

CITRIX SYSTEMS INC
Form DEF 14A
April 29, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Citrix Systems, Inc.

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

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4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

.. Fee paid previously with preliminary materials.

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

Dear Stockholder:

April 29, 2008

You are cordially invited to attend the Annual Meeting of Stockholders of Citrix Systems, Inc. (the Company) to be held on Friday, May 30, 2008 at 2:00 p.m. PT, at the Company's offices at 4988 Great America Parkway, Santa Clara, California 95054, United States.

At this Annual Meeting, the agenda includes the election of two (2) Class I directors for three-year terms, approval of an amendment to the Company's 2005 Equity Incentive Plan and the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accountants for 2008. The Board of Directors unanimously recommends that you vote FOR election of the director nominees, FOR approval of the amendment to the Company's 2005 Equity Incentive Plan and FOR ratification of the appointment of the Company's independent registered public accountants for 2008.

Details regarding the matters to be acted upon at this Annual Meeting appear in the accompanying Proxy Statement. Please give this material your careful attention.

If you are a stockholder of record, please vote in one of the following three ways whether or not you plan to attend the Annual Meeting: (1) by completing, signing and dating the accompanying proxy card and returning it in the enclosed postage-prepaid envelope, (2) by completing your proxy using the toll-free telephone number listed on the proxy card, or (3) by completing your proxy on the Internet at the address listed on the proxy card. It is important that your shares be voted whether or not you attend the meeting in person. If you attend the Annual Meeting, you may vote in person even if you have previously returned your proxy card or completed your proxy card by phone or on the Internet. Your prompt cooperation will be greatly appreciated.

Very truly yours,

ANTONIO G. GOMES

Vice President, Deputy General Counsel and Secretary

CITRIX SYSTEMS, INC.

851 West Cypress Creek Road

Fort Lauderdale, Florida 33309

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on May 30, 2008

To the Stockholders of Citrix Systems, Inc.:

The Annual Meeting of Stockholders of Citrix Systems, Inc., a Delaware corporation (the Company), will be held on Friday, May 30, 2008, at 2:00 p.m. PT, at the Company's offices at 4988 Great America Parkway, Santa Clara, California 95054, United States, for the following purposes:

1. to elect two (2) Class I members to the Board of Directors as directors, each to serve for a three-year term and until his successor has been duly elected and qualified or until his earlier resignation or removal;
2. to approve an amendment to the Company's 2005 Equity Incentive Plan to (i) increase the aggregate number of shares authorized for issuance under such plan by 5.6 million shares of the Company's common stock and (ii) increase the aggregate number of shares of the Company's common stock issuable pursuant to restricted stock, restricted stock units, performance units or stock grants by one million shares of the Company's common stock;
3. to ratify the appointment of Ernst & Young LLP as the Company's independent registered public accountants for 2008; and
4. to transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

The proposal for the election of directors relates solely to the election of two Class I directors nominated by the Board of Directors and does not include any other matters relating to the election of directors, including, without limitation, the election of directors nominated by any stockholder of the Corporation.

Only stockholders of record at the close of business on April 1, 2008 are entitled to notice of and to vote at the Annual Meeting and at any adjournment or postponement thereof.

All stockholders are cordially invited to attend the Annual Meeting in person. However, to assure your representation at the Annual Meeting, you are urged to vote in one of the following three ways whether or not you plan to attend the Annual Meeting: (1) by completing, signing and dating the accompanying proxy card and returning it in the postage-prepaid envelope enclosed for that purpose; (2) by completing your proxy using the toll-free number listed on the proxy card; or (3) by completing your proxy on the Internet at the address listed on the proxy card. If you attend the Annual Meeting, you may vote in person even if you have previously returned your proxy card or completed your proxy card by telephone or on the Internet.

This proxy statement and the 2007 Annual Report to Stockholders are available for viewing, printing and downloading at www.citrix.com/annualreport.

By Order of the Board of Directors,

ANTONIO G. GOMES

Vice President, Deputy General

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Counsel and Secretary

Fort Lauderdale, Florida

April 29, 2008

WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING, PLEASE COMPLETE, DATE AND SIGN THE ENCLOSED PROXY CARD AND MAIL IT PROMPTLY IN THE ENCLOSED ENVELOPE, COMPLETE YOUR PROXY USING THE TOLL-FREE TELEPHONE NUMBER LISTED ON THE ENCLOSED PROXY CARD OR COMPLETE YOUR PROXY ON THE INTERNET AT THE ADDRESS LISTED ON THE PROXY CARD IN ORDER TO ASSURE REPRESENTATION OF YOUR SHARES. NO POSTAGE NEED BE AFFIXED IF THE PROXY CARD IS MAILED IN THE UNITED STATES.

CITRIX SYSTEMS, INC.

851 West Cypress Creek Road

Fort Lauderdale, Florida 33309

PROXY STATEMENT

For the Annual Meeting of Stockholders

To Be Held on May 30, 2008

April 29, 2008

Proxies in the form enclosed with this Proxy Statement are solicited by the Board of Directors of Citrix Systems, Inc., a Delaware corporation (the "Company"), for use at the Annual Meeting of Stockholders to be held on Friday, May 30, 2008, at 2:00 p.m. PT, at the Company's offices at 4988 Great America Parkway, Santa Clara, California 95054, United States, or at any adjournments or postponements thereof (the "Annual Meeting"). An Annual Report to Stockholders, containing financial statements for the year ended December 31, 2007, is being mailed together with this Proxy Statement to all stockholders entitled to vote at the Annual Meeting. This Proxy Statement and the form of proxy were first mailed to stockholders on or about April 29, 2008.

Important Notice Regarding the Availability of Proxy Materials for the Annual

Meeting of Stockholders to be Held on May 30, 2008:

This Proxy Statement and the 2007 Annual Report to Stockholders are available for viewing, printing and downloading at www.citrix.com/annualreport.

A copy of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007 as filed with the Securities and Exchange Commission, except for exhibits, will be furnished without charge to any stockholder upon written or oral request to Citrix Systems, Inc., Attention of Antonio G. Gomes, Vice President, Deputy General Counsel and Secretary, Citrix Systems, Inc., 851 West Cypress Creek Road, Fort Lauderdale, Florida 33309; telephone: (954) 267-3000.

The purposes of the Annual Meeting are to elect two (2) Class I directors for three-year terms, approve an amendment to the Company's 2005 Equity Incentive Plan and ratify the appointment of Ernst & Young LLP as the Company's independent registered public accountants for 2008. Only stockholders of record at the close of business on April 1, 2008 (the "Record Date") will be entitled to receive notice of and to vote at the Annual Meeting. As of that date, 184,048,162 shares of common stock, \$.001 par value per share, of the Company (the "Common Stock") were issued and outstanding. The holders of Common Stock are entitled to one vote per share on any proposal presented at the Annual Meeting. You may vote in one of the following three ways whether or not you plan to attend the Annual Meeting: (1) by completing, signing and dating the accompanying proxy card and returning it in the postage-prepaid envelope enclosed for that purpose; (2) by completing your proxy using the toll-free telephone number listed on the proxy card; or (3) by completing your proxy on the Internet at the address listed on the proxy card. If you attend the Annual Meeting, you may vote in person even if you have previously returned your proxy card or voted by phone or on the Internet. Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before it is voted. Proxies may be revoked by: (a) filing with the Secretary of the Company, before the taking of the vote at the Annual Meeting, a written notice of revocation bearing a later date than the proxy; (b) duly completing a later-dated proxy relating to the same shares and delivering it to the Secretary of the Company before the taking of the vote at the Annual Meeting; (c) properly casting a new vote through the Internet or by telephone at any time before the closure of the Internet or telephone voting facilities; or (d) attending the Annual Meeting and voting in person (although attendance at the Annual Meeting will not in and of itself constitute a revocation of a proxy). Any written notice of revocation or subsequent proxy should be sent so as to be delivered to Citrix Systems, Inc., 851 West Cypress Creek Road, Fort Lauderdale, Florida 33309, Attention: Secretary, before the taking of the vote at the Annual Meeting.

The representation in person or by proxy of at least a majority of the outstanding shares of Common Stock entitled to vote at the Annual Meeting is necessary to constitute a quorum for the transaction of business. Abstentions and broker non-votes are counted as present or represented for purposes of determining the presence or absence of a quorum for the Annual Meeting. A non-vote occurs when a nominee holding shares for a beneficial owner votes on one proposal but does not vote on another proposal because, with respect to such other proposal, the nominee does not have discretionary voting power and has not received instructions from the beneficial owner.

For Proposal 1, the election of two (2) Class I directors, the nominees shall be elected as directors if the votes cast for such nominee's election exceed the votes cast against such nominee's election. Any director who fails to receive the required number of votes for his re-election is required to submit his resignation to the Board of Directors. The Company's Nominating and Corporate Governance Committee (excluding the director nominee) will promptly consider the director's resignation and make a recommendation to the Board of Directors as to whether such resignation should be accepted. The Board of Directors is required to act on the Nominating and Corporate Governance Committee's recommendation within 90 days of the certification of the stockholder vote for the Annual Meeting. For each of Proposal 2, the approval of an amendment to the Company's 2005 Equity Incentive Plan, and Proposal 3, the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accountants for 2008, an affirmative vote of a majority of the shares present, in person or represented by proxy, and voting on such matter is required for approval. An automated system administered by the Company's transfer agent tabulates the votes. The vote on each matter submitted to stockholders is tabulated separately. Abstentions are included in the number of shares present or represented and voting on each matter. Broker non-votes are not considered voted for the particular matter and have the effect of reducing the number of affirmative votes required to achieve a majority for such matter by reducing the total number of shares from which the majority is calculated.

The persons named as attorneys-in-fact in the proxies, Mark B. Templeton and David J. Henshall, were selected by the Board of Directors and are officers of the Company. All properly executed proxies submitted in time to be counted at the Annual Meeting will be voted by such persons at the Annual Meeting. Where a choice has been specified on the proxy with respect to the foregoing matters, the shares represented by the proxy will be voted in accordance with the specifications. **If no such specifications are indicated, such proxies will be voted FOR election of the director nominees, FOR approval of the amendment to the Company's 2005 Equity Incentive Plan and FOR ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accountants for 2008.**

Aside from the election of directors, the approval of the amendment to the Company's 2005 Equity Incentive Plan and the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accountants for 2008, the Board of Directors knows of no other matters to be presented at the Annual Meeting. If any other matter should be presented at the Annual Meeting upon which a vote properly may be taken, shares represented by all proxies received by the Board of Directors will be voted with respect thereto in accordance with the judgment of the persons named as attorneys-in-fact in the proxies.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding beneficial ownership of the Company's Common Stock as of the Record Date: (i) by each person who is known by the Company to beneficially own more than 5% of the outstanding shares of Common Stock; (ii) by each director or nominee of the Company; (iii) by each executive officer of the Company named in the Summary Compensation Table set forth below under Compensation and Other Information Concerning Directors and Officers; and (iv) by all directors and executive officers of the Company as a group.

Name of Beneficial Owner	Shares Beneficially Owned(1)	Percentage of Shares Beneficially Owned(2)
PRIMECAP Management Company(3) 225 South Lake Avenue, #400 Pasadena, CA 91101	14,343,109	7.79%
Dodge & Cox(4) 555 California St., 40 th Floor San Francisco, CA 94104	12,053,978	6.55%
Vanguard Chester Funds Vanguard PRIMECAP Fund(5) 100 Vanguard Blvd Malvern, PA 19355	9,950,000	5.41%
Mark B. Templeton(6)	1,560,779	*
Stephen M. Dow(7)	760,604	*
David J. Henshall(8)	274,186	*
John C. Burris(9)	225,740	*
David R. Friedman(10)	93,129	*
Thomas F. Bogan(11)	90,599	*
Gary E. Morin(12)	87,918	*
Godfrey R. Sullivan(13)	84,999	*
Murray J. Demo(14)	79,999	*
Asiff S. Hirji(15)	46,666	*
Peter Levine(16)	41,428	*
All executive officers, directors and nominees as a group (17)(14 persons)	3,724,487	1.99%

* Represents less than 1% of the outstanding Common Stock

- (1) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission (the SEC) and includes voting and investment power with respect to shares. Unless otherwise indicated below, to the knowledge of the Company, all persons listed below have sole voting and investment power with respect to their shares of Common Stock, except to the extent authority is shared by spouses under applicable law. Pursuant to the rules of the SEC, the number of shares of Common Stock deemed outstanding includes shares issuable pursuant to options held by the respective person or group that are currently exercisable or may be exercised within 60 days of the Record Date (presently exercisable stock options).
- (2) Applicable percentage of ownership as of the Record Date is based upon 184,048,162 shares of Common Stock outstanding.
- (3) With respect to information relating to PRIMECAP Management Company, the Company has relied on information supplied by such entity on an amended Schedule 13G filed with the SEC on February 14, 2008. According to such amended Schedule 13G, PRIMECAP Management Company reported sole dispositive power as to all the shares, sole voting power as to 2,022,209 shares and shared voting power as to none of the shares.
- (4) With respect to information relating to Dodge & Cox, the Company has relied on information supplied by such entity on a Schedule 13G filed with the SEC on February 13, 2008. According to such Schedule 13G, Dodge & Cox reported sole dispositive power as to all the shares, sole voting power as to 11,464,478 shares and shared voting power with respect to 27,500 shares.
- (5) With respect to information relating to Vanguard Chester Funds Vanguard PRIMECAP Fund, the Company has relied on information supplied by such entity on an amended Schedule 13G filed with the SEC on

February 27, 2008. According to such amended Schedule 13G, Vanguard Chester Funds-Vanguard PRIMECAP Fund reported dispositive power as to none of the shares and sole voting power as to all of the shares.

- (6) Includes 1,411,115 shares of Common Stock issuable pursuant to presently exercisable stock options, 7,326 shares of Common Stock issuable upon settlement of restricted stock units that will vest within 60 days of the Record Date and 5,000 shares of Common Stock held by the Mark B. Templeton Revocable Trust, dated June 6, 2004, Mark B. Templeton Trustee (the Templeton Trust). Mr. Templeton has sole voting and dispositive power with respect to all the shares held by the Templeton Trust.
- (7) Includes 345,155 shares of Common Stock issuable pursuant to presently exercisable stock options and 1,666 shares of Common Stock issuable upon settlement of restricted stock units that will vest within 60 days of the Record Date. Also includes (a) 133,381 shares of Common Stock held by Sevin Rosen Fund IX L.P. (SRFIX), (b) 2,652 shares of Common Stock held by Sevin Rosen IX Affiliates Fund L.P. (SRIX AFF), (c) 17 shares of Common Stock held by SRB Associates IX L.P. (SRBA IX), (d) 266,900 shares of Common Stock held by the Dow Family Trust and (e) 7,500 shares of Common Stock held by Dow Investments I L.P. (Dow LP). Mr. Dow has sole voting and dispositive power with respect to all of the shares held by Dow LP and shared voting and dispositive power with respect to all of the shares held by SRFIX, SRIX AFF, SRBA IX and the Dow Family Trust. Mr. Dow disclaims beneficial ownership of the shares of Common Stock held by SRFIX, SRIX AFF, SRBA IX and Dow LP except to the extent of his pecuniary interest therein.
- (8) Includes 262,952 shares of Common Stock issuable pursuant to presently exercisable stock options and 4,578 shares of Common Stock issuable upon settlement of restricted stock units that will vest within 60 days of the Record Date.
- (9) Includes 210,624 shares of Common Stock issuable pursuant to presently exercisable stock options and 3,663 shares of Common Stock issuable upon settlement of restricted stock units that will vest within 60 days of the Record Date.
- (10) Includes 90,584 shares of Common Stock issuable pursuant to presently exercisable stock options and 1,465 shares of Common Stock issuable upon settlement of restricted stock units that will vest within 60 days of the Record Date.
- (11) Includes 70,000 shares of Common Stock issuable pursuant to presently exercisable stock options and 1,666 shares of Common Stock issuable upon settlement of restricted stock units that will vest within 60 days of the Record Date.
- (12) Includes 55,000 shares of Common Stock issuable pursuant to presently exercisable stock options and 1,666 shares of Common Stock issuable upon settlement of restricted stock units that will vest within 60 days of the Record Date and 3,000 shares of Common Stock held in a joint account with Mr. Morin s spouse, with respect to which Mr. Morin has shared dispositive and voting power.
- (13) Includes 75,000 shares of Common Stock issuable pursuant to presently exercisable stock options, 1,666 shares of Common Stock issuable upon settlement of restricted stock units that will vest within 60 days of the Record Date.
- (14) Includes 75,000 shares of Common Stock issuable pursuant to presently exercisable stock options and 1,666 shares of Common Stock issuable upon settlement of restricted stock units that will vest within 60 days of the Record Date.
- (15) Includes 45,000 shares of Common Stock issuable pursuant to presently exercisable stock options and 1,666 shares of Common Stock issuable upon settlement of restricted stock units that will vest within 60 days of the Record Date.
- (16) Includes 39,358 shares of Common Stock held by SP Partners Investments LP, an entity of which Mr. Levine is a general partner, and 2,070 shares of Common Stock held by The Summit Family Trust, an entity of which Mr. Levin is a trustee. Mr. Levine has shared voting and dispositive power with respect to all of the shares held by SP Partners Investments LP and sole voting and dispositive power with respect to all of the shares held by The Summit Family Trust. Mr. Levine disclaims beneficial ownership of the shares of Common Stock held by SP Partners Investments LP and The Summit Family Trust, except to the extent of his pecuniary interest therein.
- (17) Includes 2,959,733 shares of Common Stock issuable pursuant to presently exercisable stock options and 27,028 shares of Common Stock issuable upon settlement of restricted stock units that will vest within 60 days of the Record Date.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act) requires the Company s directors, executive officers and holders of more than 10% of the Company s Common Stock to file with the SEC initial reports of ownership and reports of changes in ownership of Common Stock of the Company. Such persons are required by regulations of the SEC to furnish the Company with copies of all such filings. Based on its review of the copies of such filings received by it with respect to the year ended December 31, 2007, the Company believes that all Section 16(a) filing requirements were complied with during the year ended December 31, 2007, except that each of Mark B. Templeton, David J. Henshall, John C. Burris, Wesley R. Wasson, David R. Friedman and Brett M. Caine filed a Form 4 in April 2008 in connection with the grant of stock options and restricted stock units in October 2007.

PROPOSAL 1**ELECTION OF DIRECTOR NOMINEES**

The Company's Board of Directors currently consists of seven members. The Company's By-laws divide the Board of Directors into three classes. One class is elected each year for a term of three years. The Board of Directors, upon the recommendation of the Nominating and Corporate Governance Committee, has nominated Murray J. Demo and Asiff S. Hirji and recommended that each be elected to the Board of Directors as a Class I director, each to hold office until the Annual Meeting of Stockholders to be held in the year 2011 and until his successor has been duly elected and qualified or until his earlier death, resignation or removal. Messrs. Demo and Hirji are Class I directors whose terms expire at this Annual Meeting. The Board of Directors is also composed of: (i) two Class II directors (Thomas F. Bogan and Gary E. Morin), whose terms expire upon the election and qualification of directors at the Annual Meeting of Stockholders to be held in 2009 and (ii) three Class III directors (Mark B. Templeton, Stephen M. Dow and Godfrey R. Sullivan), whose terms expire upon the election and qualification of directors at the Annual Meeting of Stockholders to be held in 2010. Mr. Bogan serves as the Chairperson of the Board of Directors.

The Board of Directors knows of no reason why any of the nominees would be unable or unwilling to serve, but if any nominee should for any reason be unable or unwilling to serve, the proxies will be voted for the election of such other person for the office of director as the Board of Directors may recommend in the place of such nominee. Unless otherwise instructed, the proxy holders will vote the proxies received by them for the nominees named below.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS**A VOTE FOR THE NOMINEES LISTED BELOW**

This proposal for the election of directors relates solely to the election of two Class I directors nominated by the Board of Directors and does not include any other matters relating to the election of directors, including, without limitation, the election of directors nominated by any stockholder of the Corporation.

The following table sets forth the nominees to be elected at the Annual Meeting and the Company's continuing directors, the year each such nominee or continuing director was first elected a director, the positions with the Company currently held by each nominee and continuing director, the year each nominee's or continuing director's current term will expire and each nominee's and continuing director's current class:

Nominee's or Director's Name

and Year First Became a Director	Position(s) with the Company	Year Current Term Will Expire	Current Class of Director
Nominees for Class I Directors:			
Murray J. Demo 2005	Director	2008	I
Asiff S. Hirji 2006	Director	2008	I
Continuing Directors:			
Thomas F. Bogan 2003	Director and Chairperson	2009	II
Gary E. Morin 2003	Director	2009	II
Mark B. Templeton 1998	President, Chief Executive Officer and Director	2010	III
Stephen M. Dow 1989	Director	2010	III
Godfrey R. Sullivan 2005	Director	2010	III

DIRECTORS AND EXECUTIVE OFFICERS

Assuming the election of all of the director nominees above, the following table sets forth the directors and executive officers of the Company, their ages, and the positions currently held by each such person with the Company.

Name	Age	Position
Mark B. Templeton	55	President, Chief Executive Officer and Director
John C. Burris	53	Senior Vice President, Worldwide Sales and Services
Brett M. Caine	48	Senior Vice President, Online Services Division
David R. Friedman	46	General Counsel and Senior Vice President, Human Resources
David J. Henshall	39	Senior Vice President and Chief Financial Officer
Peter Levine	47	Senior Vice President, Virtualization and Management Division
John Gordon Payne	45	Senior Vice President, Delivery Systems Division
Wesley R. Wasson	41	Senior Vice President, Chief Marketing Officer
Thomas F. Bogan(1)(4)(5)(6)	56	Director
Murray J. Demo(2)(3)(4)	46	Director
Stephen M. Dow(1)(4)(9)	52	Director
Asiff S. Hirji(2)(3)(4)	41	Director
Gary E. Morin(2)(3)(4)(7)(8)	59	Director
Godfrey R. Sullivan(1)(4)	54	Director

- (1) Member of Compensation Committee
- (2) Member of Audit Committee
- (3) Member of Finance Committee
- (4) Member of Nominating and Corporate Governance Committee
- (5) Chairperson of the Board of Directors
- (6) Chairperson of the Compensation Committee
- (7) Chairperson of the Audit Committee
- (8) Chairperson of the Finance Committee
- (9) Chairperson of the Nominating and Corporate Governance Committee

Mark B. Templeton has served as President of the Company since January 1998 and as Chief Executive Officer from June 2001 to the present. Mr. Templeton also served as Chief Executive Officer of the Company from January 1999 to June 2000 and as Senior Executive Officer of the Company from July 2000 to May 2001. He was elected to the Board of Directors in May 1998. Mr. Templeton is a member of the Board of Directors of Equifax, Inc., a publicly traded credit reporting company.

John C. Burris has served as Senior Vice President, Worldwide Sales and Services of the Company since January 2001. From July 1999 to January 2001, Mr. Burris served as Senior Vice President, Services of the Company. Prior to joining the Company, Mr. Burris was employed by Lucent Technologies, a publicly traded communications networks company, from 1994 to 1999 as Vice President and General Manager of the Gulf States region. Mr. Burris serves on the Board of Directors of Artifact Software, a privately held company, and Sourcefire, Inc., an enterprise threat management solutions company.

Brett M. Caine has served as Senior Vice President, Online Services Division since October 2007. From July 2005 to October 2007, Mr. Caine served as Group Vice President of the Online Group. From August 2004 to July 2005, Mr. Caine served as President, Citrix Online. From March 2004 to August 2004, Mr. Caine served as Vice President, Worldwide Sales, Citrix Online. From August 2003 to March 2004, Mr. Caine served as Senior Vice President, Worldwide Sales for Expertcity, Inc., a software company acquired by the Company in

March 2004. Prior to joining the Company, Mr. Caine served as Vice President of Partners and Channels for Openwave Systems, Inc. from June 2000 to December 2002.

David R. Friedman has served as General Counsel and Senior Vice President, Human Resources of the Company since April 2006 and also served as Secretary from October 2002 to February 2008. From October 2002 to April 2006, Mr. Friedman served as General Counsel, Corporate Vice President and Secretary. Prior to joining the Company, Mr. Friedman served as Senior Vice President, General Counsel and Clerk from 1999 to 2002 and Vice President, General Counsel and Clerk from 1998 to 1999 at Parametric Technology Corporation, a software company.

David J. Henshall has served as Senior Vice President and Chief Financial Officer of the Company since January 2006. From April 2003 to January 2006, Mr. Henshall served as Vice President and Chief Financial Officer of the Company. Prior to joining the Company, Mr. Henshall served as Vice President, Chief Financial Officer, Treasurer and Secretary from 2002 to 2003, Vice President of Finance and Treasurer from 2001 to 2002, Treasurer from 1999 to 2001 and Assistant Treasurer from 1998 to 1999 for Rational Software Corporation, a software company acquired by IBM Corporation in 2003.

Peter Levine has served as Senior Vice President of the Company's Virtualization and Management Division since October 2007. Prior to joining the Company, Mr. Levine served as President and Chief Executive Officer of XenSource, Inc., a privately held corporation acquired by the Company in 2007. From June 2002 to February 2005, Mr. Levine served as General Partner of Mayfield Fund, a venture capital investment firm.

John Gordon Payne has served as Senior Vice President of the Company's Delivery Systems Division since August 2007. From January 2007 to August 2007, Mr. Payne served as Group Vice President and General Manager of the Company's Advanced Solutions Group. Mr. Payne also served as Product Line Executive, Emerging Products of the Company's Virtual Systems Group from April 2006 to December 2006, and as Vice President of Marketing for the Company's Advanced Solutions Group from December 2004 to December 2006. From January 2000 to December 2004, Mr. Payne served as the Chief Marketing Officer and Chief Financial Officer of Net6, Inc., a corporation acquired by the Company in 2004.

Wesley R. Wasson has served as Senior Vice President and Chief Marketing Officer since October 2007. From September 2006 to October 2007, he served as our Corporate Vice President, Worldwide Marketing of the Company. From August 2005 to September 2006, Mr. Wasson served as the Vice President of the Company's Application Networking Group. Prior to joining the Company, Mr. Wasson served as Vice President of Worldwide Marketing at NetScaler, Inc., a corporation acquired by the Company in 2005. From August 2002 to December 2004, Mr. Wasson served as the Chief Strategy Officer of NetContinuum, an application security company based in Silicon Valley.

Thomas F. Bogan has served as a director of the Company since January 2003 and as Chairperson of the Board of Directors since May 2005. Since 2004, Mr. Bogan has been a Partner at Greylock Partners, a venture capital firm. From 1997 to 2003, Mr. Bogan served in a variety of positions with Rational Software Corporation, a software company acquired by IBM Corporation in 2003, including President and Chief Operating Officer from 2000 to 2003.

Murray J. Demo has served as a director of the Company since February 2005. Since September 2007, Mr. Demo has served as Executive Vice President and Chief Financial Officer of LiveOps, a privately held virtual call center company. Mr. Demo served as Executive Vice President & Chief Financial Officer of Postini, Inc., a security software company from May 2007 until it was acquired by Google Inc. in September 2007. Mr. Demo served as Executive Vice President and Chief Financial Officer from April 2005 to May 2006, Senior Vice President and Chief Financial Officer from June 2000 to April 2005, Vice President and Corporate Controller from October 1999 to June 2000, Corporate Controller from July 1998 to October 1999, Sr. Director of Finance, Product Divisions from February 1998 to July 1998 and Director of Operations Finance from August 1996 to February 1998 for Adobe Systems Incorporated.

Stephen M. Dow has served as a director of the Company since 1989 and served as Chairperson of the Board of Directors from May 2002 to May 2005. Since 1983, Mr. Dow has served as a general partner of Sevin Rosen Funds, a venture capital investment firm. Mr. Dow serves on the Board of Directors of Cytokinetics, Inc., a publicly traded biopharmaceutical company.

Asiff S. Hirji has served as a director of the Company since May 2006. Since April 2007, Mr. Hirji has served as a Senior Director of TPG Capital, L.P., a global private investment firm. From October 2006 to April 2007, Mr. Hirji served as the President, Client Group of TD Ameritrade Holding Company, a publicly traded provider of securities brokerage services. Mr. Hirji served as Chief Operating Officer of TD Ameritrade from July 2005 until October 2006 and as Chief Information Officer of Ameritrade from April 2003 until July 2005. From July 2002 until April 2003, Mr. Hirji served as Vice President, Partner of Bain & Company.

Gary E. Morin has served as a director of the Company since January 2003. From September 2005 until March 2006, Mr. Morin served as Executive Vice President of Lexmark International, Inc., a publicly traded laser and inkjet printer and supplies company. From 2000 until September 2005, Mr. Morin served as Executive Vice President and Chief Financial Officer of Lexmark. From 1996 to 2000, Mr. Morin served as Vice President and Chief Financial Officer of Lexmark. Since July 2006, Mr. Morin has served as a director of Sealy Corp., a publicly traded bedding manufacturer.

Godfrey R. Sullivan has served as a director of the Company since February 2005. From June 2004 to June 2007, Mr. Sullivan served as President of Hyperion Solutions Corporation, a publicly traded software company acquired by Oracle Corporation in April 2007. Prior to Hyperion's acquisition by Oracle in April 2007, Mr. Sullivan served as President and Chief Executive Officer of Hyperion from 2004 until April 2007. From 2001 to 2004, Mr. Sullivan served as President and Chief Operating Officer of Hyperion. Mr. Sullivan serves on the Board of Directors of Informatica Corporation, a publicly traded data integration company.

Executive officers of the Company are elected by the Board of Directors on an annual basis and serve until their successors have been duly elected and qualified.

CORPORATE GOVERNANCE

Independence of Members of the Board of Directors

The Board of Directors has determined that each of the Company's non-employee directors (Messrs. Bogan, Demo, Dow, Hirji, Morin and Sullivan) is independent within the meaning of the director independence standards of The Nasdaq Stock Market LLC ("Nasdaq") and the Securities and Exchange Commission ("SEC"), including Rule 10A-3(b)(1) under the Exchange Act. Furthermore, the Board of Directors has determined that each member of each of the committees of the Board of Directors is independent within the meaning of Nasdaq's and the SEC's director independence standards. In making this determination, the Board of Directors solicited information from each of the Company's directors regarding whether such director, or any member of his immediate family, had a direct or indirect material interest in any transactions involving the Company, was involved in a debt relationship with the Company or received personal benefits outside the scope of such person's normal compensation. The Board of Directors considered the responses of the Company's directors, and independently considered the commercial agreements, acquisitions, including the Company's acquisition of XenSource (see "Transactions with Related Persons" below), and other material transactions entered into by the Company during 2007.

Executive Sessions of Independent Directors

Executive sessions of the independent directors are held four times a year following regularly scheduled in-person meetings of the Board of Directors. Executive sessions do not include the employee director of the Company, and the Chairperson of the Board of Directors is responsible for chairing the executive sessions.

Policies Governing Director Nominations

Director Qualifications

The Nominating and Corporate Governance Committee of the Board of Directors is responsible for reviewing with the Board of Directors from time to time the appropriate qualities, skills and characteristics desired of members of the Board of Directors in the context of the needs of the business and current make-up of the Board of Directors. This assessment includes consideration of the following minimum qualifications that the Nominating and Corporate Governance Committee believes must be met by all directors:

directors must be of the highest ethical character and share the values of the Company as reflected in the Company's Code of Business Conduct;

directors must have reputations, both personal and professional, consistent with the image and reputation of the Company;

directors must have the ability to exercise sound business judgment;

directors must have substantial business or professional experience and be able to offer meaningful advice and guidance to the Company's management based on that experience; and

directors must have received a bachelor's degree from a qualified institution.

The Nominating and Corporate Governance Committee also considers numerous other qualities, skills and characteristics when evaluating director nominees, such as:

an understanding of and experience in software, hardware or services, technology, accounting, governance, finance and/or marketing;

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leadership experience with public companies or other major complex organizations;

experience on another public company board unless a director otherwise qualifies as an audit committee financial expert under the rules of the SEC;

the specific needs of the Board and the Committees of the Board at that time;

a commitment to enhancing stockholder value and representing the long-term interests of the Company's stockholders as a whole, not just one particular constituency; and

diversity of background and experience in the context of the composition of the Board at that time, such as diversity of knowledge, skills, experience, geographic location, age, gender, and ethnicity.

Process for Identifying and Evaluating Director Nominees

The Board of Directors is responsible for selecting its own members. The Board of Directors delegates the selection and nomination process to the Nominating and Corporate Governance Committee, with the expectation that other members of the Board of Directors, and of management, will be requested to take part in the process as appropriate.

Generally, the Nominating and Corporate Governance Committee identifies candidates for director nominees in consultation with management, through the use of search firms or other advisors, through the recommendations submitted by stockholders or through such other methods as the Nominating and Corporate Governance Committee deems to be helpful to identify candidates. Once candidates have been identified, the Nominating and Corporate Governance Committee confirms that the candidates meet all of the minimum qualifications for director nominees established by the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee may gather information about the candidates through interviews, detailed questionnaires, comprehensive background checks or any other means that the Nominating and Corporate Governance Committee deems to be helpful in the evaluation process. The Nominating and Corporate Governance Committee then meets as a group to discuss and evaluate the qualities and skills of each candidate, both on an individual basis and taking into account the overall composition and needs of the Board of Directors. Based on the results of the evaluation process, the Nominating and Corporate Governance Committee recommends candidates for the Board of Directors' approval as director nominees for election to the Board of Directors. The Nominating and Corporate Governance Committee also recommends candidates to the Board of Directors for appointment to the committees of the Board of Directors.

Procedures for Recommendation of Director Nominees by Stockholders

The Nominating and Corporate Governance Committee will consider director nominee candidates who are recommended by stockholders of the Company. Stockholders, in submitting recommendations to the Nominating and Corporate Governance Committee for director nominee candidates, shall follow the following procedures:

Generally, the Nominating and Corporate Governance Committee must receive any such recommendation for nomination not later than the close of business on the 120th day nor earlier than the close of business on the 150th day prior to the first anniversary of the date of the proxy statement delivered to stockholders in connection with the preceding year's annual meeting.

All recommendations for nomination must be in writing and include the following:

name and address of the stockholder making the recommendation, as they appear on the Company's books and records, and of such record holder's beneficial owner;

number of shares of capital stock of the Company that are owned beneficially and held of record by such stockholder and such beneficial owner;

name of the individual recommended for consideration as a director nominee;

all other information relating to the recommended candidate that would be required to be disclosed in solicitations of proxies for the election of directors or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act, including the recommended candidate's written consent to being named in the proxy statement as a nominee and to serving as a director if approved by the Board of Directors and elected; and

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a written statement from the stockholder making the recommendation stating why such recommended candidate meets the Company's criteria and would be able to fulfill the duties of a director.

Nominations must be sent to the attention of the Secretary of the Company by one of the two methods listed below:

By U.S. mail (including courier or expedited delivery service) to:

Citrix Systems, Inc.

851 West Cypress Creek Road

Fort Lauderdale, FL 33309

Attn: Secretary of Citrix Systems, Inc.

By facsimile to: (954) 267-2862

Attn: Secretary of Citrix Systems, Inc.

The Secretary of the Company will promptly forward any such nominations to the Nominating and Corporate Governance Committee. As a requirement to being considered for nomination to the Company's Board of Directors, a candidate will need to comply with the following minimum procedural requirements:

a candidate must undergo a comprehensive private investigation background check by a qualified company of the Company's choosing;

a candidate must complete a detailed questionnaire regarding his or her experience, background and independence; and

a candidate must submit to the Board of Directors a statement to the effect that (i) if elected, he will tender promptly following his election an irrevocable resignation effective upon his failure to receive the required vote for re-election at the next meeting at which he would face re-election and (ii) upon acceptance of his resignation by the Board of Directors, in accordance with the Company's Corporate Governance Guidelines, he shall resign as a member of the Board of Directors.

Once the Nominating and Corporate Governance Committee receives the nomination of a candidate and the candidate has complied with the minimum procedural requirements above, such candidacy will be evaluated and a recommendation with respect to such candidate will be delivered to the Board of Directors.

Policy Governing Security Holder Communications with the Board of Directors

The Board of Directors provides to every security holder the ability to communicate with the Board of Directors as a whole and with individual directors on the Board of Directors through an established process for security holder communication as follows:

For communications directed to the Board of Directors as a whole, security holders may send such communications to the attention of the Chairperson of the Board of Directors by one of the two methods listed below:

By U.S. mail (including courier or expedited delivery service) to:

Citrix Systems, Inc.

851 West Cypress Creek Road

Fort Lauderdale, FL 33309

Attn: Chairperson of the Board of Directors, c/o Secretary

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By facsimile to: (954) 267-2862

Attn: Chairperson of the Board of Directors, c/o Secretary

For security holder communications directed to an individual director in his capacity as a member of the Board of Directors, security holders may send such communications to the attention of the individual director by one of the two methods listed below:

By U.S. mail (including courier or expedited delivery service) to:

Citrix Systems, Inc.

851 West Cypress Creek Road

Fort Lauderdale, FL 33309

Attn: [Name of the director], c/o Secretary

By facsimile to (954) 267-2862

Attn: [Name of the director], c/o Secretary

The Company will forward any such security holder communication to the Chairperson of the Board of Directors, as a representative of the Board of Directors, or to the director to whom the communication is addressed, on a periodic basis. The Company will forward such communications by certified U.S. mail to an address specified by each director and the Chairperson of the Board of Directors for such purposes or by secure electronic transmission.

Policy Governing Director Attendance at Annual Meetings of Stockholders

The Company conducts an Annual Meeting of Stockholders, and all Directors are offered the opportunity to attend at the Company's expense. One member of the Board of Directors attended the Annual Meeting of Stockholders held in 2007.

Board of Directors Evaluation Program

In order to maintain the Company's leading-edge governance practices, the Board of Directors annually undertakes a formal evaluation process consisting of an overall Board of Directors evaluation, committee evaluation, peer evaluation and self evaluation. As part of the evaluation process, the Board of Directors evaluates nine different competencies: Board structure; Board roles; Board processes; Board composition, orientation and development; and Board dynamics, effectiveness and involvement. The evaluation process also includes consideration of the appropriate Board size, succession planning and the technical, business and organizational skills required of future Board members. In addition to the Board of Directors' own assessment and evaluation of its performance, every effort is made to benchmark the performance and practices of the Company's Board of Directors to the boards of directors of peer companies.

Code of Ethics

The Company has adopted a code of ethics, as defined by regulations promulgated under the Securities Act of 1933, as amended (the Securities Act), and the Exchange Act, that applies to all of the Company's directors and employees worldwide, including its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A current copy of the Code of Business Conduct is available at the Corporate Governance section of the Company's website at <http://www.citrix.com/site/aboutCitrix/governance/>. A copy of the Code of Business Conduct may also be obtained, free of charge, from the Company upon a request directed to: Citrix Systems, Inc., 851 West Cypress Creek Road, Fort Lauderdale, Florida 33309, Attention: Investor Relations. The Company intends to disclose any amendment to or waiver of a provision of the Code of Business Conduct that applies to its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, by posting such information on its website available at <http://www.citrix.com/site/aboutCitrix/governance/>.

For more corporate governance information, you are invited to access the Corporate Governance section of the Company's website available at <http://www.citrix.com/site/aboutCitrix/governance/>.

Except for the availability of this Proxy Statement and the 2007 Annual Report to Stockholders, which are available for viewing, printing and downloading at www.citrix.com/annualreport, the information on the Company's website is not part of this Proxy Statement.

THE BOARD OF DIRECTORS AND ITS COMMITTEES

Board of Directors

The Board of Directors met 14 times during the year ended December 31, 2007. Each of the directors attended at least 75% of the aggregate of the total number of meetings of the Board of Directors and the total number of meetings of all committees of the Board of Directors on which he served during fiscal 2007. The Board of Directors has standing Audit, Compensation, Finance, and Nominating and Corporate Governance committees. Each committee has a written charter that has been approved by the Board of Directors. Each committee reviews the appropriateness of its charter at least annually.

Audit Committee

The Audit Committee of the Board of Directors currently consists of Messrs. Demo, Hirji and Morin (Chair), each of whom served on the Audit Committee throughout 2007. The Board of Directors has determined that each member of the Audit Committee meets the independence requirements promulgated by Nasdaq and the SEC, including Rule 10A-3(b)(1) under the Exchange Act. In addition, the Board of Directors has determined that each member of the Audit Committee is financially literate and that each of Messrs. Demo, Hirji and Morin qualifies as an audit committee financial expert under the rules of the SEC. Stockholders should understand that this designation is a disclosure requirement of the SEC related to Messrs. Demo, Hirji and Morin's experience and understanding with respect to certain accounting and auditing matters. The designation does not impose upon Messrs. Demo, Hirji and Morin any duties, obligations or liability that are greater than are generally imposed on them as members of the Audit Committee and the Board of Directors, and their designation as audit committee financial experts pursuant to this SEC requirement does not affect the duties, obligations or liability of any other member of the Audit Committee or the Board of Directors.

The Audit Committee met 19 times during the year ended December 31, 2007. More than nine of these meetings related to the Audit Committee's investigation of the Company's historical stock option granting practices, which was completed in the third quarter of 2007. The Audit Committee operates under a written charter adopted by the Board of Directors, a current copy of which is attached to this Proxy Statement as Annex A and is available at the Corporate Governance section of the Company's website at <http://www.citrix.com/site/aboutCitrix/governance/>.

As described more fully in its charter, the Audit Committee oversees the Company's accounting and financial reporting processes, internal controls and audit functions. In fulfilling its role, the Audit Committee:

reviews the financial reports provided by the Company to the SEC, the Company's stockholders or the general public;

reviews the Company's internal financial and accounting controls;

oversees the appointment, compensation, retention and work performed by any independent public accountants engaged by the Company;

oversees procedures designed to improve the quality and reliability of the disclosure of the Company's financial condition and results of operations;

oversees the Company's internal audit function;

serves as the Qualified Legal Compliance Committee of the Company in accordance with Section 307 of the Sarbanes-Oxley Act of 2002 (the Sarbanes-Oxley Act), and the rules and regulations promulgated by the SEC thereunder;

recommends, establishes and monitors procedures designed to facilitate (i) the receipt, retention and treatment of complaints relating to accounting, internal accounting controls or auditing matters, and (ii) the receipt of confidential, anonymous

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submissions by employees of concerns regarding questionable accounting or auditing matters;

engages advisors as necessary; and

determines the funding from the Company that is necessary or appropriate to carry out the Audit Committee's duties.

Compensation Committee

The Compensation Committee currently consists of Messrs. Bogan (Chair), Dow and Sullivan,