

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

**SCHEDULE 14A**  
(Rule 14a-101)

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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



**Commvault Systems, Inc.**

---

(Name of Registrant as Specified In Its Charter)

---

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- 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:

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

---

---

COMMVault 

▶ Stockholder Outreach

August 2019



## AGENDA

- Background & Stockholder Communications Mission Statement
- Proactive Stockholder Outreach & Response
- Elliott Management Status & Update
- Leadership Changes & Updates
- Corporate Governance Changes & Updates
- Incoming CEO Compensation Structure
- Outgoing CEO Transition & Compensation
- Conclusion / Next Steps

### **Who is Commvault?**

A leading provider of data and information management software applications and related services.

### **Stockholder Communications Mission Statement**

We are committed to ensuring that our compensation practices and corporate governance policies are aligned with the needs of the company and the best interests of our stockholders. In this regard, we regularly review these policies and practices, and we consider stockholder input an important part of this work.

## PROACTIVE STOCKHOLDER OUTREACH & RESPONSE

- Outreach on compensation and corporate governance
    - June 2017 – offered top twenty stockholders opportunity to discuss proxy
      - 52% of outstanding common stock
    - August 2018 – offered top twenty stockholders opportunity to discuss proxy
      - 60% of outstanding common stock
    - August 2019 – offered top twenty-five stockholders opportunity to discuss proxy
      - 55% of outstanding common stock
  - Compensation Committee and Nominations & Governance Committee oversight
- Shareholder response to say-on-pay historically:
    - 2016 Annual Meeting: Say-on-pay approved by 98.2% of stockholders
    - 2017 Annual Meeting: Say-on-pay approved by 98.8% of stockholders
    - 2018 Annual Meeting: Say-on-pay approved by 93.9% of stockholders
  - **ISS and Glass Lewis recommend votes FOR all binding proposals in 2019**

## ELLIOTT MANAGEMENT STATUS & UPDATE

- April 2, 2018: Elliott Management Corp. (10.3% ownership at time) letter requesting leadership, operational and strategic changes
- April 30, 2018: Commvault and Elliott entered into a settlement agreement
  - agreed to appoint two Elliott-nominated directors
  - CEO replacement search
  - create an operations committee
- July 19, 2018: Commvault appoints Martha Bejar and Chuck Moran to the Board
- February 5, 2019: Commvault appoints Sanjay Mirchandani as new CEO, board member
- February 22, 2019: Elliott files Schedule 13D/A reflecting reduced ownership to 5.5%

## LEADERSHIP CHANGES & UPDATES

- Shareholder feedback in recent years has raised concerns regarding lack of board diversity and long-tenured leadership. In response, Commvault has made the following leadership changes:
- **New CEO:** in February 2019, Commvault announced a new CEO, Sanjay Mirchandani, as the culmination of an extensive leadership search that was previously agreed with Elliott.
- **New Board Leadership:** in April 2019, Mr. Nick Adamo became Chairman of the Board. Mr. Adamo joined the board in August 2018 as an independent director with more than 20 years' experience as a senior executive at Cisco.
- **Separation of roles of CEO and Board Chairman.** With retirement of Bob Hammer, the roles of CEO and board chairman have been separated.
- **Five new directors:** since February 2018, Commvault has added 5 new directors, including two independent directors recommended by Elliott: Martha Bejar & Chuck Moran.
- **Increased gender diversity:** two of our most recent addition to the Board are women. In calendar year 2018, we welcomed Ms. Vivie "YY" Lee and Ms. Martha Bejar as independent directors. More recently, in May 2019, Ms. Sandy Hamilton joining our executive team as VP of Customer Success.

## CORPORATE GOVERNANCE CHANGES & UPDATES

Commvault has also implemented a number of corporate governance changes in response to prior shareholder feedback:

- **Proxy Access.** In 2019, Commvault implemented a “proxy access” provision in its bylaws in response to recommendations.
- **Termination of Shareholder Rights Plan (Poison Pill).** In 2018, Commvault terminated its shareholder rights plan in response to recommendations from a shareholder rights group.
- **Board Diversity.** In late 2017, Commvault modified its diversity policy to expressly reference gender and race as board diversity considerations. Our recent board appointments reflect these considerations.
- **Say on Pay Vote.** Commvault continues to seek shareholder support for senior executive compensation in its annual proxy statement.

## ▶ INCOMING CEO COMPENSATION PACKAGE

- ▶ Designed to ensure we attract and retain the best candidate available.
- ▶ Aligns interests of CEO with other shareholders and executives by heavily favoring performance-based equity grants which vest over time & match performance metrics for other executives
- ▶ Two components: a one-time new hire equity grant and an annual compensation package
- ▶ **One-time new hire equity grant** of \$10 million has **multiple components**:
  - ▶ \$4 million in equity "replacement" award consisting of time-vested RSUs which vest over 2 years
  - ▶ \$3 million in total shareholder return (TSR) PSUs
    - ▶ Back-ended vesting structure: vest does not begin until 24 months
  - ▶ \$3 million in time-vested RSUs which vest over 3 years
- ▶ Annual compensation package (described on next slide) at the **median** for our peer group

## FY20 CEO COMPENSATION STRUCTURE



(1) vests quarterly except that the awards that would otherwise vest quarterly over the first twelve months do not vest until the first anniversary of the grant

## FY20 PERFORMANCE METRICS

### Financial Performance PSUs and Cash Incentive

Revenue – 70%		Non-GAAP EBIT – 30%	
Achievement	Award	Achievement	Award
< 90%	0%	< 75%	0%
90%	50%	75%	50%
100%	100%	100%	100%
110%	200% (max)	125%	200% (max)

\*All scales are interpolated linearly between shown points

### TSR PSUs

Relative TSR Percentile Rank	% of Target PSU Earned
< 25 <sup>th</sup>	0%
25 <sup>th</sup>	50%
50 <sup>th</sup>	100%
75 <sup>th</sup>	150%
85 <sup>th</sup>	200% (max)

## ▶ OUTGOING CEO TRANSITION & COMPENSATION

- ▶ Critical to ensure a **smooth transition of leadership**
- ▶ **No cash outlay:** modifications resulted in a **one-time** non-cash charge
  - ▶ Equity modifications only
  - ▶ Avoid cash severance triggered by termination without cause under existing agreement
- ▶ **Alignment of interests** of outgoing CEO with those of other shareholders:
  - ▶ No accelerated vesting
  - ▶ Value tied to stock performance over time
  - ▶ Remains a significant shareholder
- ▶ Recognizes the unique nature of the transition – blend of activist shareholder and retirement

## CONCLUSION / NEXT STEPS

- Commvault values stockholder input and has taken concrete steps to make changes to its board, leadership and corporate governance policies
- Conducted an extensive outreach campaign targeting largest institutional stockholders
- Addressed stockholder concerns regarding board diversity and tenure by modifying its diversity policy and adding four new directors to the Board, two of which are minority women directors
- Compensation practices have evolved to align with best practices
  - Compensation changes in fiscal 2019 tied to CEO transition were one-time charges
  - Commvault is aware of the 2019 ISS and Glass-Lewis recommendations regarding Say on Pay and we hope that this discussion helped address your questions
- Clear and updated proxy disclosure in our public filings

