CITRIX SYSTEMS INC
Form PRE 14A
March 27, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

x Preliminary Proxy Statement

¨ **Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

¨ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

Citrix Systems, Inc.

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

2) Aggregate number of securities to which transaction applies:

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

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.

PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION

Dear Stockholder: April [ ], 2013

You are cordially invited to attend the Annual Meeting of Stockholders of Citrix Systems, Inc. to be held on Thursday, May 23, 2013 at 4:00 p.m. Pacific time, at The Hilton Anaheim, 777 W. Convention Way, Anaheim, California 92802, United States.

At this Annual Meeting, the agenda includes: (1) the election of three Class III directors for three-year terms; (2) approval of an amendment to our Amended and Restated 2005 Equity Incentive Plan; (3) approval of an Amended and Restated Certificate of Incorporation to declassify our Board of Directors; (4) the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2013; and (5) an advisory vote to approve the compensation of our named executive officers. The Board of Directors unanimously recommends that you vote FOR the election of the director nominees and FOR each of the other matters (2) through (5).

All stockholders are cordially invited to attend the Annual Meeting in person. We are providing proxy material access to our stockholders via the Internet. Accordingly, you can access proxy materials and vote at www.proxyvote.com. Details regarding the matters to be acted upon at this Annual Meeting are described in the Notice of Internet Availability of Proxy Materials you received in the mail. Please give the proxy materials your careful attention.

You may vote via the Internet or by telephone by following the instructions on your Notice of Internet Availability and on that website. In order to vote via the Internet or by telephone, you must have the stockholder identification number which is provided in your Notice. If you have requested a proxy card by mail, you may vote by signing, voting and returning that proxy card in the envelope provided. If you attend the Annual Meeting, you may vote in person even if you have previously returned your proxy card or have voted via the Internet or by telephone. Please review the instructions for each voting option described in the Notice and in this Proxy Statement. Your prompt cooperation will be greatly appreciated.

Very truly yours,
ANTONIO G. GOMES

Vice President, Deputy General

Counsel and Secretary

CITRIX SYSTEMS, INC.

851 West Cypress Creek Road

Fort Lauderdale, Florida 33309

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on May 23, 2013

To the Stockholders of Citrix Systems, Inc.:

The Annual Meeting of Stockholders of Citrix Systems, Inc., a Delaware corporation, will be held on Thursday, May 23, 2013 at 4:00 p.m. Pacific time, at The Hilton Anaheim, 777 W. Convention Way, Anaheim, California 92802, United States for the following purposes:

1. to elect three Class III members to the Board of Directors as directors, each to serve for a three-year term and until his successor has been duly elected and qualified or until his earlier resignation or removal;

2. to approve an amendment to the Company s Amended and Restated 2005 Equity Incentive Plan to increase the aggregate number of shares of the Company s common stock issuable pursuant to restricted stock, restricted stock units, performance units or stock grants by 7.0 million shares of the Company s common stock;

3. to approve the proposed Amended and Restated Certificate of Incorporation to declassify the Board of Directors;

4. to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2013;

5. to hold an advisory vote to approve the compensation of our named executive officers; and

6. to transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

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

Only stockholders of record at the close of business on April 1, 2013 are entitled to notice of and to vote at the Annual Meeting and at any adjournment or postponement thereof.

All stockholders are cordially invited to attend the Annual Meeting in person. To assure your representation at the Annual Meeting, we urge you to vote via the Internet at www.proxyvote.com or by telephone by following the instructions on the Notice of Internet Availability of Proxy Materials you received in the mail and which instructions are also provided on that website, or, if you have requested a proxy card by mail, by signing, voting and returning your proxy card to Broadridge Financial Solutions, 51 Mercedes Way, Edgewood, New York 11717. For specific instructions on how to vote your shares, please review the instructions for each of these voting options as detailed in your Notice of Internet Availability and in this Proxy Statement. If you attend the Annual Meeting, you may vote in person even if you have previously returned your proxy card or have voted via the Internet or by telephone.

In addition to their availability at www.proxyvote.com, this Proxy Statement and our Annual Report to Stockholders are available for viewing, printing and downloading at www.citrix.com/annualreport.

By Order of the Board of Directors,
ANTONIO G. GOMES

Vice President, Deputy General

Counsel and Secretary

Fort Lauderdale, Florida

April [ ], 2013

WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE PROMPTLY COMPLETE YOUR PROXY AS INDICATED ABOVE IN ORDER TO ASSURE REPRESENTATION OF YOUR SHARES. PLEASE REVIEW THE INSTRUCTIONS FOR EACH OF YOUR VOTING OPTIONS DESCRIBED IN THIS PROXY STATEMENT AND THE NOTICE YOU RECEIVED IN THE MAIL.

CITRIX SYSTEMS, INC.

851 West Cypress Creek Road

Fort Lauderdale, Florida 33309

PROXY STATEMENT

For the Annual Meeting of Stockholders

To Be Held on May 23, 2013

April [ ], 2013

This Proxy Statement is being furnished in connection with the solicitation of proxies by the Board of Directors of Citrix Systems, Inc., a Delaware corporation, for use at the Annual Meeting of Stockholders to be held on Thursday, May 23, 2013 at 4:00 p.m. Pacific time, at The Hilton Anaheim, 777 W. Convention Way, Anaheim, California 92802, United States, or at any adjournments or postponements thereof. An Annual Report to Stockholders, containing financial statements for the year ended December 31, 2012, and this Proxy Statement are being made available to all stockholders entitled to vote at the Annual Meeting. This Proxy Statement and the form of proxy were first made available to stockholders on or about April [ ], 2013.

The purposes of the Annual Meeting are to:

- elect three Class III directors for three-year terms;

- approve an amendment to our Amended and Restated 2005 Equity Incentive Plan;

- approve an Amended and Restated Certificate of Incorporation to declassify our Board of Directors;

- ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2013; and

- hold an advisory vote to approve the compensation of our named executive officers.

Only stockholders of record at the close of business on April 1, 2013, which we refer to as the record date, will be entitled to receive notice of and to vote at the Annual Meeting. As of that date, [ ] shares of common stock, $.001 par value per share, were issued and outstanding. Stockholders are entitled to one vote per share on any proposal presented at the Annual Meeting. You may vote via the Internet at www.proxyvote.com or by telephone by following the instructions on the Notice you received in the mail and which are also provided on that website; or, if you have requested a proxy card by mail, by signing, voting and returning your proxy card. If you attend the Annual Meeting, you may vote in person even if you have previously voted by phone or via the Internet or returned a proxy card by mail.

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before it is voted. Proxies may be revoked by:

(a) filing with our Secretary, before the taking of the vote at the Annual Meeting, a written notice of revocation bearing a later date than the proxy;

(b) properly casting a new vote via the Internet or by telephone at any time before the closure of the Internet or telephone voting facilities;

(c) duly completing a later-dated proxy relating to the same shares and delivering it to our Secretary before the taking of the vote at the Annual Meeting; or

(d) attending the Annual Meeting and voting in person (although attendance at the Annual Meeting will not in and of itself constitute a revocation of a proxy).

Any written notice of revocation or subsequent proxy should be sent so as to be delivered to our principal executive offices at Citrix Systems, Inc., 851 West Cypress Creek Road, Fort Lauderdale, Florida 33309, Attention: Secretary, before the taking of the vote at the Annual Meeting.

The representation in person or by proxy of at least a majority of the outstanding shares of our common stock entitled to vote at the Annual Meeting is necessary to constitute a quorum for the transaction of business.

Abstentions and broker non-votes (discussed below) are counted as present or represented for purposes of determining the presence or absence of a quorum for the Annual Meeting. When a quorum is present at any meeting of stockholders, the holders of a majority of the stock present or represented and voting on a matter shall decide any matter to be voted upon by the stockholders at such meeting, except when a different vote is required by express provision of law, our amended and restated certificate of incorporation (as amended and currently in effect, our Certificate of Incorporation) or our bylaws.

For Proposal 1, the election of three Class III directors, each nominee shall be elected as a director if the votes cast for such nominee s election exceed the votes cast against such nominee s election. Any director who fails to receive the required number of votes for his re-election is required to submit his resignation to the Board. Our Nominating and Corporate Governance Committee (excluding any director nominee who failed to receive the required number of votes) will promptly consider any such director s resignation and make a recommendation to the Board as to whether such resignation should be accepted. The Board is required to act on the Nominating and Corporate Governance Committee s recommendation within 90 days of the certification of the stockholder vote for the Annual Meeting.

For each of Proposal 2 (the approval of an amendment to our Amended and Restated 2005 Equity Incentive Plan), Proposal 4 (the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2013) and Proposal 5 (the advisory vote to approve the compensation of our named executive officers), an affirmative vote of a majority of the shares present, in person or represented by proxy, and voting on such matter is required for approval.

For Proposal 3 (the approval of our proposed Amended and Restated Certificate of Incorporation to declassify our Board (the Declassification Proposal)), an affirmative vote of at least 75% of the outstanding shares entitled to vote on such matter is required for approval.

Broadridge Financial Solutions tabulates the votes. The vote on each matter submitted to stockholders is tabulated separately.

Broker non-votes are shares held by a nominee (such as a bank or brokerage firm) which, although counted for purposes of determining a quorum, are not voted on a particular matter because voting instructions have not been received from the nominees clients (who are the beneficial owners of such shares). Under national securities exchange rules, nominees who hold shares of common stock in street name for, and have transmitted our proxy solicitation materials to, their customers but do not receive voting instructions from such customers, are not permitted to vote such customers shares on non-routine matters. For non-routine matters, these broker non-votes shall not be counted as votes cast and therefore will have the same effect as an AGAINST vote for Proposal 3, but will have no effect on Proposals 1, 2 and 5. Proposal 4 is considered a routine matter and nominees therefore have discretionary voting power as to Proposal 4. Similarly, abstentions are not counted as votes cast and thus will have the same effect as an AGAINST vote for Proposal 3, but will have no effect on Proposals 1, 2, 4 and 5.

The persons named as attorneys-in-fact in the proxies, Mark B. Templeton and David J. Henshall, were selected by the Board and are officers of Citrix. All properly executed proxies submitted in time to be counted at the Annual Meeting will be voted by such persons at the Annual Meeting. Where a choice has been specified on the proxy with respect to the foregoing matters, the shares represented by the proxy will be voted in accordance with the specifications. **If no such specifications are indicated, such proxies will be voted FOR Proposal 1 (the election of the director nominees), FOR Proposal 2 (approval of the amendment to our Amended and Restated 2005 Equity Incentive Plan), FOR Proposal 3 (approval of the Declassification Proposal), FOR Proposal 4 (ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2013) and FOR Proposal 5 (the approval, on an advisory basis, of the compensation of our named executive officers).**

Aside from the proposals included in this Proxy Statement, our Board knows of no other matters to be presented at the Annual Meeting. If any other matter should be presented at the Annual Meeting upon which a vote may properly be taken, shares represented by all proxies received by the Board will be voted with respect to such matter in accordance with the judgment of the persons named as attorneys-in-fact in the proxies.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding beneficial ownership of our common stock as of February 28, 2013:

- by each person who is known by Citrix to beneficially own more than 5% of our outstanding shares of common stock;
- by each of our directors and nominees;
- by each of our executive officers named in the Summary Compensation Table set forth below under *Executive and Director Compensation Summary of Executive Compensation*; and
- by all of our directors and executive officers as a group.

Name of Beneficial Owner	Shares Beneficially Owned(1)	Percentage of Shares Beneficially Owned(2)
FMR LLC Edward C. Johnson 3d(3) 82 Devonshire Street Boston, MA 02109	15,136,139	8.11%
BlackRock, Inc.(4) 40 East 52nd Street New York, NY 10022	11,851,019	6.35%
Mark B. Templeton(5)	537,270	*
Stephen M. Dow(6)	416,960	*
David J. Henshall(7)	183,029	*
Thomas F. Bogan(8)	82,765	*
Alvaro J. Monserrat(9)	60,874	*
Murray J. Demo(10)	57,039	*
Gary E. Morin(11)	54,584	*
J. Gordon Payne(12)	49,961	*
David R. Friedman(13)	45,479	*
Godfrey R. Sullivan(14)	43,999	*
Nanci E. Caldwell(15)	26,334	*
Asiff S. Hirji(16)	9,833	*
All executive officers, directors and nominees as a group (17)(15 persons)	1,616,882	*

* Represents less than 1% of the outstanding common stock.

(1) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission, or the SEC, and includes voting and investment power with respect to shares. Unless otherwise indicated below, to our knowledge, all persons listed in the table have sole voting and dispositive power with respect to their shares of common stock, except to the extent authority is shared by spouses under applicable law. Pursuant to the rules of the SEC, the number of shares of common stock deemed outstanding includes shares issuable upon settlement of restricted stock units held by the respective person or group that will vest within 60 days of February 28, 2013 and pursuant to options held by the respective person or group that are currently exercisable or may be exercised within 60 days of February 28, 2013, which we refer to as presently exercisable stock options.

(2) Applicable percentage of ownership is based upon 186,640,239 shares of common stock outstanding as of February 28, 2013.

(3) With respect to information relating to FMR LLC and Edward C. Johnson 3d, we have relied solely on information provided in an amended Schedule 13G filed jointly by FMR LLC and Edward C. Johnson 3d with the SEC on February 14, 2013. According to such amended Schedule 13G, FMR LLC reported sole voting power as to 745,971 shares and each of FMR LLC and Edward C. Johnson 3d reported sole dispositive power as to the same 15,136,139 shares. FMR LLC and Edward C. Johnson 3d reported that Fidelity Management & Research Company, a wholly-owned subsidiary of FMR LLC and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, is the beneficial owner of 14,193,714 shares or 7.60% of our outstanding

common stock.

(4) With respect to information relating to BlackRock, Inc., we have relied solely on information supplied by such entity on an amended Schedule 13G filed with the SEC on February 6, 2013.

(5) Includes 447,457 shares of common stock issuable pursuant to presently exercisable stock options, 77,440 shares of common stock issuable upon settlement of restricted stock units that will vest within 60 days of February 28, 2013 and 58,661 shares of common stock

held by the Mark B. Templeton Revocable Trust, dated June 6, 2004, Mark B. Templeton, Trustee, or the Templeton Trust. Mr. Templeton has sole voting and dispositive power with respect to all of the shares held by the Templeton Trust.

(6) Includes 50,000 shares of common stock issuable pursuant to presently exercisable stock options and 256,450 shares of common stock held by the Dow Family Trust, 50,000 shares of common stock held by Dow Investments II L.P. (Dow Investments) and 7,500 shares of common stock held by Dow Investments I L.P. (Dow L.P.). Mr. Dow has sole voting and dispositive power with respect to all of the shares held by Dow LP and shared voting and dispositive power with respect to all of the shares held by the Dow Family Trust and Dow Investments. Mr. Dow disclaims beneficial ownership of the shares of common stock held by Dow LP except to the extent of his pecuniary interest in such shares.

(7) Includes 102,612 shares of common stock issuable pursuant to presently exercisable stock options and 33,456 shares of common stock issuable upon settlement of restricted stock units that will vest within 60 days of February 28, 2013.

(8) Includes 30,000 shares of common stock issuable pursuant to presently exercisable stock options that will vest within 60 days of February 28, 2013.

(9) Includes 38,378 shares of common stock issuable pursuant to presently exercisable stock options and 29,998 shares of common stock issuable upon settlement of restricted stock units that will vest within 60 days of February 28, 2013.

(10) Includes 15,000 shares of common stock issuable pursuant to presently exercisable stock options and 666 shares of common stock issuable upon settlement of restricted stock units that will vest within 60 days of February 28, 2013.

(11) Includes 10,000 shares of common stock issuable pursuant to presently exercisable stock options that will vest within 60 days of February 28, 2013.

(12) Includes 28,485 shares of common stock issuable pursuant to presently exercisable stock options and 27,595 shares of common stock issuable upon settlement of restricted stock units that will vest within 60 days of February 28, 2013.

(13) Includes 26,221 shares of common stock issuable pursuant to presently exercisable stock options and 25,639 shares of common stock issuable upon settlement of restricted stock units that will vest within 60 days of February 28, 2013.

(14) Includes 20,000 shares of common stock issuable pursuant to presently exercisable stock options and 666 shares of common stock issuable upon settlement of restricted stock units that will vest within 60 days of February 28, 2013.

(15) Includes 26,000 shares of common stock issuable pursuant to presently exercisable stock options that will vest within 60 days of February 28, 2013.

(16) Includes 666 shares of common stock issuable upon settlement of restricted stock units that will vest within 60 days of February 28, 2013.

(17) Includes 828,630 shares of common stock issuable pursuant to presently exercisable stock options and 226,576 shares of common stock issuable upon settlement of restricted stock units that will vest within 60 days of February 28, 2013.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, requires our directors, executive officers and holders of more than 10% of our common stock to file with the Securities and Exchange Commission, or the SEC, initial reports of ownership and reports of changes in ownership of our common stock. Based on our review of the copies of such filings for the year ended December 31, 2012, we believe that all Section 16(a) filing requirements were complied with during the year ended December 31, 2012.

PROPOSAL 1

ELECTION OF DIRECTOR NOMINEES

Our Board currently consists of eight members. Our Certificate of Incorporation divides the Board into three classes. One class is elected each year for a term of three years. The Board, upon the recommendation of the Nominating and Corporate Governance Committee, has nominated Mark B. Templeton, Stephen M. Dow and Godfrey R. Sullivan and recommended that each be elected to the Board as a Class III director, each to hold office until the Annual Meeting of Stockholders to be held in the year 2016 and until his successor has been duly elected and qualified or until his earlier death, resignation or removal. Messrs. Templeton, Dow and Sullivan are currently Class III directors whose terms expire at this Annual Meeting. The Board is also composed of:

two Class I directors (Murray J. Demo and Asiff S. Hirji), whose terms expire upon the election and qualification of directors at the annual meeting of stockholders to be held in 2014; and

three Class II directors (Thomas F. Bogan, Nanci E. Caldwell and Gary E. Morin), whose terms expire upon the election and qualification of directors at the annual meeting of stockholders to be held in 2015;

Mr. Bogan serves as the Chairperson of the Board of Directors.

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

Recommendation of the Board

THE BOARD UNANIMOUSLY RECOMMENDS

A VOTE *FOR* THE NOMINEES LISTED BELOW.

This proposal for the election of directors relates solely to the election of three Class III directors nominated by our Board and does not include any other matters relating to the election of directors, including, without limitation, the election of directors nominated by any of our stockholders.

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

Nominee s or Director s Name and Year First Became a Director	Position(s) with Citrix	Year Current Term Will Expire	Current Class of Director
Nominees for Class III Directors:			
Mark B. Templeton 1998	President, Chief Executive Officer and Director	2013	III
Stephen M. Dow 1989	Director	2013	III
Godfrey R. Sullivan 2005	Director	2013	III
Continuing Directors:			
Murray J. Demo 2005	Director	2014	I
Asiff S. Hirji 2006	Director	2014	I

Thomas F. Bogan 2003	Director and Chairperson	2015	II
Nanci E. Caldwell 2008	Director	2015	II
Gary E. Morin 2003	Director	2015	II

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth our directors (including the nominees) and executive officers, their ages, and the positions currently held by each such person with Citrix. The biographical description below for each director nominee includes the specific experience, qualifications, attributes and skills that led to the conclusion by our Board that such person should serve as a director of Citrix. The biographical description of each director who is not standing for election includes the specific experience, qualifications, attributes and skills that our Board would expect to consider if it were making a conclusion currently as to whether such person should serve as a director. The Board did not currently evaluate whether these directors should serve as directors, as the terms for which they have been previously elected continue beyond the Annual Meeting.

Name	Age	Position
Mark B. Templeton	60	President, Chief Executive Officer and Director
Brett M. Caine	53	Senior Vice President and General Manager, Online Services Division
Catherine Courage	38	Senior Vice President, Customer Experience
Steve A. Daheb	41	Senior Vice President and Chief Marketing Officer
David R. Friedman	51	General Counsel and Senior Vice President, Human Resources
David J. Henshall	44	Executive Vice President, Operations, Chief Financial Officer and Treasurer
Alvaro J. Monserrat	45	Senior Vice President, Sales and Services
J. Gordon Payne	51	Senior Vice President, Solutions
Sudhakar Ramakrishna	45	Senior Vice President and General Manager, Desktop and Cloud
Thomas F. Bogan(1)(4)(5)(6)(10)	61	Director
Nanci E. Caldwell(1)	55	Director
Murray J. Demo(2)(3)(5)(8)(9)	51	Director
Stephen M. Dow(2)(3)(4)(5)(11)	57	Director
Asiff S. Hirji(2)(3)	46	Director
Gary E. Morin(1)(7)	64	Director
Godfrey R. Sullivan(2)(3)(4)	59	Director

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

Mark B. Templeton has served as our President since January 1998 and as our Chief Executive Officer from June 2001 to the present. He was elected to our Board in May 1998. Mr. Templeton is a member of the Board of Directors of Equifax, Inc., a publicly-traded credit reporting company. The Board believes Mr. Templeton s qualifications to sit on our Board include his decades of experience in the software industry, including 15 years as our President and/or Chief Executive Officer, and his deep understanding

of our historical and current business strategies, objectives and products.

Brett M. Caine has served as Senior Vice President and General Manager, Online Services Division, since October 2007. From July 2005 to October 2007, Mr. Caine served as Group Vice President of the Online Group. From August 2004 to July 2005, Mr. Caine served as President, Citrix Online. From March 2004 to August 2004, Mr. Caine served as Vice President, Worldwide Sales, Citrix Online.

Catherine Courage has served as our Senior Vice President of Customer Experience since October 2012. Prior to this appointment, Ms. Courage served as our Vice President of Product Design from March 2009 to September 2012. From September 2004 to March 2009, Ms. Courage served as Director, User Experience for salesforce.com, inc., a publicly-traded provider of cloud computing and social enterprise solutions.

Steve A. Daheb has served as our Senior Vice President and Chief Marketing Officer since January 2013. From December 2010 until joining Citrix, Mr. Daheb served as Chief Marketing Officer and Senior Vice President of Blue Coat Systems, Inc., a privately-held provider of Web security and WAN optimization solutions. Prior to that, Mr. Daheb served as Chief Marketing Officer and Senior Vice President of Business Development at Emulex Corporation, a publicly-traded provider of converged networking solutions for the data center, from November 2008 until December 2010. Mr. Daheb served as Senior Vice President, Marketing, OEM Sales and Business Development at Blue Arc Corporation (acquired by Hitachi Data Systems), a privately-held developer of storage networking devices, from January 2005 until November 2008.

David R. Friedman has served as our General Counsel and Senior Vice President, Human Resources, since April 2006 and also served as our Secretary from October 2002 to February 2008. From October 2002 to April 2006, Mr. Friedman served as our General Counsel, Corporate Vice President and Secretary.

David J. Henshall has served as our Executive Vice President, Operations, Chief Financial Officer and Treasurer beginning in September 2011. From January 2006 to September 2011, Mr. Henshall served as our Senior Vice President and Chief Financial Officer, and from April 2003 to January 2006, he served as our Vice President and Chief Financial Officer.

Alvaro J. Monserrat has served as our Senior Vice President, Sales and Services, since July 2008. From July 2007 to July 2008, Mr. Monserrat served as our Vice President of Channels and Emerging Products. Mr. Monserrat also served as our Vice President of North America Sales from October 2003 to July 2007, as our Vice President of Worldwide Field Services from March 2002 to October 2003, as our

Vice President of Consulting Services from December 2001 to March 2002, and as Director of Consulting Services from February 2000 to December 2001.

J. Gordon Payne has served as our Senior Vice President, Solutions, since October 2012. Prior to this appointment, Mr. Payne had served as our Senior Vice President and General Manager, Desktop and Cloud Division beginning in March 2011 and had served as our Senior Vice President and General Manager, Desktop Division, from August 2007 to March 2011. From January 2007 to August 2007, Mr. Payne served as Group Vice President and General Manager of our Advanced Solutions Group. Mr. Payne also served as Product Line Executive, Emerging Products of our Virtual Systems Group from April 2006 to December 2006, and as Vice President of Marketing for our Advanced Solutions Group from December 2004 to December 2006.

Sudhakar Ramakrishna has served as our Senior Vice President and General Manager, Desktop and Cloud since March 2013. Prior to joining Citrix, Mr. Ramakrishna served as President of Products and Services at Polycom, Inc., a publicly-trade provider of unified communications and collaboration solutions, from February 2012 to March 2013. Mr. Ramakrishna also served as Polycom s Executive Vice President and General Manager, Unified Communications Solutions and Chief Development Officer from February 2011 to February 2012 and as Senior Vice President and General Manager, Unified Communications Products and Chief Development Officer from October 2010 to February 2011. Prior to joining Polycom, Mr. Ramakrishna served as Corporate Vice President and General Manager for Wireless Broadband Access Solutions and Software at Motorola, Inc., a mobile infrastructure company, from May 2007 to October 2010.

Thomas F. Bogan has served as a director of Citrix since January 2003 and as Chairperson of our Board since May 2005. Since August 2011, Mr. Bogan has also served as a member of the Board of Director of Parametric Technology Corporation, a publicly-traded company that develops, markets and supports product development software solutions. Since January 2010, Mr. Bogan has been a Venture Partner at Greylock Partners, a venture capital firm. From May 2004 to December 2009, Mr. Bogan was a Partner at Greylock Partners. Prior to serving at Greylock, Mr. Bogan was

President of Rational Software, an S&P 500 enterprise software company, from 2000 until its sale to IBM in 2003. He previously had served Rational as its Chief Operating Officer and as General Manager of its testing business from 1996 to 2000. Prior to working at Rational, Mr. Bogan was President and Chief Executive Officer of two early stage technology companies that focused on networking and peripheral products. Mr. Bogan s earlier background was in finance, and he served as a financial officer in public and private companies as well as positions in public accounting. The Board believes Mr. Bogan s qualifications to sit on our Board include his decades of senior management experience in the software industry, both as a Chief Executive Officer and a venture capital investor, during which time he has gained significant strategic, operational and corporate governance expertise.

Nanci E. Caldwell has served as a director of Citrix since July 2008. Since 2005, Ms. Caldwell has served as a member of a number of Boards of both public and private technology companies, including current memberships on the Boards of Directors of Deltek, Inc., a publicly-traded enterprise management software company, and Tibco Software Inc., a publicly-traded leading business integration and process management software company. During 2005 and 2006, Ms. Caldwell worked as a project-based technology consultant. From April 2001 to December 2004, Ms. Caldwell was Executive Vice President and Chief Marketing Officer for PeopleSoft, Inc., a publicly-held human resource management software company, until it was acquired by Oracle Corporation, or Oracle, a publicly-traded software company, in December 2004. Ms. Caldwell also served as a member of the Board of Directors of Network General, now NetScout Inc., a publicly-traded provider of integrated network performance management solutions, from 2005 to 2007 and Hyperion Solutions Corporation, a then publicly-traded provider of performance management software acquired by Oracle in 2007, from 2006 to 2007. The Board believes Ms. Caldwell s qualifications to sit on our Board include her extensive experience with technology and software companies, including in the areas of sales and marketing, as well as her executive leadership and management expertise.

Murray J. Demo has served as a director of Citrix since February 2005. Since May 2012, Mr. Demo has

also served as a member of the Board of Directors of Xoom Corporation, a publicly-traded global online money transfer provider. From May 2009 until June 2012, Mr. Demo served as Executive Vice President and Chief Financial Officer of Dolby Laboratories, a publicly-traded global leader in entertainment technologies. From September 2007 to June 2008, Mr. Demo served as Executive Vice President and Chief Financial Officer of LiveOps, a privately-held virtual call center company. Mr. Demo served as Executive Vice President and Chief Financial Officer of Postini, Inc., a security software company, from May 2007 until it was acquired by Google Inc. in September 2007. Mr. Demo served as Executive Vice President and Chief Financial Officer from April 2005 to May 2006, Senior Vice President and Chief Financial Officer from June 2000 to April 2005, Vice President and Corporate Controller from October 1999 to June 2000, Corporate Controller from July 1998 to October 1999, Senior Director of Finance, Product Divisions from February 1998 to July 1998 and Director of Operations Finance from August 1996 to February 1998 for Adobe Systems Incorporated, a computer software company. The Board believes Mr. Demo s qualifications to sit on our Board include his extensive experience with finance and accounting matters for global organizations in the technology industry, including the experience that he has gained in his roles as Chief Financial Officer of publicly-traded companies.

Stephen M. Dow has served as a director of Citrix since July 1989 and served as our Board s Chairperson from May 2002 to May 2005. Since 1983, Mr. Dow has served as a general partner of Sevin Rosen Funds, a venture capital investment firm. Mr. Dow serves on the Board of Directors of Cytokinetics, Inc., a publicly-traded biopharmaceutical company. The Board believes Mr. Dow s qualifications to sit on our Board include his experience in leading a venture capital investment firm, during which time he has gained significant expertise in evaluating investment opportunities and overseeing management development and operations of portfolio companies, as well as the deep understanding of Citrix s organization and products that he has acquired during his more than 20 years of service on our Board.

Asiff S. Hirji has served as a director of Citrix since May 2006. Mr. Hirji has been a member of the Board of Directors of Advent Software, Inc., a publicly-traded provider of software and services for the global investment management industry since September 2011. Since April 2007, Mr. Hirji has served as a Partner of TPG Capital, L.P., a global private investment firm. From October 2006 to April 2007, Mr. Hirji served as the President, Client Group, of TD Ameritrade Holding Company, a publicly-traded provider of securities brokerage services. Mr. Hirji served as Chief Operating Officer of TD Ameritrade from July 2005 until October 2006 and as Chief Information Officer of Ameritrade from April 2003 until July 2005. The Board believes Mr. Hirji s qualifications to sit on our Board include his extensive experience with global companies, his financial and investment expertise, and his years of experience providing strategic advice to complex organizations.

Gary E. Morin has served as a director of Citrix since January 2003. From September 2005 until March 2006, Mr. Morin served as Executive Vice President of Lexmark International, Inc., a publicly-traded laser and inkjet printer and supplies company. From 2000 until September 2005, Mr. Morin served as Executive Vice President and Chief Financial Officer of Lexmark. Mr. Morin has served as a director of Sealy Corp., a publicly-traded bedding manufacturer, since 2006 and as a director of Infogroup Inc., a publicly-traded compiler of proprietary databases, from October 2008 until July 2010 when it was

acquired by CCMP Capital Advisors. The Board believes Mr. Morin s qualifications to sit on our Board include his years of executive experience at publicly-traded companies, as well as his financial expertise.

Godfrey R. Sullivan has served as a director of Citrix since February 2005. Mr. Sullivan is the Chairman and Chief Executive Officer of Splunk Inc., a publicly-traded information technology search software company. Prior to Splunk, Mr. Sullivan worked for Hyperion Solutions Corporation, a then publicly-traded software company, where he served as President and Chief Operating Officer from 2001 through 2004 and as President and Chief Executive Officer from July 2004 until its acquisition by Oracle in April 2007. Mr. Sullivan serves on the Board of Directors of Informatica Corporation, a publicly-traded data integration company. The Board believes Mr. Sullivan s qualifications to sit on our Board include his decades of executive and operational experience, including as a Chief Executive Officer, with technology and software companies.

Our executive officers are elected by the Board on an annual basis and serve until their successors have been duly elected and qualified.

CORPORATE GOVERNANCE

Independence of Members of our Board

Our Board has determined that each of our non-employee directors (Messrs. Bogan, Demo, Dow, Hirji, Morin and Sullivan, and Ms. Caldwell) is independent within the meaning of the director independence standards of The Nasdaq Stock Market LLC, or Nasdaq, and the SEC, including Rule 10A-3(b)(1) under the Exchange Act. Furthermore, our Board has determined that each member of each of the committees of the Board is independent within the meaning of Nasdaq s and the SEC s director independence standards. In making this determination, our Board solicited information from each of our directors regarding whether such director, or any member of his or her immediate family, had a direct or indirect material interest in any transactions involving Citrix, was involved in a debt relationship with Citrix or received personal benefits outside the scope of such person s normal compensation. Our Board considered the responses of our directors, and independently considered the commercial agreements, acquisitions, and other material transactions entered into by Citrix during 2012.

Board Leadership Structure

Our Corporate Governance Guidelines provide our Board with flexibility to select the appropriate leadership structure at a particular time based on the specific needs of our business and what is in the best interests of our stockholders. Our Corporate Governance Guidelines set forth our general policy that the positions of Chairperson of the Board and Chief Executive Officer, or CEO, will be held by different persons. In certain circumstances, however, our Board may determine that it is in our best interests for the same person to hold the positions of Chairperson and Chief Executive Officer. In such event, the Board will appoint an independent member of our Board as the Lead Independent Director. Our general policy is that the position of Chairperson or Lead Independent Director, as the case may be, will be held by an independent member of our Board. The Chairperson (or Lead Independent Director) will preside at executive sessions of the independent directors and will bear such further responsibilities as the full Board may designate from time to time.

Since 2002, we have separated the roles of Chairperson and Chief Executive Officer. Our Board

believes that this leadership structure is appropriate for Citrix at the current time, as it provides an appropriate balance between the two roles. Our Chief Executive Officer is responsible for setting the strategic direction for Citrix and day-to-day leadership, while the Chairperson of our Board provides guidance to our Chief Executive Officer and presides over meetings of the full Board. Thus, our Board believes that the current structure balances the need for our Chief Executive Officer to run Citrix on a day-to-day basis, with the benefit provided to us by significant involvement of an independent member of our Board.

Executive Sessions of Independent Directors

Executive sessions of the independent directors are held at least four times a year following regularly scheduled in-person meetings of our Board. Executive sessions do not include Mr. Templeton, and the Chairperson of our Board is responsible for chairing the executive sessions.

Considerations Governing Director Nominations

Director Qualifications

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

- directors must be of the highest ethical character and share the values of Citrix as reflected in our Code of Business Conduct;

- directors must have reputations, both personal and professional, consistent with our image and reputation;

directors must have a commitment to enhancing stockholder value and representing the long-term interests of our stockholders as a whole, not just one particular constituency;

10

- directors must have the ability to exercise sound business judgment based on an objective perspective;
- directors must have substantial business or professional experience in areas that are relevant to our business and be able to offer meaningful advice and guidance to our management based on that experience; and
- directors must have received a bachelor s degree from a qualified institution.

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

- an understanding of and experience in software, hardware or services, technology, accounting, governance, finance and/or marketing;
- leadership experience with public companies or other major complex organizations;
- experience on another public company board; and
- the specific needs of our Board and the Committees of our Board at that time.

Neither the Nominating and Corporate Governance Committee nor the Board has a policy mandating diversity in the selection of director nominees. However, both may, and typically do, consider the diversity of background and experience of a director nominee in the context of the overall composition of the Board at that time. In general, the Nominating and Corporate Governance Committee seeks director nominees with the talents and backgrounds that provide the Board with an appropriate mix of knowledge, skills and experience for the needs of our business. The Nominating and Corporate Governance Committee and the Board discuss the composition of directors on our Board, including diversity of background and experience, as part of the annual Board evaluation process.

Process for Identifying and Evaluating Director Nominees

Our Board delegates the selection and nomination process to the Nominating and Corporate Governance Committee, with the expectation that other members

of the Board, and of management, will be requested to take part in the process as appropriate. Generally, the Nominating and Corporate Governance Committee identifies candidates for director nominees in consultation with management, through the use of search firms or other advisors, through the recommendations submitted by stockholders or through such other methods as the Nominating and Corporate Governance Committee deems to be helpful to identify candidates. Once candidates have been identified, the Nominating and Corporate Governance Committee confirms that the candidates meet all of the minimum qualifications for director nominees established by the Nominating and Corporate Governance Committee.

The Nominating and Corporate Governance Committee may gather information about the candidates through interviews, detailed questionnaires, comprehensive background checks or any other means that the Nominating and Corporate Governance Committee deems to be helpful in the evaluation process. The Nominating and Corporate Governance Committee then meets as a group to discuss and evaluate the qualities and skills of each candidate, both on an individual basis and taking into account the overall composition and needs of our Board. Based on the results of the evaluation process, the Nominating and Corporate Governance Committee recommends candidates for the Board s approval as director nominees for election to our Board. The Nominating and Corporate Governance Committee also recommends candidates to the Board for appointment to the committees of the Board.

Procedures for Recommendation of Director Nominees by Stockholders

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

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

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

- name and address of the stockholder making the recommendation, as they appear on our books and records, and of such record holder s beneficial owner;
- number of shares of our capital stock that are owned beneficially and held of record by such stockholder and such beneficial owner;
- name of the individual recommended for consideration as a director nominee;
- all other information relating to the recommended candidate that would be required to be disclosed in solicitations of proxies for the election of directors or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act, including the recommended candidate s written consent to being named in the proxy statement as a nominee and to serving as a director if approved by our Board and elected; and
- a written statement from the stockholder making the recommendation stating why such recommended candidate meets Citrix s criteria and would be able to fulfill the duties of a director.

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

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

Citrix Systems, Inc.

851 West Cypress Creek Road

Fort Lauderdale, FL 33309

Attn: Secretary of Citrix Systems, Inc.

By facsimile to: (954) 267-2862

Attn: Secretary of Citrix Systems, Inc.

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

- a candidate must undergo a comprehensive private investigation background check by a qualified firm of our choosing;
- a candidate must complete a detailed questionnaire regarding his or her experience, background and independence; and
- a candidate must submit to our Board a statement to the effect that (1) if elected, he or she will tender promptly following his or her election an irrevocable resignation effective upon his or her failure to receive the required vote for re-election at the next meeting at which he or she would face re-election, and (2) upon acceptance of his or her resignation by our Board, in accordance with our Corporate Governance Guidelines, he or she shall resign as a member of the Board.

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

Policy Governing Security Holder Communications with our Board

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

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

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

Citrix Systems, Inc.

851 West Cypress Creek Road

Fort Lauderdale, FL 33309

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

By facsimile to: (954) 267-2862

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

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

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

Citrix Systems, Inc.

851 West Cypress Creek Road

Fort Lauderdale, FL 33309

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

By facsimile to: (954) 267-2862

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

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

Policy Governing Director Attendance at Annual Meetings of Stockholders

We conduct an annual meeting of stockholders, and all directors are offered the opportunity to attend at our expense. Three members of our Board of Directors attended our annual meeting of stockholders held in 2012.

Board Evaluation Program and Succession Planning

Our Board annually undertakes a formal evaluation process consisting of an overall Board evaluation, committee evaluations, and peer evaluations by each member. As part of the evaluation process, our Board assesses its structure, processes, culture and effectiveness. The evaluation process also includes consideration of the appropriate Board size, committee composition and the technical, business and organizational skills required of future Board members.

Code of Ethics

We have adopted a code of ethics, as defined by regulations promulgated under the Securities Act of 1933, as amended, and the Exchange Act, which we

refer to as our Code of Business Conduct and which applies to all of our directors and employees worldwide, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A current copy of our Code of Business Conduct is available in the Corporate Governance section of our website at

http://www.citrix.com/site/aboutCitrix/governance/. A copy of our Code of Business Conduct may also be obtained, free of charge, upon a request directed to: Citrix Systems, Inc., 851 West Cypress Creek Road, Fort Lauderdale, Florida 33309, Attention: Investor Relations. We intend to disclose any amendment to or waiver of a provision of our Code of Business Conduct that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, by posting such information on our website, available at

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

http://www.citrix.com/site/aboutCitrix/governance/.

Risk Oversight

Assessing and managing risk is the responsibility of Citrix s management. Our Board oversees and reviews certain aspects of our risk management efforts. Our Board is involved in risk oversight through direct decision-making authority with respect to significant matters and the oversight of management by the Board and its committees. Among other areas, the Board is directly involved in overseeing risks related to our overall corporate strategy, including product, go-to-market and sales strategy, executive officer succession, business continuity, crisis preparedness and competitive and reputational risks.

The committees of the Board execute their oversight responsibility for risk management as follows:

The Audit Committee has responsibility for overseeing our internal financial and accounting controls, work performed by our independent registered public accounting firm and our internal audit function. As part of its oversight function, the Audit Committee regularly discusses with management and our independent registered public accounting firm our major financial and controls-related risk exposures and steps that management has taken to monitor and control such exposures. In addition, we have, under the supervision of the Audit Committee, established procedures available to all employees for the anonymous and confidential submission of complaints relating to any matter to encourage employees to report questionable activities directly to our senior management and the Audit Committee.

The Finance Committee is responsible for overseeing risks related to our investments, financing activities and world-wide insurance programs.

The Compensation Committee is responsible for overseeing risks related to our cash and equity-based compensation programs and practices as well as for evaluating whether our compensation plans encourage participants to take excessive risks that are reasonably likely to have a material adverse effect on Citrix. For a detailed discussion of our efforts to manage compensation related risks, see *Compensation Related Risk Assessment* below.

The Nominating and Corporate Governance Committee is responsible for overseeing risks related to the composition and structure of our Board and its committees and our corporate governance. In this regard, the Nominating and Corporate Governance Committee conducts an annual evaluation of the Board and its committees, plans for Board member and executive officer succession and reviews transactions between Citrix and our officers, directors, affiliates of officers and directors, or other related parties for conflicts of interest.

The Strategy Committee is responsible for overseeing risks related to our significant strategic transactions, including mergers and acquisitions and licensing transactions.

Currently, the roles of Chairperson of the Board and Chief Executive Officer are held by separate individuals. We believe that this leadership structure

helps facilitate the Board s risk oversight function. For example, our Chief Executive Officer, in his dual role as the member of management responsible for setting the overall strategic direction of Citrix and as a member of the Board, can provide valuable insight to the Board concerning the strategic risks facing Citrix while our independent Chairperson provides independent leadership of the Board s risk oversight responsibilities.

We maintain a risk management program to identify, scope, communicate and manage risks across Citrix. Our Internal Audit team facilitates the program through a cross-functional committee acting with executive sponsorship. The committee s key functions are to assess and prioritize risks that we face and to monitor certain of our risk management programs. The Audit Committee receives a report concerning our risk management efforts on an annual basis.

Compensation Related Risk Assessment

We believe that our executive and employee compensation plans are appropriately structured so as not to incent excessive risk taking and are not reasonably likely to have a material adverse effect on our business. In particular, the Compensation Committee considered the following aspects of our compensation plans and policies when evaluating these areas:

Our base salary component of compensation does not encourage risk taking because it is a fixed amount.

Our Board annually approves a corporate operating plan with goals that it believes are appropriate and reasonable in light of past performance and current market conditions. Our annual operating plan is the basis for the performance targets in our annual variable cash compensation plans.

For our executive variable cash compensation plans, awards are based on the achievement of at least two objective performance measures, thus diversifying the risk associated with any single indicator of performance.

For our variable cash compensation plans, we select performance measures that we believe are less susceptible to manipulation (for example, non-GAAP operating income) than other performance measures that we could select (for example, Non-GAAP earnings per share).

We model amounts payable under proposed variable cash compensation plan structures against various scenarios and assess those payouts as a percentage of non-GAAP earnings per share, non-GAAP corporate operating income and other variables.

All of our executive and corporate variable cash compensation plans are capped at 200% of target awards so as to prevent award payments in excess of specific returns to the business and our stockholders, even if we dramatically exceed our performance or financial targets.

Assuming achievement of a threshold level of performance, payouts under our performance-based plans if target performance metrics are not achieved result in some compensation at levels below full target achievement, rather than an all-or-nothing approach, which could engender excessive risk taking.
We have implemented a market performance based restricted stock unit program, which awards our executives with restricted stock units based on the total return to our stockholders over a three-year period compared to the return on the Nasdaq Composite Total Return Index, thereby providing executives with strong incentives to increase stockholder value over the long-term. This program is capped at 200% of target awards to prevent excessive compensation even if we dramatically outperform the Index, and the awards fully vest only at the end of the three-year performance period.

The Compensation Committee, or in the case of our President and Chief Executive Officer, the independent members of our Board, determine achievement levels under our variable cash compensation plan and performance-vesting restricted stock unit awards after reviewing the company s performance.

Our executive stock ownership policy requires executives to hold significant levels of stock, which aligns an appropriate portion of their personal wealth to our long-term performance.

OUR BOARD OF DIRECTORS AND ITS COMMITTEES

Board of Directors

Our Board met 11 times during the year ended December 31, 2012. Each of the directors attended at least 75% of the aggregate of the total number of meetings of our Board and the total number of meetings of all committees of our Board on which he or she served during fiscal 2012. Our Board has standing Audit, Compensation, Finance, Nominating and Corporate Governance and Strategy committees. Each committee has a written charter that has been approved by the Board. Each committee reviews the appropriateness of its charter at least annually.

Audit Committee

The Audit Committee currently consists of Messrs. Demo (Chair), Dow, Hirji and Sullivan, each of whom served on the Audit Committee throughout 2012. Our Board has determined that each member of the Audit Committee meets the independence requirements promulgated by Nasdaq and the SEC, including Rule 10A-3(b)(1) under the Exchange Act. In addition, our Board has determined that each member of the Audit Committee is financially literate and that Mr. Demo qualifies as an audit committee financial expert under the rules of the SEC. Stockholders should understand that this designation is a disclosure requirement of the SEC related to Mr. Demo s experience and understanding with respect to certain accounting and auditing matters. The designation does not impose upon Mr. Demo any duties, obligations or liability that are greater than are generally imposed on him as a member of the Audit Committee and the Board, and his designation as an audit committee financial expert pursuant to this SEC requirement does not affect the duties, obligations or liability of any other member of the Audit Committee or the Board.

The Audit Committee met 8 times during the year ended December 31, 2012. The Audit Committee operates under a written charter adopted by our Board, a current copy of which is available in the Corporate Governance section of our website at

http://www.citrix.com/site/aboutCitrix/governance/.

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

- reviews the financial reports and related disclosure provided by us to the SEC, our stockholders or the general public;
- reviews our internal financial and accounting controls;
- oversees the appointment, compensation, retention and work performed by any independent registered public accounting firms we engage;
- oversees procedures designed to improve the quality and reliability of the disclosure of our financial condition and results of operations;
- oversees our internal audit function;
- serves as the Qualified Legal Compliance Committee of Citrix in accordance with Section 307 of the Sarbanes-Oxley Act of 2002, and the related rules and regulations promulgated by the SEC;
- recommends, establishes and monitors procedures designed to facilitate (1) the receipt, retention and treatment of complaints relating to accounting, internal accounting controls or auditing matters, and (2) the receipt of confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters;

engages advisors as necessary; and

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

Finance Committee

The Finance Committee currently consists of Messrs. Demo (Chair), Dow, Hirji and Sullivan, each of whom served on both the Finance Committee and the Audit Committee throughout 2012.

Our Board has determined that each member of the Finance Committee meets the independence requirements promulgated by Nasdaq. Because the members of the Finance Committee serve on the Audit Committee, the Finance Committee met jointly with the Audit Committee 3 times during the year ended December 31, 2012. The Finance Committee operates under a written charter adopted by our Board, a current copy of which is available at the Corporate Governance section of our website at

http://www.citrix.com/site/aboutCitrix/governance/.

As described more fully in its charter, the Finance Committee advises the Board and, in certain instances, acts on behalf of our Board, on matters relating to our investment policies, financing activities and world-wide insurance programs.

Compensation Committee

The Compensation Committee currently consists of Messrs. Bogan and Morin (Chair), and Ms. Caldwell, each of whom served on the Compensation Committee throughout 2012.

Our Board has determined that each of the members of the Compensation Committee is independent as defined by the Nasdaq rules. In addition, each member of the Compensation Committee is an outside director as defined in Section 162(m) of the Internal Revenue Code, and is a non-employee director as defined under Section 16 of the Exchange Act. The Compensation Committee met 5 times during the year ended December 31, 2012. The Compensation Committee operates under a written charter adopted by our Board, a current copy of which is available in the Corporate Governance section of our website at

http://www.citrix.com/site/aboutCitrix/governance/.

As described more fully in its charter, the Compensation Committee is responsible for determining and making recommendations with respect to all forms of compensation to be granted to our executive officers and producing an annual report on executive compensation for inclusion in the proxy statement for our annual meeting of stockholders in accordance with applicable rules and regulations.

In fulfilling its role, the Compensation Committee also:

- reviews and makes recommendations to our management on company-wide compensation programs and practices;
- approves the salary, variable cash, equity-based and other compensation arrangements of our senior executive officers reporting directly to our President and Chief Executive Officer;
- recommends, subject to approval by the entire Board, the salary, variable cash, equity-based and other compensation arrangements of our President and Chief Executive Officer;
- appoints, retains, compensates, terminates and oversees the work of any independent experts, consultants and other advisers, reviews and approves the fees and retention terms for such experts, consultants and other advisers and considers at least annually the independence of such consultants;
- establishes policies and procedures for the grant of equity-based awards and periodically reviews our equity award grant policy;
- recommends, subject to approval by the entire Board, any equity-based plans and any material amendments to those plans;
- evaluates whether our compensation plans encourage participants to take excessive risks that are reasonably likely to have a material adverse effect on Citrix;

- evaluates our compensation philosophy and reviews actual compensation for consistency with our compensation philosophy;

- reviews and recommends for inclusion in our annual proxy statement the Compensation Discussion and Analysis section; and

- reviews and evaluates, on a periodic basis, our stock ownership guidelines for directors and executive officers and recommends any modifications to such guidelines to the Board for its approval.

The Compensation Committee has the authority to engage its own outside advisors, including experts in particular areas of compensation, as it determines appropriate, apart from counsel or advisors hired by management. In 2012, the Compensation Committee retained Radford Consulting, an independent compensation consultant, which we refer to as Radford, to assist the committee in evaluating the compensation of our executive officers and directors.

Our Corporate Governance Guidelines and the charter of the Compensation Committee provide that any independent compensation consultant, such as Radford, engaged by the Compensation Committee works for the Compensation Committee, not our management, with respect to executive and director compensation matters. Please read the *Compensation Discussion and Analysis* included in this Proxy Statement for additional information on the role of, and amounts paid to, Radford in the compensation review process.

Nominating and Corporate Governance Committee

In February 2012, the Board reconstituted the Nominating and Corporate Governance Committee to consist of three directors, Messrs. Bogan (Chair), Dow and Sullivan. Prior to the reconstitution, the Nominating and Corporate Governance Committee consisted of all of our independent directors, Messrs. Bogan (Chair), Demo, Dow, Hirji, Morin, Sullivan and Ms. Caldwell.

Our Board has determined that each member of the Nominating and Corporate Governance Committee meets the independence requirements promulgated by Nasdaq. The Nominating and Corporate Governance Committee met 3 times during the year ended December 31, 2012. The Nominating and Corporate Governance Committee operates under a written charter adopted by our Board, a current copy of which is available at the Corporate Governance section of our website at

http://www.citrix.com/site/aboutCitrix/governance/.

As described more fully in its charter, the Nominating and Corporate Governance Committee:

- reviews and makes recommendations to our Board regarding the Board s composition and structure;
- establishes criteria for membership on the Board and evaluates corporate policies relating to the recruitment of members of the Board;
- recommends to our Board the nominees for election or re-election as directors at our annual meeting of stockholders;
- reviews policies and procedures with respect to transactions between Citrix and our officers, directors, affiliates of officers and directors, or other related parties; and
- establishes, implements and monitors policies and processes regarding principles of corporate governance in order to assist the Board in complying with its fiduciary duties to us and our stockholders. As described above in the section entitled *Procedures for Recommendation of Director Nominees by Stockholders*, the Nominating and Corporate Governance Committee will consider nominees recommended by stockholders.

Strategy Committee

The Strategy Committee currently consists of Messrs. Bogan, Demo and Dow (Chair), each of whom served on the Strategy Committee throughout 2012.

Our Board has determined that each member of the Strategy Committee meets the independence requirements promulgated by Nasdaq. The Strategy Committee met 5 times during the year ended December 31, 2012. The Strategy Committee operates under a written charter adopted by our Board, a current copy of which is available at the Corporate Governance section of our website at

http://www.citrix.com/site/aboutCitrix/governance/.

As described more fully in its charter, the Strategy Committee is responsible for overseeing matters relating to potential mergers, acquisitions, divestitures and other key strategic transactions outside the ordinary course of our business.

In fulfilling its role, the Strategy Committee also:

reviews, and provides guidance to management and our Board with respect to, our strategy for corporate strategic transactions;

assists management and our Board with the review of proposals made by management for corporate strategic transactions, when and as appropriate;

periodically reviews with management prospective candidates for corporate strategic transactions, when and as appropriate;

reviews periodic reports from management on completed corporate strategic transactions;

reviews, considers and makes recommendations to our Board regarding corporate strategic transactions having a transaction price as estimated by management to be greater than that delegated to management under any delegation of authority from our Board;

provides periodic reports to our Board of any corporate strategic transactions being considered, or authorized and approved, by management;

notifies the Nominating and Corporate Governance Committee of any conflict of interest or related party transaction that comes to the attention of the Committee in the exercise of its duties under the charter; and

is authorized to appoint, retain, terminate and oversee the work of any advisors and approve such advisors fees and retention terms.

Report of the Audit Committee

The Audit Committee oversees the accounting and financial reporting processes of Citrix and the audits of the consolidated financial statements of Citrix on behalf of the Board of Directors. In fulfilling its oversight responsibilities, the Audit Committee reviewed with management the audited consolidated financial statements in Citrix s Annual Report on Form 10-K for the year ended December 31, 2012, and discussed with management the quality, not just the acceptability, of the accounting principles, the reasonableness of significant estimates and judgments, critical accounting policies and accounting estimates resulting from the application of these policies, and the substance and clarity of disclosures in the financial statements, and reviewed Citrix s disclosure controls and procedures and internal control over financial reporting.

The Board of Directors has determined that each member of the Audit Committee meets the independence requirements promulgated by Nasdaq and the SEC, including Rule 10A-3(b)(1) under the

Exchange Act. Mr. Demo qualifies as an audit committee financial expert under the rules of the SEC.

The Audit Committee has reviewed Citrix s audited consolidated financial statements at December 31, 2012 and 2011 and for each of the years in the three-year period ended December 31, 2012 and has discussed them with both management and Ernst & Young. The Audit Committee also discussed with Ernst & Young the overall scope and plan for their annual audit for 2012. The Audit Committee met separately with Ernst & Young in its capacity as Citrix s independent registered public accountants, with and without management present, to discuss the results of Ernst & Young s procedures, its evaluations of Citrix s internal control over financial reporting, and the overall quality of its financial reporting, as applicable.

The Audit Committee reviewed and discussed with Ernst & Young the matters required to be discussed by Statement on Auditing Standards No. 61, as amended by AICPA, Professional Standards, Vol. 1. AU section 380 as adopted by the Public Company Accounting Oversight Board, or PCAOB, in Rule 3200T, as may be modified or supplemented. In addition, the Audit Committee has reviewed the services provided by Ernst & Young and discussed with Ernst & Young its independence from management and Citrix, including the matters in the written disclosures and letter from independent accountants required by PCAOB Rule 3526 and considered the compatibility of non-audit services with the registered public accountants independence.

Based on the Audit Committee s review of the financial statements and these reviews and discussions referred to above, it concluded that it would be reasonable to recommend, and on that basis did recommend, to the Board of Directors that the audited consolidated financial statements be included in Citrix s Annual Report on Form 10-K for the year ended December 31, 2012.

No portion of this Audit Committee Report shall be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, through any general statement incorporating by reference in its entirety the Proxy Statement in which this report appears, except to the extent that Citrix specifically incorporates this report or a portion of it by reference. In addition, this report shall not be deemed filed under either the Securities Act of 1933, as amended or the Securities Exchange Act of 1934, as amended.

Respectfully submitted by the Audit Committee,

Murray J. Demo (Chair)

Stephen M. Dow

Asiff S. Hirji

Godfrey R. Sullivan

EXECUTIVE AND DIRECTOR COMPENSATION

Compensation Discussion and Analysis

Purpose of Compensation Discussion and Analysis

This Compensation Discussion and Analysis provides comprehensive information about the 2012 compensation for the following executive officers (who we refer to as our Named Executive Officers):

- Mark B. Templeton, President and Chief Executive Officer
- David J. Henshall, Executive Vice President, Operations, Chief Financial Officer and Treasurer
- Alvaro J. Monserrat, Senior Vice President, Sales and Services
- David R. Friedman, General Counsel and Senior Vice President, Human Resources
- J. Gordon Payne, Senior Vice President, Solutions

Objectives of Our Executive Compensation Programs

The compensation that we offer our executives is designed to reflect our principles of integrity, fairness and transparency concepts that have continually underscored the design and delivery of the compensation opportunity at Citrix. We believe our compensation programs should emphasize sustainable corporate growth through a pay-for-performance orientation and a commitment to both operational and organizational execution. We also believe that lavish perquisites, excessive severance and bonuses unrelated to performance are inconsistent with our executive compensation principles. Furthermore, while the establishment of variable compensation targets for our executives necessarily involves judgment, the actual payouts against those targets are based on pre-determined, objective financial criteria reflective of our annual operating plan or total stockholder return and indicative of positive business growth.

Over the last decade, the objectives of our executive compensation programs have been to:

- provide competitive compensation that attracts, retains and engages high-performing talent; and
- align the long-term interests of executives with those of our stockholders by linking a significant portion of total cash and equity compensation to company performance.

These objectives still hold true today and are reflected in the compensation decisions we made in 2012. We believe that our executive compensation program played a meaningful role in helping us achieve our operating results in 2012.

Year in Review

Our financial performance for fiscal year 2012 resulted in our annual revenues increasing approximately 17% to $2.59 billion, as compared to $2.21 billion in the previous year. Net income for 2012 was $353 million, or $1.86 per diluted share, compared to $356 million, or $1.87 per diluted share, in 2011.

Among the strategic objectives that we accomplished in 2012 were the following:

we strengthened our position in real-time collaboration, while increasing our value proposition with investments in workflow and social collaboration;

we built a defensible market position around being a business-focused, secure, IT-controlled alternative to consumer and pure-play data sharing offerings;

we expanded into the adjacent and high-growth enterprise mobility market, with a solution for managing mobile apps, data and devices;

we increased adoption of the virtual approach to delivering Windows apps and desktops;

we expanded into the adjacent mobile network optimization market;

we established a strategic position in open source public and private clouds; and

we developed new strategic routes to market and expanded our overall market opportunity.

Further, our balance sheet remains strong, with a cash and marketable securities balance at the end of 2012 of approximately $1.5 billion, which provided us with the flexibility to repurchase approximately

3.8 million, or about 2.1%, of our outstanding shares. All of this contributed to a total stockholder return of approximately 73% over the five-year period ended on December 31, 2012.

As in prior years, we followed our established annual process of compensation analysis and planning and full Board engagement in the evaluation and review of the compensation of our Chief Executive Officer. This included modeling and assessment of the structural design elements of our executive compensation program to ensure that we administer plans that engage and motivate our executives while providing suitable controls and protection for the business and our stockholders. In 2012, we focused the weighting of financial targets in our variable cash compensation program so as to continue to emphasize revenue achievement and retained payout slopes in our variable cash compensation program that appropriately reward overachievement and penalize underachievement. Consistent with our philosophy, we made no discretionary adjustments to our performance targets for our Chief Executive Officer or any other executive officer during the year.

Because of our historical success and the unique skills of our executives in the new and meaningful mobile workstyles and cloud computing markets, our executives are highly attractive candidates for roles at larger companies or more senior roles at smaller

companies. In response, we modestly increased on a merit basis the total target cash compensation (the aggregate of base salary and variable cash compensation) of our Named Executive Officers by approximately 5.4% on average for 2012. For these same reasons and as a result of our ongoing evaluations, we also made significant changes to our equity-based long-term incentive program in 2012. We accomplished this by:

- eliminating the use of stock options so that our annual equity grant program consists entirely of restricted stock units;

- shifting our portfolio of equity awards to include 50% market performance-based awards tied to achievement of total stockholder return metrics against a selected comparator index; and

- changing the vesting requirements for our new market performance-based awards to full, cliff vesting at the end of a 3-year performance period, subject to meeting performance metrics, thus eliminating interim payouts.

With these changes, a significant portion of our Named Executive Officer s total compensation now is provided through performance-based elements that are closely tied to long-term company performance. In 2012, approximately 54.3% of our Chief

Executive Officer s and 52.7% of all other Named Executive Officer s total target compensation (inclusive of equity awards valued at the closing price of Citrix stock on December 31, 2012) was performance-based compensation as indicated below.

(1) Reflects total target compensation and not actual amount realized by our Named Executive Officers.

As in the past, we performed an annual review of our peer group in 2012. With assistance from Radford, we revised our peer group for 2012 to address the dynamics in the markets for talent in which we compete. We did this by establishing a peer group that includes companies:

- that represent an appropriate range from a size and scope perspective;
- that operate in virtualization, cloud, Software-as-a-Service and networking markets;
- with whom we compete for talent; and
- that have transformed their markets and could serve as role models as we continue to strive towards our long-term strategic objectives.

Based on our review and assessment, we believe our revised peer group represents a comparator group of companies that enables us to keep pace with competitor practices in our markets. Moreover, our current peer group, with its inclusion of a full array of companies with whom we compete for talent, maintains Citrix positioned at approximately the

group median across key financial metrics we view as important in selecting a peer group.

Elements of Compensation

The elements of compensation that we use to accomplish our objectives include:

- base salary;
- variable cash compensation;
- equity-based long-term incentives; and

benefits.

We considered each of these items in determining the individual compensation package for our executive officers.

Compensation Evaluation Processes and Criteria

Evaluation Process

The compensation packages for our executive officers are reviewed by our Compensation Committee and include an analysis of all elements of compensation separately and in the aggregate. In 2012, Radford was retained as the Compensation Committee s independent adviser to provide advisory

23

services to aid the Compensation Committee in its oversight of executive compensation. In addition, our legal, finance and human resources departments support the Compensation Committee in its work and act in accordance with the direction given to them to administer our compensation programs.

Throughout 2012, the Compensation Committee held meetings with management, our human resources department and representatives of Radford to:

- review our compensation objectives;
- review the actual compensation of our executive officers for consistency with our objectives;
- analyze trends in executive compensation;
- assess our variable cash compensation structure, as well as the plan components and mechanics, to ensure an appropriate correlation between pay and performance with resulting compensation opportunities that balance returns to the business and our stockholders. Among other things, this included modeling amounts payable under proposed plan structures against various scenarios and assessing those payouts as a percentage of non-GAAP earnings per share and non-GAAP corporate operating income and other variables;
- assess our equity-based awards programs against our objectives of executive engagement, retention and alignment with stockholder interests;
- benchmark our executive cash compensation and equity-based awards programs, and assess our pay versus performance against our peer group; and
- review recommendations for 2012 compensation for appropriateness relative to our compensation objectives.

Beginning in August 2011, and at several meetings throughout the first quarter of 2012, the Compensation Committee reviewed proposed compensation programs and packages for our executive officers for 2012, which were prepared by management and evaluated by our finance department for alignment with our operating plan. In March 2012, the Compensation Committee approved the proposed 2012 variable cash compensation plan,

which we refer to as the Variable Cash Compensation Plan, and also approved individual compensation packages for our executive officers, and recommended to the Board of Directors a compensation package for our President and Chief Executive Officer. Thereafter, the recommendations of the Compensation Committee were reviewed with our Board of Directors.

In evaluating our 2012 executive compensation program, the Compensation Committee considered the stockholder advisory (say-on-pay) vote on our executive compensation for 2011, which was approved by nearly 98% of the votes cast. We believe that the stockholders, through this advisory vote, showed support for our compensation philosophies and practices; and, thus, we did not make any material changes to our executive compensation program as a result of the say-on-pay vote. We will hold a say-on-pay vote on an annual basis until the next vote on the frequency of such stockholder advisory votes, which will occur no later than our 2017 Annual Meeting of Stockholders.

Evaluation Criteria

In determining the amount and mix of the target compensation elements, the Compensation Committee relies upon its judgment about the scope and strategic impact of each individual executive officer s role. In setting final compensation targets for our executive officers in 2012, the Compensation Committee considered many factors, including:

the performance and experience of each individual;

the scope and strategic impact of the executive officer s responsibilities;

our past business and segment performance and future expectations;

our long-term goals and strategies;

difficulty in, and the cost of, replacing high performing leaders with in-demand skills;

past compensation levels of each individual and of our executives as a group;

relative levels of compensation among the officers;

the amount of each compensation component in the context of the executive officer s total compensation and other benefits;

for each executive officer, other than our President and Chief Executive Officer, the evaluations and recommendations of our President and Chief Executive Officer and each executive officer s self-evaluation;

for our President and Chief Executive Officer, his self-evaluation and the evaluations of each of his direct reports and from each member of our Board of Directors; and

the competitiveness of the compensation packages relative to the selected benchmarks as highlighted by the independent compensation consultant s analysis.

Role of the Independent Compensation Consultant

During 2012, Radford reported directly to the Compensation Committee for purposes of advising it on executive compensation matters. The Compensation Committee provided Radford with preliminary instructions regarding the goals of our compensation program and the parameters of the competitive review of executive total direct compensation packages to be conducted by Radford. In addition to reviewing and assisting with the analysis of various peer group alternatives for 2012, Radford was instructed to benchmark all components of compensation for all executive officer positions, including base salary, total target compensation (base salary plus variable cash compensation) and equity-based long-term incentive awards. The Compensation Committee also instructed Radford to review the public disclosure by our peer companies concerning their executive compensation practices and to review our internal compensation model and guidelines and compare them to our peer companies and actual compensation practices. Finally, Radford was instructed to test whether the compensation package for our chief executive officer was competitive with the market and reasonable given our performance relative to our peers by comparing total direct compensation (base salary, variable cash compensation and value of equity at target) to absolute total stockholder return and total stockholder return relative to our peer group companies, each on a one-, three-and five-year basis.

Throughout the fourth quarter of 2011 and the first quarter of 2012, Radford attended meetings of the

Compensation Committee, both with and without members of management present, and interacted with members of our human resources department with respect to its assessment of the compensation packages of our executive officers. Once Radford, working in conjunction with our human resources department, completed its preliminary analysis of our executive compensation, they presented their analysis to the Compensation Committee and discussed the analysis at the Compensation Committee s February and March 2012 meetings.

Independence of Compensation Consultant

During 2012, our accounting department engaged Aon Consulting, an affiliate of Aon, Radford s parent company, as a resource to assist us in determining the fair value of our market performance-based awards. Additionally, our treasury department retained Aon to serve as our broker of record for our world-wide insurance lines. Finally, our human resources department purchased commercially available compensation survey reports and a data application from Radford. The services purchased from Aon in 2012 were overseen by the Audit Committee of our Board of Directors and were not approved by the Compensation Committee. In total, fees paid to Aon during 2012 for services not related to Radford s work with our Compensation Committee were approximately $361,575. Fees paid to Radford during 2012 for services related to recommending the amount and form of executive and director compensation were approximately $74,343.

In assessing Radford s independence, the Compensation Committee considered the fees paid to Radford and Aon and our policy on independence of the Compensation Committee s consultant and other advisers, which is contained in our Corporate Governance Guidelines and the Compensation Committee s charter. As specified in our Corporate Governance Guidelines and Compensation Committee Charter, the Compensation Committee also considered six independence factors as required by Nasdaq and the SEC, which are specified in the table below.

INDEPENDENCE FACTOR	INFORMATION CONSIDERED
Other services provided to Citrix by Radford	None other than services described in the preceding paragraph.
Citrix fees received by Radford, as a percentage of Radford s total revenue	Modest and represents less than 0.25% of Radford s total revenue.
Radford s policies and procedures that are designed to prevent conflicts of interest	Radford maintains a number of internal mechanisms and policies to ensure its ability to provide objective, third-party advice to its clients and avoid potential conflicts of interest.
Business or personal relationships between the Compensation Committee s individual compensation adviser and members of the Compensation Committee	The Compensation Committee s individual compensation adviser has no direct business or personal relationships with any member of the Compensation Committee. Radford has provided consulting services to two companies that are affiliated with members of the Compensation Committee.
Citrix stock owned by the Compensation Committee s individual compensation adviser	The Compensation Committee s individual compensation adviser does not directly own any Citrix stock.
Business or personal relationships between the Compensation Committee s individual compensation adviser, or Radford, with a Citrix executive officer	The Compensation Committee s individual compensation adviser has no direct business or personal relationship with any Citrix executive officer.

After analyzing each of these factors and our policy on independence relative to Radford s engagement, the Compensation Committee concluded that Radford is independent.

Our Use of Benchmarks and Peer Group Analysis

We annually conduct a competitive analysis of the compensation paid to our executive officers and review the compensation practices of our peer group and of the software industry overall. As in prior years, the analysis for 2012 measured our compensation opportunities for executives and actual compensation paid against information from the following sources:

- independent, commercially available surveys on executive compensation within the software industry, tailored to reflect our relative market capitalization and revenue, including:
  - ¡ the Radford Global Technology Survey; and
  - ¡ the Radford Global Sales Survey; and
- an internally-prepared benchmark analysis using commercially available survey data and information from publicly filed reports from a group of 15 peer technology companies, or the peer group, specifically identified by the Compensation Committee.

We annually evaluate the composition of our peer group and adjust the composition of our peer group for factors such as recent acquisitions of peer companies, new markets that we have entered or changes in the technology market landscape. In 2012, the Compensation Committee asked Radford to review and assess various peer group alternatives for its consideration.

As mentioned above, and based on Radford s assessment and our Compensation Committee s review, we refined our peer group to address the dynamics in the markets in which we compete for talent. We believe that the revised peer group is better aligned with our strategic vision and better positions us to attract, retain and engage high performing leaders. The table below lists the companies in the 2012 revised peer group.

(1) Provided by Equilar Inc., a compensation research firm, through its 2012 Equilar Executive Compensation Survey service on March 5, 2013.
(2) Based on the closing stock price on December 31, 2012 and shares of common stock outstanding publicly-reported on or around December 31, 2012.
(3) Fiscal year end data presented in the table above is for fiscal years ending in 2012.
(4) Based on 2012 data. At the time of the peer group selection in the fourth quarter of 2011, Citrix s percentile rank was highest for total shareholder return (3 year), 47% for market cap, 43% for revenues and 45% for net income.

Our revised peer group positions Citrix at approximately the median of those financial metrics we view as important in selecting a peer group.

We use the peer group benchmarks as one of several factors that inform our judgment of appropriate compensation parameters for base salary, variable cash compensation and equity-based, long-term incentives. Our executive compensation decisions are

made on a case-by-case basis, and specific benchmark results do not, in and of themselves, determine individual target compensation opportunities. For 2012, the total target cash compensation for our Named Executive Officers fell at approximately the median level of similar compensation provided to executives in similar positions at companies in our peer group.

Components of Compensation

Base Salary

As noted above, salary levels for our executive officers are based on many factors, including individual performance and experience, as well as an analysis of compensation data reported for similar positions and roles at companies in our peer group.

In 2012, based on the objectives of our executive compensation programs, our evaluation criteria, Citrix s overall performance and other factors described above, the base salaries of our executive officers were increased, effective April 1, 2012, as follows:

	2011 Base Salary ($)	**2012 Base Salary ($)**	**Increase (%)**
President and Chief Executive Officer	870,000	890,000	2.3
Executive Vice President, Operations, Chief Financial Officer and Treasurer	500,000	550,000	10.0
Senior Vice President, Sales and Services	430,000	455,000	5.8
General Counsel and Senior Vice President, Human Resources	430,000	450,000	4.7
Senior Vice President, Solutions	385,000	400,000	3.9

Variable Cash Compensation

For 2012, our compensation evaluation processes resulted in target awards for our Named Executive Officers under our Variable Cash Compensation Plan that ranged from 70% to 115% of base salary, depending on the role of the executive and the other factors discussed above.

Our Compensation Committee oversees our Variable Cash Compensation Plan, with administrative tasks delegated to management. Consistent with the way we calculate and publicly report our financial results, the financial targets and attainment levels for variable cash compensation are adjusted to exclude certain GAAP measurements, including amortization of intangible assets primarily related to business combinations, non-cash charges associated with the expensing of equity-based compensation, the tax effects related to these items and any other items adjusted from our GAAP results in our reported earnings. In addition, the Compensation Committee and our Board of Directors retain the discretion to decrease or increase payouts to account for extraordinary circumstances and to balance the interests of the plan participants with the interests of our stockholders. In 2012, we did not adjust the resulting payouts under the Variable Cash Compensation Plan or our 2012 market performance-based restricted stock unit awards discussed below.

Participants in our Variable Cash Compensation Plan received variable cash compensation awards for 2012 based upon the achievement of objective financial goals, including targets based on reported revenue

and non-GAAP corporate operating margin. We believe that, for an annual incentive program to be effective, it should be simple. Thus, we use a limited number of financial targets that focus our executives on the key metrics underlying our strategic plan and align performance pay with strictly financial results.

To ensure the integrity of our operating plan, and to safeguard stockholder value, the payout levels under our Variable Cash Compensation Plan are designed to motivate performance that meets or exceeds our financial plan objectives while mitigating undue exposure for under-performance of these objectives. We rigorously test our plan design to ensure that the structure and possible outcomes do not create incentives for our executives to take unnecessary and excessive risks that would impact our long-term value.

Specifically, we model potential award payouts generated by various performance attainment levels against corporate goals for revenue, non-GAAP earnings per share and non-GAAP corporate operating margin. We also model the likely impact on stockholder value based on achieving all possible revenue, non-GAAP earnings per share and corporate operating margin targets. We summarize this analysis in a diagram (please see the graphic below) which shows plan payouts for any combination of revenue (the x axis in the graphic below) and non-GAAP corporate operating margin (the y axis in the graphic below) achievement. The dark gray area in the graphic below represents achievement which results in no payout under the Variable Cash Compensation Plan while the area of lightest gray represents the

maximum payout under the plan of 200%. The medium gray rectangle in the middle of the graphic represents the area of actual plan payouts over the last five years. This modeling helps to inform threshold, target and maximum payout levels for the plan and ensures that awards, when viewed relative

to non-GAAP earnings per share and corporate operating margin goals, are consistent with our overall operating plan for the year and provide the right balance of compensation to our executives for actual results versus returns to the business and our stockholders.

For 2012, each executive s Variable Cash Compensation Plan award was based 100% on the achievement of financial targets established by the Compensation Committee, consistent with our annual operating plan. Our Variable Cash Compensation Plan weighted these financial components as follows:

60% for achieving a reported revenue target of $2.574 billion; and

40% for achieving a non-GAAP corporate operating margin target of 26.3%.

This represents a 16.6% increase in the revenue target when compared to the revenue target of $2.208 billion for the 2011 Variable Cash Compensation Plan. This also represents a modest decrease in the operating margin target, which reflects the planned investments in our business necessary to achieve growth, scale and greater market share. Our Variable Cash Compensation Plan provided for a premium in the event of overachievement of targets, capped at 200% of the target payout amount, and a reduction in the event of underachievement of targets, depending on actual results. The following maximum performance amounts would have resulted in a payout of 200% of the target amount:

achievement of reported revenue of $2.895 billion; and

achievement of a non-GAAP corporate operating margin of 29.6%.

Our Variable Cash Compensation Plan also contained minimum performance requirements that needed to be met before any award could be earned, including:

achievement of reported revenue of no less than $2.316 billion; and

achievement of a non-GAAP corporate operating margin of no less than 23.7%.

In addition, no payouts could occur under our Variable Cash Compensation Plan if we achieved less than $2.54 of non-GAAP earnings per share in 2012.

When actual performance falls between the threshold and the target performance level or between the target and maximum performance level, payouts are calculated using a graduated slope to provide for the fair distribution of operating profit for overachievement and appropriate compensation reductions for underachievement, as applicable. This payout structure recognizes that, in a business of this scale, overachievement merits a greater reward while underachievement should be penalized.

Target Cash Compensation Mix

The Compensation Committee s decision to increase base salaries for 2012, and to adjust the targets under our Variable Cash Compensation Plan resulted in the

following target mix of cash compensation for our Named Executive Officers, expressed both as a percentage of total targeted cash compensation and in dollars:

	Target Cash Compensation Mix ($ and % of Total Target Cash Compensation)					
	Base Salary		Target Variable Cash Compensation		Total Target Cash Compensation	
	($)	(%)	($)	(%)	($)	(%)
President and Chief Executive Officer	890,000	46.5	1,023,500	53.5	1,913,500	100
Executive Vice President, Operations, Chief Financial Officer and Treasurer	550,000	51.3	522,500	48.7	1,072,500	100
Senior Vice President, Sales and Services	455,000	50.0	455,000	50.0	910,000	100
General Counsel and Senior Vice President, Human Resources	450,000	58.8	315,000	41.2	765,000	100
Senior Vice President, Solutions	400,000	57.1	300,000	42.9	700,000	100

Determination of Awards

Early in the first quarter of 2013, our Executive Vice President, Operations, Chief Financial Officer and Treasurer reviewed and approved the calculations of financial target attainment levels, which were based on, and consistent with, our publicly reported financial results for 2012, and the 2012 award amounts payable to executive officers that were

generated by members of our human resources department in accordance with the terms of our Variable Cash Compensation Plan. At a meeting held in February 2013, our Compensation Committee approved (or, in the case of our Chief Executive Officer, recommended to the Board of Directors for approval) the payouts under our 2012 Variable Cash Compensation Plan, including approval of the following award calculations:

	Goal(1)	Actual	Attainment	Payout	Weighting	Weighted Payout
		(amounts are approximate due to rounding)				
Revenue	$ 2.574 billion	$ 2.586 billion	100.5%	103.9%	60%	62.4%
Non-GAAP Operating Margin %	26.3%	25.3%	96.3%	74.4%	40%	29.7%
Total Weighted Payout %						92.1%

(1) In addition, no payouts could occur under our Variable Cash Compensation Plan if we achieved less than $2.54 of non-GAAP earnings per share in 2012. Our non-GAAP earnings per share in 2012 was $2.87.

The table below summarizes the payments approved by our Compensation Committee (or, in the case of our Chief Executive Officer, approved by our Board of Directors) under our Variable Cash Compensation Plan compared to each

executive s target award for 2012. Each executive officer listed below received 92.1% of his target award for 2012. We paid each of these executive officers his variable cash compensation award in the first quarter of 2013.

	Target Variable Cash Compensation Award ($)	Actual Variable Cash Compensation Award Paid ($)	Difference between Actual and Target Awards ($)
President and Chief Executive Officer	1,023,500	942,644	(80,856)
Executive Vice President, Operations, Chief Financial Officer and Treasurer	522,500	481,223	(41,277)
Senior Vice President, Sales and Services	455,000	419,055	(35,945)
General Counsel and Senior Vice President, Human Resources	315,000	290,115	(24,885)
Senior Vice President, Solutions	300,000	276,300	(23,700)

Equity-Based Long-Term Incentives

The purpose of our equity-based long-term incentives is to attract, retain and engage high performing leaders, further align employee and stockholder interests, and continue to closely link executive compensation with company performance, including against the market. Our equity-based long-term incentive program is an essential component of the total compensation package offered to our executives, reflecting the importance that we place on motivating and rewarding superior results with long-term and performance-based incentives.

Approach to Equity-Based Awards

We have historically granted executive officers a portfolio of equity-based awards consisting of a mix of both stock options and restricted stock units (both performance-based and service-based) pursuant to our 2005 Equity Incentive Plan, as amended and/or restated from time to time, or the 2005 Plan. In 2012, we asked Radford to benchmark best practices in designing an equity-based long-term incentive program.

We evaluated the type, structure, terms and timing of equity awards to our executive officers with a view toward designing an equity-based long-term

incentive program, consistent with industry trends, that would further focus our executive officers and align them with the long-term growth of our business and with our stockholders. As a result, we modified our equity-based long-term incentive program to eliminate stock options, so that our annual equity grant program now consists entirely of restricted stock units. Further, consistent with a growing percentage of our peer group, we shifted our portfolio of equity awards granted to executive officers to a mix of just two equity elements, half of which are tied to long-term total stockholder return. Specifically, our equity-based long-term incentive program now consists of 50% market performance-based restricted stock units tied to achievement of total stockholder return metrics against a selected comparator index and 50% service-based restricted stock units. With this shift, our executive s compensation portfolio, including equity awards, consists of a higher percentage of awards tied to objective financial measures than is the case in the compensation portfolios of most of our peer group companies. The shift in our equity-based long-term incentive program is shown below.

The exclusive use of restricted stock units furthers our goals of reducing dilution, burn rate and overhang by reducing the number of shares of our common stock subject to equity-based awards while continuing to provide incentive for our high

performers to remain with us and continue to perform at a high level. Also, the shift in the portfolio of awards to include market performance-based restricted stock units based on the achievement of total return to our stockholders over a three-year period compared to the return of the chosen comparator index places an even stronger emphasis on performance, which underscores our focus on growth. We believe this plan further aligns our executives interests with those of our stockholders since our executives must return value to our stockholders over the long-term before half of their awards are released.

Equity-Based Award Grant Levels

When establishing equity grant levels for our executive officers, the Compensation Committee considers the existing number and value of vested and unvested stock option and restricted stock unit ownership among the executive officers relative to each other and to our employees as a whole, previous grants of equity-based awards to our executive officers, our overhang of equity-based awards and targeted burn rates for equity-based awards and the vesting schedules of previously granted equity-based awards, as well as the various other factors described above. While our Compensation Committee is aware of the accounting costs of equity-based awards, that in itself is not a significant factor in determining individual equity-based awards. In addition, the Compensation Committee reviews the equity-based award grant levels of executive officers in our peer group. Individual awards are then determined generally using the same criteria used to set an executive s variable cash compensation.

Restricted Stock Unit Awards

Pursuant to the 2005 Plan, we may grant executive officers both market performance-based restricted stock units and service-based restricted stock units. Once vested, each restricted stock unit represents the right to receive one share of our common stock.

In prior years, we granted performance-based awards the attainment levels of which were based on the achievement of an annual non-GAAP operating margin target. While we believe that such performance-based awards linked the executives performance-based equity compensation with the overall financial performance of our company, we also believe that measuring performance over a longer performance period based on a total return to our stockholders more closely aligns our executives objectives with those of our stockholders in the long-term, while furthering our retention objectives.

Accordingly, we now include market performance-based awards in the portfolio of annual grants that have the following design elements:

- awards are tied to long-term performance against a comparator index;
- a payout curve that is based upon the percentage point difference of our return and the comparator index return;
- 3-year performance cycles with no interim payouts; and
- full vesting of achieved awards at the end of the 3-year performance period.

For determining the comparator index by which the market performance-based awards would be tied, we chose to compare ourselves against the index with the strongest statistical correlation to our stock performance since a higher correlation means better alignment of program payout with company performance. Further, a higher correlation minimizes the likelihood of payout at the extreme ends of the payout curve. Using Radford s PeerPicker technology, we analyzed over 6,000 publicly traded company stocks and indices to return the most highly-correlated to our stock over the past three years. The results of this analysis showed that the Nasdaq Composite Total Return Index, or the XCMP, had the highest correlation.

Therefore, for the market performance-based awards, attainment levels are based on our total return to stockholders over a three-year performance period compared to the return of the XCMP. In the case of the market performance-based awards granted in 2012, the performance period is the three-year period ending on December 31, 2014.

The payout curve for our market performance-based awards is based upon the percentage point difference of our return and the XCMP total stockholder return. The following chart depicts the payout curve used for the market performance-based restricted stock units.

Percentage Point Differential	Percentage of Target Award Vested
40% or higher	200%
0%	100%
-20%	50%
<-20%	0

We took extra precautions to limit payouts in the event our return is negative and limited awards in that case. Accordingly, in the event that our return is negative, but we achieve a percentage point differential at or above zero, only 75% of the target award will be payable. If our return is positive and meets or exceeds the XCMP, the number of non-vested stock units issued will be based on interpolation, with the maximum number of non-vested stock units issuable pursuant to the award capped at 200% of the target number of non-vested stock units set forth in the award agreement if our return exceeds the indexed return by 40% or more. If our return over the performance period is positive but underperforms the XCMP, a number of non-vested stock units will be issued, below the target award, based on interpolation. No non-vested stock units, however, will be issued if our return underperforms the XCMP by more than 20% over the performance period. The extent to which an executive will vest in the award, if at all, if he or she is not employed by us at the end of the performance period is dependent

upon the timing and character of the termination as provided in the award agreement. The award will be 100% vested at the end of the performance period.

Further, consistent with our past practice, in March 2012, we also entered into restricted stock unit agreements with our executive officers for service-based restricted stock unit awards that were not subject to performance criteria and that vest over three years, with one-third of the units vesting on the first, second and third anniversaries of the date of the award agreement. The equity-based awards indicated in the table below reflect an equity portfolio of 50% market performance-based restricted stock units and 50% service-based restricted stock units. The difference in actual number of awards granted between market-performance based awards and service-based awards is due to valuation differences between each type of restricted stock unit. The following table summarizes our 2012 equity-based awards to our Named Executive Officers:

	Market-Based Restricted Stock Unit Awards (#)(1)	**Service-Based Restricted Stock Unit Awards (#)**
President and Chief Executive Officer	57,000	47,500
Executive Vice President, Operations, Chief Financial Officer and Treasurer	26,400	21,600
Senior Vice President, Sales and Services	22,000	18,000
General Counsel and Senior Vice President, Human Resources	16,500	13,500
Senior Vice President, Solutions	16,500	13,500

(1) Reflects the target number of restricted stock units that our executive officers may earn under the terms of their 2012 market performance-based restricted stock unit agreements.

Equity Award Grant Policy

In 2007, the Compensation Committee adopted the Citrix Equity Award Grant Policy, or the Awards Policy. The Awards Policy enhances our controls with respect to grants of equity awards by establishing procedures for approving and pre-determining the dates on which awards will be made. Pursuant to the Awards Policy, unless a different date is set by our Board of Directors or the Compensation Committee, annual grants of Full Value Awards are made on the last business day in March on or prior to March 30th. The Awards Policy also establishes fixed grant dates for new hire and performance grants. An employee s eligibility to receive an award as of a particular, fixed grant date is subject to the time of the month in which the employee s employment begins or promotion is effective or, if

later, the date on which all documentation necessary for the approval of the grant is obtained. A copy of our Awards Policy is available on the Corporate Governance section of our website at

http://www.citrix.com/site/aboutCitrix/governance/ under Governance Documents.

Executive Stock Ownership Guidelines

To align the interests of our executive officers with the interests of our stockholders, our Board has established stock ownership guidelines for our executive officers. Under our current guidelines, our Chief Executive Officer is expected to own at least 100,000 shares of our common stock, our Chief Financial Officer is expected to own at least 25,000 shares and each other executive officer is expected to own at least 20,000 shares of our common stock.

Each of our executive officers is expected to hold such shares for so long as he or she is one of our executive officers. Executive officers are expected to meet these guidelines within four years of the date of his or her appointment as an executive officer. Failure to satisfy the stock holding guidelines when required to do so will result in suspension of an executive officer s ability to sell shares of our common stock until the requisite ownership levels are reached. Our executive officers may accumulate shares of our common stock through stock option exercises, settlement of restricted stock units or other awards and open market purchases made in compliance with applicable securities laws, our policies or any other equity plans we may adopt from time to time. Shares of our common stock beneficially owned (unless the executive officer disclaims beneficial ownership of the shares) and vested restricted stock (including vested but deferred restricted stock units) count towards the satisfaction of the ownership guidelines.

Additionally, under our policies, our employees, including our executive officers, and directors are not permitted to engage in the following transactions with respect to our stock: sell short; buy or sell puts, calls or other derivatives of our common stock; buy our common stock on margin; hold our stock in an account that is, or is linked to, a margin account; or pledge our common stock as collateral for a loan.

Policy Regarding 10b5-1 Trading Plans

Under our policies, our directors and executive officers may not trade in Citrix stock unless pursuant to a trading plan that meets the requirements of the Securities and Exchange Commission s Rule 10b5-1 and our additional policy requirements, unless an exception is approved by the Chair of our Nominating and Corporate Governance Committee. These additional policy requirements include:

- a prohibition on any trades earlier than 90 days after the trading plan is approved by Citrix;

- a prohibition on any adoption, cancellation, suspension, expansion or other modification to a trading plan during our quarterly earnings blackout periods; and

- a minimum one-year term unless the trading plan is exhausted earlier through sales of shares.

On a quarterly basis, we disclose Rule 10b5-1 trading plan adoptions, modifications and cancellations by our directors and executive officers in our annual report on Form 10-K or quarterly reports on Form 10-Q.

Policy Regarding Change in Control Arrangements

It is our policy that we will not enter into any new agreements, or materially amend any existing agreements, with our executive officers that provide the executive officer with severance payments following a change in control, except in the case of a double-trigger termination event (that is, upon the termination of the executive s employment without cause or for good reason following a change in control).

Benefits

Our executive officers participate in our broad-based employee benefit plans on the same terms as eligible, non-executive employees, subject to any legal limits on the amounts that may be contributed or paid by executive officers under these plans. We offer a stock purchase plan, under which our employees may purchase shares of our common stock at a 15% discount from the fair market value of our common stock on the last business day of the purchase period (determined by reference to the closing price of our common stock on such date), and a 401(k) plan, which allows our employees to invest in a wide array of funds on a pre-tax basis and which provides a matching contribution from our company. We also maintain insurance and other benefit plans for our employees. Our executive officers receive higher life, accidental death and dismemberment and disability insurance benefits than other employees, which reflects industry standards and their relative base salary levels. Our executive officers also receive reimbursement for annual health physicals. During 2012, we did not offer any non-qualified deferred compensation plans or supplemental retirement plans to our executives. For more information, please refer to the *Summary Compensation Table* and the *Nonqualified Deferred Compensation Table* below.

We have always limited the perquisites that are made available to our executives. Our executives are entitled to few benefits that are not otherwise available to all employees and generally provided to ensure comparable coverage levels for insurance and health care relative to market practice in our industry

sector. In this regard, it should be noted that we do not provide pension arrangements or similar benefits to our executives or employees, other than a 401(k) program, in which all of our employees, including our executive officers, may participate and defined

contribution plans required by applicable law in certain jurisdictions outside the United States, in which none of our Named Executive Officers participate.

Summary of Executive Compensation

The following table sets forth certain information with respect to compensation for the years ended December 31, 2012, 2011 and 2010 earned by or paid to our President and Chief Executive Officer, our Executive Vice President, Operations, Chief Financial Officer and Treasurer, and our three other most highly-compensated executive officers, referred to as our Named Executive Officers, as determined in accordance with applicable SEC rules.

SUMMARY COMPENSATION TABLE

FOR THE 2012, 2011 AND 2010 FISCAL YEARS

Name and Principal Position	Year	Salary ($)*	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Mark B. Templeton	2012	885,000		8,875,375		942,644	40,948	