number, salary, nationality, job title, or any shares held in the Company, and details of all Awards or other entitlement to shares awarded, canceled, exercised, vested, unvested, or outstanding in Awardee's favor ("Data"), for the exclusive purpose of managing and administering the Plan.

Awardee further understands that the Employer, the Company and/or its Affiliates will transfer Data among themselves as necessary for the exclusive purposes of implementation, administration and management of Awardee's participation in the Plan, and that the Employer, the Company and/or its Affiliates may each further transfer Data to any third parties assisting the Company in the implementation, administration, and management of the Plan, including Fidelity Stock Plan Services, LLC or such other stock plan service provider as may be selected by the Company ("Data Recipients").

Awardee understands that the Data Recipients may be located in Awardee's country or elsewhere, including outside the European Economic Area, and that the Data Recipient's country (e.g., the United States) may have different data privacy laws and protections. Awardee understands that, if Awardee resides outside the United States, Awardee may request a list with the names and addresses of Data Recipients by contacting in writing Awardee's local human resources representative. Awardee authorizes the Data Recipients to receive, possess, use, retain, and transfer Data, in electronic or other form, for the purposes of implementing, administering, and managing Awardee's participation in the Plan. Awardee understands that Data will be held only as long as is necessary to implement, administer and manage Awardee's participation in the Plan.

Awardee understands that, if Awardee resides outside the United States, Awardee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data to make the information contained therein factually accurate, or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Awardee's local human resources representative.

Further, Awardee understands that Awardee is providing the consents herein on a purely voluntary basis. If Awardee does not consent, or if Awardee later seeks to revoke the consents, Awardee's employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing the consents is that the Company would not be able to grant Restricted Stock Units or other equity awards to Awardee or administer or maintain such awards. Therefore, Awardee understands that refusing or withdrawing the consents may affect Awardee's ability to participate in the Plan. For more information on the consequences of Awardee's refusal to consent or withdrawal of consent, Awardee understands that Awardee may contact in writing Awardee's local human resources representative.

10. Nature of Grant. In accepting the Restricted Stock Units, Awardee expressly acknowledges, understands and agrees to the following:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be terminated by the Company at any time, except as otherwise set forth in the Plan;

(b) the grant of the Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units or other awards have been granted in the past;

(c) all decisions with respect to future Restricted Stock Unit grants, if any, will be at the sole discretion of the Company;

(d) this Award Agreement does not confer upon Awardee any rights with respect to continuation of employment by the Employer and shall not interfere with the ability of the Employer to terminate Awardee's employment or service relationship (if any) at any time;

(e) the Restricted Stock Unit grant and Awardee's participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Company or any Affiliate;

(f) the future value of the underlying shares of Stock is unknown, indeterminable and cannot be predicted with certainty;

(g) Awardee is voluntarily participating in the Plan;

(h) for Awardees who reside outside the U.S., the following additional provisions shall apply:

(i) the Restricted Stock Units and any shares of Stock acquired under the Plan, and the income and value of same, are not intended to replace any pension rights or compensation;

(ii) Restricted Stock Units and the underlying shares of Stock, and the income and value of same, are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or to the Employer and are outside the scope of Awardee's employment contract, if any;

(iii) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from termination of Awardee's employment or service by the Company or the Employer (whether or not in breach of local labor laws) and in consideration of the grant of the Restricted Stock Units to which Awardee is otherwise not entitled, Awardee irrevocably agrees never to institute any claim against the Company or any Affiliate, waives his or her ability, if any, to bring any such claim and releases the Company and any Affiliate from any such claim, if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Awardee shall be deemed to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims; and

(iv) neither the Employer, the Company nor its Affiliates shall be liable for any foreign exchange rate fluctuation between Awardee's local currency and the United States Dollar that may affect the value of the Award or any amounts due to Awardee pursuant to the settlement of the Award, the subsequent sale of any shares of Stock acquired under the Plan or the receipt of any dividends or dividend equivalents.

11. Miscellaneous.

(a) Notice hereunder shall be given to the Company at its principal place of business, and shall be given to Awardee at the last address on record at the Employer, or in either case at such other address as one party may subsequently furnish to the other party in writing or such other form as may be specified by the Company.

(b) The Committee may amend the terms of this Award Agreement, prospectively or retroactively, provided that the Award Agreement as amended is consistent with the terms of the Plan, but no such amendment shall impair Awardee's rights under this Award Agreement without Awardee's consent; provided, further, however that, irrespective of any actual or potential impairment of Awardee's rights under this Award Agreement, the Committee in its sole and absolute discretion may prospectively or retroactively amend any performance goal related to this Award, including, without limitation, in connection with strategic transactions.

(c) This Award Agreement shall be binding upon and inure to the benefit of any successor or assign of the Company and any executor, administrator, trustee, guardian or other legal representative of Awardee.

(d) This Award Agreement may be executed in one or more counterparts, all of which together shall constitute one instrument. This Award Agreement and the Plan together constitute the entire agreement between the parties relative to the subject matter hereof, and supersede all proposals written, oral or electronic relating to the subject matter hereof; provided, however, that, to the extent inconsistent with the terms hereof, any change of control agreement between the Company and Awardee shall take precedence and supersede the terms hereof.

12. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. Awardee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

13. Language. If Awardee has received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

14. Governing Law and Venue. The Restricted Stock Units and this Award Agreement shall be construed and enforced in accordance with the laws of the State of Delaware, without regard to the conflict of laws principles thereof.

For purposes of litigating any dispute that arises under this grant or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Florida and agree that such litigation shall be conducted in the courts of Broward County, Florida, or the federal courts for the United States for the Southern District of Florida, where this grant is made and/or to be performed.

15. Appendix. Notwithstanding any provisions in this Award Agreement, the Restricted Stock Units shall be subject to any special terms and conditions set forth in any Appendix to this Award Agreement for Awardee's country. Moreover, if Awardee relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to Awardee, to the extent the Company determines

that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Award Agreement.

16. Imposition of Other Requirements. The Company reserves the right to impose other requirements on Awardee's participation in the Plan, on the Restricted Stock Units and on any shares of Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Awardee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

17. Severability. The provisions of this Award Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

18. Insider Trading Restrictions/Market Abuse Laws. Awardee acknowledges that, depending on Awardee's country, Awardee may be subject to insider trading restrictions and/or market abuse laws, which may affect his or her ability to acquire or sell the shares of Stock or rights to shares of Stock under the Plan during such times as Awardee is considered to have "inside information" regarding the Company (as defined by the laws in Awardee's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Awardee acknowledges that it is Awardee's responsibility to comply with any applicable restrictions, and Awardee is advised to speak to his or her personal advisor on this matter.

19. Waiver. Awardee acknowledges that a waiver by the Company of breach of any provision of this Award Agreement shall not operate or be construed as a waiver of any other provision of this Award Agreement, or of any subsequent breach by Awardee or any other awardee.

By electronically accepting the Award Agreement and participating in the Plan, Awardee agrees to be bound by the terms and conditions in the Plan and this Award Agreement, including the Appendix. Within six months of the Award Date, if Awardee has not electronically accepted this Award Agreement on Fidelity.com's website, or the website of any other stock plan service provider appointed by the Company, then this award shall automatically be deemed accepted, and Awardee shall be bound by the terms and conditions in the Plan and this Award Agreement, including the Appendix.

EXHIBIT A

“ **Index Companies** ” means the following list of companies:

A10 Networks, Inc.
ACI Worldwide, Inc.
Adobe Systems Incorporated
Akamai Technologies, Inc.
Ansys, Inc.
Autodesk, Inc.
Blackbaud, Inc.
Box, Inc.
CA, Inc.
Cadence Design Systems, Inc.
CDK Global, Inc.
Commvault Systems, Inc.
F5 Networks, Inc.
Fair Isaac Corporation
FireEye, Inc.
Fortinet, Inc.
Intuit Inc.
Juniper Networks, Inc.
Manhattan Associates, Inc.
Mentor Graphics Corporation
MicroStrategy Incorporated
NetApp, Inc.
Nuance Communications, Inc.
Palo Alto Networks, Inc.
Pegasystems, Inc.
PTC Inc.
Radware Ltd.
RealPage, Inc.
Red Hat, Inc.
Salesforce.com, inc.
ServiceNow, Inc.
Splunk Inc.
SS&C Technologies Holdings, Inc.
Symantec Corporation
Synopsys, Inc.
Tableau Software, Inc.
The Ultimate Software Group, Inc.
TiVo Corporation
Tyler Technologies, Inc.
Verint Systems Inc.
VeriSign, Inc.
VMware, Inc.
Workday, Inc.

Additional rules regarding Index Companies:

In the event of a merger or business combination transaction of an Index Company with another Index Company, the surviving entity shall remain an Index Company upon closing of the transaction.

In the event of an acquisition of an Index Company by another Index Company, the acquiring Index Company shall remain an Index Company, and the target Index Company shall cease to be an Index Company, upon closing of the transaction.

In the event of a merger or business combination transaction of an Index Company with an entity that is not an Index Company, in each case where the Index Company is the surviving entity and remains publicly traded, the surviving entity shall remain an Index Company upon closing of the transaction. In the event of a merger or business combination transaction of an Index Company with an entity that is not an Index Company, where the Index Company is not the surviving entity or is otherwise no longer publicly traded, the company will cease to be an Index Company upon closing of the transaction.

In the event of the acquisition of an Index Company by an entity that is not an Index Company, a “going private” transaction involving an Index Company, or the liquidation of an Index Company, in each case where the Index Company is no longer publicly traded, the company will cease to be an Index Company upon closing of the transaction.

In the event of a bankruptcy of an Index Company, the company will remain an Index Company until such time, if any, as the Index Company is no longer publicly traded.

The foregoing rules shall not apply, and there shall be no change in the Index Companies, as a result of a transaction described above if the closing of such transaction occurs on the last day of the Closing Average Period.

APPENDIX

Citrix Systems, Inc. 2014 Equity Incentive Plan Global Restricted Stock Unit Agreement Additional Terms and Conditions

Capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan and/or the Award Agreement.

Terms and Conditions

This Appendix includes additional terms and conditions that govern the Restricted Stock Units granted to Awardee under the Plan if Awardee resides and/or works in one of the countries listed below. If Awardee is a citizen or resident (or is considered as such for local law purposes) of a country other than the country in which Awardee is currently residing and/or working, or if Awardee relocates to another country after the grant of the Restricted Stock Units, the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply.

Notifications

This Appendix also includes information regarding exchange controls and certain other issues of which Awardee should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of April 2014. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Awardee not rely on the information in this Appendix as the only source of information relating to the consequences of Awardee's participation in the Plan because the information may be out of date at the time that the Restricted Stock Units vest or Awardee sells shares of Stock acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to Awardee's particular situation, and the Company is not in a position to assure Awardee of a particular result. Accordingly, Awardee is advised to seek appropriate professional advice as to how the relevant laws in Awardee's country may apply to his or her situation.

Finally, if Awardee is a citizen or resident (or is considered as such for local law purposes) of a country other than the one in which he or she is currently working and/or residing, or if Awardee relocates to another country after the Restricted Stock Units are granted, the information contained herein may not be applicable to Awardee.

ARGENTINA

Notifications

Securities Law Information. Neither the Restricted Stock Units nor the underlying shares of Stock are publicly offered or listed on any stock exchange in Argentina. This offer is private and not subject to the supervision of any Argentine governmental authority.

Exchange Control Information. Following the sale of shares of Stock or the receipt of any cash dividends, Awardee may be subject to certain restrictions in bringing such funds back into Argentina. The Argentine bank handling the transaction may request certain documentation in connection with the request to transfer

proceeds into Argentina (e.g. , evidence of the sale, proof of the source of the funds used to purchase the shares of Stock, etc.) and under certain circumstances may require that 30% of the amount transferred into Argentina be placed in a non-interest bearing U.S. dollar deposit account for a holding period of 365 days.

Awardee is solely responsible for complying with the exchange control rules that may apply in connection with Awardee's participation in the Plan. Prior to transferring proceeds into Argentina, Awardee is strongly advised to consult his or her local bank and/or personal legal advisor to confirm the applicable requirements. Awardee should note that the interpretations of the applicable Argentine Central Bank regulations vary by bank and that exchange control rules and regulations are subject to change without notice.

Foreign Asset/Account Reporting Information. Awardee must report any shares of Stock acquired and held on December 31 of each year on Awardee's annual tax return for that year.

AUSTRALIA

Terms and Conditions

Data Privacy. This provision supplements the "Data Privacy" section of the Award Agreement:

The Company can be contacted at 851 West Cypress Creek Road, Fort Lauderdale, Florida 33309, United States of America. The Australian Employer can be contacted at Citrix Systems Asia Pacific Pty Ltd Level 3, 1 Julius Avenue, Riverside Corporate Park, North Ryde, NSW 2113, Australia.

Awardee's personal information will be held in accordance with the Company's privacy policy, a copy of which can be obtained by contacting the Company or the Australian Employer at the address listed above. The Company's privacy policy contains, among other things, details of how Awardee can access and seek correction of personal information held in connection with this Award Agreement.

Awardee understands and agrees that Data may be transferred to recipients located outside of Australia, including the United States and any other country where the Company has operations.

Notifications

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding AUD10,000 and for international fund transfers. If an Australian bank is assisting with the transaction, the bank will file the report on behalf of Awardee.

Securities Law Information. If Awardee acquires Stock pursuant to the Restricted Stock Units and offers his or her shares of Stock for sale to a person or entity resident in Australia, Awardee's offer may be subject to disclosure requirements under Australian law. Awardee should obtain legal advice on his or her disclosure obligations prior to making any such offer.

AUSTRIA

Notifications

Exchange Control Information. If Awardee holds shares of Stock obtained through the Plan or otherwise outside of Austria, Awardee may be required to submit periodic reports to the Austrian National Bank, depending on the value of the shares held outside Austria. An exemption applies if the value of the shares of Stock as of any given quarter does not exceed €30,000,000 or as of December 31 of each year does not

exceed €5,000,000. If the former threshold is exceeded, quarterly obligations are imposed, whereas if the latter threshold is exceeded, annual reports must be given. The deadline for filing the annual report is January 31 of the following year.

When shares of Stock are sold or cash dividends are paid on the shares of Stock, there may be exchange control obligations if the cash received is held outside Austria. If the transaction volume of all Awardee's accounts abroad exceeds €3,000,000, the movements and balances of all accounts must be reported monthly, as of the last day of the month, on or before the fifteenth day of the following month.

Consumer Protection Information. To the extent that the provisions of the Austrian Consumer Protection Act are applicable to the Award Agreement and the Plan, Awardee may be entitled to revoke his or her acceptance of the Award Agreement under the conditions listed below:

(i) The revocation must be made within one week after Awardee accepts the Award Agreement.

(ii) The revocation must be in written form to be valid. It is sufficient if Awardee returns the Award Agreement to the Company or the Company's representative with language that can be understood as Awardee's refusal to conclude or honor the Award Agreement, provided the revocation is sent within the period set forth above.

BELGIUM

Notifications

Foreign Asset/Account Reporting Information. Awardee is required to report any securities (e.g. , shares of Stock) or bank accounts opened and maintained outside Belgium on his or her annual tax return.

BRAZIL

Terms and Conditions

Nature of Grant. In accepting the grant of the Restricted Stock Units, Awardee agrees that he or she is making an investment decision, the shares of Stock will be issued to Awardee only if the vesting conditions are met and any necessary services are rendered by Awardee over the vesting period, and the value of the underlying shares of Stock is not fixed and may increase or decrease in value over the vesting period without compensation to Awardee.

Compliance with the Law. In accepting the grant of the Restricted Stock Units, Awardee acknowledges his or her agreement to comply with applicable Brazilian laws and to pay any and all applicable tax associated with the Restricted Stock Units, the sale of the shares of Stock acquired under the Plan, and the receipt of any cash dividends paid on such shares of Stock.

Notifications

Exchange Control Information. If Awardee is a resident or domiciled in Brazil, he or she will be required to submit an annual declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US\$100,000. Assets and rights that must be reported include shares of Stock.

BULGARIA

Notifications

Exchange Control Information. If Awardee receives a payment related to the Plan in Bulgaria in excess of BGN100,000 (or its equivalent in another currency, *e.g.*, U.S. dollars), he or she is required to submit a form with information regarding the source of the income to the bank receiving such payment for statistical purposes upon transfer or within 30 days of receipt. The Awardee should contact his or her bank in Bulgaria for additional information regarding this requirement.

In addition, Awardee is required to report annually to the Bulgarian National Bank (“BNB”) as of March 31 by filing statistical forms regarding their receivables in bank accounts abroad as well as their securities abroad (*e.g.*, shares of Stock acquired under the Plan) if the total sum of all receivables and amount of securities is equal to or exceeds BGN50,000 as of the previous calendar year-end.

CANADA

Terms and Conditions

Payment of Restricted Stock Units. This provision supplements the “Issuance of Stock” section of the Award Agreement:

The grant of the Award does not provide any right for Awardee to receive a cash payment and the Restricted Stock Units are payable in Stock only.

Termination of Service. The following provision supplements the “Termination of Employment” section of the Award Agreement:

In the event of the termination of Awardee’s employment (whether or not in breach of local labor laws), Awardee’s right to vest in the Restricted Stock Units to, if any, will terminate effective as of the date that is the earliest of (1) the date Awardee’s employment is terminated, (2) the date Awardee receives notice of termination from the Employer, or (3) the date Awardee is no longer actively providing service, regardless of any notice period or period of pay in lieu of such notice required under the employment laws in the jurisdiction where Awardee is employed or providing services or the terms of Awardee’s employment contract, if any; the Committee, or an officer of the Company to whom it delegates authority to administer the Plan, shall have the discretion to determine when Awardee is no longer actively providing service for purposes of the Award (including whether Awardee may still be considered to be providing service while on a leave of absence).

The following provision will apply if Awardee is a resident of Quebec:

French Language Provision. The parties acknowledge that it is their express wish that the Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de la convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la convention.

Data Privacy. This provision supplements the “Data Privacy” section of the Award Agreement:

Awardee hereby authorizes the Company and the Company’s representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. Awardee further authorizes the Company, the Employer and/or any Affiliate to disclose and discuss such information with their advisors. Awardee further authorizes the Company, the Employer and/or any Affiliate to record such information and to keep such information in Awardee’s employment file.

Notifications

Securities Law Information. Awardee is permitted to sell Stock acquired under the Plan through the designated broker appointed under the Plan, if any, provided the resale of Stock acquired under the Plan takes place outside of Canada.

Foreign Asset/Account Reporting Information. If the total value of Awardee’s foreign property (including cash held outside of Canada or shares of Stock) exceeds C\$100,000 at any time during the year, Awardee must report all of his or her foreign property on Form T1135 (Foreign Income Verification Statement) by April 30 of the following year. Foreign property may also include the unvested portion of the Restricted Stock Units. Awardee should consult with his or her personal tax advisor to determine the reporting requirements.

CHILE

Notifications

Securities Law Information. Neither the Company nor Stock purchased under the Plan are registered with the Chilean Registry of Securities or under the control of the Chilean Superintendence of Securities.

Exchange Control and Tax Information. Awardee must comply with the exchange control and tax reporting requirements in Chile when sending funds into the country in connection with the sale of shares of Stock pursuant to the Plan, and register any investments with the Chilean Internal Revenue Service (the “CIRS”).

Awardee is not required to repatriate funds obtained from the sale of Stock or the receipt of any cash dividends. However, if Awardee decides to repatriate such funds, he or she must do so through the Formal Exchange Market (*i.e.*, a commercial bank or registered foreign exchange office) if the funds exceed US\$10,000. In such case, Awardee must report the payment to a commercial bank or registered foreign exchange office receiving the funds. The commercial bank or registered foreign exchange office will then submit an affidavit to the Central Bank within a day of receipt of the foreign currency.

If Awardee’s aggregate investments held outside of Chile exceed US\$5,000,000 (including the investments made under the Plan), he or she must report the investments to the Central Bank. Annex 3.1 of Chapter XII of the Foreign Exchange Regulations must be used to file this report.

Annual Tax Reporting Information. The CIRS requires all taxpayers to provide information annually regarding: (i) the taxes paid abroad which they will use as a credit against Chilean income taxes, and (ii) the results of foreign investments. These annual reporting obligations must be complied with by submitting a sworn statement setting forth this information before March 15 of each year. The forms to be used to submit the sworn statements are Tax Form 1853 “Annual Sworn Statement Regarding Credits for Taxes Paid Abroad” and Tax Form 1851 “Annual Sworn Statement Regarding Investments Held Abroad.” The CIRS recently

confirmed that if Awardee is not a Chilean citizen and has been resident in Chile for less than three years, that Awardee is exempt from the requirement to file Tax Form 1853. These sworn statements must be submitted electronically through the CIRS' web page at www.sii.cl.

CHINA

Terms and Conditions

The following terms and conditions will apply if Awardee is subject to exchange control restrictions and regulations in the PRC, as determined by the Committee, or an officer of the Company to whom it has delegated authority to administer the Plan, in its sole discretion.

Immediate Sale of Shares. This provision supplements the "Issuance of Stock" section of the Award Agreement:

To facilitate compliance with regulatory requirements in the PRC, Awardee agrees that any shares of Stock to be issued upon vesting of the Restricted Stock Units may be immediately sold at vesting or, at the Company's discretion, at a later time. Awardee further agrees that the Company is authorized to instruct its designated broker to assist with the sale of such shares of Stock (on Awardee's behalf pursuant to this authorization), and Awardee expressly authorizes Fidelity Stock Plan Services, LLC or such other broker as may be designated by the Company in the future to complete the sale of such shares. Awardee acknowledges that the Company's designated broker is under no obligation to arrange for the sale of the shares of Stock at any particular price. Upon the sale of the shares of Stock, the Company agrees to pay the cash proceeds from the sale, less any brokerage fees or commissions, to Awardee in accordance with applicable exchange control laws and regulations and provided any liability for Tax-Related Items resulting from the vesting of the Restricted Stock Units has been satisfied.

If the Company, in its discretion, does not exercise its right to require the sale of shares of Stock upon vesting of the Restricted Stock Units, as described in the preceding paragraph, Awardee understands and agrees that the Company may require that any shares of Stock acquired by Awardee under the Plan be sold no later than six (6) months after Awardee's termination of employment, or within any other such time frame as may be permitted by the Company or required by the China State Administration of Foreign Exchange ("SAFE"). Awardee understands that any shares of Stock acquired by Awardee under the Plan that have not been sold within six (6) months of Awardee's termination of employment may be sold by the designated broker at the Company's direction, pursuant to this authorization by Awardee.

Exchange Control Requirements. Due to exchange control laws in the PRC, Awardee understands and agrees that Awardee will be required to immediately repatriate the cash proceeds from the sale of the shares of Stock or the receipt of any dividends to the PRC. Awardee understands and agrees that such cash proceeds will need to be repatriated to the PRC through a special exchange control account established by the Company or one of its Affiliates in the PRC, and Awardee hereby consents and agrees that any proceeds from the sale of shares of Stock or the receipt of any dividends may be transferred to such special account prior to being delivered to him or her. The proceeds may be paid to Awardee in U.S. dollars or local currency at the Company's discretion. In the event the proceeds are paid to Awardee in U.S. dollars, Awardee understands that he or she will be required to set up a U.S. dollar bank account in China and provide the bank account details to the Employer and/or the Company so that the proceeds may be deposited into this account. If the proceeds are paid to Awardee in local currency, Awardee agrees to bear any currency fluctuation risk between the time the shares of Stock are sold or dividends are paid and the time the proceeds are distributed to Awardee through any such special account.

Awardee further agrees to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

DENMARK

Terms and Conditions

Nature of Grant. This provision supplements the “Nature of Grant” section of the Award Agreement:

By accepting the Restricted Stock Units, Awardee acknowledges, understands, and agrees that this grant relates to future services to be performed and is not a bonus or compensation for past services.

Danish Stock Option Act. By accepting the Restricted Stock Units, Awardee acknowledges that he or she has received the Employer Statement translated into Danish, which is attached following the end of these sections and which is being provided to comply with the Danish Stock Option Act.

Notifications

Securities Law Information and Tax Reporting Information. If Awardee holds Stock acquired under the Plan in a brokerage account with a broker or bank outside Denmark, Awardee is required to inform the Danish Tax Administration about the account. For this purpose, Awardee must file a Form V (*Erklaering V*) with the Danish Tax Administration. The Form V must be signed by Awardee and *may* be signed by the applicable broker or bank where the account is held. In the likely event that the broker or bank does not sign the Form V, Awardee is solely responsible for providing certain details regarding the foreign brokerage account and Stock in the account to the Danish Tax Administration as part of his or her income tax return. By signing the Form V, Awardee authorizes the Danish Tax Administration to examine the account.

In addition, if Awardee opens a brokerage account (or a deposit account with a U.S. bank) for the purpose of holding cash outside Denmark, Awardee is also required to inform the Danish Tax Administration about this account. To do so, Awardee must file a Form K (*Erklaering K*) with the Danish Tax Administration. The Form K must be signed *both* by Awardee and by the applicable broker or bank where the account is held, unless an exemption from the broker/bank signature requirement is granted by the Danish Tax Administration. It is possible to seek the exemption on the Form K, which the Awardee should do at the time he or she submits the Form K. By signing the Form K, Awardee (and the broker/bank to the extent the exemption is not granted) undertakes an obligation, without further request each year, to forward information to the Danish Tax Administration concerning the content of the account. By signing the Form K, Awardee authorizes the Danish Tax Administration to examine the account.

Foreign Asset/Account Reporting Information. If Awardee establishes an account holding shares of Stock or cash outside of Denmark, Awardee must report the account to the Danish Tax Administration. The form which should be used in this respect can be obtained from a local bank. (Please note that these obligations are separate from and in addition to the obligations described above.)

ARBEJDSGIVERERKLÆRING	EMPLOYER STATEMENT
<p><i>Såfremt § 3, stk. 1, i lov om brug af køberet eller tegningsret m.v. i ansættelsesforhold ("Aktieoptionsloven") omfatter din tildeling, er du berettiget til i en særskilt skriftlig erklæring at modtage følgende oplysninger om Citrix Systems, Inc.'s ("Selskabets") aktieoptionsordning.</i></p>	<p>If Section 3(1) of the Act on Stock Options in employment relations (the "Stock Option Act") applies to your award, you are entitled to receive the following information regarding Citrix Systems, Inc.'s (the "Company") stock option program in a separate written statement.</p>
<p><i>Denne erklæring indeholder kun de oplysninger, der er nævnt i Aktieoptionsloven, mens de øvrige vilkår og betingelser for din tildeling er nærmere beskrevet i 2014 Equity Incentive Plan ("Ordnningen") og i Global Restricted Stock Unit Agreement (på dansk "Betinget Aktieoptionsaftale for deltagere uden for USA") ("Aftalen"), som du har fået udleveret.</i></p>	<p>This statement contains only the information mentioned in the Act while the other terms and conditions of your award are described in detail in the 2014 Equity Incentive Plan (the "Plan") and the Global Restricted Stock Unit Agreement (the "Agreement"), which have been given to you.</p>
<p><i>1. Tidspunkt for tildeling af retten til at købe aktier.</i></p> <p><i>Tidspunktet for tildelingen er den dato, hvor Selskabets bestyrelses Vederlagsudvalg ("Udvalget") godkendte tildelingen til dig og besluttede, at tildelingen skulle træde i kraft.</i></p>	<p>1. Grant of right to purchase stock</p> <p>The grant date for your award is the date that the Compensation Committee of the Board of Directors (the "Committee") approved a grant for you and determined it would be effective.</p>
<p><i>2. Kriterier og betingelser for tildeling af retten til senere at købe aktier</i></p> <p><i>Tildelingen af betingede aktieoptioner sker efter Udvalgets eget skøn. Ordningen samt de under Ordningen tildelte betingede aktieoptioner har til formål at hjælpe Selskabet og dets datterselskabet med at tiltrække samt fastholde det bedst mulige personale til stillinger, der indebærer betydeligt ansvar, for derved at give yderligere incitament til sådanne personer samt styrke Selskabets forretningsmæssige fremgang. Udvalget kan frit vælge ikke at tildele dig betingede aktieoptioner fremover. I henhold til bestemmelserne i Ordningen og Aftalen har du ikke nogen ret til eller noget krav på fremover at få tildelt betingede optioner.</i></p>	<p>2. Terms or conditions for grant of rights to purchase of stock</p> <p>The awards will be at the sole discretion of the Committee. The Plan and the award granted under the Plan are intended to help the Company and its affiliates attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to such individuals and to promote the success of the Company's business. The Committee may decide, in its sole discretion, not to make any award to you in the future. Under the terms of the Plan and the Agreement, you have no entitlement or claim to receive future awards.</p>
<p><i>3. Modningstidspunkt eller -periode</i></p> <p><i>Dine betingede aktieoptioner modnes over en periode, forudsat at du fortsat er ansat i eller arbejder for Selskabet eller en tilknyttet virksomhed, medmindre optionen er modnet eller bortfaldet på et tidligere tidspunkt af de i Ordningen anførte årsager og med forbehold for pkt. 5 i denne erklæring.</i></p>	<p>3. Vesting date or period</p> <p>Your award shall vest over a period time, provided you remain employed by or in the service of the Company or an affiliate, unless your award has vested or has terminated earlier for the reasons set forth in the Plan and subject to Section 5 of this statement.</p>

<p>4. <i>Udnyttelseskurs</i></p> <p><i>Der skal ikke betales nogen udnyttelseskurs ved modning af tildelingen og udstedelsen af aktier til dig.</i></p> <p>5. <i>Din retsstilling i forbindelse med ansættelsesforholdets ophør</i></p> <p><i>Såfremt din tildeling af betingede aktier er omfattet af bestemmelserne i Aktieoptionsloven, vil din tildeling i tilfælde af din fratræden blive behandlet i overensstemmelse med Aktieoptionslovens §§ 4 og 5, medmindre bestemmelserne i Aftalen er mere fordelagtige for dig end Aktieoptionslovens §§ 4 og 5. Såfremt vilkårene i Aftalen er mere fordelagtige for dig, vil det være disse vilkår, der er gældende for, hvordan din tildeling behandles i forbindelse med din fratræden.</i></p> <p>6. <i>Økonomiske aspekter ved at deltage i Ordningen</i></p> <p><i>Tildelingen af betingede aktieoptioner har ingen umiddelbare økonomiske konsekvenser for dig. Værdien af tildelingen indgår ikke i beregningen af feriepenge, pensionsbidrag eller andre lovpligtige, vederlagsafhængige ydelser.</i></p> <p><i>Aktier er finansielle instrumenter, og investering i aktier vil altid være forbundet med en finansiell risiko. Muligheden for at opnå en gevinst på modningstidspunktet afhænger ikke alene af Selskabets økonomiske udvikling, men også af, blandt andet, den generelle udvikling på aktiemarkedet.</i></p> <p>CITRIX SYSTEMS, INC. U.S.A.</p>	<p>4. Exercise price</p> <p>No exercise price is payable upon the vesting of the award and the issuance of shares of stock to you.</p> <p>5. Your rights upon Termination of Employment</p> <p>If the terms of the Stock Option Act are applicable to the award, the treatment of the award upon termination of employment will be determined under Sections 4 and 5 of the Stock Option Act unless the terms contained in the Agreement are more favorable to you than Sections 4 and 5 of the Stock Option Act. If the terms contained the Agreement are more favorable to you, then such terms will govern the treatment of the award upon termination of employment.</p> <p>6. Financial aspects of participating in the Plan</p> <p>The award has no immediate financial consequences for you. The value of the award is not taken into account when calculating holiday allowances, pension contributions or other statutory consideration calculated on the basis of salary.</p> <p>Shares of stock are financial instruments and investing in stocks will always have financial risk. The possibility of profit at the time of vesting will not only be dependent on the Company's financial development, but also on the general development on the stock market, inter alia.</p> <p>CITRIX SYSTEMS, INC. U.S.A.</p>
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FINLAND

There are no country-specific provisions.

FRANCE

Terms and Conditions

Consent to Receive Information in English. By accepting the Restricted Stock Units, Awardee confirms having read and understood the Plan and Award Agreement, including all terms and conditions included therein, which were provided in the English language. Awardee accepts the terms of those documents accordingly.

En acceptant cette Restricted Stock Units, le Titulaire de l'Restricted Stock Units confirme avoir lu et compris le Plan et le Contrat y relatifs, incluant tous leurs termes et conditions, qui ont été transmis en langue anglaise. Le Titulaire de l'Restricted Stock Units accepte les dispositions de ces documents en connaissance de cause.

Notifications

Tax Information. The Restricted Stock Units are not intended to qualify for special tax or social security treatment in France.

Foreign Asset/Account Reporting Information. If Awardee holds Stock outside of France or maintains a foreign bank account, then Awardee is required to report such to the French tax authorities when filing his or her annual tax return.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank (*Bundesbank*). In case of payments in connection with the sale of shares of Stock acquired under the Plan or the receipt of any cash dividends, the report must be filed electronically by the 5th day of the month following the month in which the payment was received. The form of report (“ *Allgemeine Meldeportal Statistik* ”) can be accessed via the Bundesbank’s website (www.bundesbank.de) and is available in both German and English.

GREECE

There are no country-specific provisions.

HONG KONG

Terms and Conditions

Payment of Restricted Stock Units. This provision supplements the “Issuance of Stock” section of the Award Agreement:

The grant of the Award does not provide any right for Awardee to receive a cash payment and the Restricted Stock Units are payable in Stock only.

Restriction on Sale. In the event Awardee's Restricted Stock Units vest and shares of Stock are issued to Awardee within six months of the Award Date, Awardee agrees that he or she will not dispose of any shares acquired prior to the six-month anniversary of the Award Date.

Notifications

Securities Law Information. *Warning: The Restricted Stock Units and the shares of Stock issued to Awardee at vesting of the Restricted Stock Units do not constitute a public offer of securities and are available only to employees and other service providers of the Company or an Affiliate.*

Awardee should be aware that the contents of the Award Agreement and the Plan are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong, nor have they been reviewed by any regulatory authority in Hong Kong. Awardee is advised to exercise caution in relation to participation in the Plan. The Restricted Stock Units are intended only for the personal use of each Awardee who meets the eligibility requirements under the Plan and may not be distributed to any other person. If Awardee is in any doubt about any of the contents of the Award Agreement or the Plan, he or she should obtain independent professional advice.

INDIA

Notifications

Exchange Control Information. Awardee understands that he or she must repatriate any proceeds from the sale of Stock acquired under the Plan or any cash dividends to India within 90 days after receipt. Awardee must obtain a foreign inward remittance certificate ("FIRC") from the bank where Awardee deposits the foreign currency and must maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India, the Company or the Employer requests proof of repatriation.

Foreign Asset/Account Reporting Information. Awardee is required to declare any foreign bank accounts and assets (including shares of Stock acquired under the Plan) on his or her annual tax return. Awardee should consult with his or her personal tax advisor to determine his or her reporting requirements.

IRELAND

Notifications

Director Notification Obligation. Directors, shadow directors and secretaries of the Company's Irish Affiliates are subject to certain notification requirements under the Irish Companies Act. Directors, shadow directors and secretaries must notify the Irish Affiliates in writing of their interest in the Company (e.g ., Restricted Stock Units, shares of Stock, etc.) and the number and class of shares or rights to which the interest relates within five days of the acquisition or disposal of shares or within five days of becoming aware of the event giving rise to the notification. This disclosure requirement also applies to any rights or shares acquired by the director's spouse or children (under the age of 18).

ITALY

Terms and Conditions

Data Privacy. This provision replaces in its entirety the “Data Privacy” section of the Award Agreement:

Data Privacy. *Awardee understands that the Employer and/or the Company may hold certain personal information about Awardee, including, but not limited to, Awardee’s name, home address and telephone number, date of birth, social security number (or any other social or national identification number), salary, nationality, job title, number of shares of Stock held and the details of any Restricted Stock Units or any other entitlement to Stock awarded, cancelled, exercised, vested, unvested or outstanding (the “Data”) for the purpose of implementing, administering and managing Awardee’s participation in the Plan. Awardee is aware that providing the Company with Awardee’s Data is necessary for the performance of the Award Agreement and that Awardee’s refusal to provide such Data would make it impossible for the Company to perform its contractual obligations and may affect Awardee’s ability to participate in the Plan.*

The Controller of personal Data processing is Citrix Systems, Inc., 851 West Cypress Creek Road, Fort Lauderdale, Florida 33309, U.S.A., and, pursuant to D.lgs 196/2003, its representative in Italy is Citrix Systems Italy SRL, with registered offices at Largo Augusto 820122 Milano (MI). Awardee understands that Data may be transferred to the Company or its Affiliates, or to any third parties assisting with the implementation, administration and management of the Plan, including any transfer required to Fidelity Stock Plan Services, LLC or such other stock plan service provider as may be selected by the Company, or any other third party with whom cash from the sale of shares of Stock acquired under the Plan may be deposited. Furthermore, the recipients that may receive, possess, use, retain and transfer such Data for the above mentioned purposes may be located in Italy or elsewhere, including outside of the European Union, and the recipients’ country (e.g., the United States) may have different data privacy laws and protections from Awardee’s country. The processing activity, including the transfer of Awardee’s Data abroad, outside of the European Union, as herein specified and pursuant to applicable laws and regulations, does not require Awardee’s consent thereto as the processing is necessary for the performance of contractual obligations related to the implementation, administration and management of the Plan. Awardee understands that Data processing relating to the purposes above specified shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations, with specific reference to D.lgs. 196/2003.

Awardee understands that Data will be held only as long as is required by law or as necessary to implement, administer and manage Awardee’s participation in the Plan. Awardee understands that pursuant to art.7 of D.lgs 196/2003, Awardee has the right, including but not limited to, access, delete, update, request the rectification of Awardee’s Data and cease, for legitimate reasons, Data processing. Furthermore, Awardee is aware that Awardee’s Data will not be used for direct marketing purposes. In addition, Data provided can be reviewed and questions or complaints can be addressed by contacting Awardees local human representative.

Grant Terms Acknowledgment. By accepting the Restricted Stock Units, Awardee acknowledges that Awardee has received a copy of the Plan and the Award Agreement, including this Appendix, in their entirety and fully understands and accepts all the provisions of the Plan and the Award Agreement. Awardee further acknowledges having read and specifically approves the following sections of the Award Agreement: Vesting,

Issuance of Stock, Termination of Employment, Tax Withholding, Nature of Grant, Governing Law and Venue and Imposition of Other Requirements, and the Data Privacy section in this Appendix.

Notifications

Foreign Asset/Account Reporting Information. If Awardee holds investments abroad or foreign financial assets (*e.g.* , cash, shares of Stock, Restricted Stock Units) that may generate income taxable in Italy, Awardee is required to report them on his or her annual tax returns (UNICO Form, RW Schedule) or on a special form if no tax return is due, irrespective of their value. The same reporting duties apply to Awardee if Awardee is a beneficial owner of the investments, even if Awardee does not directly hold investments abroad or foreign assets.

Foreign Asset Tax. The value of the financial assets held outside of Italy by individuals resident of Italy is subject to a foreign asset tax. Beginning in 2014, such tax is levied at an annual rate of 2 per thousand (0.2%). The taxable amount will be the fair market value of the financial assets (*e.g.* , shares of Stock) assessed at the end of the calendar year.

JAPAN

Notifications

Foreign Asset/Account Reporting Information. Awardee will be required to report details of any assets held outside of Japan as of December 31 (including shares of Stock acquired under the Plan), to the extent such assets have a total net fair market value exceeding ¥50 million. Such report will be due by March 15 each year. Awardee should consult with his or her personal tax advisor as to whether the reporting obligation applies to Awardee and whether Awardee will be required to report details of his or her outstanding Restricted Stock Units, as well as shares of Stock, in the report.

KOREA

Notifications

Exchange Control Information. Korean residents who realize US\$500,000 or more in income from the sale of shares of Stock acquired under the Plan or the receipt of cash dividends in a single transaction are required to repatriate the proceeds back to Korea within eighteen months of receipt.

Foreign Asset/Account Reporting Information. Korean residents must declare all foreign financial accounts (*i.e.* , non-Korean bank accounts, brokerage accounts, etc.) to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 1 billion (or an equivalent amount in foreign currency). Awardee should consult with his or her personal tax advisor to determine any personal reporting obligations.

MALAYSIA

Terms and Conditions

Data Privacy. The following provisions replace in its entirety the “Data Privacy” section of the Award Agreement:

<p>Awardee hereby explicitly, voluntarily and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her personal data as described in this Award Agreement and any other Plan participation materials by and among, as applicable, the Employer, the Company and any Affiliates or any third parties authorized by same in assisting in the implementation, administration and management of Awardee's participation in the Plan.</p> <p>Awardee may have previously provided the Company and the Employer with, and the Company and the Employer may hold, certain personal information about Awardee, including, but not limited to, his or her name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, the fact and conditions of Awardee's participation in the Plan, details of all Restricted Stock Units or any other entitlement to shares of stock awarded, cancelled, exercised, vested, unvested or outstanding in Awardee's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.</p> <p>Awardee also authorizes any transfer of Data, as may be required, to Fidelity Stock Plan Services, LLC or such other stock plan service provider as may be selected by the Company from time to time, which is assisting the Company with the implementation, administration and management of the Plan and/or with whom any shares of Stock acquired upon vesting and settlement of the Restricted Stock Units are deposited. Awardee acknowledges that these recipients may be located in Awardee's country or elsewhere, and that the recipient's country (e.g. , the United States) may have different data privacy laws and protections to Awardee's country, which may not give the same level of protection to Data. Awardee understands that he or she may request a list with the names and addresses of any potential recipients of Data by contacting his or her local human resources representative. Awardee authorizes the Company, the</p>	<p><i>Penerima Anugerah dengan ini secara eksplisit, secara sukarela dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadinya seperti yang dinyatakan dalam Perjanjian Penganugerahan ini dan apa-apa bahan penyertaan Pelan oleh dan di antara, sebagaimana yang berkenaan, Majikan, Syarikat dan Syarikat Sekutu atau mana-mana pihak ketiga yang diberi kuasa oleh yang sama untuk membantu dalam pelaksanaan, pentadbiran dan pengurusan penyertaan Penerima Anugerah dalam Pelan tersebut.</i></p> <p><i>Sebelum ini, Penerima Anugerah mungkin telah membekalkan Syarikat dan Majikan dengan, dan Syarikat dan Majikan mungkin memegang, maklumat peribadi tertentu tentang Penerima Anugerah, termasuk, tetapi tidak terhad kepada, namanya, alamat rumah dan nombor telefon, tarikh lahir, nombor insurans sosial atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa syer dalam saham atau jawatan pengarah yang dipegang dalam Syarikat, fakta dan syarat-syarat penyertaan Penerima Anugerah dalam Pelan tersebut, butir-butir semua Unit Saham Terbatas atau apa-apa hak lain untuk syer dalam saham yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak diletak hak ataupun bagi faedah Penerima Anugerah ("Data"), untuk tujuan yang eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan tersebut.</i></p> <p><i>Penerima Anugerah juga memberi kuasa untuk membuat apa-apa pemindahan Data, sebagaimana yang diperlukan, kepada Fidelity Stock Plan Services, LLC atau pembekal perkhidmatan pelan saham yang lain sebagaimana yang dipilih oleh Syarikat dari semasa ke semasa, yang membantu Syarikat dalam pelaksanaan, pentadbiran dan pengurusan Pelan tersebut dan/atau dengan sesiapa yang menandatangani syer-syer Saham yang diperolehi melalui pemberian hak dan penyelesaian Unit-unit Saham Terbatas. Penerima Anugerah mengakui bahawa penerima-penerima ini mungkin berada di negara Penerima Anugerah atau di tempat lain, dan bahawa negara penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negara Penerima Anugerah, yang mungkin tidak boleh memberi tahap perlindungan yang sama kepada Data. Penerima Anugerah faham bahawa dia boleh meminta senarai nama dan alamat mana-mana penerima Data dengan menghubungi wakil sumber manusia tempatannya. Penerima Anugerah memberi</i></p>
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<p>stock plan service provider and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing Awardee's participation in the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing Awardee's participation in the Plan. Awardee understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan. Awardee understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case, without cost, by contacting in writing his or her local human resources representative, whose contact details are Peh Soo Lin, soolin.peh@citrix.com, tel number : +65 67255310. Further, Awardee understands that he or she is providing the consents herein on a purely voluntary basis. If Awardee does not consent, or if Awardee later seeks to revoke the consent, his or her employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing the consent is that the Company would not be able to grant future Restricted Stock Units or other equity awards to Awardee or administer or maintain such awards. Therefore, Awardee understands that refusing or withdrawing his or her consent may affect his or her ability to participate in the Plan. For more information on the consequences of the refusal to consent or withdrawal of consent, Awardee understands that he or she may contact his or her local human resources representative.</p>	<p><i>kuasa kepada Syarikat, pembekal perkhidmatan pelan saham dan mana-mana penerima lain yang mungkin membantu Syarikat (masa sekarang atau pada masa depan) untuk melaksanakan, mentadbir dan menguruskan penyertaan Penerima Anugerah dalam Pelan tersebut untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, semata-mata dengan tujuan untuk melaksanakan, mentadbir dan menguruskan penyertaan dalam Pelan tersebut. Penerima Anugerah faham bahawa Data akan dipegang hanya untuk tempoh yang diperlukan untuk melaksanakan, mentadbir dan menguruskan penyertaannya dalam Pelan tersebut. Penerima Anugerah faham bahawa dia boleh, pada bila-bila masa, melihat data, meminta maklumat tambahan mengenai penyimpanan dan pemrosesan Data, meminta bahawa pindaan-pindaan dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes, tanpa kos, dengan menghubungi secara bertulis wakil sumber manusia tempatannya, di mana butir-butir hubungannya adalah Peh Soo Lin, soolin.peh@citrix.com, tel number +65 67255310. Selanjutnya, Penerima Anugerah memahami bahawa dia memberikan persetujuan di sini secara sukarela. Jika Penerima Anugerah tidak bersetuju, atau jika Penerima Anugerah kemudian membatalkan persetujuannya, status pekerjaan atau perkhidmatan dan kerjayanya dengan Majikan tidak akan terjejas; satunya akibat buruk jika dia tidak bersetuju atau menarik balik persetujuannya adalah bahawa Syarikat tidak akan dapat memberikan Unit-unit Saham Terbatas pada masa depan atau anugerah ekuiti lain kepada Penerima Anugerah atau mentadbir atau mengekalkan anugerah tersebut. Oleh itu, Penerima Anugerah faham bahawa keengganan atau penarikan balik persetujuannya boleh menjejaskan keupayaannya untuk mengambil bahagian dalam Pelan tersebut. Untuk maklumat lanjut mengenai akibat keenggannya untuk memberikan keizinan atau penarikan balik keizinan, Penerima Anugerah faham bahawa dia boleh menghubungi wakil sumber manusia tempatannya.</i></p>
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Notifications

Director Notification Obligation. If Awardee is a director of the Company's Malaysian Affiliate, he or she is subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Affiliate in writing when Awardee receives or disposes of an interest (e.g. , Restricted Stock Units or Stock) in the Company or any related company. Such notifications must be made within 14 days of receiving or disposing of any interest in the Company or any related company.

MEXICO

Terms and Conditions

Modification . By accepting the Restricted Stock Units, Awardee understands and agrees that any modification of the Plan or the Award Agreement or its termination shall not constitute a change or impairment of the terms and conditions of employment.

Policy Statement . By accepting the Restricted Stock Units, Awardee acknowledges that the Company, with registered offices at 851 West Cypress Creek Road, Fort Lauderdale, Florida 33309, U.S.A. is solely responsible for the administration of the Plan. Restricted Stock Units further acknowledges that participation in the Plan and the acquisition of Stock does not, in any way, establish an employment relationship between Awardee and the Company since he or she is participating in the Plan on a wholly commercial basis and the sole employer is Citrix Sistemas de Mexico, S. de R.L. de C.V. (“Citrix-Mexico”). Based on the foregoing, Awardee expressly acknowledges that the Plan and the benefits that he or she may derive from participation in the Plan do not establish any rights between Awardee and the Employer, Citrix-Mexico, and do not form part of the employment conditions and/or benefits provided by Citrix-Mexico.

Awardee further understands that the Award the Company is making under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend and/or discontinue it at any time, without any liability.

Plan Document Acknowledgment . By accepting the Restricted Stock Units, Awardee acknowledges that he or she has received copies of the Plan, has reviewed the Plan and the Award Agreement in their entirety, and fully understands and accepts all provisions of the Plan and the Award Agreement.

In addition, by accepting the Restricted Stock Units, Awardee further acknowledges that he or she has read and specifically and expressly approves the terms and conditions in the “Nature of Grant” section, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) the Company and any Affiliate are not responsible for any decrease in the value of the shares of Stock underlying the Restricted Stock Units.

Finally, Awardee hereby declares that he or she does not reserve any action or right to bring any claim against the Company for any compensation or damages as a result of his or her participation in the Plan and therefore grants a full and broad release to the Employer, the Company and any Affiliate with respect to any claim that may arise under the Plan.

Spanish Translation

Términos y Condiciones

Modificación . *Al aceptar las Unidades de Acciones Restringidas, el Participante reconoce y acuerda que cualquier modificación al Plan o al Acuerdo de Otorgamiento del mismo o su terminación, no constituyen un cambio o desmejora en los términos y condiciones de su empleo.*

Declaración de Política . *Al aceptar las Unidades de Acciones Restringidas, el Participante reconoce y acuerda que la Compañía, con oficinas registradas ubicadas en 851 West Cypress Creek Road, Fort Lauderdale, Florida 33309, U.S.A., es la única responsable de la administración del Plan. Adicionalmente,*

el Participante reconoce que su participación en el Plan, así como la adquisición de Acciones, no genera de ninguna manera una relación de trabajo entre el Participante y la Compañía, ya que su participación en el Plan es de carácter comercial únicamente y su único empleador es Citrix Sistemas de Mexico, S. de R.L. de C.V. (“Citrix-México”). Derivado de lo anterior, el Participante expresamente reconoce que el Plan y los beneficios que del mismo derivan, no generan ninguna clase de derecho entre el Participante y el Patrón Citrix-México, y no forman parte de las condiciones de trabajo y/o beneficios entregados por Citrix-México.

Además de lo anterior, el Participante entiende y reconoce que el premio otorgado bajo este plan se entrega en forma unilateral y discrecional por parte de la Compañía, y por tanto, ésta última se reserva el derecho de modificarlo y/o interrumpirlo en cualquier momento, sin responsabilidad alguna.

Reconocimiento del Documento del Plan . *Al aceptar el Otorgamiento, el Participante reconoce que ha recibido copias del Plan, ha revisado el mismo, al igual que la totalidad del Acuerdo de Otorgamiento, y que ha entendido y aceptado completamente todas las disposiciones contenidas en el Plan y en el Acuerdo de Otorgamiento.*

Adicionalmente, al aceptar el Acuerdo de Otorgamiento, el Participante reconoce que ha leído y aprobado específica y expresamente los términos y condiciones contenidos en el apartado “Naturaleza del Otorgamiento”, en el cual se encuentra claramente descrito y establecido lo siguiente: (i) la participación en el Plan no constituye un derecho adquirido; (ii) el Plan y la participación en el mismo es ofrecida por la Compañía de forma enteramente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) la Compañía, así como su Sociedad Controlante, Subsidiaria o filiales no son responsables por cualquier disminución en el valor de las Unidades de Acciones Restringidas en relación a las Unidades de Acción.

Finalmente, el Participante declara que no se reserva ninguna acción o derecho para interponer una demanda en contra de la Compañía por compensación o daños y perjuicios como resultado de su participación en el Plan y, en consecuencia, otorga el más amplio finiquito al Empleador, así como a la Compañía, a su Sociedad Controlante, Subsidiaria o filiales con respecto a cualquier demanda que pudiera originarse en virtud del Plan.

NETHERLANDS

There are no country-specific provisions.

NEW ZEALAND

There are no country-specific provisions.

NORWAY

There are no country-specific provisions.

POLAND

Notifications

Exchange Control Information . If Awardee holds foreign securities (including shares of Stock) and maintains accounts abroad, Awardee may be required to file certain reports with the National Bank of Poland.

Specifically, if the value of securities and cash held in such foreign accounts exceeds PLN7,000,000, Awardee must file a report on the transactions and balances of the accounts on a quarterly basis.

Further, if Awardee transfers funds in excess of €15,000 into Poland in connection with the sale of shares of Stock or the receipt of dividends, the funds must be transferred via a bank account. Awardee is required to retain the documents connected with a foreign exchange transaction for a period of five years, as measured from the end of the year in which such transaction occurred.

RUSSIA

Notifications

Securities Law Information. The Award Agreement, including this Appendix, the Plan and all other materials that Awardee may receive regarding participation in the Plan do not constitute advertising or an offering of securities in Russia. Absent any requirement under local law, the issuance of shares of Stock under the Plan has not and will not be registered in Russia and, therefore, the shares described in any Plan documents may not be offered or placed in public circulation in Russia. Awardee is not permitted to sell Stock directly to a Russian legal entity or resident.

Exchange Control Information. Awardee must repatriate the proceeds from the sale of Stock acquired under the Plan or any cash dividends paid on such shares of Stock to Russia within a reasonably short period of time after receipt. Such proceeds must be initially credited to Awardee through a foreign currency account at an authorized bank in Russia. After the proceeds are initially received in Russia, they may be further remitted to foreign banks in accordance with Russian exchange control laws. Please note that the exchange control restrictions discussed above do not apply to foreign currency transfers made by foreign nationals residing in Russia.

Awardee is encouraged to contact his or her personal advisor before vesting of the Restricted Stock Units and remitting any sale proceeds to Russia as exchange control requirements may change.

Labor Law Information. If Awardee continues to hold shares of Stock acquired at vesting of the Restricted Stock Units after an involuntary termination of employment, Awardee may not be eligible to receive unemployment benefits in Russia.

SINGAPORE

Notifications

Securities Law Information. The Award is being made pursuant to the “Qualifying Person” exemption under section 273(1)(f) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) (“SFA”). The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. Awardee should note that the Award is subject to section 257 of the SFA and Awardee will not be able to make any subsequent sale in Singapore of the shares acquired through the vesting of the Restricted Stock Units or any offer of such sale in Singapore unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

Director Notification Obligation. Directors of a Singapore Affiliate are subject to certain notification requirements under the Singapore Companies Act. Directors must notify the Singapore Affiliate in writing of an interest (*e.g.* , Restricted Stock Units, shares of Stock, etc.) in the Company or any Affiliate within two

days of (i) its acquisition or disposal, (ii) any change in previously disclosed interest (e.g ., when the shares are sold), or (iii) becoming a director.

SOUTH AFRICA

Terms and Conditions

Tax Withholding. The following provision supplements the “Tax Withholding” section of the Award Agreement:

By accepting the Restricted Stock Units, Awardee agrees that, immediately upon vesting of the Restricted Stock Units, Awardee will notify the Employer of the amount of any gain realized. If Awardee fails to advise the Employer of the gain realized upon vesting, Awardee may be liable for a fine.

Notifications

Exchange Control Information. To participate in the Plan, Awardee must comply with exchange control rules in South Africa, and neither the Company nor the Employer will be liable for any fines or penalties resulting from Awardee’s failure to comply with applicable laws. Because the exchange control regulations are subject to change, Awardee should consult Awardee’s personal advisor prior to vesting of Restricted Stock Units to ensure compliance with current regulations.

SPAIN

Terms and Conditions

Nature of Grant. This provision supplements the “Nature of Grant” section of the Award Agreement:

In accepting the Restricted Stock Units, Awardee consents to participation in the Plan and acknowledges that he or she has received a copy of the Plan.

Further, Awardee understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant Restricted Stock Units under the Plan to individuals who may be employees of the Company or its Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any Award will not economically or otherwise bind the Company or any of its Affiliates on an ongoing basis. Consequently, Awardee understands that the Award is granted on the assumption and condition that the Restricted Stock Units or the shares of Stock acquired upon settlement shall not become a part of any employment contract (either with the Company or any of its Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, Awardee understands that this Award would not be made to Awardee but for the assumptions and conditions referred to above; thus, Awardee acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any Award shall be null and void.

Awardee also understands and agrees that, as a condition of the grant and vesting of the Restricted Stock Units, the termination of Awardee’s employment for any reason (including the reasons listed below), the Restricted Stock Units will cease vesting immediately effective on the date of Awardee’s termination of employment. This will be the case, for example, even in the event of a termination of Awardee’s employment by reason of, but not limited to, resignation, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause, individual or collective dismissal on objective grounds,

whether adjudged or recognized to be with or without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer and under Article 10.3 of the Royal Decree 1382/1985. Awardee acknowledges that he or she has read and specifically accepts the conditions referred to in the "Termination of Employment" and "Nature of Grant" sections of the Award Agreement.

Notifications

Securities Law Information. The grant of the Restricted Stock Units and the shares of Stock issued pursuant to the vesting of the Restricted Stock Units are considered a private placement outside of the scope of Spanish laws on public offerings and issuances of securities.

Exchange Control Information. To participate in the Plan, Awardee must comply with exchange control regulations in Spain. The acquisition of shares of Stock upon vesting of the Restricted Stock Units and the sale of shares of Stock must be declared on Form D-6, for statistical purposes, to the *Dirección General de Comercio e Inversiones* (the "DGCI") of the Ministry of Industry, Tourism and Commerce. Generally, the D-6 form must be filed each January while the shares are owned or to report the sale of shares of Stock.

Whenever receiving foreign currency payments derived from the ownership of Stock (*i.e.* , cash dividends or sale proceeds) exceeding €50,000, Awardee must inform the financial institution receiving the payment of the basis upon which such payment is made. Awardee will need to provide the institution with the following information: (i) Awardee's name, address, and fiscal identification number; (ii) the name and corporate domicile of the Company; (iii) the amount of the payment; (iv) the currency used; (v) the country of origin; (vi) the reasons for the payment; and (vii) any further information that may be required.

Foreign Asset/Account Reporting Information. To the extent that Awardee holds rights or assets (*e.g.* , shares of Stock or cash held in a bank or brokerage account) outside of Spain with a value in excess of €50,000 per type of right or asset (*e.g.* , shares of Stock, cash, etc.) as of December 31 each year, Awardee will be required to report information on such rights and assets on his or her tax return for such year. After such rights and assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported rights or assets increases by more than €20,000. The reporting must be completed by March 31 following the end of the relevant year. It is Awardee's responsibility to comply with these reporting obligations, and Awardee should consult with his or her personal tax and legal advisors in this regard.

In addition, Awardee is required to electronically declare to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the securities (including shares of Stock acquired under the Plan) held in such accounts if the value of the transactions for all such accounts during the prior tax year or the balances in such accounts as of December 31 of the prior tax year exceeds €1,000,000.

SWEDEN

There are no country-specific provisions.

SWITZERLAND

Notifications

Securities Law Information. The Award is considered a private offering in Switzerland and is therefore not subject to registration.

TAIWAN

Notifications

Securities Law Information. This Restricted Stock Units and the shares of Stock to be issued pursuant to the Plan are available only for employees of the Company and its Affiliates. The Award is not a public offer of securities by a Taiwanese company.

Exchange Control Information. Awardee may acquire foreign currency (including proceeds from the sale of shares of Stock) into Taiwan up to US\$5,000,000 per year. If the transaction amount is TWD\$500,000 or more in a single transaction, Awardee must submit a Foreign Exchange Transaction Form and also provide supporting documentation to the satisfaction of the remitting bank. If the transaction amount is US\$500,000 or more, Awardee may be required to provide additional supporting documentation to the satisfaction of the remitting bank. Awardee should consult his or her personal advisor to ensure compliance with applicable exchange control laws in Taiwan.

TURKEY

Terms and Conditions

Securities Law Information. By accepting the Restricted Stock Units, Awardee understands and agrees that he or she is not permitted to sell any shares of Stock acquired under the Plan in Turkey. The shares of Stock are currently traded on the Nasdaq Global Select Market, which is located outside of Turkey, under the ticker symbol “CTXS” and the shares may be sold through this exchange.

Notifications

Exchange Control Information. Awardee may be required to engage a Turkish financial intermediary to assist with the sale of shares of Stock acquired under the Plan even where the sale takes place on a stock exchange outside Turkey as required for securities law reasons. Awardee should not need to engage a Turkish financial intermediary with respect to the acquisition of shares of Stock because no consideration is paid by Awardee for such shares. As Awardee is solely responsible for complying with the financial intermediary requirements and their application to participation in the Plan is uncertain, Awardee should consult with his or her personal legal advisor prior to the vesting of the Restricted Stock Units or any sale of shares of Stock to ensure compliance.

THAILAND

Notifications

Exchange Control Information. Awardee must repatriate the proceeds from the sale of shares of Stock and any cash dividends received in relation to the shares to Thailand immediately upon receipt if the amount of such proceeds received in a single transaction is US\$50,000 or more. Awardee must then either convert the funds to Thai Baht or deposit the proceeds in a foreign currency deposit account maintained by a bank in Thailand within 360 days of remitting the proceeds to Thailand. If the amount of the proceeds is equal to or greater than US\$50,000, Awardee must specifically report the inward remittance to the Bank of Thailand on a Foreign Exchange Transaction Form.

If Awardee does not comply with this obligation, Awardee may be subject to penalties assessed by the Bank of Thailand. Because exchange control regulations change frequently and without notice, Awardee should

consult a legal advisor before selling shares of Stock to ensure compliance with current regulations. It is Awardee's responsibility to comply with exchange control laws in Thailand, and neither the Company nor the Employer will be liable for any fines or penalties resulting from Awardee's failure to comply with applicable laws.

UNITED ARAB EMIRATES

Notifications

Securities Law Information. This statement, the Award Agreement, the Plan and any other documents Awardee may receive in connection with the Restricted Stock Units is intended only for distribution to select employees of the Employer ("Citrix Dubai") and must not be delivered to, or relied on, by any other person.

The Restricted Stock Units to which the Award Agreement relates is granted under the Plan to select employees of Citrix Dubai only and is intended to provide employees located in the United Arab Emirates with an incentive to contribute to the success of the Company.

Any securities (*i.e.* , shares of Stock) acquired under the Plan may be subject to restrictions on their resale. Prospective acquirors of the securities offered should conduct their own due diligence with respect to the securities. If Awardee does not understand the contents of this statement, the Plan or the Award Agreement, he or she should consult an authorized financial advisor.

The Ministry of Economy, Dubai Department of Economic Development, Emirates Securities and Commodities Authority and Central Bank do not have any responsibility for reviewing or verifying any documents in connection with this statement, the Plan or the Award Agreement, nor have they reviewed, verified or approved this statement, the Plan, the Award Agreement or any of the information set forth therein.

UNITED KINGDOM

Terms and Conditions

Payment of Restricted Stock Units. This provision supplements the "Issuance of Stock" section of the Award Agreement:

The grant of the Award does not provide any right for Awardee to receive a cash payment and the Restricted Stock Units are payable in Stock only. This provision is without prejudice to the application of the "Tax Withholding" section of the Award Agreement.

Tax and National Insurance Contributions Acknowledgement. The following provision supplements the "Tax Withholding" section of the Award Agreement:

Awardee agrees that if payment or withholding of income tax due in connection with the vesting of the Restricted Stock Units, or the release or assignment of the Restricted Stock Units for consideration, or the receipt of any other benefit in connection with the Restricted Stock Units (the "Taxable Event"), is not made within 90 days after the end of the UK tax year in which the Taxable Event occurred or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003 (the "Due Date"), the amount of any uncollected income tax shall constitute a loan owed by Awardee to the Employer, effective on the Due Date. Awardee agrees that the loan will bear interest at the then-current official rate of Her Majesty's Revenue and Customs ("HMRC") and will be immediately due and repayable by Awardee, and the Company and/or the Employer may recover it at any time thereafter by any of the means referred to in

the “Tax Withholding” section in the Award Agreement. Notwithstanding the foregoing, if Awardee is an executive officer or director of the Company (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), Awardee shall not be eligible for a loan from the Company to cover the income tax due. In the event that Awardee is an executive officer or director and income tax is not collected from or paid by Awardee by the Due Date, the amount of any uncollected income tax may constitute a benefit to Awardee on which additional income tax and national insurance contributions (“NICs”) may be payable. Awardee understands that he or she will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company and/or the Employer (as appropriate) for the value of employee NICs due on this additional benefit which the Company and/or the Employer may recover from Awardee by any of the means set forth in the “Tax Withholding” section of the Award Agreement.

Joint Election. As a condition of Awardee’s participation in the Plan, Awardee agrees to accept any liability for secondary Class 1 NICs which may be payable by the Company and/or the Employer in connection with the Restricted Stock Units and any event giving rise to Tax-Related Items (the “Employer’s NICs”). Without limitation to the foregoing, Awardee agrees to enter into a joint election with the Company and/or the Employer (the “Joint Election”), the form of such Joint Election being formally approved by HMRC, and to execute any other consents or elections required to accomplish the transfer of the Employer’s NICs to Awardee. Awardee further agrees to execute such other joint elections as may be required between Awardee and any successor to the Company and/or the Employer. Awardee further agrees that the Company and/or the Employer may collect the Employer’s NICs from him or her by any of the means set forth in the “Tax Withholding” section of the Award Agreement.

If Awardee does not enter into a Joint Election, if approval of the Joint Election has been withdrawn by HMRC, if the Joint Election is revoked by the Company or the Employer (as applicable), or if the Joint Election is jointly revoked by Awardee and the Company or the Employer, as applicable, the Company, in its sole discretion and without any liability to the Company or the Employer, may choose not to issue or deliver any shares of Stock or proceeds from the sale of shares to Awardee upon vesting of the Restricted Stock Units.

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CERTIFICATIONS

I, Kirill Tatarinov, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Citrix Systems, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: _____ /s/ KIRILL TATARINOV

Kirill Tatarinov
President and Chief Executive Officer
(Principal Executive Officer)

Date: May 8, 2017

