

Five9, Inc.  
Form DEF 14A  
March 30, 2017  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A  
(Rule 14a-101)  
INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION  
Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934  
(Amendment No. )

Filed by the Registrant  x  
Filed by a Party other than the Registrant  o  
Check the appropriate box:  
 o Preliminary Proxy Statement  
 o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
 x Definitive Proxy Statement  
 o Definitive Additional Materials  
 o Soliciting Material Pursuant to §240.14a-12

Five9, Inc.  
(Name of Registrant as Specified In Its Charter)

n/a  
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.  
 o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth  
(3) the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 240.0-11(a)(2) and identify the filing  
 o for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or  
the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

- (3) Filing Party:
  - (4) Date Filed:
-

FIVE9, INC.  
Bishop Ranch 8  
4000 Executive Parkway, Suite 400  
San Ramon, CA 94583

Dear Stockholder:

I am pleased to invite you to attend Five9, Inc.'s 2017 Annual Meeting of Stockholders, to be held on May 15, 2017 (the "Annual Meeting"). The meeting will begin promptly at 8:30 a.m. Pacific Daylight Time virtually via the Internet at [www.virtualshareholdermeeting.com/FIVN2017](http://www.virtualshareholdermeeting.com/FIVN2017). Instructions on how to participate in the Annual Meeting and demonstrate proof of stock ownership are posted at [www.proxyvote.com](http://www.proxyvote.com). The webcast of the Annual Meeting will be archived for one year after the date of the Annual Meeting at [www.virtualshareholdermeeting.com/FIVN2017](http://www.virtualshareholdermeeting.com/FIVN2017). Only stockholders who held stock at the close of business on the record date, March 23, 2017, may vote at the Annual Meeting, including any adjournment or postponement thereof.

Details regarding the business to be conducted at the Annual Meeting are more fully described in the accompanying Notice of Annual Meeting of Stockholders and Proxy Statement. We encourage you to carefully read these materials, as well as our Annual Report on Form 10-K for fiscal year 2016.

We are acting under a U.S. Securities and Exchange Commission rule that allows companies to furnish their proxy materials over the Internet rather than in paper form. Consequently, stockholders will not receive paper copies of our proxy materials unless they specifically request them. We believe that this delivery process will reduce our environmental impact and lower the costs of printing and distributing our proxy materials. We believe that we can achieve these benefits with no impact on our stockholders' timely access to this important information.

Your vote is important. Whether or not you expect to attend the Annual Meeting, please vote via telephone or the Internet according to the instructions in the Proxy Statement or the accompanying Notice of Internet Availability of Proxy Materials (the "Notice") or request a proxy card from us by email at [ir@five9.com](mailto:ir@five9.com) and complete, date, sign, and return your proxy card in the envelope provided, in each such case, as soon as possible to ensure that your shares will be represented and voted at the Annual Meeting. Even if you have voted by proxy, you may still vote through our virtual web conference if you attend the Annual Meeting.

On behalf of the Board of Directors, thank you for your continued interest and support.

Sincerely,

Michael Burkland  
Chairman, President and Chief Executive Officer

San Ramon, California  
March 30, 2017

**YOUR VOTE IS EXTREMELY IMPORTANT**

Please vote by telephone or Internet as set forth in the Notice, or request a proxy card from us by email at [ir@five9.com](mailto:ir@five9.com) and date and sign the proxy card and return it at your earliest convenience in the postage-prepaid return envelope provided so that your shares may be voted.

---

FIVE9, INC.

Bishop Ranch 8

4000 Executive Parkway, Suite 400

San Ramon, CA 94583

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held On May 15, 2017

Dear Stockholder:

You are cordially invited to attend the 2017 Annual Meeting of Stockholders (the "Annual Meeting") of Five9, Inc., a Delaware corporation (the "Company"). The meeting will be held on May 15, 2017 at 8:30 a.m.. Pacific Daylight Time virtually via the Internet at [www.virtualshareholdermeeting.com/FIVN2017](http://www.virtualshareholdermeeting.com/FIVN2017) for the following purposes:

1. To elect the three (3) members of the Board of Directors identified in the accompanying proxy statement to serve until the 2020 annual meeting of stockholders of the Company or until such persons' successors have been duly elected and qualified.

2. To ratify the appointment by the Audit Committee of the Board of Directors of KPMG LLP as the Company's independent registered public accounting firm for its fiscal year ending December 31, 2017.

3. To transact any other business properly brought before the meeting or any adjournment thereof.

These items of business are more fully described in the Proxy Statement.

The record date for the 2017 Annual Meeting is March 23, 2017. Only stockholders of record at the close of business on that date may vote at the meeting or any adjournment thereof.

By Order of the Board of Directors

Barry Zwarenstein

Chief Financial Officer and Corporate Secretary

San Ramon, California

March 30, 2017

Whether or not you expect to attend the Annual Meeting, please vote over the telephone or the Internet as instructed in these materials, or request a proxy card from the Company by email at [ir@five9.com](mailto:ir@five9.com) and complete, date, sign and return the proxy card in the envelope provided, in each case as promptly as possible in order to ensure your representation at the Annual Meeting. A return envelope (which is postage prepaid if mailed in the United States) will be provided to you if you email a request for a proxy card to the Company at [ir@five9.com](mailto:ir@five9.com). Even if you have voted by proxy, you may still vote through our virtual web conference if you attend the Annual Meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the Annual Meeting, you must obtain a proxy issued in your name from that record holder.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING TO BE HELD ON MAY 15, 2017.**

The Proxy Statement and Annual Report on Form 10-K are available at <http://investors.five9.com> and [www.proxyvote.com](http://www.proxyvote.com).

---

## TABLE OF CONTENTS

	Page
<u>QUESTIONS AND ANSWERS ABOUT THIS PROXY MATERIAL AND VOTING</u>	<u>1</u>
<u>PROPOSAL No. 1 - ELECTION OF DIRECTORS</u>	<u>6</u>
<u>Information Regarding the Nominees</u>	<u>6</u>
<u>Information Regarding Other Directors Continuing in Office</u>	<u>7</u>
<u>CORPORATE GOVERNANCE</u>	<u>9</u>
<u>Director Independence</u>	<u>9</u>
<u>Board Leadership Structure</u>	<u>9</u>
<u>Risk Oversight Management</u>	<u>9</u>
<u>Information Regarding the Board of Directors and its Committees</u>	<u>10</u>
<u>Audit Committee</u>	<u>10</u>
<u>Compensation Committee</u>	<u>11</u>
<u>Compensation Committee Interlocks and Insider Participation</u>	<u>12</u>
<u>Nominating and Governance Committee</u>	<u>12</u>
<u>Meetings of the Board of Directors</u>	<u>14</u>
<u>Code of Business Conduct</u>	<u>14</u>
<u>Stockholder Communications with the Board of Directors</u>	<u>14</u>
<u>Attendance at Annual Meeting of Stockholders by the Board of Directors</u>	<u>14</u>
<u>Compensation of Directors</u>	<u>14</u>
<u>PROPOSAL No. 2 - RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	<u>17</u>
<u>Independent Registered Public Accounting Firm's Fees</u>	<u>17</u>
<u>Pre-Approval Policies and Procedures</u>	<u>17</u>
<u>Audit Committee Report</u>	<u>18</u>
<u>EXECUTIVE OFFICERS</u>	<u>19</u>
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	<u>20</u>
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	<u>21</u>
<u>EXECUTIVE COMPENSATION</u>	<u>22</u>
<u>Compensation Committee Report</u>	<u>22</u>
<u>Summary Compensation Table</u>	<u>22</u>
<u>Narrative Disclosure to the Summary Compensation Table</u>	<u>23</u>
<u>Outstanding Equity Awards at December 31, 2016</u>	<u>24</u>
<u>Potential Payments upon Termination or Change in Control</u>	<u>24</u>
<u>EQUITY COMPENSATION PLAN INFORMATION</u>	<u>26</u>
<u>TRANSACTIONS WITH RELATED PERSONS</u>	<u>26</u>
<u>DELIVERY OF DOCUMENTS TO STOCKHOLDERS SHARING AN ADDRESS</u>	<u>27</u>
<u>OTHER MATTERS</u>	<u>27</u>

---

Table of Contents

FIVE9, INC.

Bishop Ranch 8

4000 Executive Parkway, Suite 400

San Ramon, CA 94583

PROXY STATEMENT

FOR THE 2017 ANNUAL MEETING OF STOCKHOLDERS

To Be Held Virtually via the Internet at [www.virtualshareholdermeeting.com/FIVN2017](http://www.virtualshareholdermeeting.com/FIVN2017)

On May 15, 2017 at 8:30 a.m., Pacific Daylight Time

QUESTIONS AND ANSWERS ABOUT THIS PROXY MATERIAL AND VOTING

Why am I receiving these materials?

We are making these proxy materials available because the Board of Directors (the “Board of Directors” or the “Board”) of Five9, Inc. (sometimes referred to as “we,” the “Company” or “Five9”) is soliciting your proxy to vote at the 2017 Annual Meeting of Stockholders (the “Annual Meeting”). You are invited to attend the Annual Meeting to vote on the proposals described in this Proxy Statement. However, you do not need to attend the Annual Meeting to vote your shares.

Instead, you may follow the instructions below to submit your proxy by telephone or on the Internet or request a proxy card from us by email at [ir@five9.com](mailto:ir@five9.com), and complete, sign and return the proxy card in the envelope provided.

The Company intends to commence mailing to all stockholders of record entitled to vote at the Annual Meeting the Notice of Internet Availability of Proxy Materials (the “Notice”) on or about March 30, 2017. Additionally, the Company intends to post its Annual Report on Form 10-K, this Proxy Statement and accompanying proxy card on the Internet at <http://investors.five9.com> on or about March 30, 2017. We will mail printed copies of the proxy materials to stockholders who request them.

The Company’s principal executive office is located at Bishop Ranch 8, 4000 Executive Parkway, Suite 400, San Ramon, CA 94583 and its telephone number is (925) 201-2000.

Why did I receive a notice in the mail regarding the Internet availability of proxy materials instead of a full paper copy of this Proxy Statement and Fiscal Year 2016 Annual Report on Form 10-K?

We are acting under a Securities and Exchange Commission (“SEC”) rule that allows companies to furnish their proxy materials over the Internet rather than in paper form. This rule allows a company to send its stockholders a notice regarding Internet availability of proxy materials. Instructions on how to access the proxy materials over the Internet or how to request a paper copy of proxy materials may be found in the Notice. If you would prefer to receive proxy materials in printed form by mail or electronically by email on an ongoing basis, please follow the instructions contained in the Notice.

Who can vote at the Annual Meeting?

You will be entitled to vote at the Annual Meeting if you owned the Company's common stock (“Common Stock”), either as a stockholder of record or as a beneficial owner, as of the close of business on March 23, 2017 (“Record Date”). On the Record Date, there were 54,441,612 shares of Common Stock outstanding. Holders of these outstanding shares are entitled to one vote for each share of Common Stock held by them as of March 23, 2017 at the Annual Meeting.

Stockholder of Record: Shares Registered in Your Name

If on March 23, 2017 your shares were registered directly in your name with Five9’s transfer agent, American Stock Transfer & Trust Company, LLC, then you are a stockholder of record with respect to those shares. As a stockholder of record, you may vote at the Annual Meeting or vote by proxy. Whether or not you plan to attend the Annual Meeting, we urge you to vote by proxy via telephone or the Internet as instructed on your proxy card or the Notice or to request a proxy card from us by email at [ir@five9.com](mailto:ir@five9.com) and complete, date, sign and return the proxy card in the envelope provided to ensure your vote is counted.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If on March 23, 2017 your shares were held in an account at a broker, bank or other similar organization, then you are the beneficial owner of shares held in “street name” and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes



## Table of Contents

of voting at the Annual Meeting. As a beneficial owner, you have the right to direct that organization on how to vote the shares in your account. Please refer to the voting instructions provided by your bank or broker. Many organizations enable beneficial owners to give voting instructions via telephone or the Internet as well as in writing. You are also welcome to attend the virtual Annual Meeting and to vote online. However, because you are not the stockholder of record, you may not vote your shares at the Annual Meeting unless you request and obtain a valid proxy (sometimes referred to as a “legal proxy”) from your broker, bank or other organization.

What am I voting on?

There are two matters scheduled for a vote:

Proposal No. 1: Election of the three (3) members of the Board of Directors identified in Proposal No. 1 to serve as Class III directors until the Company’s 2020 Annual Meeting of Stockholders or until their successors are duly elected and qualified.

Proposal No. 2: Ratification of the appointment of KPMG LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2017.

How do I vote?

For Proposal No. 1, you may either vote “For” all the nominees to the Board of Directors, you may withhold your vote from all the nominees or you may withhold your vote from any nominee you specify. You may not vote your proxy “For” the election of any persons other than the three named nominees. For Proposal No. 2, you may vote “For” or “Against” the proposal or abstain from voting.

Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record, you may vote by proxy using a proxy card, vote by proxy on the Internet or by telephone as set forth in the Notice, or vote at the Annual Meeting. Regardless of whether you plan to attend the Annual Meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the Annual Meeting and vote if you have already voted by proxy.

To vote using the proxy card, request a proxy card from us by email at [ir@five9.com](mailto:ir@five9.com), and complete, date and sign the proxy card and return it promptly in the envelope provided. If you return your signed proxy card to us before the Annual Meeting, we will vote your shares as you direct.

To vote on the Internet, please follow the instructions provided on your proxy card or the Notice.

To vote by telephone, please follow the instructions provided on your proxy card or the Notice.

To vote at the Annual Meeting, attend the Annual Meeting online and follow the instructions posted at [www.virtualshareholdermeeting.com/FIVN2017](http://www.virtualshareholdermeeting.com/FIVN2017).

We provide Internet proxy voting to allow you to vote your shares online, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. However, please be aware that you must bear any costs associated with your Internet access, such as usage charges from Internet access providers.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

See “Who can vote at the Annual Meeting? — Beneficial Owner: Shares Registered in the Name of a Broker or Bank” for voting instructions if you beneficially own shares held in street name.

How many votes do I have?

On each matter to be voted upon, you have one vote for each share of Common Stock you own as of the close of business on March 23, 2017.

What if I return a proxy card but do not make specific choices?

If you return a signed and dated proxy card without marking any voting selections, your shares will be voted “For” the election of each of the three nominees for director, and “For” ratification of KPMG LLP as our independent registered public accounting firm. If any other matter is properly presented at the meeting, your proxy (one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

Who is paying for this proxy solicitation?

Five9 will pay for the entire cost of soliciting proxies. In addition to Five9 mailing these proxy materials, the Notice and the annual report (as applicable), Five9’s directors and employees may also solicit proxies in person, by telephone or by other means of communication. Directors and employees will not be paid any additional





Table of Contents

compensation for soliciting proxies. Five9 may reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

What does it mean if I receive more than one set of proxy materials?

If you receive more than one set of proxy materials (including multiple copies of this Proxy Statement and multiple proxy cards or multiple Notices), your shares are registered in more than one name or are registered in different accounts. Please complete, date, sign and return each proxy card to ensure that all of your shares are voted.

Can I change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the Annual Meeting.

If you are a stockholder of record, you may revoke your proxy in any one of the following ways:

• You may submit another properly completed proxy card with a later date.

• You may vote again on a later date via the Internet or by telephone as set forth on the Notice.

You may send a written notice that you are revoking your proxy to the Corporate Secretary of the Company at Five9, Inc., Bishop Ranch 8, 4000 Executive Parkway, Suite 400, San Ramon, CA 94583.

You may attend the virtual Annual Meeting and vote online by following the instructions posted at

• [www.virtualshareholdermeeting.com/FIVN2017](http://www.virtualshareholdermeeting.com/FIVN2017). Simply logging into the Annual Meeting will not, by itself, revoke your proxy or prior vote.

If you are a beneficial owner of shares held in street name, you may change your vote in any one of the following ways:

• You may submit new voting instructions to your broker, trustee or nominee.

If you have obtained a legal proxy from the broker, trustee or nominee that holds your shares giving you the right to

• vote the shares, by attending the virtual Annual Meeting and following the instructions posted at

[www.virtualshareholdermeeting.com/FIVN2017](http://www.virtualshareholdermeeting.com/FIVN2017).

How are votes counted?

Votes will be counted by the inspector of elections appointed for the meeting. With respect to Proposal No. 1, the inspector of elections will count “For” votes. Abstentions and broker non-votes will not affect the outcome of Proposal No. 1.

With respect to Proposal No. 2, the inspector of elections will count separately “For”, “Against” and “Abstain” votes and broker non-votes. For purposes of Proposal No. 2, “Abstain” votes will be counted towards the vote total for such proposal, and will have the same effect as “Against” votes. However, broker non-votes are not deemed to be votes cast and, therefore, are not included in the tabulation of voting results on Proposal No. 2.

See “How many votes are needed to approve each proposal?” for further details regarding the votes needed to approve each proposal.

What is a “broker non-vote”?

If your shares are held by your broker, bank or other similar organization as your nominee (that is, in “street name”), you will need to follow the voting instructions provided by that organization on how to vote your shares. If you do not provide voting instructions, your shares may constitute “broker non-votes.” Generally, broker non-votes occur on a matter when a broker, bank, or other organization is not permitted to vote on that matter, including the election of directors, without instructions from the beneficial owner and instructions are not given.

In tabulating the voting result for any particular proposal, shares that constitute broker non-votes are not considered entitled to vote on that proposal. Thus, while broker non-votes will be counted as present for the purpose of determining the presence of a quorum at the meeting, broker non-votes will not affect the outcome of any matter being voted on at the meeting.

How many votes are needed to approve each proposal?

Proposal No. 1. Directors are elected by a plurality of the affirmative votes cast by those shares present in person, or represented by proxy, and entitled to vote at the Annual Meeting. The nominees for director receiving the highest number of affirmative votes will be elected. Stockholders may not cumulate votes in the election of directors.

Abstentions and broker non-votes will not be counted toward a nominee’s total.



## Table of Contents

Proposal No. 2. Ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2017 requires the affirmative vote of a majority of those shares present in person, or represented by proxy, and cast either affirmatively or negatively at the Annual Meeting. Abstentions will have the same effect as an "Against" vote. Broker non-votes will not be counted as having been voted on the proposal.

What are the Board's voting recommendations?

Proposal No. 1: "For" each of the nominees to the Board of Directors.

Proposal No. 2: "For" ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2017.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if a majority of all outstanding shares is represented by stockholders present at the Annual Meeting or by proxy. On the Record Date, there were 54,441,612 shares of Common Stock outstanding and entitled to vote. Thus, 27,220,807 shares must be represented by stockholders present at the Annual Meeting or by proxy to have a quorum. Your shares will be counted towards the quorum if you submit a valid proxy vote or vote at the Annual Meeting. In addition, under the General Corporation Law of the State of Delaware, abstentions and broker non-votes will be counted as present for the purpose of determining the presence of a quorum.

How can I find out the results of the voting at the Annual Meeting?

Preliminary voting results will be announced at the Annual Meeting. Final voting results will be published in a Current Report on Form 8-K within four business days following the Annual Meeting. In the event we are unable to obtain the final voting results within four business days, we will file the preliminary voting results in a Current Report on Form 8-K within four business days following the Annual Meeting, and will file an amended Form 8-K with the final voting results within four business days after the final voting results are known.

How can stockholders submit a proposal for inclusion in our Proxy Statement for the 2018 annual meeting of stockholders?

To be included in our proxy statement for the 2018 annual meeting of stockholders, stockholder proposals must comply with the requirements of Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Except as provided below, stockholder proposals must be received by our Corporate Secretary at our principal executive offices no later than November 30, 2017.

How can stockholders submit proposals to be raised at the 2018 annual meeting of stockholders that will not be included in our proxy statement for the 2018 annual meeting of stockholders?

To be raised at the 2018 annual meeting of stockholders, stockholder proposals must comply with our amended and restated bylaws (the "Bylaws"). Under our Bylaws, a stockholder must give advance written notice to our Corporate Secretary of any business, including nominations of directors for our Board, which the stockholder wishes to raise at the 2018 annual meeting of stockholders. Except as provided below, a stockholder's notice must be delivered to our Corporate Secretary at our principal executive offices no earlier than January 15, 2018 and no later than February 14, 2018, in order to be raised at our 2018 annual meeting of stockholders. If a stockholder wishes only to recommend a candidate for consideration by the Nominating and Governance Committee as a potential nominee for director, see the procedures discussed in "Corporate Governance — Nominating and Governance Committee."

What if the date of the 2018 annual meeting of stockholders changes by more than 30 days from the anniversary of this year's Annual Meeting?

Under Rule 14a-8 of the Exchange Act, if the date of the 2018 annual meeting of stockholders changes by more than 30 days from the anniversary of this year's Annual Meeting, to be included in our proxy statement for such meeting, stockholder proposals must be received by us within a reasonable time before our solicitation is made. Under our Bylaws, if the date of the 2018 annual meeting of stockholders is more than thirty (30) days before or more than seventy (70) days after the anniversary of the Annual Meeting, for stockholder proposals that will not be included in our proxy statement for such meeting, notice of such proposal must be delivered no earlier than the close of business on the one hundred twentieth (120) day prior to the 2018 annual meeting, nor later than the close of business on the later of (A) the ninetieth (90) day prior to the 2018 annual meeting or (B) the tenth (10) day



Table of Contents

following the day on which public announcement of the date of the 2018 annual meeting is first made by the Company.

Does a stockholder proposal require specific information?

To be included in our proxy statement, stockholder proposals must comply with the requirements of Rule 14a-8 under the Exchange Act. With respect to a stockholder's nomination of a candidate for our Board, the stockholder notice to our Corporate Secretary must contain certain information as set forth in our Bylaws about both the nominee and the stockholder making the nomination. With respect to any other business that the stockholder proposes, the stockholder notice must contain a brief description of such business and the reasons for conducting such business at the meeting, as well as certain other information as set forth in our Bylaws. If you wish to bring a stockholder proposal or nominate a candidate for director, you are advised to review Rule 14a-8 under the Exchange Act and our Bylaws, as applicable, which contain additional requirements about advance notice of stockholder proposals and director nominations.

Table of Contents

## PROPOSAL No. 1

## ELECTION OF DIRECTORS

The Company's amended and restated certificate of incorporation (the "Charter") and Bylaws provide for a classified Board of Directors. There are three classes of directors, with each class of directors serving three-year terms that end in successive years. Five9 currently has authorized eight directors. However, in connection with Mr. Das' resignation (as further described below), the Board has reduced the number of directors on the Board from eight to seven, effective upon the resignation of Mr. Das at the 2017 Annual Meeting. The class of directors standing for election at the Annual Meeting is designated Class III and currently consists of three directors who will be elected at the Annual Meeting to serve until the 2020 annual meeting of stockholders of Five9 or until their successors are duly elected and qualified. The directors being nominated for election to the Board of Directors (each, a "Nominee"), their ages as of March 30, 2017, the date of this Proxy Statement, their positions and offices held with Five9 and certain biographical information are set forth below.

The proxy holders intend to vote all proxies received by them in the accompanying form FOR the Nominees listed below unless otherwise instructed. In the event that any Nominee is unable or declines to serve as a director at the time of the Annual Meeting, the proxies will be voted for any nominee who may be designated by the current Board of Directors to fill the vacancy. As of the date of this Proxy Statement, the Board of Directors is not aware that any Nominee is unable or will decline to serve as a director. The three Nominees receiving the highest number of affirmative votes of the shares entitled to vote at the Annual Meeting will be elected directors of Five9. Abstentions and broker non-votes will not be counted toward an individual's total. Proxies cannot be voted for more than three individuals. For further information about how votes will be counted, please refer to the section above entitled "How many votes are needed to approve each proposal."

The following table sets forth, for the Class III nominees and our other current directors who will continue in office after the Annual Meeting, information with respect to their ages and positions held with Five9 as of March 30, 2017, the date of this Proxy Statement.

Name	Age	Positions Held with the Company
Class III Director Nominees:		
Kimberly Alexy	46	Director
Michael Burkland	54	Director, Chairman, Chief Executive Officer and President
Robert Zollars	59	Director
Other Current Directors:		
Class I Directors whose terms expire at the 2018 annual meeting of stockholders		
Michael Burdick	57	Director
Jayendra Das	48	Director
Class II Directors whose terms expire at the 2019 annual meeting of stockholders		
Jack Acosta	69	Director
David DeWalt	52	Director
David Welsh	49	Director, Lead Independent Director

## Information Regarding the Nominees

Kimberly Alexy, age 46, has served as a member of our Board of Directors since October 2013. Since June 2005, Ms. Alexy has served as the Principal of Alexy Capital Management, a private investment management firm that she founded. Since September 2016, Ms. Alexy has served on the board of directors of Microsemi Corporation, a semiconductor company. Since January 2015, Ms. Alexy has served on the board of directors of FireEye, Inc., a cyber security solutions provider. Since May 2008, Ms. Alexy has served on the board of CalAmp Corp., a global provider of wireless communications solutions. From August 2012 through June 2014, Ms. Alexy served as an Adjunct Lecturer at San Diego State University in the Graduate School of Business. From 1998 to January 2003, Ms. Alexy served as Senior Vice President and Managing Director of Equity Research for Prudential Securities, where she served as principal technology hardware analyst for the firm. From July 1995 to 1998, Ms. Alexy served as Vice President of Equity Research at Lehman Brothers, a financial services firm, where she covered the computer hardware sector. Ms. Alexy is a Chartered Financial Analyst (CFA), and holds a B.A. degree from Emory University and an M.B.A. degree

with a concentration in Finance and Accounting from the College of William and Mary.

6

---



## Table of Contents

We believe Ms. Alexy should continue to serve on our Board of Directors because of her extensive experience in the financial services industry as an investment professional, which brings an institutional investor perspective to our Board, financial and accounting expertise and service on other public company boards.

Michael Burkland, age 54, has served as our Chief Executive Officer and as a member of our Board of Directors since January 2008 and as our President since January 2012. He has served as our Chairman since February 2014. Since June 2016, Mr. Burkland has served on the board of directors of Vocera Communications, Inc., a communications technology company (“Vocera”). From 2002 to 2007, Mr. Burkland worked with the Interim CEO Network, serving as an interim CEO for venture-backed technology companies, as well as heading up the firm’s strategic advisory practice. From 2000 to 2001, Mr. Burkland served as Chief Executive Officer of Omniva Policy Systems Inc., a pioneer in enterprise policy management and e-mail security, where he built and implemented the company’s initial go to market strategy for the enterprise market. From 1994 to 1998, Mr. Burkland served as Chief Executive Officer of Eventus Software, Inc., a leading developer of web content management software which was acquired by Segue Software, Inc. in 1998. Earlier in his career, he held various positions at Oracle, Patrol Software and BMC. Mr. Burkland holds M.B.A. and B.A. degrees from the University of California at Berkeley. Mr. Burkland is the brother of Daniel Burkland, the Executive Vice President of Global Sales and Services of the Company.

We believe Mr. Burkland should continue to serve on our Board of Directors because of his perspective and experience as our Chief Executive Officer and his extensive experience as a Chief Executive Officer of companies in the technology industry.

Robert Zollars, age 59, has served as a member of our Board of Directors since December 2013. Since November 2014, Mr. Zollars has served as an operating partner at Frazier Healthcare Partners, a private growth equity firm. Since July 2014, Mr. Zollars has served as chairman of the board of directors of Vocera. From June 2013 to July 2014, Mr. Zollars served as executive chairman of the board of directors of Vocera. From June 2007 to May 2013, Mr. Zollars served as chairman of the board of directors and Chief Executive Officer of Vocera. From February 2005 to February 2016, Mr. Zollars served on the board of directors of Diamond Foods, Inc., a packaged foods company that was acquired by Snyder's-Lance, Inc. in February 2016, and as chairman of its board of directors from February 2012 to February 2016. Since May 2004, Mr. Zollars has served as a member of the board of directors of VWR International, LLC, a global supplier to laboratory and production facilities. Mr. Zollars holds a B.S. degree in Marketing from Arizona State University and an M.B.A. degree in Finance from John F. Kennedy University. Mr. Zollars is a board leadership fellow with the National Association of Corporate Directors, or NACD.

We believe Mr. Zollars should continue to serve on our Board of Directors because of his experience as a Chief Executive Officer and service on the boards of directors of numerous other companies.

The Board Of Directors Recommends A Vote “FOR” Each Named Nominee.

## Information Regarding Other Directors Continuing in Office

On March 7, 2017, Jayendra Das, a Class I Director on our Board of Directors, informed the Company that he would resign from the Board, effective as of the Company’s 2017 Annual Meeting. In connection with Mr. Das’ resignation, the Board has reduced the number of directors on the Board from eight to seven, effective upon the resignation of Mr. Das at the 2017 Annual Meeting.

Class I Directors — Term ending at the 2018 annual meeting of stockholders

Michael Burdick, age 57, has served as a member of our Board of Directors since September 2015. Since 2011, Mr. Burdick has served as the President and Chief Executive Officer and also as a member of the board of directors of CalAmp, a global provider of wireless communications solutions. From 2006 to 2011, Mr. Burdick held various positions at CalAmp, including President of CalAmp’s Wireless DataCom segment and President and Chief Operating Officer. Mr. Burdick holds an M.B.A., an M.S. degree in electrical engineering from California State University, Fullerton, and a B.S. degree in electrical engineering from Kansas State University.

Mr. Burdick was selected to serve on our Board of Directors because of his strategic and operational experience, experience as Chief Executive Officer of a publicly traded technology company, along with a deep understanding of

technology and go-to-market strategies.

7

---

Table of Contents

Class II Directors — Term ending at the 2019 annual meeting of stockholders

Jack Acosta, age 69, has served as a member of our Board of Directors since April 2011. Since May 2001, Mr. Acosta has served on the board of directors of Integral Development Corporation, a financial services software company. Since October, 2013, Mr. Acosta has served on the board of directors of Rimini Street, Inc., an enterprise software support services company. From February 1999 to September 2001, Mr. Acosta served as Chief Financial Officer and Vice President, Finance of Portal Software, a software company acquired by Oracle Corporation in 2006. From July 1996 to January 1999, Mr. Acosta served as Executive Vice President and Chief Financial Officer of Sybase, Inc., a database company acquired by SAP. Mr. Acosta holds a B.S. degree in Industrial Relations from California State University East Bay, an M.S. degree in Management Sciences from California State University East Bay and an Honorary Doctor of Humane Letters degree from California State University East Bay.

Mr. Acosta was selected to serve on our Board of Directors because of his accounting, financial, operating and management experience, service on the boards of directors of numerous other companies, financial expertise through his service as chief financial officer of public software companies, and experience in overseeing auditors and financial audits.

David DeWalt, age 52, has served as a member of our Board of Directors since April 2012. Since June 2015, Mr. DeWalt has served as Vice Chairman of the board of directors of ForeScout Technologies, Inc., a leading cybersecurity provider of continuous monitoring and mitigation solutions. Since November 2011, Mr. DeWalt has served on the board of directors of Delta Air Lines, Inc, an airline company. From November 2012 until February 2017, Mr. DeWalt served as Chairman of the board of directors, Chief Executive Officer, and Executive Chairman of the board of directors of FireEye, Inc., a global network security company. From November 2005 to May 2013, Mr. DeWalt served on the board of directors of Polycom, Inc., a telepresence and voice communication solutions company. From February 2011 to April 2013, Mr. DeWalt served on the board of directors of Jive Software, Inc., a software company in the social business software industry. From April 2007 to February 2012, Mr. DeWalt served as President, Chief Executive Officer and Director of McAfee. Mr. DeWalt holds a B.S. degree in Computer Science from the University of Delaware.

Mr. DeWalt was selected to serve on our Board of Directors because of his experience as Chief Executive Officer of publicly-held technology companies, expertise in software technology and service on the boards of directors of numerous other companies.

David Welsh, age 49, has served as a member of our Board of Directors since January 2011 and has served as our Lead Independent Director since February 2014. Mr. Welsh also served as a member of our Board of Directors from May 2005 to March 2007. Mr. Welsh is a Managing Director and is Head of TMT Growth Equity within KKR's Private Equity platform, where he serves on the TMT growth equity investment committee. Prior to joining KKR, Mr. Welsh was a Partner with Adams Street Partners, a venture capital firm, from April 2008 to September 2016. From March 2007 to April 2008, Mr. Welsh served as Executive Vice President of Corporate Strategy and Business Development of McAfee. From June 2000 to March 2007, Mr. Welsh served as a General Partner of Partech International, LLC, a venture capital firm. Mr. Welsh holds a J.D. degree from the University of California, Berkeley, School of Law and a B.A. degree in International Relations from the University of California, Los Angeles.

Mr. Welsh was selected to serve on our Board of Directors because of his experience as a venture capitalist, corporate strategy and business development expertise and service on the boards of directors of numerous other companies.

Table of Contents

CORPORATE GOVERNANCE

Director Independence

Our Board of Directors reviews at least annually the independence of each director. During these reviews, the Board of Directors considers transactions and relationships between each director (and his or her immediate family and affiliates) and our company and its management to determine whether any such transactions or relationships are inconsistent with a determination that the director is independent. This review is based primarily on responses of the directors to questions in a directors' and officers' questionnaire regarding employment, business, familial, compensation and other relationships with us and our management.

The Board of Directors has determined that each of Jack Acosta, Kimberly Alexy, Michael Burdick, Jayendra Das, David DeWalt, David Welsh and Robert Zollars are "independent" under the applicable listing standards of NASDAQ. As required by NASDAQ, our independent directors meet in regularly scheduled executive sessions at which only independent directors are present.

Board Leadership Structure

Our Board of Directors believes that the combined role of Chairman of the Board of Directors and Chief Executive Officer is the best leadership structure for us at the current time because it promotes the efficient and effective development and execution of our strategy and facilitates information flow between management and our Board of Directors, which are essential to effective governance. Mr. Michael Burkland, our Chief Executive Officer, is the director most familiar with our business and industry, and most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy. Independent directors and management have different perspectives and roles in strategy development. Our independent directors bring experience, oversight and expertise from outside the industry, while our chief executive officer brings company-specific experience and expertise.

Our corporate governance guidelines provide that one of our independent directors shall serve as our Lead Independent Director at any time when our Chief Executive Officer serves as the Chairman of our Board of Directors or if the Chairman is not otherwise independent. Our Lead Independent Director presides over regular meetings of our independent directors, serves as a liaison between our Chairman and our independent directors and performs such additional duties as our Board of Directors may otherwise determine and delegate. Mr. David Welsh has served as our Lead Independent Director since February 2014.

Risk Oversight Management

Risk is inherent with every business and we face a number of risks, including strategic, financial, operational, legal/compliance and reputational risks. Our management is responsible for the day-to-day management of the risks that we face. Our Board of Directors as a whole has responsibility for the oversight of enterprise risk management. Our Audit Committee is responsible for overseeing the process by which management assesses and manages our exposure to risk, as well as our major financial risk exposures and the steps management takes to monitor and control such exposures, based on consultation with our management, independent auditors and our internal auditors. The Compensation Committee reviews processes related to, and steps taken to mitigate material risks related to our compensation programs. The Board's, Audit Committee's and Compensation Committee's oversight roles are supported by management reporting processes that are designed to provide the Board, the Compensation Committee and the Audit Committee visibility into the identification, assessment and management of critical risks.

Table of Contents

## Information Regarding the Board of Directors and Its Committees

The Board of Directors has an Audit Committee, a Compensation Committee and a Nominating and Governance Committee. The following table provides membership information for each of the Board committees as of March 30, 2017:

Name	Audit Committee	Compensation Committee	Nominating and Governance Committee
Jack Acosta	chair		
Kimberly Alexy	member	member	
Michael Burdick	member		
Jayendra Das		member	
David DeWalt			member
David Welsh			chair
Robert Zollars		chair	member

The composition and responsibilities of each committee are described below. Members will serve on these committees until their resignation or until otherwise determined by our Board of Directors.

**Audit Committee**

Our Audit Committee operates under a formal charter, which is available free of charge on our website at <http://investors.five9.com> in the "Governance" section. Our Audit Committee oversees our accounting and financial reporting processes and the audit of our financial statements and assists our Board of Directors in monitoring our financial systems and legal and regulatory compliance. Our Audit Committee is responsible for, among other things:

- appointing, approving the compensation of and assessing the qualifications and independence of our independent registered public accounting firm;
- pre-approving audit, review and attest services and fees and permissible non-audit services and fees from our independent registered public accounting firm;
- reviewing annually a report by the independent registered public accounting firm regarding the independent registered public accounting firm's internal quality control procedures and various issues relating thereto;
- coordinating the oversight and reviewing the adequacy of our disclosure controls and procedures and internal control over financial reporting with both management and the independent registered public accounting firm;
- reviewing and discussing with management and the independent registered public accounting firm our annual and quarterly consolidated financial statements and related disclosures;
- approving the appointment of the head of our internal audit function and overseeing and assessing the performance of the internal audit function;
- periodically reviewing legal compliance matters, significant accounting and other financial risks or exposures to our company and reviewing and, if appropriate, approving all transactions between our company or its subsidiaries and any related party (as described in Item 404 of Regulation S-K);
- periodically reviewing our code of business conduct and ethics; and
- reviewing the audit committee report required by SEC rules to be included in our annual proxy statement.

The Audit Committee has the power to investigate any matter brought to its attention within the scope of its duties and the authority to retain counsel and advisors at our expense to fulfill its responsibilities and duties.

Our Audit Committee is comprised of Mr. Acosta, Ms. Alexy and Mr. Burdick. Mr. Acosta is the chairperson of the committee. Our Board of Directors has designated Mr. Acosta as an "audit committee financial expert," as defined under the rules of the SEC implementing Section 407 of the Sarbanes Oxley Act of 2002. The Audit Committee met six times during the year ended December 31, 2016.

Our Board of Directors has considered the independence and other characteristics of each member of our Audit Committee and has concluded that the composition of our audit committee meets the requirements for independence under the current requirements of SEC rules and regulations. Audit Committee members must satisfy

## Table of Contents

additional independence criteria set forth under Rule 10A-3 under the Exchange Act. In order to be considered independent for purposes of the Rule 10A-3, an Audit Committee member may not, other than in his or her capacity as a member of the audit committee, accept consulting, advisory or other fees from us or be an affiliated person of us. Each of the members of our Audit Committee qualifies as an independent director pursuant to Rule 10A-3.

### Compensation Committee

Our Compensation Committee operates under a formal charter, which is available free of charge on the Company's website at <http://investors.five9.com> in the "Governance" section. Our Compensation Committee is responsible for developing and maintaining our compensation strategies and

- reviewing and approving our overall executive and director compensation philosophy to support our overall business strategy and objectives;
- reviewing and approving base salary, cash incentive compensation, equity incentive compensation and severance rights for our executive officers;
- administering our broad-based equity incentive plans, including the granting of equity awards and determination of offerings under our employee stock purchase plan;
- overseeing the management continuity and succession planning process (except as otherwise within the scope of our nominating and governance committee) with respect to our officers;
- preparing any report on executive compensation required by the applicable rules and regulations of the SEC and other regulatory bodies; and
- managing such other matters that are specifically delegated to our Compensation Committee by applicable law or by the Board of Directors from time to time.

The Compensation Committee also has the power to investigate any matter brought to its attention within the scope of its duties and authority to retain counsel and advisors at our expense to fulfill its responsibilities and duties.

Our Compensation Committee is comprised of Ms. Alexy, Mr. Das and Mr. Zollars, who is the chairperson of the committee. Each of the Compensation Committee members meet the independence requirements set forth in the rules of NASDAQ, the "non-employee director" standard within the meaning of Rule 16b-3(d)(3) promulgated under the Exchange Act, and the "outside director" standard within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, or the Code. The Compensation Committee met six times during the year ended December 31, 2016.

### Processes and Procedures for Compensation Decisions

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

Our Compensation Committee is authorized to retain the services of one or more executive compensation advisors, as it sees fit, in connection with the establishment of our compensation programs and related policies. In 2013, our Compensation Committee retained Compensia, a national compensation consultant, to provide it with information, recommendations and other advice relating to executive compensation on an ongoing basis. Accordingly, Compensia now serves at the discretion of our Compensation Committee. Our Compensation Committee engaged Compensia to assist in developing an appropriate group of peer companies to help us determine the appropriate level of overall compensation for our executive officers, as well as assess each separate element of compensation, with a goal of ensuring that the compensation we offer to our executive officers is consistent with our compensation philosophy and objectives.



## Table of Contents

### Compensation Committee Interlocks and Insider Participation

Ms. Alexy and Messrs. Das and Zollars served as members of our Compensation Committee during 2016. None of the members of our Compensation Committee is or has been an officer or employee of our company. None of our executive officers currently serves, or in 2016 has served, as a member of the board of directors or compensation committee (or other board committee performing equivalent functions) of any other company that has one or more of its executive officers serving on our Board of Directors or Compensation Committee.

### Nominating and Governance Committee

Our Nominating and Governance Committee operates under a formal charter, which is available free of charge on the Company's website at <http://investors.five9.com> in the "Governance" section. Our Nominating and Governance Committee oversees and assists our Board of Directors in reviewing and recommending corporate governance policies and nominees for election to our Board of Directors and its committees. The Nominating and Governance Committee is responsible for, among other things:

- assessing, developing and communicating with our Board of Directors concerning the appropriate criteria for nominating and appointing directors, including the size and composition of the Board of Directors, corporate governance policies, applicable listing standards, laws, rules and regulations, our nominating policy and other factors considered appropriate by our Board of Directors;
- identifying and recommending to our Board of Directors the director nominees for annual and special meetings of our stockholders, or to fill a vacancy on the Board of Directors, in each case in accordance with the nominating policy;
- having sole authority to retain and terminate any search firm used to identify director candidates and approve the search firm's fees and other retention terms;
- if and when requested by our Board of Directors, assessing and recommending to the board the composition of each of its committees;
- reviewing, as necessary, any executive officer's request to accept a directorship position with another company;
- developing, assessing and making recommendations to our Board of Directors concerning corporate governance matters, including appropriate revisions to our amended and restated certificate of incorporation, amended and restated bylaws, corporate governance policies, committee charters and nominating policy;
- overseeing an annual evaluation of our Board of Directors, its committees and each director and management;
- developing with management and monitoring the process of orienting new directors and continuing education for all directors; and
- regularly reporting its activities and any recommendations to our Board of Directors.

The Nominating and Governance Committee also has the power to investigate any matter brought to its attention within the scope of its duties. It also has the authority to retain counsel and advisors at our expense for any matters related to the fulfillment of its responsibilities and duties.

Our Nominating and Governance Committee is comprised of Mr. DeWalt, Mr. Zollars and Mr. Welsh, who is the chairperson of the committee. Each of the Nominating and Governance Committee members meet the independence requirements set forth in the rules of NASDAQ. Our Nominating and Governance Committee met two times during the year ended December 31, 2016.

### Identifying, Evaluating and Recommending Nominees

The Nominating and Governance Committee initiates the process of identifying and recommending Board nominees by preparing a slate of potential candidates who, based on their biographical information and other information available to the Nominating and Governance Committee, appear to meet the criteria specified below and/or who have specific qualities, skills or experience being sought (based on input from the full Board of Directors). The Nominating and Governance Committee may engage a third-party search firm or other advisors to assist in identifying prospective nominees, consider stockholder suggestions for potential nominees or re-nominate existing directors based on their continuing qualifications. The Nominating and Governance Committee limits the number of officers or employees of the Company serving at any time on the Board to maintain a majority of independent directors.



## Table of Contents

After reviewing appropriate biographical information and qualifications, first-time candidates are to be interviewed by at least one member of the Nominating and Governance Committee and by the Chairman of the Board. Upon completion of the above procedures, the Nominating and Governance Committee determines the list of potential candidates to be recommended to the full Board of Directors for nomination at the annual meeting or special meeting or to fill any vacancy. The Board of Directors selects the slate of nominees (or in the case of a vacancy, selects such nominee) only from candidates identified, screened and approved by the Nominating and Governance Committee.

### Qualifications for Director Nominees

The Nominating and Governance Committee has established the following minimum criteria for evaluating prospective board candidates:

• Reputation for integrity, strong moral character and adherence to high ethical standards.

• Holds or has held a generally recognized position of leadership in community and/or chosen field of endeavor, and has demonstrated high levels of accomplishment.

• Demonstrated business acumen and experience, and ability to exercise sound business judgment and common sense in matters that relate to the current and long-term objectives of the Company.

• Ability to read and understand basic financial statements and other financial information pertaining to the Company.

• Commitment to understand the Company and its business, industry and strategic objectives.

• Commitment and ability to regularly attend and participate in meetings of the Board of Directors, Board of Directors committees and stockholders, number of other company boards of directors on which the candidate serves and ability to generally fulfill all responsibilities as a director of the Company.

• Willingness to represent and act in the interests of all stockholders of the Company rather than the interests of a particular group.

• Good health, and ability to serve.

• For prospective non-employee directors, independence under applicable SEC and stock exchange rules, and the absence of any conflict of interest (whether due to a business or personal relationship) or legal impediment to, or restriction on, the nominee serving as a director.

• Willingness to accept the nomination to serve as a director of the Company.

### Other Factors for Potential Director Nominee Consideration

The Nominating and Governance Committee will also consider the following factors in connection with its evaluation of each prospective nominee:

• Whether the prospective nominee will foster a diversity of backgrounds, skills, perspectives and experiences.

• For potential audit committee members, whether the nominee possesses the requisite education, training and experience to qualify as “financially literate” or as an audit committee “financial expert” or equivalent requirement under applicable SEC and stock exchange rules.

• For incumbent directors standing for re-election, the incumbent director’s performance during his or her term, including the number of meetings attended, level of participation, overall contribution to the Company, number of other company boards on which the director serves, and any changed circumstances affecting the individual director that may bear on his or her ability to continue to serve on the Board.

• The composition of the Board of Directors and whether the prospective nominee will add to or complement the Board of Director’s existing strengths.

### Stockholder Suggestions for Potential Nominees

Our Nominating and Governance Committee oversees and assists our Board of Directors in reviewing and recommending corporate governance policies and nominees for election to our Board of Directors and its committees. The Nominating and Governance Committee will consider suggestions of nominees from stockholders. There have not been material changes to the procedures by which our stockholders may recommend nominees to the

Table of Contents

Board of Directors as disclosed in our proxy statement for the 2016 annual meeting of stockholders filed with the SEC on April 5, 2016.

Meetings of the Board of Directors

The Board of Directors met 10 times during the year ended December 31, 2016. During the year ended December 31, 2016, each director then in office attended 75% or more of the aggregate of the meetings of the Board of Directors and of the committees on which he or she served, held during the period for which he or she was a director or committee member.

Code of Business Conduct

The Board of Directors has adopted a code of business conduct and ethics that is applicable to all of our employees, officers and directors, including our chief executive and senior financial officers. The full text of our code of business conduct is posted on our website at <http://investors.five9.com> under the "Governance" section.

Stockholder Communications with the Board of Directors

Stockholders may communicate with our Board of Directors, either generally or with a particular director, by email at [stockholdercommunication@five9.com](mailto:stockholdercommunication@five9.com) or by writing to the following address:

The Board of Directors  
c/o Corporate Secretary

Five9, Inc.

Bishop Ranch 8

4000 Executive Parkway, Suite 400

San Ramon, CA 94583

Each such communication should set forth (i) the nature of the stockholder's interest in Five9 (including share ownership) and (ii) contact information for the individual submitting the communication (including name, address, telephone and email address, as applicable). Communications that are intended specifically for non-employee directors should be sent to the postal or email address above to the attention of the Chair of the Nominating and Governance Committee. The Corporate Secretary of Five9 will receive and review communications addressed to the Board, any Board committee or any director. The Corporate Secretary may communicate with the sender for necessary clarification.

The Corporate Secretary will not forward to the Board, any Board committee or any director communications that are not related to the duties and responsibilities of the Board, including, without limitation, spam, junk mail, advertisements, mass mailings, solicitations, job inquiries and opinion survey polls. Further, the Corporate Secretary will not communicate any offensive, inappropriate or otherwise irrelevant communications to the Board. The Corporate Secretary will maintain a log of any such communications not shared with the Board, which any director may review upon request, except that such log will not contain any spam, junk mail, advertisements, mass mailings, solicitations or similar information. The Corporate Secretary will share all proper communications with the Board, the appropriate Board committee or the appropriate director(s) on at least a quarterly basis.

Attendance at Annual Meeting of Stockholders by the Board of Directors

Pursuant to our Corporate Governance Guidelines, our directors are encouraged, but not required, to attend our annual meeting of stockholders. Ms. Alexy and Messrs. Acosta, Burkland, Das, DeWalt, Burdick and Zollars attended our 2016 annual meeting of stockholders on May 18, 2016.

Compensation of Directors

Consistent with 2014 and 2015, in 2016 each non-employee director was eligible to earn an annual cash retainer, additional fees based on committee service, and an annual equity award under our 2014 Plan.

Cash Compensation

The annual cash retainer amounts are payable in equal quarterly installments. Set forth below are the cash retainer amounts for our non-employee directors in 2016.

▲Annual Board Service Retainer:

All Directors: \$30,000



Table of Contents

▲Annual Chair Service Fee (in addition to the Annual Board Service Retainer):

Chairman/Lead Director of the Board: \$15,000

Chairman of the Audit Committee: \$17,000

Chairman of the Compensation Committee:

\$10,000

Chairman of the Nominating and Governance Committee: \$5,000

▲Annual Committee Member (non-Chair) Service Fee (in addition to the Annual Board Service Retainer):

Audit Committee: \$7,000

Compensation Committee: \$5,000

Nominating and Governance Committee: \$3,000

In February 2017, after reviewing market data from our peer companies, the Compensation Committee recommended certain changes to the cash retainer amounts payable to certain of our non-employee directors for 2017, which our Board of Directors approved, as follows:

▲Annual Chair Service Fee (in addition to the Annual Board Service Retainer):

Chairman of the Audit Committee: \$20,000

Chairman of the Nominating and Governance Committee: \$7,500

▲Annual Committee Member (non-Chair) Service Fee (in addition to the Annual Board Service Retainer):

Audit Committee: \$7,500

Equity Compensation

New Director RSU Grant: For 2016, any individual who first became a director (other than as a result of an employee director transitioning to become a non-employee director), he or she was entitled to an RSU with an aggregate grant date fair value of \$150,000, pro-rated for any partial year of service, vesting in full on the earliest to occur of (i) the first anniversary of the date of our last annual stockholders meeting immediately preceding the date of grant, (ii) immediately prior to the next succeeding annual stockholders meeting after the date of grant, and (iii) a change in control (as defined in our 2014 Plan), subject to the director's continued service through such earliest date. For 2017, after reviewing market data from our peer companies, the Compensation Committee recommended that the new director RSU grant, as well as the Annual RSU grant described below, be increased to \$156,000, which changes were approved by our Board of Directors.

Annual RSU Grant: Under our current director compensation policy, on the date of each annual stockholders meeting of our stockholders, each director will be granted RSUs with an aggregate grant date fair value of \$156,000 (based on the per share closing price of the Company's common stock on the date of the annual meeting). For 2016, the aggregate grant date fair value of the RSUs granted to our non-employee directors was \$150,000. The RSUs will vest in full on the earliest to occur of (i) the first anniversary of the grant date, (ii) immediately prior to the next succeeding annual meeting of our stockholders after the date of grant, and (iii) a change in control, subject to the director's continued service through such earliest date.

Table of Contents

The following table sets forth the total compensation earned by each person who served as a non-employee director during the fiscal year ended December 31, 2016. Mr. Michael Burkland, our Chief Executive Officer, does not receive additional compensation for his service on the Board of Directors. The 2016 compensation received by Mr. Michael Burkland as our Chief Executive Officer is presented in the section below entitled “Executive Compensation - Summary Compensation Table.”

Name	Fees Earned or Paid in Cash (\$) <sup>(1)</sup>	Stock Awards (\$) <sup>(2)</sup> (3)	Total (\$)
Jack Acosta	\$47,000	\$150,000	\$197,000
Kimberly Alexy	42,000	\$150,000	192,000
Michael Burdick	37,000	\$150,000	187,000
Jayendra Das	35,000	\$150,000	185,000
David DeWalt	33,000	\$150,000	183,000
Mitchell Kertzman (4)	10,632	\$—	10,632
David Welsh	50,000	\$150,000	200,000
Robert Zollars	43,000	\$150,000	193,000

(1) Amounts represent the fees earned by or paid in cash to our non-employee directors in 2016 based on the director compensation policy set forth above.

(2) The aggregate grant date fair values of equity awards in this column have been calculated in accordance with ASC Topic 718. Pursuant to SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. See Note 7 of the notes to our consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 for a discussion of assumptions made in determining the grant date fair value of equity awards. All unvested outstanding stock awards granted to our non-employee directors will become fully vested as of immediately prior to a change in control (as defined in our 2014 Plan).

(3) As of December 31, 2016, the number of stock options and RSUs held by our non-employee directors were as follows:

Name	Stock Options Outstanding (#)	RSUs That Have Not Vested (#)
Jack Acosta	—	15,000
Kimberly Alexy	87,500	15,000
Michael Burdick	—	15,000
Jayendra Das	—	15,000
David DeWalt	265,400	15,000
David Welsh	—	15,000
Robert Zollars	87,500	15,000

(4) Mr. Kertzman resigned from our Board of Directors in May 2016.

Table of Contents

## PROPOSAL No. 2

## RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors has selected KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017 and has further directed that management submit the appointment of the independent registered public accounting firm for ratification by the stockholders at the Annual Meeting. KPMG LLP has audited our financial statements since their appointment in 2012. Representatives of KPMG LLP are expected to be present at the Annual Meeting. They will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Neither our Bylaws nor other governing documents or law require stockholder ratification of the appointment of KPMG LLP as our independent registered public accounting firm. However, the Board of Directors is submitting the appointment of KPMG LLP to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the appointment, the Audit Committee will reconsider whether or not to retain that firm. Even if the appointment is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and its stockholders.

The affirmative vote of the holders of a majority of the shares present in person, or represented by proxy, and cast either affirmatively or negatively at the Annual Meeting will be required to ratify the appointment of KPMG LLP. Abstentions will be counted toward the tabulation of votes cast on proposals presented to the stockholders and will have the same effect as negative votes. Broker non-votes are counted towards a quorum, but are not counted for the purpose of determining whether this matter has been approved. For further information about how votes will be counted, please refer above to the section entitled “How many votes are needed to approve each proposal.”

## Independent Registered Public Accounting Firm’s Fees

The following table sets forth the aggregate fees we paid to KPMG LLP, our independent registered public accounting firm, for professional services provided during the years ended December 31, 2016 and December 31, 2015:

	2016	2015
	(In thousands)	
Audit fees <sup>(1)</sup>	\$1,086	\$934
Audit-related fees	—	—
Tax fees <sup>(2)</sup>	19	72
All other fees	—	—
Total fees	\$1,105	\$1,006

(1) Audit fees consist of fees incurred for the audit of our annual financial statements, review of our quarterly financial statements and international statutory audits.

(2) Tax fees represent fees for tax compliance and consulting services performed in the year indicated.

## Pre-Approval Policies and Procedures

The Audit Committee’s policy is to pre-approve all audit and permissible non-audit services rendered by KPMG LLP, our independent registered public accounting firm, and related fees. The Audit Committee can pre-approve specified services in defined categories of audit services, audit-related services, tax services and related fees up to specified amounts, as part of the Audit Committee’s approval of the scope of the engagement of KPMG LLP or on an individual case-by-case basis before KPMG LLP is engaged to provide a service. Additionally, the Audit Committee Chair is authorized to pre-approve audit and non-audit services and the fees therefor if (i) they are individually less than or equal to \$50,000, (ii) the Audit Committee Chair reports such approvals to the Audit Committee at its next regular meeting thereafter and (iii) KPMG LLP confirms that such services will not impact KPMG LLP’s independence. All audit, audit-related and tax services were pre-approved by the Audit Committee or Audit Committee Chair (as set forth above). The Audit Committee has determined that, subject to reasonable limits, the rendering of the services other than audit services by KPMG LLP is compatible with maintaining the independent registered public accounting firm’s independence.



Table of Contents

The Board of Directors Recommends A Vote “FOR” The Ratification Of The Appointment of KPMG LLP As Five9’s Independent Registered Public Accounting Firm For Its Fiscal Year Ending December 31, 2017.

Audit Committee Report

The Audit Committee of the Board of Directors currently consists of the three non-employee directors named below. The Board of Directors annually reviews the NASDAQ listing standards’ definition of independence for Audit Committee members and has determined that each member of the Audit Committee meets that standard. The Board of Directors has also determined that Mr. Acosta is an audit committee financial expert as described in applicable rules and regulations of the SEC.

The principal purpose of the Audit Committee is to assist the Board of Directors in its general oversight of the Company’s accounting practices, system of internal controls, audit processes and financial reporting processes. The Audit Committee is responsible for appointing and retaining our independent registered public accounting firm and approving the audit and non-audit services to be provided by the independent registered public accounting firm. The Audit Committee’s function is more fully described in the Audit Committee Charter, which the Board of Directors has adopted and which the Audit Committee reviews on an annual basis.

The Company’s management is responsible for preparing our consolidated financial statements in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”). KPMG LLP, our independent registered public accounting firm, is responsible for performing an independent audit of our consolidated financial statements and expressing an opinion as to whether those consolidated financial statements fairly present, in all material respects, the financial position, results of operations, and cash flows of the Company in conformity with U.S. GAAP.

The Audit Committee has reviewed and discussed with our management the audited consolidated financial statements of the Company included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 (“10-K”). The Audit Committee has also reviewed and discussed with KPMG LLP the audited consolidated financial statements in the 10-K and the audit results. In addition, the Audit Committee discussed with KPMG LLP the matters required to be discussed by Public Company Accounting Oversight Board (“PCAOB”) Auditing Standard No. 1301 “Communication with Audit Committees”, Rule 2-07 “Communication with Audit Committees” of Regulation S-X, and other PCAOB Rules and Standards. In addition, we received from and discussed with KPMG LLP the written disclosures and the letter, as required by PCAOB Ethics and Independence Rule 3526 “Communication with Audit Committees Concerning Independence,” and discussed KPMG LLP’s independence with them. Upon completing these activities, the Audit Committee concluded that KPMG LLP is independent from the Company and its management. Based upon the review and discussions described above, the Audit Committee recommended to the Board of Directors, and the Board of Directors approved, that the audited consolidated financial statements be included in the Company’s 10-K and filed with the Securities and Exchange Commission.

Submitted by the Audit Committee of the Board of Directors:

Jack Acosta (Chair)  
Kimberly Alexy  
Michael Burdick



Table of Contents

## EXECUTIVE OFFICERS

The following table sets forth the names, ages and positions of our executive officers who are not also directors of Five9 as of March 30, 2017, the date of this Proxy Statement.

Name	Age	Positions
Barry Zwarenstein	68	Chief Financial Officer
Daniel Burkland	52	Executive Vice President of Global Sales and Services
Gaurav Passi	43	Executive Vice President of Product Management and Application Development
Scott Welch	52	Executive Vice President of Cloud Operations and Platform Engineering
Kevin Gavin	58	Chief Marketing Officer

Barry Zwarenstein, age 68, has served as our Chief Financial Officer since January 2012. From November 2007 to October 2015, Mr. Zwarenstein served on the board of directors of Dealertrack Technologies, Inc., a provider of subscription-based software for the automotive retail industry that was acquired by Cox Automotive, Inc. in October 2015. From September 2008 to November 2011, Mr. Zwarenstein served as Senior Vice President and Chief Financial Officer of SMART Modular Technologies, Inc., a designer, manufacturer and supplier of electronic subsystems to original equipment manufacturers that was acquired by Silver Lake Partners in August 2011. From July 2004 through August 2008, Mr. Zwarenstein served as Chief Financial Officer of VeriFone Holdings, Inc., a provider of point-of-sale systems. From November 2001 to June 2004, Mr. Zwarenstein served as Chief Financial Officer of Iomega Corporation, a provider of storage systems. From January 2001 to June 2001, Mr. Zwarenstein served as Vice President and Chief Financial Officer of Mellanox Technologies Ltd., a fabless semiconductor company. From October 1998 to December 2000, Mr. Zwarenstein served as Chief Financial Officer of Acuson Corporation, a medical ultrasound company that was acquired by Siemens AG in 2000. From July 1996 to September 1998, Mr. Zwarenstein served as Chief Financial Officer of Logitech International S.A., a provider of peripherals for computers and other digital platforms. Mr. Zwarenstein holds a Bachelor of Commerce degree from the University of KwaZulu-Natal, South Africa, and an M.B.A. degree from the Wharton School at the University of Pennsylvania. He is qualified as a Chartered Accountant (South Africa).

Daniel Burkland, age 52, has served as our Executive Vice President of Global Sales and Services since October 2016, and as our Executive Vice President of Global Sales and Business Development from March 2014 to October 2016. From December 2009 to February 2014, he served as our Senior Vice President of Enterprise Sales and Business Development. From April 2006 to November 2009, Mr. Burkland served as Senior Vice President of Sales at Transera Communications, Inc., a cloud contact center software company. From December 2003 to March 2006, Mr. Burkland served as Senior Vice President of Worldwide Sales of IP Unity, Inc., a provider of carrier-hosted unified communications and conferencing solutions. From August 1997 to November 2003, Mr. Burkland held various sales management roles with Cisco and GeoTel Communications LLC, which was acquired by Cisco in 1999. Mr. Burkland holds a B.S. degree from California State University at Chico. Mr. Burkland is the brother of Michael Burkland, our Chairman, President and CEO.

Gaurav Passi, age 43, has served as our Executive Vice President of Product Management and Application Development since November 2015. From January 2015 to November 2015, Mr. Passi served as our Executive Vice President of Product Management. From August 2013 to December 2014, Mr. Passi served as our Senior Vice President of Product Management. From October 2012 to August 2013, Mr. Passi served as the Head of Products at Deutsche Telekom Hosted Business Services, a provider of cloud-based business communications solutions. From December 2010 to October 2012, he served as Vice President of Products at Amdocs, a worldwide provider of software and services for communications, media, and entertainment industry. Mr. Passi holds a B.S. degree and an M.Sc. degree from Panjab University in India. He also holds an M.Sc. degree from California State University, East Bay and an M.B.A. degree from the Institute of Management Technology, Ghaziabad, India.

Scott Welch, age 52, has served as our Executive Vice President of Cloud Operations and Platform Engineering since November 2015. From March 2014 to November 2015, Mr. Welch served as our Executive Vice President of Cloud Operations. From September 2004 to February 2014, Mr. Welch served as Executive Vice President and Chief Operating Officer of inContact, Inc., a provider of cloud contact center software solutions. He served as inContact's Chief Operating Officer from October 2004 to February 2014 and Chief Security Officer from December 2009 to

February 2014. Mr. Welch holds a B.S. degree from Utah Valley University.

Kevin Gavin, age 58, has served as our Chief Marketing Officer since June 2016. From July 2013 to June 2016, Mr. Gavin served as Chief Marketing Officer of Talari Networks, an SD-WAN company. From October 2007

Table of Contents

to June 2013, Mr. Gavin served as Chief Marketing Officer of ShoreTel, Inc., or ShoreTel, a Unified Communications vendor, where he was responsible for establishing the ShoreTel brand, and drove the transition to focus on cloud-based communication as a service business model. Mr. Gavin holds a B.S. degree from the Wharton School of Business at the University of Pennsylvania.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information known to us regarding beneficial ownership of our common stock as of March 23, 2017 by:

- each person known by us to be the beneficial owner of more than 5% of any class of our voting securities;
- our named executive officers;
- each of our directors; and
- all current executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the SEC, and generally includes voting power and/or investment power with respect to the securities held. Shares of common stock subject to options currently exercisable or exercisable within 60 days of March 23, 2017 and RSUs that vest within 60 days of March 23, 2017 are deemed outstanding and beneficially owned by the person holding such options for purposes of computing the number of shares and percentage beneficially owned by such person, but are not deemed outstanding for purposes of computing the percentage beneficially owned by any other person. Except as indicated in the footnotes to this table and subject to applicable community property laws, to our knowledge the persons or entities named have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them.

Percentage beneficially owned is based on 54,441,612 shares of common stock outstanding on March 23, 2017 plus shares of common stock otherwise deemed outstanding under applicable SEC rules. The table below is based upon information supplied by officers, directors and principal stockholders and Schedules 13G filed with the SEC.

Unless otherwise indicated, the principal address of each of the stockholders below is c/o Five9, Inc., Bishop Ranch 8, 4000 Executive Parkway, Suite 400, San Ramon, CA 94583.

Name of Beneficial Owner	Beneficial Ownership				Percent
	Common Stock	Options Exercisable Within 60 Days	RSUs Vesting Within 60 Days	Total Number of Shares Beneficially Owned	
<b>5% Stockholders:</b>					
T. Rowe Price Associates, Inc.	4,964,915	—	—	4,964,915	(1)9.1%
<b>Named Executive Officers and Directors:</b>					
Michael Burkland	780,697	(2)1,069,005	—	1,849,702	3.3%
Barry Zwarenstein	372,613	(3)146,833	—	519,446	*
Daniel Burkland	47,009	299,764	—	346,773	*
Jack Acosta	364,673	(4)—	15,000	379,673	*
Kimberly Alexy	32,173	(5)76,562	15,000	123,735	*
Michael Burdick	26,809	—	15,000	41,809	*
Jayendra Das	1,063,459	(6)—	15,000	1,078,459	2.0%
David DeWalt	52,173	(7)265,400	15,000	332,573	*
David S. Welsh	31,476	—	15,000	46,476	*
Robert Zollars	62,173	(8)74,739	15,000	151,912	*
All current directors and executive officers as a group (13 persons)	2,851,283	2,216,831	108,902	5,177,016	9.1%

\*Represents beneficial ownership

of less  
than one  
percent  
(1%).

20

---

Table of Contents

(1) Represents shares beneficially owned by T. Rowe Price Associates, Inc., or T. Rowe Price, based on the Schedule 13G filed by T. Rowe Price on February 7, 2017. According to the Schedule 13G, T. Rowe Price has sole voting power with respect to 903,785 shares and sole dispositive power with respect to 4,964,915 shares. These securities are owned by various individual and institutional investors for which T. Rowe Price serves as investment adviser with power to direct investments and/or sole power to vote the securities. For purposes

of the reporting requirements of the Exchange Act, T. Rowe Price is deemed to be a beneficial owner of such securities; however, T. Rowe Price expressly disclaims that it is, in fact, the beneficial owner of such securities.

The address of T. Rowe Price is 100 E. Pratt Street, Baltimore, Maryland 21202.

Consists of 732,697 shares directly owned by Michael

(2) Burkland and 48,000 shares directly owned by The Burkland Family Revocable Trust.

(3) Consists of 342,689 shares directly owned by Barry Zwarenstein and 29,924

shares  
directly  
owned by  
Trust.

These shares  
are held by  
the Jack L.

(4) Acosta &  
Susan J.  
Acosta Co.  
-T.

These shares  
(5) are held by a  
trust.

(6) Consists of  
52,173 shares  
directly  
owned by  
Jayendra Das  
and  
1,011,286  
Common  
shares  
directly  
owned by  
Sapphire  
Ventures  
Fund I, L.P.,  
or SAPV.  
Mr. Das, one  
of our  
directors, is a  
managing  
member of  
Sapphire  
Ventures  
(GPE) I,  
L.L.C., the  
general  
partner of  
SAPV. The  
shares owned  
by Mr. Das  
and SAPV  
may be  
deemed to be  
beneficially  
owned by  
Nino Nikola  
Marakovic,  
Jayendra

Das, David  
Armin  
Hartwig,  
Richard  
Douglas  
Higgins, and  
Andreas  
Markus  
Weiskam, the  
managing  
members of  
Sapphire  
Ventures  
(GPE) I,  
L.L.C. who  
share voting  
and  
dispositive  
power over  
the shares  
held by  
SAPV. Mr.  
Das  
disclaims  
beneficial  
ownership of  
the shares  
owned by  
SAPV and  
those directly  
owned by  
Mr. Das  
except to the  
extent of his  
pecuniary  
interest  
therein. The  
address for  
these entities  
is 3408  
Hillview  
Avenue, Palo  
Alto, CA  
94304.  
These shares  
(7) are held by a  
trust.  
(8) Consists of  
52,173 shares  
directly  
owned by



Robert  
Zollars and  
10,000 shares  
directly  
owned by  
ZoCo L.P.,  
that is a  
family  
limited  
liability  
partnership  
pursuant to  
which Mr.  
Zollars and  
his wife are  
general  
partners and  
Mr. Zollars'  
children are  
limited  
partners.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

The members of the Board of Directors, our executive officers and persons who hold more than 10% of our outstanding common stock are subject to the reporting requirements of Section 16(a) of the Exchange Act, which require them to file reports with respect to their ownership of our common stock and their transactions in our common stock.

We believe that all requirements under Section 16(a) of the Securities and Exchange Act of 1934 applicable to our directors and executive officers were complied with by such persons during 2016. In making this disclosure, we have relied on written representations by or on behalf of our directors and executive officers and copies of reports filed.

Table of Contents

## EXECUTIVE COMPENSATION

Five9 is an “emerging growth company,” as defined in Section 101(a)(19)(C) of the Jumpstart Our Business Startups Act of 2012. As an emerging growth company, under SEC rules, we are not required to include a Compensation Discussion and Analysis section in this proxy statement and have elected to comply with the reduced disclosure requirements applicable to emerging growth companies.

## Compensation Committee Report

The information contained in the following Compensation Committee Report shall not be deemed to be soliciting material or to be filed with the Securities and Exchange Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates it by reference in such filing.

The Compensation Committee has reviewed and discussed the Executive Compensation section of this Proxy Statement set forth below with the Company's management. Based on its review and discussions, the Compensation Committee recommended to the Board of Directors that the Executive Compensation section set forth below be included in this Proxy Statement.

Submitted by the Compensation Committee of the Board of Directors:

Robert Zollars (Chair)

Kimberly Alexy

Jayendra Das

## Summary Compensation Table

The following table provides information concerning the compensation earned by or paid to our Chief Executive Officer and the two most highly compensated individuals (other than our Chief Executive Officer) who served as our executive officers at the end of December 31, 2016. We refer to these individuals as our named executive officers (“NEOs”).

Name and Principal Position	Year	Salary (\$)	Stock Awards (\$)(1)(2)	Option Awards (\$)(2)(3)	Non-Equity Incentive Plan Compensation (\$)(4)	All Other Compensation (\$)(5)	Total Compensation (\$)
Michael Burkland Chairman, Chief Executive Officer and President	2016	\$530,401	\$1,016,250	\$995,156	\$385,465	\$530	\$2,927,802
	2015	530,401	—	—	391,510	309	922,220
Daniel Burkland Executive Vice President of Global Sales and Services	2016	318,891	905,399	926,135	281,383	320	2,432,128
	2015	317,669	—	—	247,424	187	565,280
Barry Zwarenstein Chief Financial Officer	2016	367,189	381,297	372,707	169,004	530	1,290,727

(1) The dollar amounts in this column represent the aggregate grant date fair value, calculated in accordance with FASB ASC Topic 718, of RSUs granted in the applicable fiscal year.

(2) The aggregate grant date fair value of equity awards in this column has been calculated in accordance with FASB ASC Topic 718. Pursuant to SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. See Note 7 of the notes to our consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 for a discussion of assumptions made in determining the grant date fair value of equity awards.



Table of Contents

(3) The dollar amounts in this column represent the aggregate grant date fair value, calculated in accordance with FASB ASC Topic 718, of stock option awards granted in the applicable fiscal year.

(4) Amounts in this column represent amounts earned under our 2015 and 2016 Bonus Programs. The annual target bonus opportunities for Messrs. Michael Burkland, Daniel Burkland, and Zwarenstein for 2016 were 60%, 78% and 40% of each NEO's annual base salary, respectively. Please refer to the section below entitled "Narrative Disclosure to the Summary Compensation Table—2016 Bonus Program" for additional information about our 2016 Bonus Program.

(5) The 2016 amounts represent life insurance paid by us for the NEOs.

#### Narrative Disclosure to the Summary Compensation Table

**Cash Compensation Levels.** Each of our NEOs is employed on an at-will basis. In the first quarter of 2016, the Compensation Committee reviewed each NEO's base salary and target bonus opportunity, and, after taking into account internal pay equity with our other executive officers and market compensation data provided by Compensia, the Compensation Committee's independent compensation consultant, the Compensation Committee determined that no additional adjustments to each NEO's base salary or target bonus opportunity were necessary at that time. In connection with the Compensation Committee's decision in the fourth quarter of 2016 to promote Mr. Daniel Burkland to Executive Vice President of Global Sales and Services, and after taking into account market compensation data provided by Compensia, the Compensation Committee decided to increase his base salary from \$317,669 to \$325,000 and his target bonus opportunity from 78% of his annual base salary to 100% of his annual base salary.

**Equity Compensation Decisions.** In the first quarter of 2016, the Compensation Committee made ordinary course equity grants to our NEOs the size of which were determined after taking into account internal pay equity with our other executive officers and market compensation data provided by Compensia. In addition, in connection with the Compensation Committee's decision in the fourth quarter of 2016 to promote Mr. Daniel Burkland to Executive Vice President of Global Sales and Services, the Compensation Committee granted Mr. Daniel Burkland a promotional RSU award and a promotional option award, each with an aggregate grant date fair value of approximately \$575,000. Please see the section below entitled "Outstanding Equity Awards at December 31, 2016" for a description of the terms of the options and RSUs granted to our NEOs in 2016.

**2016 Bonus Program.** In February 2016, the Compensation Committee approved the terms of our annual non-equity cash incentive program for 2016 (the "2016 Bonus Program"). Consistent with 2015, each executive officer was eligible to earn cash bonuses under our annual 2016 Bonus Program, on a quarterly basis, based on our achievement of revenue and adjusted EBITDA and, in the case of our executive officers other than Mr. Michael Burkland and Mr. Daniel Burkland, their achievement of individual performance objectives related to their role with us. Mr. Michael Burkland's bonus opportunity was based entirely on Company financial performance, while Mr. Daniel Burkland's bonus opportunity was weighted 60% for sales commissions and 40% for Company financial performance and Mr. Zwarenstein's bonus opportunity was weighted 75% for Company financial performance and 25% for individual performance. Consistent with 2015, the Compensation Committee weighted the financial performance portion of the bonus opportunity at 80% based on revenue and 20% based on adjusted EBITDA. Achievement of 125% of the revenue target would have resulted in a maximum payout of 150% of the portion of the target bonus allocated to the revenue target. Achievement of up to \$1,600,000 over the adjusted EBITDA target would have resulted in a maximum payout of 180% of the portion of the target bonus allocated to the adjusted EBITDA target. Achievement below 90% of the revenue target, or \$400,000 below the adjusted EBITDA target, would have resulted in no cash payout with respect to each such target. In addition, in the event that the Company's actual adjusted EBITDA was more than \$400,000 below the adjusted EBITDA target, the maximum cash payout for achieving the revenue target would have been 100% of the revenue target bonus. The total cash bonuses earned by and paid to our NEOs for fiscal year 2016 are listed in the "Non-Equity Incentive Compensation" column of the Summary Compensation Table.

**Employee Benefits.** We currently do not provide special employee benefits for our NEOs. We do maintain a 401(k) plan that provides eligible employees with an opportunity to save for retirement, subject to applicable annual Internal Revenue Code limits. For 2016, we did not provide any matching contributions under the 401(k) plan.

Table of Contents

## Outstanding Equity Awards at December 31, 2016

The following table provides information concerning each unexercised option or unvested RSU held by our NEOs as of December 31, 2016. The vesting schedule applicable to each outstanding award is described in the footnotes to the table below.

Name	Grant Date	Option Awards			Option Expiration Date	Stock Awards	
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)		Number of Shares or Units of Stock that have not Vested (#)	Market Value of Shares or Units of Stock that have not Vested (\$)(1)
Michael Burkland	5/20/2008	769,496	—	\$ 0.12	5/20/2018		
	4/29/2011	230,660	—	0.52	4/29/2021		
	1/25/2013	181,448	3,860	(2)4.84	1/25/2023		
	11/22/2013	193,864	57,635	(2)9.48	11/22/2023		
	11/5/2014	166,145	152,855	(2)4.25	11/5/2024		
	3/9/2016	54,375	206,625	(2)8.13	3/9/2026		
	11/5/2014					85,000	(3)\$ 1,206,150
	3/9/2016					101,563	(3)\$ 1,441,179
Daniel Burkland	12/15/2009	221,901	—	(2)0.28	12/15/2019		
	1/25/2013	45,362	965	(2)4.84	1/25/2023		
	11/22/2013	61,858	18,392	(2)9.48	11/22/2023		
	11/5/2014	68,229	62,771	(2)4.25	11/5/2024		
	3/9/2016	17,645	67,055	(2)8.13	3/9/2026		
	11/14/2016	1,776	83,516	(2)14.39	11/14/2026		
	11/5/2014					35,000	(3)496,650
	3/9/2016					33,020	(3)468,554
	11/14/2016					39,958	(3)567,004
Barry Zwarenstein	11/22/2013	68,062	20,798	(2)9.48	11/22/2023		
	11/5/2014	25,750	49,355	(2)4.25	11/5/2024		
	3/9/2016	20,364	77,386	(2)8.13	3/9/2026		
	11/5/2014					27,500	(3)390,225
	3/9/2016					38,107	(3)540,738

(1) The amounts listed in this column represent the product of the closing market price of our common stock as of December

30, 2016, the last trading day of fiscal year 2016, of \$14.19 per share and the number of shares of stock or units subject to the award.

(2) The option vests, subject to the NEO's continued service with the Company through each applicable vesting date, with respect to 1/48th of the option, on each monthly anniversary following the applicable grant date, until the option is 100% vested on the fourth anniversary of the grant date. Please see the section below entitled "Potential Payments upon Termination or Change in Control" for accelerated vesting provisions that apply on certain terminations of

employment.  
The RSUs vest, subject to the NEO's continued service with the Company through each applicable vesting date, with respect to 1/16th of the total number of RSUs subject to the grant, on each quarterly vesting date following the applicable grant date, until 100% of the RSUs are vested in the fourth year following the grant date. Please see "Potential Payments upon Termination or Change in Control" for accelerated vesting provisions that apply on certain terminations of employment.

Potential Payments upon Termination or Change in Control

Our Board of Directors approved the Key Employee Severance Benefit Plan (the "Severance Plan") to provide more consistency in severance benefit rights for our executive officers upon certain qualifying terminations, whether or not in connection with a change in control.

Table of Contents

Under the Severance Plan, if an NEO's employment with us is terminated by us without "cause" (as defined in the 2014 Plan) (other than due to death or disability), and such termination is not in connection with a "change in control" (as defined in the Severance Plan), then the NEO is eligible to receive:

a lump sum cash payment equal to 12 months (in the case of Mr. Michael Burkland), 9 months (in the case of Mr. Barry Zwarenstein), or 6 months (in the case of Mr. Daniel Burkland) of his then-current base salary, and either payment of the premiums for his continued post-termination health insurance coverage, or continued coverage under our health insurance plans for up to 12 months (in the case of Mr. Michael Burkland), 9 months (in the case of Mr. Zwarenstein), or 6 months (in the case of Mr. Daniel Burkland).

If an NEO's employment with us is terminated by us without cause (other than due to death or disability) or by the NEO pursuant to a "constructive termination" (as defined in the Severance Plan), and in each case, such qualifying termination occurs within three months prior to, on or within twelve months after a change in control, then the NEO is instead eligible to receive:

a lump sum cash payment equal to 18 months (in the case of Mr. Michael Burkland), 15 months (in the case of Mr. Barry Zwarenstein), or 12 months (in the case of Mr. Daniel Burkland) of his then-current base salary and his target annual bonus opportunity,

either payment of the premiums for his continued post-termination health insurance coverage for up to 18 months (in the case of Mr. Michael Burkland), 15 months (in the case of Mr. Zwarenstein), or 12 months (in the case of Mr. Daniel Burkland), and

full accelerated vesting of his then-outstanding and unvested equity awards.

If the payments or benefits payable to under the Severance Plan would be subject to the excise tax imposed under Section 4999 of the Code, then those payments or benefits will be reduced if such reduction would result in a higher net after tax benefit to him. Each NEO must execute and deliver an effective release of claims and continue to comply with any applicable restrictive covenants in order to receive the payments and benefits provided for under the Severance Plan.

The table below sets forth the estimated payments and benefits that would be provided to each of our NEOs upon a qualifying termination of employment under the Severance Plan on December 31, 2016.

Name	Type of Benefit	Involuntary Termination Without Cause Not In Connection With a Change in Control	Involuntary Termination Without Cause or Constructive Termination, each in connection with a Change in Control
Michael Burkland	Cash severance - base salary	\$ 530,401	\$ 795,602
	Cash severance - bonus	—	480,000
	Company-paid health care premiums	28,019	42,029
	Value of accelerated vesting of equity awards (1)	—	5,726,407
	Total	\$ 558,420	\$ 7,044,038
Daniel Burkland	Cash severance - base salary	\$ 159,446	\$ 318,891
	Cash severance - bonus	—	247,000
	Company-paid health care premiums	14,010	28,019



Edgar Filing: Five9, Inc. - Form DEF 14A

	Value of accelerated vesting of equity awards (1)	—	2,658,154
	Total	\$ 173,456	\$ 3,252,064
Barry Zwarenstein	Cash severance - base salary	\$ 275,392	\$ 458,986
	Cash severance - bonus	—	183,750
	Company-paid health care premiums	14,697	24,494
	Value of accelerated vesting of equity awards (1)	—	1,988,470
	Total	\$ 290,089	\$ 2,655,700

Table of Contents

(1) Amount represents the aggregate intrinsic value of the equity awards to vest upon either an involuntary termination without cause or a termination due to a constructive termination, each in connection with a change in control, which was calculated based on the closing market price of \$14.19 per share of our common stock at December 30, 2016, the last trading day of fiscal year 2016. In addition, if a successor entity refused to assume or replace each NEO's outstanding equity awards at the time of the change in control, all such outstanding awards would become fully vested as of immediately prior to the closing of the change in control under the terms of our 2014 Plan, in these same amounts, regardless of whether the NEO experiences a termination event.

**EQUITY COMPENSATION PLAN INFORMATION**

The following table summarizes certain information with respect to our common stock that may be issued under the equity compensation plans as of December 31, 2016:

	Number of Securities to be Issued Upon Exercise of Outstanding Options and Warrants and Vesting of Restricted Stock Units	Weighted-average Exercise Price of Outstanding Options and Warrants	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
	(a)	(b)	(c)
Equity compensation plans approved by stockholders	7,574,828	(1)\$ 5.23	(2)7,196,881
Equity compensation plans not approved by stockholders	—	—	—
Total	7,574,828		7,196,881

(1) Includes 5,555,803 shares underlying stock options and 2,019,025 shares underlying restricted stock unit awards.

(2) The weighted-average exercise price does not take into account shares issuable upon the vesting of outstanding restricted stock unit awards, which have no exercise price.

Includes 6,094,657 shares of Common Stock reserved for issuance under the 2014 Plan and 1,102,224 shares of Common Stock reserved for issuance under the ESPP. The 2014 Plan provides for an annual automatic increase to the shares reserved for issuance in an amount equal to 5% of the total number of shares outstanding on December 31st of the preceding calendar year or a lesser number as determined by our Board of Directors continuing through 2024. Pursuant to the automatic annual increase, 2,668,150 additional shares were reserved under the 2014 Plan on

(3) January 1, 2017. The ESPP also provides for an automatic increase to the shares reserved for issuance, continuing through January 1, 2024, by the lesser of (i) 1% of the total number of shares of our common stock outstanding on December 31 of the preceding calendar year; (ii) 1,000,000 shares of common stock (subject to adjustment to reflect any split or combination of our common stock); or (iii) such lesser number as determined by our Board of Directors. Pursuant to the automatic annual increase, 533,630 additional shares were reserved under the ESPP on January 1, 2017.

**TRANSACTIONS WITH RELATED PERSONS**

Other than the compensation arrangements with directors and executive officers, there have been no transactions since January 1, 2016 (and there are no currently proposed transactions) in which:

• we have been or are to be a participant;

• the amount involved exceeds \$120,000; and

• any of our directors, executive officers or holders of more than 5% of our common stock, or any immediate family member of or person sharing the household with any of these individuals (other than tenants or employees), had or

will have a direct or indirect material interest.

26

---

Table of Contents

Policies and Procedures for Related Party Transactions

Our Audit Committee has the primary responsibility for reviewing and approving or disapproving “related party transactions,” which are transactions between us and related persons in which the aggregate amount involved exceeds or may be expected to exceed \$120,000 and in which a related person has or will have a direct or indirect material interest. Our policy regarding transactions between us and related persons provides that a related person is defined as a director, executive officer, nominee for director or greater than 5% beneficial owner of our common stock, in each case since the beginning of the most recently completed fiscal year, and any of their immediate family members. Our Audit Committee charter provides that our Audit Committee shall review and approve or disapprove any related party transactions.

DELIVERY OF DOCUMENTS TO STOCKHOLDERS SHARING AN ADDRESS

A number of brokers with account holders who are Five9, Inc. stockholders will be “householding” our proxy materials. A single Notice, set of proxy materials or annual report will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that they will be “householding” communications to your address, “householding” will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in “householding” and would prefer to receive a separate Notice and/or separate proxy statement and annual report, please notify your broker and direct your written request to Five9, Inc., Bishop Ranch 8, 4000 Executive Parkway, Suite 400, San Ramon, CA 94583, Attn: Corporate Secretary, or call 925-201-2000 ext. 5959. The Company undertakes to deliver promptly to a stockholder upon such written or oral request a separate Notice, set of proxy materials or annual report. Stockholders who currently receive multiple copies of the proxy materials at their address and would like to request “householding” of their communications should contact their broker.

OTHER MATTERS

The Board of Directors knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

By Order of the Board of Directors

Barry Zwarenstein  
Chief Financial Officer and Corporate Secretary

San Ramon, California  
March 30, 2017

Table of Contents

FIVE9, INC.  
 Bishop  
 Ranch 8  
 4000  
 Executive  
 Parkway  
 Suite 400  
 San Ramon,  
 CA 94583

**VOTE BY INTERNET**  
 Before the Annual Meeting - [www.proxvvote.com](http://www.proxvvote.com)  
 Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or Annual Meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.  
 During the Annual Meeting – [www.virtualshareholdermeeting.com/FIVN2017](http://www.virtualshareholdermeeting.com/FIVN2017)  
 You may attend the Annual Meeting via the Internet and vote during the Annual Meeting. Have the information that is printed in the box marked by the arrow available and follow the instructions.

**VOTE BY PHONE -1-800-690-6903**  
 Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or Annual Meeting date. Have your proxy card in hand when you call and then follow the instructions.

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

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M98887-P72078 KEEP THIS PORTION FOR YOUR RECORDS

-----

**THIS PROXY  
 CARD IS VALID  
 ONLY WHEN DETACH AND RETURN THIS PORTION ONLY  
 SIGNED AND  
 DATED**

**For All** To withhold authority to vote for any individual  
**Except** nominee, mark "For All Except" and write the  
 number(s) of the nominee(s) on the line below.

The  
 Board  
 of  
 Directors  
 recommends  
 you  
 vote  
**FOR**  
 all  
 the

listed  
nominees:  
1.  
Election  
of  
the  
three  
(3)  
members  
of  
the  
Board  
of  
Directors  
identified  
in  
Proposal  
No.  
1  
to  
serve  
as  
Class  
III  
directors  
until  
the  
Company's  
2020  
Annual  
Meeting  
of  
Stockholders  
or  
until  
their  
successors  
are  
duly  
elected  
and  
qualified.  
Nominees:  
01)  
Kimberly  
Alexy  
02)  
Michael  
Burkland  
03)  
Robert

Zollars

The Board of  
Directors  
recommends you  
vote FOR proposal  
2:

For Against Abstain

2. Ratification of the appointment of KPMG LLP as the independent  
registered public accounting firm for the Company for the fiscal year     
ending December 31, 2017.

NOTE: The proxies are authorized to vote on such other business as may properly  
come before the Annual Meeting or any adjournment thereof.

Please sign exactly  
as your name(s)  
appear(s) hereon.  
When signing as  
attorney, executor,  
administrator, or  
other fiduciary,  
please give full  
title as such. Joint  
owners should  
each sign  
personally. All  
holders must sign.  
If a corporation or  
partnership, please  
sign in full  
corporate or  
partnership name  
by authorized  
officer.

Signature  
[PLEASE  
~~SIGN~~  
WITHIN  
BOX]

Signature (Joint Owners)

Date

Table of Contents

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:  
The Notice and Proxy Statement and Form 10-K are available at [www.proxyvote.com](http://www.proxyvote.com).

-----  
-----  
-----  
M98888-P72078

FIVE9, INC.  
Annual Meeting of Stockholders  
May 15, 2017, 8:30 AM PDT  
This proxy is solicited by the Board of Directors

The stockholder(s) hereby appoint(s) Michael Burkland and Barry Zwarenstein, or either of them, as proxies, each with the power to appoint his substitute, and hereby authorize(s) them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of common stock of FIVE9, Inc. that the stockholder(s) is/are entitled to vote at the Annual Meeting of Stockholders to be held at 8:30 a.m., PDT on May 15, 2017, virtually via the Internet at [www.virtualshareholdermeeting.com/FIVN2017](http://www.virtualshareholdermeeting.com/FIVN2017), and any adjournment or postponement thereof.



Edgar Filing: Five9, Inc. - Form DEF 14A

This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting.

Continued and to be signed on reverse side