VARONIS SYSTEMS INC
Form DEF 14A
March 22, 2019

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

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

Filed by the Registrant
Filed by a Party other than the Registrant
Check the appropriate box:

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

VARONIS SYSTEMS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box)

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

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

5. Total fee paid:

Fee paid previously with preliminary materials.

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

6. Amount Previously Paid:
7. Form, Schedule or Registration Statement No.:
8. Filing Party:
9. Date Filed:

VARONIS SYSTEMS, INC.
1250 Broadway, 29th Floor
New York, NY 10001

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held On May 2, 2019

Dear Varonis Systems, Inc. Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of Varonis Systems, Inc., a Delaware corporation (the “Company”, “Varonis”, “we,” “us” or “our”). The meeting will be held on May 2, 2019 at 10:00 a.m. local tim at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, NY 10036 for the following purposes:

1. To elect the three nominees for director named herein to the Board of Directors to hold office until the 2022 Annual Meeting of Stockholders.
2. To hold an advisory vote on executive compensation.
3. To ratify the appointment by the Audit Committee of the Board of Directors of Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global Limited, as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2019.
4. To conduct any other business properly brought before the meeting.

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

The record date for the Annual Meeting is March 4, 2019. Only stockholders of record at the close of business on that date may vote at the meeting or any adjournment thereof.

Important Notice Regarding the Availability of Proxy Materials for the Stockholders’ Meeting to Be Held on Thursday, May 2, 2019 at 10:00 a.m. local time at the offices of Skadden, Arps, Slate, Meagher & Flom LLP. As of the date of mailing of the Notice of Internet Availability of Proxy Materials, all stockholders and beneficial owners will have the ability to access all of the proxy materials on a website referenced in the Notice of Internet

Availability of Proxy Materials.

By Order of the Board of Directors

/s/ Yakov Faitelson

Yakov Faitelson
Chief Executive Officer, President
and Chairman of the Board

New York, NY
March 22, 2019

You are cordially invited to attend the meeting in person. Whether or not you expect to attend the meeting, please vote over the telephone or the internet or, if you receive a proxy card by mail, by completing and returning the proxy card mailed to you, as promptly as possible in order to ensure your representation at the meeting. Voting instructions are provided in the Notice of Internet Availability of Proxy Materials, or, if you receive a proxy card by mail, the instructions are printed on your proxy card and included in the accompanying proxy statement. Even if you have voted by proxy, you may still vote in person if you attend the meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must obtain a proxy issued in your name from that record holder.

VARONIS SYSTEMS, INC.

PROXY STATEMENT

TABLE OF CONTENTS

VARONIS SYSTEMS, INC.
1250 Broadway, 29th Floor
New York, NY 10001

PROXY STATEMENT

FOR THE 2019 ANNUAL MEETING OF STOCKHOLDERS

May 2, 2019

This proxy statement is being furnished to the stockholders of Varonis Systems, Inc., a Delaware corporation, in connection with the solicitation of proxies by our board of directors for use at the annual meeting of stockholders to be held at the date and place detailed below.

Pursuant to rules adopted by the Securities and Exchange Commission (the “SEC”), we have elected to provide access to our proxy materials over the internet. Accordingly, we have sent you a Notice of Internet Availability of Proxy Materials (the “Notice”) because the Board of Directors of the Company (the “Board”) is soliciting your proxy to vote at the 2019 Annual Meeting of Stockholders, including at any adjournments or postponements of the meeting. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the internet or to request a printed copy may be found in the Notice.

We intend to mail the Notice on or about March 22, 2019 to all stockholders of record entitled to vote at the Annual Meeting.

QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS AND VOTING

When and where will the 2019 Annual Meeting be held?

The meeting will be held on May 2, 2019 at 10:00 a.m. local time at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, NY 10036.

Who can vote at the Annual Meeting?

Only stockholders of record at the close of business on March 4, 2019 will be entitled to vote at the meeting. On this record date, there were 29,981,021 shares of common stock outstanding and entitled to vote. Each share of common stock is entitled to one vote.

Stockholder of Record: Shares Registered in Your Name

If on March 4, 2019 your shares were registered directly in your name with Varonis Systems, Inc.'s transfer agent, American Stock Transfer & Trust Company, then you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting or vote by proxy over the telephone, through the internet or by using a proxy card that you may request or that we may elect to deliver at a later time. Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted.

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

If on March 4, 2019 your shares were held not in your name, but rather in an account at a brokerage firm, bank, dealer or other similar organization, then you are the beneficial owner of shares held in "street name" and the Notice is being forwarded to you by that organization. The organization holding your account is considered to be the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker or other agent regarding how to vote the shares in your account. You are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other agent.

What am I voting on?

There are three matters scheduled for a vote:

- Proposal 1: Election of three directors, each for a term of three years;
- Proposal 2: Advisory Vote on Executive Compensation; and
- Proposal 3: Ratification of the appointment of Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global Limited ("E&Y"), by the Audit Committee of the Board as the independent registered public accounting firm of the Company for its fiscal year ending December 31, 2019.

What if another matter is properly brought before the meeting?

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

How do I vote?

You may either vote "For" all the nominees to the Board or you may "Withhold" your vote for any nominee you specify. For the advisory vote on executive compensation and the ratification of the appointment of E&Y as our independent registered public accounting firm, you may vote "For" or "Against" or abstain from voting.

The procedures for voting are fairly simple:

Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record, you may vote in person at the Annual Meeting, vote by proxy over the telephone, vote by proxy through the internet or vote by proxy using a proxy card that you may request or that we may elect to deliver at a later time. Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person even if you have already voted by proxy.

- To vote in person, come to the Annual Meeting and we will give you a ballot when you arrive.
- To vote using the proxy card that may be delivered to you, simply complete, sign and date the proxy card and return it promptly in the envelope provided. If you return your signed proxy card to us before the Annual Meeting, we will vote your shares as you direct.
- To vote over the telephone, dial toll-free 1-800-690-6903 using a touch-tone phone and follow the recorded instructions. You will be asked to provide the control number from the Notice. Your telephone vote must be received by 11:59 p.m., Eastern Time, on May 1, 2019 to be counted.
- To vote through the internet, go to http://www.proxyvote.com to complete an electronic proxy card. You will be asked to provide the control number from the Notice. Your internet vote must be received by 11:59 p.m., Eastern

Time, on May 1, 2019 to be counted.

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

If you are a beneficial owner of shares registered in the name of your broker, bank or other agent, you should have received a Notice containing voting instructions from that organization rather than from Varonis. Simply follow the voting instructions in the Notice to ensure that your vote is counted. To vote in person at the Annual Meeting, you must obtain a valid proxy from your broker, bank or other agent. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a proxy form.

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

Who is paying for this proxy solicitation?

We will pay for the entire cost of soliciting proxies. In addition to these proxy materials, our directors and employees may also solicit proxies in person, by telephone or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies. We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

What does it mean if I receive more than one Notice?

If you receive more than one Notice, your shares may be registered in more than one name or in different accounts. Please follow the voting instructions on each of the Notices to ensure that all of your shares are voted.

Can I change my vote after submitting my proxy?

Stockholder of Record: Shares Registered in Your Name

Yes. You can revoke your proxy at any time before the final vote at the meeting. If you are the record holder of your shares, you may revoke your proxy in any one of the following ways:

- You may submit another properly completed proxy card with a later date.
- You may grant a subsequent proxy by telephone or through the internet.
- You may send a timely written notice that you are revoking your proxy to Varonis Systems, Inc.'s General Counsel.
- You may attend the Annual Meeting and vote in person. Simply attending the meeting will not, by itself, revoke your proxy.

Your most current proxy card or telephone or internet proxy is the one that is counted.

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

If your shares are held by your broker or bank as a nominee or agent, you should follow the instructions provided by your broker or bank.

How many votes are needed to approve each proposal?

Proposal	**Vote Required**	**Effect of Abstentions**	**Broker Discretionary Voting Allowed**
Proposal No. 1: Election of Directors	For the election of directors, the three nominees receiving the most "For" votes from the holders of shares present in person or represented by proxy and entitled to vote on the	Not applicable	No – brokers without voting instructions will not be able to vote on this

election of directors will be elected. Only votes "For" or "Withheld" will affect the outcome.

proposal

3

Proposal	**Vote Required**	**Effect of Abstentions**	**Broker Discretionary Voting Allowed**
Proposal No. 2: Advisory Vote on Executive Compensation	Majority of the votes cast by holders of shares present in person or represented by proxy and entitled to vote at the Annual Meeting.	Abstentions and broker non-votes will not count as a vote cast either FOR or AGAINST approval of such proposal (as applicable), and thus will have no effect on the outcome of the vote on this proposal.	No – brokers without voting instructions will not be able to vote on this proposal.
Proposal No. 3: Ratification of the Appointment of E&Y	Majority of the votes cast by holders of shares present in person or represented by proxy and entitled to vote at the Annual Meeting.	Abstentions and broker non-votes will not count as a vote cast either FOR or AGAINST approval of such proposal (as applicable), and thus will have no effect on the outcome of the vote on this proposal.	Yes – brokers without voting instructions will have discretionary voting authority to vote.

What is the quorum requirement?

The presence at the Annual Meeting, in person or by proxy, of the holders as of the record date of shares of common stock having a majority of the voting power of all shares of common stock outstanding on the record date will constitute a quorum for the transaction of business at the Annual Meeting. Shares held as of the record date by holders who are present or represented by proxy at the Annual Meeting but who have abstained from voting or have not voted with respect to some or all of such shares on any proposal to be voted on at the Annual Meeting will be counted as present for purposes of establishing a quorum.

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

Preliminary voting results will be announced at the meeting. In addition, final voting results will be published in a current report on Form 8-K that we expect to file within four business days after the meeting. If final voting results are not available to us in time to file a Form 8-K within four business days after the meeting, we intend to file a Form 8-K to publish preliminary results and, within four business days after the final results are known to us, file an additional Form 8-K to publish the final results.

4

PROPOSAL NO. 1

ELECTION OF DIRECTORS

Pursuant to our Amended and Restated Certificate of Incorporation, the Board is divided into three classes, Class I, Class II and Class III, with members of each class holding office for staggered three year terms. At each Annual Meeting of Stockholders, one class of directors is elected for a three-year term to succeed the same class whose term is then expiring. The terms of the directors will expire upon the election and qualification of successor directors at the Annual Meeting of Stockholders to be held during the year 2019 for the Class II directors, 2020 for the Class III directors and 2021 for the Class I directors.

The Board presently has nine members. The term of the three Class II directors expires at the 2019 Annual Meeting. If elected at the Annual Meeting, each of the director nominees would serve until the 2022 Annual Meeting and until his or her successor has been duly elected and qualified, or, if sooner, until the director’s death, resignation or removal. The following table sets forth information with respect to our directors, as of March 1, 2019:

Name	**Age**	**Position**
Class I Directors		
Gili Iohan	43	Director
Ofer Segev	59	Director
Rona Segev-Gal	49	Director
Class II Directors		
Kevin Comolli	59	Director
John J. Gavin, Jr.	63	Director
Fred Van Den Bosch	72	Director
Class III Directors		
Yakov Faitelson	43	Chief Executive Officer, President and Chairman of the Board
Ohad Korkus	40	Director
Thomas F. Mendoza	68	Director

Each of the nominees listed below was recommended for election by the full Board and currently serves as our director. Directors are elected by a plurality of the votes of the holders of shares present in person or represented by proxy and entitled to vote on the election of directors. Accordingly, the three nominees receiving the highest number of affirmative votes will be elected. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the nominees named below. If any nominee becomes unavailable for election as a result of an unexpected occurrence, shares that would have been voted for that nominee will instead be voted for the election of a substitute nominee proposed by Varonis. Each person nominated for election has agreed to serve if elected. Our management has no reason to believe that any nominee will be unable to serve.

The following is a brief biography of each nominee and each director whose term will continue after the Annual Meeting. None of the corporations or other organizations referred to below with which a director has been or is associated is a parent, subsidiary or an affiliate company.

DIRECTOR NOMINEES

Kevin Comolli has served as a director since December 2004. Mr. Comolli is a partner at Accel, a global venture capital and growth equity firm. Mr. Comolli has experience serving as a director of several private software companies.

Our Board believes that Mr. Comolli possess specific attributes that qualify him to serve as a director, including his long history at Varonis, his experience in the software and technology industry as an investment professional and member of the board of other companies in the industry.

John J. Gavin, Jr. has served as a director since January 2013. Mr. Gavin is an industry veteran with more than 40 years of financial and operational management experience. He most recently served as the Executive Vice President and Chief Financial Officer for leading data center automation software provider BladeLogic. Prior to joining BladeLogic, Mr. Gavin served as the Chief Financial Officer for several companies, including Data General Corporation, Cambridge Technology Partners (CTP) and NaviSite, Inc. Mr. Gavin also worked in various positions in the audit practice of Price Waterhouse from 1978 to 1988. Mr. Gavin also serves as a director of Cimpress N.V. and served as a director of BroadSoft Corporation from 2010 to 2018 and Qlik Technologies Inc. from 2010 to 2016.

Our Board believes that Mr. Gavin possess specific attributes that qualify him to serve as a director, including his experience as a chief financial officer of multiple companies and member of the board and audit committees of other publicly-traded companies in the software and technology industry.

Fred Van Den Bosch has served as a director since January 2013. Mr. Van Den Bosch is a private investor and business consultant. Previously, he served as Chief Executive Officer of Librato, Inc., as Chief Executive Officer of PANTA Systems, Inc., as Executive Vice President Engineering, Chief Technology Officer and Director at VERITAS Software, Inc, and in various engineering and management positions at the Computer Systems Division of Philips Electronics. Mr. Van Den Bosch also serves as a director of SmarTap A.Y Ltd., sPark Parking Technologies Ltd. and Trailze Ltd. and as an advisor to OSNexus, Inc., RepliXio Ltd., Robin Systems, Inc., Codota Dot Com Ltd and Thehintbox!, Inc.

Our Board believes that Mr. Van Den Bosch possess specific attributes that qualify him to serve as a director, including his many years of operational experience from holding various executive positions at technology companies and his deep understanding of the software and technology industry.

CONTINUING DIRECTORS

Yakov Faitelson is our co-founder and has served as our Chief Executive Officer, President and the Chairman of the Board since 2004. Prior to Varonis, Mr. Faitelson held leadership positions in the global professional services and systems integration divisions of NetVision, Inc. and NetApp, Inc. Mr. Faitelson also serves as a director of E8 Storage and Jivry, Inc.

Gili Iohan has served as a director since April 2017. From 2005 until April 2017, Ms. Iohan was our Chief Financial Officer, responsible for the Company’s finance, accounting and back office operations. Prior to joining Varonis, Ms. Iohan was a partner for six years at NextAge Co. Ltd., a financial services advisory firm. While at NextAge Co. Ltd., Ms. Iohan served as a Chief Financial Officer and Strategic Financial Consultant for several companies. Previously, Ms. Iohan served as a Senior Financial Manager at M-Systems Inc. and held a position at KPMG LLP.

Ohad Korkus is our co-founder and has served as a director since December 2007. Mr. Korkus served as the Company’s Chief Technology Officer from 2007 until February 28, 2018. Prior to Varonis, Mr. Korkus was responsible for architecture, design and development of solutions in NetVision, Inc. and NetApp, Inc.

Thomas F. Mendoza has served as a director since June 2015. Mr. Mendoza is vice chairman of NetApp, Inc., a storage and data management solutions provider, since March 2008. From October 2000 to March 2008, Mr. Mendoza served as president of NetApp, Inc. Prior to March 2000, he served in various capacities at NetApp, Inc., including senior vice president, worldwide sales and marketing, senior vice president, worldwide sales and vice president, North American sales. Mr. Mendoza has been a director of ServiceSource International, Inc. since March 2011 and has also served as a director of many other technology companies.

Ofer Segev has served as a director since February 2015. Mr. Segev has over 25 years of management experience in the high-tech and services sectors. Mr. Segev is the Chief Financial Officer and Chief Operating Officer at AlgoSec, Inc., a network security policy management solutions provider, since February 2017. Previously, he served as the Vice President of Finance and Chief Financial Officer of AudioCodes Limited, a communications company traded on The Nasdaq Global Select Market, from November 2014 through April 2015. Prior to that, Mr. Segev served as the Chief Executive Officer and as a director of Ness Technologies Srl from 2012 to 2013 and as its Chief Financial Officer from 2007 to 2012.

Rona Segev-Gal has served as a director since December 2004. Ms. Segev-Gal is a partner at TLV Partners, an early stage venture capital fund, since 2015. From 2005 to 2015, Ms. Segev-Gal was a general partner at Pitango Venture Capital. Prior to Pitango, Ms. Segev-Gal served as a partner at Evergreen Venture Partners and as Vice President of Business Development at BRM Technologies Ltd. Ms. Segev-Gal also serves as a director of several private companies.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE
IN FAVOR OF THE ELECTION OF EACH NAMED NOMINEE AS A CLASS II DIRECTOR
FOR A THREE YEAR TERM EXPIRING AT THE 2022 ANNUAL MEETING.

INFORMATION REGARDING THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Director Independence

On March 17, 2019, the Board reviewed its composition, the composition of its committees and the independence of each director. The determination of independence of members of the Board was based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships. In making this determination, the Board considered the relationships that each non-employee director has with us and all other facts and circumstances the Board deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director. The Board has determined that Mr. Comolli, Mr. Gavin, Mr. Mendoza, Mr. Segev, Ms. Segev-Gal and Mr. Van Den Bosch, representing six of our nine directors, are “independent” as that term is defined under the rules of The Nasdaq Global Select Market for purposes of serving on the Board.

Board Leadership Structure

The Chief Executive Officer (“CEO”), President and Chairman positions are held by Yakov Faitelson. Periodically, our Board assesses these roles and the board leadership structure to ensure the interests of the Company and our stockholders are best served. Our Board has determined that its current leadership structure is appropriate as our CEO, President and Chairman has extensive knowledge of all aspects of the Company, our business and risks, and our customers. Our Board has no Lead Independent Director; however, the Board may choose to elect one.

Role of the Board in Risk Oversight

One of the Board’s key functions is informed oversight of our risk management process. The Board does not have a standing risk management committee, but rather administers this oversight function directly through the Board as a whole, as well as through various Board standing committees that address risks inherent in their respective areas of oversight. In particular, the Board is responsible for monitoring and assessing strategic risk exposure, including a determination of the nature and level of risk appropriate for us. As part of monitoring and assessing strategic risk exposure, the Board assess our vulnerability to cyber-attacks and data breaches. Our Audit Committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. Our Audit Committee also monitors compliance with legal and regulatory requirements, in addition to oversight of the performance of our internal audit function. Our Nominating and Corporate Governance Committee monitors the effectiveness of our corporate governance guidelines, including whether they are successful in preventing illegal or improper liability-creating conduct. Our Compensation Committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking. Typically, the entire Board meets periodically with senior management responsible for our risk management, and the applicable Board committees meet periodically with the employees responsible for risk management in the committees' respective areas of oversight. The Board as a whole and the various standing committees receive periodic reports from the head of our legal and operations groups, as well as incidental reports as matters may arise. It is the responsibility of the committees' chairs to report findings regarding material risk exposures to the Board as quickly as possible.

Meetings of the Board

The Board met four times and took action by unanimous written consent two times during the last fiscal year. Each Board member attended 75% or more of the aggregate number of meetings of the Board and of the committees on which he or she served, held during the portion of the last fiscal year for which he or she was a director or committee member. Six of our Board members attended the Annual Meeting of Stockholders held on April 26, 2018 (the "2018 Annual Meeting").

Information Regarding Committees of the Board

The Board has three committees: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. The following table provides membership and meeting information for fiscal 2018 for each of the Board committees:

Name	**Audit**	**Compensation**	**Nominating and Corporate Governance**
Kevin Comolli		X	X
Yakov Faitelson			
John J. Gavin, Jr.	X		X
Gili Iohan			
Ohad Korkus			
Thomas F. Mendoza			
Ofer Segev	X		
Rona Segev-Gal		X	X
Fred Van Den Bosch	X		
Total meetings in fiscal 2018:	4	4	1

Our Board may establish other committees to facilitate the management of our business. The composition and functions of each committee are described below. Members serve on these committees until their resignation or until otherwise determined by the Board.

Audit Committee

Our Audit Committee oversees our accounting and financial reporting process and the audit of our financial statements and assists the Board in monitoring our financial systems and our legal and regulatory compliance. Our Audit Committee is responsible for, among other things:

- appointing, compensating and overseeing the work of our independent auditors, including resolving disagreements between management and the independent registered public accounting firm regarding financial reporting;
- approving engagements of the independent registered public accounting firm to render any audit or permissible non-audit services;
- reviewing the qualifications and independence of the independent registered public accounting firm;

- reviewing our financial statements and related disclosures and reviewing our critical accounting policies and practices;
- reviewing the adequacy and effectiveness of our internal control over financial reporting;
- establishing procedures for the receipt, retention and treatment of accounting and auditing related complaints and concerns;
- preparing the Audit Committee report required by SEC rules to be included in our annual proxy statement;
- reviewing and discussing with management and the independent registered public accounting firm the results of our annual audit, our quarterly financial statements and our publicly filed reports; and
- reviewing and approving in advance any proposed related person transactions.

We believe that the functioning of our Audit Committee complies with the applicable requirements of The Nasdaq Global Select Market and SEC rules and regulations.

The members of our Audit Committee are Mr. Gavin, Mr. Segev and Mr. Van Den Bosch. Mr. Gavin is the chairman of our Audit Committee. The Board has determined that Messrs. Gavin and Segev qualify as "audit committee financial experts" as contemplated by the rules of the SEC implementing Section 407 of the Sarbanes Oxley Act of 2002.

The Board has considered the independence and other characteristics of each member of our Audit Committee. Audit committee members must satisfy The Nasdaq Global Select Market independence requirements and additional independence criteria set forth under Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In order to be considered independent for purposes of Rule 10A-3, an Audit Committee member may not, other than in his capacity as a member of the board, accept consulting, advisory or other fees from us or be an affiliated person of us. The Board has determined that each of Mr. Gavin, Mr. Segev and Mr. Van Den Bosch of our Audit Committee qualifies as an independent director pursuant to Nasdaq rules and Rule 10A-3.

The Audit Committee operates under a written charter approved by the Board, which is available on our investor website at https://ir.varonis.com/corporate-governance.

Compensation Committee

Our Compensation Committee oversees our compensation policies, plans and programs. The Compensation Committee is responsible for, among other things:

- reviewing and recommending policies, plans and programs relating to compensation and benefits of our directors, officers and employees;
- reviewing and recommending compensation and corporate goals and objectives relevant to compensation of our Chief Executive Officer;
- reviewing and approving compensation and corporate goals and objectives relevant to compensation for executive officers other than our Chief Executive Officer;
- evaluating the performance of our Chief Executive Officer and other executive officers in light of established goals and objectives; and
- administering our equity compensations plans for our employees and directors.

We believe that the functioning of our Compensation Committee complies with the applicable requirements of The Nasdaq Global Select Market and SEC rules and regulations.

The members of our Compensation Committee are Mr. Comolli and Ms. Segev-Gal. Mr. Comolli is the chairman of our Compensation Committee. The Board has considered the independence and other characteristics of each member of our Compensation Committee. Compensation Committee members must satisfy The Nasdaq Global Select Market independence requirements and additional independence criteria set forth under Rule 10C-1 of the Exchange Act. In order to be considered independent for purposes of Rule 10C-1, the Board must consider whether the director has accepted, other than in his or her capacity as a member of the board, consulting, advisory or other fees from us or whether he or she is an affiliated person of us. Each of the members of our Compensation Committee qualifies as an independent director pursuant to Nasdaq rules and Rule 10C-1 as well as Section 162(m) of the Internal Revenue Code.

The Compensation Committee operates under a written charter approved by the Board, which is available on our investor website at https://ir.varonis.com/corporate-governance.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee oversees and assists the Board in reviewing and recommending corporate governance policies and nominees for election to the Board and its committees. The Nominating and Corporate Governance Committee is responsible for, among other things:

- evaluating and making recommendations regarding the organization and governance of the Board and its committees and changes to our certificate of incorporation and bylaws and stockholder communications;
- assessing the performance of board members and making recommendations regarding committee and chair assignments and composition and the size of the Board and its committees;
- recommending desired qualifications for board and committee membership and conducting searches for potential members of the Board by independently searching for, identifying, recruiting and, if appropriate, interviewing candidates, as well as reviewing their qualifications, including experience, skills, expertise, diversity, personal and professional integrity, character, business judgment, time availability in light of other commitments, dedication, conflicts of interest and such other relevant factors that the Nominating and Corporate Governance Committee considers appropriate;
- evaluating and making recommendations regarding the creation of additional committees or the change in mandate or dissolution of committees;
- reviewing and making recommendations with regard to our corporate governance guidelines and compliance with laws and regulations;
- reviewing succession planning for our executive officers and evaluating potential successors; and
- reviewing and approving conflicts of interest of our directors and corporate officers, other than related person transactions reviewed by the Audit Committee.

We believe that the functioning of our Nominating and Corporate Governance Committee complies with the applicable requirements of The Nasdaq Global Select Market.

The members of our Nominating and Corporate Governance Committee are Mr. Comolli, Mr. Gavin and Ms. Segev-Gal. Mr. Comolli is the chairman of our Nominating and Corporate Governance Committee. The Board has determined that each of Mr. Comolli, Mr. Gavin and Ms. Segev-Gal are independent within the meaning of the independent director guidelines of The NASDAQ Global Select Market.

The Nominating and Corporate Governance Committee operates under a written charter approved by the Board, which is available on our investor website at https://ir.varonis.com/corporate-governance.

Although there is no specific policy with regard to the consideration of any director candidates recommended by stockholders, the Nominating and Corporate Governance Committee will consider nominees recommended by stockholders for election as directors. Candidates for the Board are generally selected based on desired skills and experience in the context of the existing composition of the Board and needs of the Board and its committees at that time, including the requirements of applicable SEC and NASDAQ Stock Market rules. The Nominating and Corporate Governance Committee does not assign specific weights to particular criteria, and no particular criterion is necessarily applicable to all candidates. In its consideration of the specific needs of the Board and the Company, the Nominating and Corporate Governance Committee considers diverse backgrounds so that the Board composition reflects a broad spectrum of experience and expertise.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics that is applicable to all of our employees, officers and directors, including our chief executive and senior financial officers. The Code of Business Conduct and Ethics is available on our website at https://ir.varonis.com/corporate-governance. Any amendment to the code, or any waivers of its requirements, will be disclosed on our website.

Compensation Committee Interlocks and Insider Participation

None of the members of our Compensation Committee is an officer or employee of the Company. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on the Board or Compensation Committee.

Corporate Governance Guidelines

The Board has adopted corporate governance guidelines to assure that the Board will have the necessary authority and practices in place to review and evaluate our business operations as needed and to make decisions that are independent of our management. The guidelines are also intended to align the interests of directors and management with those of our stockholders. The corporate governance guidelines set forth the practices the Board intends to follow with respect to board composition and selection, board meetings and involvement of senior management, Chief Executive Officer performance evaluation and succession planning, and board committees and compensation. The corporate governance guidelines are available on our website at https://ir.varonis.com/corporate-governance.

Other Policies

Insider Trading Policy. Our insider trading policy prohibits our employees and directors from engaging in short sales of Company securities, in transactions in publicly-traded options, such as puts and calls, and other derivative securities with respect to our securities. This prohibition extends to any inherently speculative transaction or similar transaction designed to decrease the risks associated with holding Company securities. In addition, our directors and employees are prohibited from pledging Company securities as collateral for loans and may not hold Company securities in margin accounts.

Stockholder Communications

You can contact the Board to provide comments, to report concerns or to ask a question, at the following address:

Corporate Secretary

Varonis Systems, Inc.

1250 Broadway, 29th Floor

New York, NY 10001

United States

You may submit your concern anonymously or confidentially by postal mail. You may also indicate whether you are a stockholder, customer, supplier or other interested party.

Communications are distributed to the Board, or to any individual directors as appropriate, depending on the facts and circumstances outlined in the communication. In that regard, the Board has requested that certain items which are unrelated to the duties and responsibilities of the Board should be excluded, such as:

- Product complaints
- Product inquiries
- New product suggestions
- Resumes and other forms of job inquiries
- Surveys
- Business solicitations or advertisements

In addition, material that is unduly hostile, threatening, illegal or similarly unsuitable will be excluded, with the provision that any communication that is filtered out must be made available to any non-management director upon request.

You may also communicate online with the Board as a group. Please submit your question using the form you will find on our website: https://ir.varonis.com/corporate-governance/contact-the-board.

PROPOSAL NO. 2

ADVISORY VOTE ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

In accordance with the rules and regulations of the SEC, pursuant to Section 14A of the Exchange Act, we are providing our stockholders with the opportunity to vote to approve, on an advisory or non-binding basis, the compensation of our named executive officers as disclosed in accordance with the rules and regulations of the SEC in the "Executive Compensation" section of this proxy statement. This proposal, commonly known as a "say-on-pay" proposal, gives our stockholders the opportunity to express their views on our named executive officers' compensation as a whole. This vote is not intended to address any specific item of compensation or any specific named executive officer, but rather the overall compensation of all of our named executive officers and the philosophy, policies and practices described in this proxy statement. In accordance with the results of the vote we conducted at the 2018 Annual Meeting on the frequency of say-on-pay votes, we present a say-on-pay vote every year.

The say-on-pay vote is advisory and therefore is not binding on us, our Compensation Committee or our Board. The say-on-pay vote will, however, provide information to us regarding investor sentiment about our executive compensation philosophy, policies and practices, which our Compensation Committee will be able to consider when determining executive compensation for the remainder of the current fiscal year and beyond. Our Board and our Compensation Committee value the opinions of our stockholders and to the extent there is any significant vote against the compensation of our named executive officers as disclosed in this proxy statement, we will endeavor to communicate with stockholders to better understand the concerns that influenced the vote and consider our stockholders' concerns and our Compensation Committee will evaluate whether any actions are necessary to address those concerns.

We believe that the information we have provided in the section titled "Executive Compensation," and in particular the information discussed in the section titled "Executive Compensation—Compensation Discussion and Analysis," demonstrates that our executive compensation program has been designed appropriately and is working to ensure management's interests are aligned with our stockholders' interests to support long-term value creation. We encourage stockholders to review the executive compensation disclosure in the Compensation Discussion and Analysis and executive compensation tables for the details of how our executive compensation policies and procedures operate and are designed to achieve the Company's compensation objectives.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE IN FAVOR OF THE APPROVAL OF THE COMPANY'S EXECUTIVE COMPENSATION AS DISCLOSED IN THIS PROXY STATEMENT.

PROPOSAL NO. 3

RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board has selected E&Y as our independent registered public accounting firm for the fiscal year ending December 31, 2019 and has further directed that management submit the selection of its independent registered public accounting firm for ratification by the stockholders at the Annual Meeting. E&Y has audited our financial statements since the fiscal year ended December 31, 2007. Representatives of E&Y are expected to be present at the Annual Meeting. They will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

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

The affirmative vote of the holders of shares representing a majority of the voting power of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting will be required to ratify the selection of E&Y.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table represents aggregate fees billed to the Company for the fiscal years ended December 31, 2018 and December 31, 2017 by E&Y, our principal accountant.

	Fiscal Year Ended	
	2018	2017
	(in thousands)	
Audit Fees (1)	$530	$530
Audit-Related Fees (2)	40	60

Tax Fees (3)	45	130
All Other Fees	–	–
Total Fees	$615	$720

(1) Audit fees relate to professional services rendered for the audits of our annual consolidated financial statements and the reviews of our quarterly consolidated financial statements.

(2) Audit-related fees relate to professional services rendered in connection with assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and are not reported under "Audit Fees." These services include accounting consultations regarding financial accounting and reporting standards.

(3) Tax fees consist of professional services for tax compliance, tax advice and tax planning.

All fees described above were pre-approved by the Audit Committee in accordance with the requirements of Regulation S-X under the Exchange Act.

Pre-Approval Policies and Procedures

Consistent with requirements of the SEC and the Public Company Accounting Oversight Board, or PCAOB, regarding auditor independence, our Audit Committee is responsible for the appointment, compensation and oversight of the work of our independent registered public accounting firm. In recognition of this responsibility, our Audit Committee has established a policy for the pre-approval of all audit and permissible non-audit services provided by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services.

Before engagement of the independent registered public accounting firm for the next year's audit, the independent registered public accounting firm submits a description of services expected to be rendered during that year to the Audit Committee for approval.

The Audit Committee pre-approves particular services or categories of services on a case-by-case basis. The fees are budgeted, and the Audit Committee requires the independent registered public accounting firm and management to report actual fees versus budgeted fees periodically throughout the year by category of service. During the year, circumstances may arise when it may become necessary to engage the independent registered public accounting firm for additional services not contemplated in the original pre-approval. In those instances, the services must be pre-approved by the Audit Committee before the independent registered public accounting firm is engaged.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE IN
FAVOR OF RATIFICATION OF THE APPOINTMENT OF E&Y AS
THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
FOR THE FISCAL YEAR ENDING DECEMBER 31, 2019.

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The Audit Committee is a committee of the board of directors comprised solely of independent directors as required by the listing standards of The NASDAQ Global Select Market and rules of the SEC. The Audit Committee operates under a written charter approved by the board of directors, which is available on our investor website at https://ir.varonis.com/corporate-governance. The composition of the Audit Committee, the attributes of its members and the responsibilities of the Audit Committee, as reflected in its charter, are intended to be in accordance with applicable requirements for corporate audit committees. The Audit Committee reviews and assesses the adequacy of its charter and the Audit Committee's performance on an annual basis.

The Audit Committee consists of three members: Mr. Gavin, Mr. Segev and Mr. Van Den Bosch. Mr. Gavin is the chairman of our Audit Committee. With respect to our financial reporting process, our management is responsible for (1) establishing and maintaining internal controls and (2) preparing our consolidated financial statements. E&Y is responsible for auditing these financial statements. It is the responsibility of the Audit Committee to oversee these activities. It is not the responsibility of the Audit Committee to prepare or certify our financial statements or guarantee the audits or reports of E&Y. These are the fundamental responsibilities of management and E&Y. In the performance of its oversight function, the Audit Committee has:

- reviewed and discussed the audited financial statements with management and E&Y;
- discussed with E&Y the matters required to be discussed by the statement on Auditing Standards No. 1301, "Communications with Audit Committees," issued by the Public Company Accounting Oversight Board; and
- received the written disclosures and the letter from E&Y required by applicable requirements of the Public Company Accounting Oversight Board regarding E&Y's communications with the Audit Committee concerning independence, and has discussed with E&Y its independence.

Based on the Audit Committee's review and discussions with management and E&Y, the Audit Committee recommended to the board of directors that the audited financial statements be included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2018 for filing with the SEC.

Respectfully submitted by the members of the Audit Committee of the Board of Directors:

John J. Gavin, Jr. (Chair)
Ofer Segev
Fred Van Den Bosch

15

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of March 4, 2019, information regarding beneficial ownership of our capital stock by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our common stock;
- each of our named executive officers;
- each of our directors; and
- all of our current executive officers and directors as a group.

Beneficial ownership is determined according to the rules of the SEC and generally means that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power of that security, or has the right to acquire beneficial ownership of that security within 60 days. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons named in the table below have or will have sole voting and investment power with respect to all shares of common stock shown that they beneficially own, subject to community property laws where applicable.

Our calculation of the percentage of beneficial ownership is based on 29,981,021 shares of our common stock outstanding as of March 4, 2019. Common stock subject to stock options currently exercisable or exercisable within 60 days of March 4, 2019 is deemed to be outstanding for computing the percentage ownership of the person holding these options and the percentage ownership of any group of which the holder is a member but is not deemed outstanding for computing the percentage of any other person.

The table is based upon information supplied by officers, directors and principal stockholders, Schedules 13G filed with the SEC and other SEC filings made pursuant to Section 16 of the Exchange Act and the Rules and Regulations promulgated thereunder. Except as otherwise indicated in the table below, addresses of named beneficial owners are c/o Varonis Systems, Inc., 1250 Broadway, 29th Floor, New York, NY 10001.

Name of Beneficial Owner	Number of Shares	% of Total Voting Power
Named Executive Officers and Directors:		
Yakov Faitelson[1]	296,261	*
Guy Melamed[2]	23,058	*
David Bass[3]	42,416	*

James O'Boyle[4]	97,004	*
Gilad Raz[5]	32,041	*
Kevin Comolli[6]	112,926	*
John J. Gavin, Jr.[7]	75,955	*
Gili Iohan[8]	24,134	*
Ohad Korkus[9]	34,172	*
Thomas F. Mendoza[10]	22,686	*
Ofer Segev[11]	21,574	*
Rona Segev-Gal[12]	17,885	*
Fred Van Den Bosch[13]	52,955	*
All executive officers and directors as a group (13 persons) :	853,067	2.8 %
5% Stockholders:		
The Vanguard Group[14]	2,674,722	8.9 %
BlackRock, Inc.[15]	2,015,414	6.7 %

* Represents beneficial ownership of less than one percent (1%).

(1) Consists of (i) 61,563 shares held of record by Mr. Faitelson; (ii) 91,509 shares held of record by the Faitelson 2019 Grantor Retained Annuity Trust; and (iii) 143,189 shares subject to stock options exercisable within 60 days of March 4, 2019.

(2) Consists of (i) 21,600 shares held of record by Mr. Melamed; and (ii) 1,458 shares subject to stock options exercisable within 60 days of March 4, 2019.

(3) Consists of (i) 39,750 shares held of record by Mr. Bass; and (ii) 2,666 shares subject to stock options exercisable within 60 days of March 4, 2019.

(4) Consists of (i) 32,629 shares held of record by Mr. O'Boyle; (ii) 10,000 shares held of record by the Jim O'Boyle 2014 Trust Family; and (iii) 54,375 shares subject to stock options exercisable within 60 days of March 4, 2019.

(5) Consists of (i) 14,743 shares held of record by Mr. Raz; and (ii) 17,298 shares subject to stock options exercisable within 60 days of March 4, 2019.

(6) Consists of (i) 29,532 shares held of record by Mr. Comolli; (ii) 463 shares subject to restricted stock units exercisable within 60 days of March 4, 2019; and (iii) 82,931 shares held of record by Rothschild Trust Guernsey Limited, as trustee of the Max Trust, of which Mr. Comolli is a beneficiary.

(7) Consists of (i) 27,492 shares held of record by Mr. Gavin; (ii) 15,000 shares held of record jointly with Mr. Gavin's spouse; (iii) 33,000 shares subject to stock options exercisable within 60 days of March 4, 2019; and (iii) 463 shares subject to restricted stock units exercisable within 60 days of March 4, 2019.

(8) Consists of (i) 11,216 shares held of record by Ms. Iohan; (ii) 12,455 shares subject to stock options exercisable within 60 days of March 4, 2019; and (iii) 463 shares subject to restricted stock units exercisable within 60 days of March 4, 2019.

(9) Consists of 32,772 shares held of record by Mr. Korkus; (ii) 937 shares subject to stock options exercisable within 60 days of March 4, 2019; and (iii) 463 shares subject to restricted stock units exercisable within 60 days of March 4, 2019.

(10) Consists of (i) 22,206 shares held of record by Mr. Mendoza; (ii) 17 shares held of record by Mr. Mendoza as custodian for the benefit of Dylan M. O'Rand, Mr. Mendoza's nephew; and (iii) 463 shares subject to restricted stock units exercisable within 60 days of March 4, 2019.

(11) Consists of (i) 21,111 shares held of record by Mr. Segev; and (ii) 463 shares subject to restricted stock units exercisable within 60 days of March 4, 2019.

(12) Consists of (i) 17,422 shares held of record by Ms. Segev-Gal; and (ii) 463 shares subject to restricted stock units exercisable within 60 days of March 4, 2019.

(13) Consists of (i) 42,492 shares held of record by Mr. Van Den Bosch; (ii) 10,000 shares subject to stock options exercisable within 60 days of March 4, 2019; and (iii) 463 shares subject to restricted stock units exercisable within 60 days of March 4, 2019.

(14) Based solely on a Schedule 13G filed by The Vanguard Group on February 12, 2019. The address of The Vanguard Group is 100 Vanguard Blvd., Malvern, PA 19355.

(15) Based solely on a Schedule 13G/A filed by BlackRock, Inc. on February 6, 2019. The address of BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055.

17

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our executive officers, directors and certain persons who beneficially own more than 10% of our common stock to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock and other equity securities. Based solely on a review of reports filed with the SEC and written representations that no other reports were required, we believe that our executive officers, directors and greater than 10% stockholders complied with all applicable filing requirements on a timely basis during fiscal 2018.

EXECUTIVE OFFICERS

The following table sets forth certain information with respect to our executive officers as of March 1, 2019. Biographical information with regard to Mr. Faitelson is presented under “Proposal No. 1—Election of Directors” in this proxy statement.

Name	**Age**	**Position**
Yakov Faitelson	43	Chief Executive Officer, President and Chairman of the Board
Guy Melamed	39	Chief Financial Officer and Chief Operating Officer
David Bass	41	Executive Vice President of Engineering and Chief Technology Officer
James O’Boyle	54	Senior Vice President of Worldwide Sales
Gilad Raz	43	Chief Information Officer and Vice President of Technical Services

Executive Officers

Guy Melamed has served as our Chief Financial Officer since April 2017 and as our Chief Operating Officer since February 2018. Mr. Melamed is responsible for global operations, executing business strategies and financial management, including treasury, investor relations and purchasing. Prior to becoming Chief Financial Officer, Mr. Melamed served as Vice President of Finance, beginning in 2013, during which time he was responsible for financial planning, reporting and operations and was instrumental in building and managing the global finance organization. Before joining Varonis in 2011, Mr. Melamed held positions at Ernst & Young as an Audit Manager and at KPMG, working with both foreign and domestic public and private companies. Mr. Melamed holds both a B.A and M.S.A from Boston College and is a Certified Public Accountant in the U.S. and Israel.

David Bass has served as our Executive Vice President of Engineering and Chief Technology Officer since March 2018 and is responsible for all of Varonis’ product development and quality assurance. Mr. Bass has been an employee of the Company since 2005 and served as its Senior Vice President of Engineering from May 2014 through February 2018. Under his leadership, the Company has assembled an engineering organization with deep experience spanning digital collaboration, storage, networking and security. Prior to Varonis, Mr. Bass held managerial development positions in NetVision Internet Applications and as an independent contractor.

James O'Boyle has served as our Senior Vice President of Worldwide Sales since 2006. Prior to joining Varonis, Mr. O'Boyle held leadership roles at Neoteris/Netscreen (which was acquired by Juniper), BlueCoat Systems, Inc. and Wellfleet/Bay Networks (which was acquired by Nortel).

Gilad Raz has served as our Chief Information Officer and Vice President of Technical Services since February 2015, responsible for ensuring customer satisfaction through successful deployment and continued operation of Varonis products. Prior to becoming Chief Information Officer and Vice President of Technical Services, Mr. Raz has been an employee of the Company since 2006. Prior to Varonis, Mr. Raz held roles at Network Appliance and NetVision, assisting customers with highly technical pre and post sales deployments of networking and storage infrastructure.

COMPENSATION DISCUSSION AND ANALYSIS

Overview

Our executive compensation program is overseen by the Compensation Committee of the Board. The Compensation Committee primarily assists the Board in fulfilling its compensation oversight responsibilities by ensuring best practices, which, among other things, include:

- reviewing and approving the compensation of our Chief Executive Officer and other senior executive officers and establishing annual and long-term performance goals for these individuals;
- reviewing and approving compensation of all executive officers;
- reviewing and approving performance-based compensation of executive officers, including incentive awards;
- reviewing our director compensation program and recommending changes in director compensation to the Board to the extent appropriate; and
- administering our equity compensation plans and programs.

The Compensation Committee consists of Mr. Comolli and Ms. Segev-Gal. Mr. Comolli is the chairman of our Compensation Committee.

This section discusses our compensation program, policies and practices as they relate to our "named executive officers" whose compensation information is presented in the tables that follow. Our named executive officers are Messrs. Faitelson, Melamed, Bass, O'Boyle and Raz as listed in the table under the heading "Executive Officers" on page 18 of this proxy statement.

Stockholder Vote on Named Executive Officer Compensation

At the 2018 Annual Meeting, the 2017 compensation of our named executive officers received substantial stockholder support and was approved, on an advisory basis, by 93.52% of the votes cast at the meeting. We believe that this level of approval of our executive compensation program is indicative of our stockholders' strong support of our compensation philosophy and goals and the decisions made by the Compensation Committee in 2017 and early 2018. As discussed on page 24 of this proxy statement, based on its review of best market practices, the Compensation Committee has designed and granted performance-based long-term incentive compensation to Mr. Faitelson in 2019, which comprises 50% of his long-term incentive compensation for 2019.

Also, at the 2018 Annual Meeting, stockholders voted on an advisory basis to submit the compensation of our named executive officers for stockholder approval on an annual basis. As such, we are seeking stockholder approval, on an advisory basis, for our 2018 executive compensation program at the meeting to which this proxy statement relates and look forward to receiving feedback from our stockholders on what we believe to be a strong compensation program aligned with the interests of the Company and its stockholders.

Compensation Philosophy and Objectives

The Compensation Committee's fundamental philosophy is to closely link executive compensation with the achievement of pre-established performance goals and to promote a culture of aligning executive interests with those of the Company and its stockholders. The Compensation Committee's objectives in the design and operation of our compensation program for our executive officers are to motivate, attract and retain highly-skilled executives as well as to incentivize management to optimize the Company's performance and increase long-term stockholder value. The Compensation Committee also strives to ensure that overall compensation is fair for the services rendered and that the compensation structure is transparent. As such, the key components of executive compensation are limited to a base salary, an annual performance incentive award based on the achievement of pre-established performance goals (including, in certain instances, sales compensation plans providing commission opportunities) and long-term incentive compensation in the form of stock-based awards. The Compensation Committee strives to ensure that our executive compensation aligns management with the Company's annual and long-term plans and strategy.

Setting Compensation Levels of Executive Officers

The Compensation Committee reviews executive compensation at its meetings throughout the year and sets executive compensation based primarily on both the Company's performance and executive management's performance in executing the Company's business strategy, optimizing the Company's business performance and, thereby, increasing long-term stockholder value. The Compensation Committee also considers the scope of an executive's duties and responsibilities and individual executive performance. Our Chief Executive Officer reviews the performance of our other named executive officers and makes recommendations, if any, to the Compensation Committee with respect to compensation adjustments for such officers. However, the Compensation Committee determines in its sole discretion whether to make any adjustments to the compensation paid to such executive officers.

For 2018, a significant portion of each named executive officer's total compensation was allocated to compensation in the form of an annual performance-based incentive award and stock-based awards in order to provide incentives to maintain and increase long-term stockholder value. The Compensation Committee also reviewed and considered total direct compensation in setting each element of compensation for our named executive officers.

The Role of the Compensation Consultant. The Compensation Committee has engaged Compensia, a national compensation consulting firm, to provide research and analysis and to make recommendations as to the form and level of executive compensation. The Compensation Committee sought input from Compensia on executive compensation matters for 2018, including the design and competitive positioning of our executive compensation program, our peer group, appropriate compensation levels and evolving compensation trends.

The Compensation Committee has considered the independence of Compensia as a consultant to the Compensation Committee. In connection with this process, the Compensation Committee has reviewed, among other items, a letter from Compensia addressing its independence and the members of the consulting team serving the Compensation Committee, including the following factors: (i) other services provided to the Company by Compensia, (ii) fees paid by the Company as a percentage of Compensia's total revenue, (iii) policies or procedures of Compensia that are designed to prevent conflicts of interest, (iv) any business or personal relationships between the senior advisor of the Compensia consulting team with a member of the Compensation Committee, (v) any Company stock owned by the senior advisor of the Compensia consulting team or any member of that individual's immediate family and (vi) any business or personal relationships between our executive officers and the senior advisor. The Compensation Committee discussed these considerations and concluded that the work performed by Compensia and its senior advisor involved in the engagement did not raise any conflict of interest.

The Role of the Chief Executive Officer. Our CEO provides the Compensation Committee with his views on the performance of each of the named executive officers (other than himself) and also reviews the report prepared by Compensia providing research, analysis and recommendations as to the form and level of executive compensation.

While the CEO made recommendations to the Compensation Committee regarding the 2018 compensation of each of the named executive officers (other than himself) based on his assessment of Company and individual performance as well as his review of Compensia's report analyzing the compensation of our executive officers for 2018, the Compensation Committee determines the form and level of executive compensation in its sole discretion.

The Role of Peer Companies and Competitive Positioning. As part of its review of executive compensation for 2018, the Compensation Committee reviewed the executive compensation arrangements at peer group companies. Our peer group includes comparable software companies that were selected based on specific financial criteria, including, but not limited to, revenue and market capitalization. For 2018, the Compensation Committee removed the following companies from the peer group used in 2017: (i) Jive Software, Marketo and Tangoe because they were acquired; and (ii) Paycom Software and The Rubicon Project because they no longer fell within the specific financial criteria. The Compensation Committee also added Barracuda Networks, Callidus Software, Coupa Software, ForeScout Technologies, Medidata Solutions, MobileIron, Okta and SecureWorks as additional peers based on the criteria described above. For 2018, our peer group consisted of the following companies:

A10 Networks	ForeScout Technologies	Model N
AppFolio	Gigamon	Okta
Barracuda Networks	Hortonworks	Proofpoint
Bazaarvoice	Imperva	Q2 Holdings
Callidus Software	Medidata Solutions	Qualys
Carbonite	MINDBODY	Rapid7
Coupa Software	MobileIron	SecureWorks
Five9		

In the course of its deliberations, the Compensation Committee reviewed executive compensation data compiled for the peer group companies, as contained in a report prepared by Compensia in order to evaluate and confirm whether our executive compensation was within a reasonably competitive range and to set executive compensation for 2018. The Compensation Committee, however, did not set executive compensation or each element of compensation at a specific target percentile within the peer group. The Compensation Committee focuses on providing compensation that is fair for the services rendered and reflects an executive’s experience, performance and scope of responsibilities, closely linking executive compensation with the achievement of Company performance goals under the annual incentive compensation program, and promoting a culture of aligning executive interests with those of the Company and its stockholders.

2018 Financial Performance Highlights

In 2018, Varonis achieved revenues of $270.3 million, an increase of 25% year-over-year. License revenues increased 23% for the full year, and maintenance and services revenues increased 29%. These results were supported by our consistently high maintenance renewal rate, which once again came in at over 90%.

These results demonstrate that our highly differentiated data security solutions are helping to solve critical needs of organizations globally as we ended the year with approximately 6,600 customers across a broad array of company sizes and industries located in 80 countries. In the last three years, we have more than doubled our revenues organically and done so while improving our profitability profile and delivering meaningful levels of cash flow from operations. We continue with our focus to build an organization that is durable and well positioned to extend our lead globally.

2018 Executive Compensation Elements

The key elements of our executive compensation program for the year ended December 31, 2018 were comprised of:

- base salary;
- an annual performance incentive award (including, in certain instances, sales compensation plans providing commission opportunities); and
- long-term incentive compensation in the form of restricted stock unit ("RSU") awards.

Executive officers are also eligible to receive other benefits as outlined below under "Perquisites and Other Benefits." The following is a summary of the considerations underlying each component of compensation paid to our named executive officers for 2018.

Base Salary

Our executive officers, including our named executive officers, receive a base salary to compensate them for services rendered during the fiscal year. The Compensation Committee reviews and, as appropriate, adjusts the base salaries for our named executive officers. The factors that the Compensation Committee considers in setting base salaries include the scope of job responsibilities, individual execution of Company strategies and contributions to Company success, Company-wide performance and comparability to market compensation.

For 2018, the Compensation Committee, based on a review of the factors set forth above, including an analysis prepared by Compensia of competitive market and peer group compensation, and to better align our annual cash compensation for our executive officers with our peer companies in a competitive technology employment market (and with respect to Mr. Melamed, also in connection with his assumption of the responsibilities of Chief Operating Officer in addition to his existing role as Chief Financial Officer), increased the annual base salaries for Messrs. Faitelson, Melamed and O'Boyle to $560,000, $400,000 and $350,000, respectively. The annual base salary in 2018 for Mr. Bass of $343,027 was approved by our Board when we entered into a new employment agreement with Mr. Bass in connection with his appointment as our Chief Technology Officer effective as of March 1, 2018. Mr. Raz's annual base salary in 2018 was $360,000. For 2019, base salaries were maintained at the same amounts for all of our named executive officers.

Annual Incentive Compensation

Mr. Faitelson and Mr. Melamed. Messrs. Faitelson and Melamed participated in our 2018 Cash Incentive Plan. For 2018, the Compensation Committee, based on a review of factors including the scope of job responsibilities, individual execution of Company strategies and contributions to Company success, Company-wide performance and comparability to market compensation based on the report prepared by Compensia, adjusted the target bonus opportunities for Messrs. Faitelson and Melamed. Effective as of January 1, 2018, Mr. Faitelson's target bonus opportunity was $440,000, and Mr. Melamed's target bonus opportunity was $250,000.

Each of Messrs. Faitelson's and Melamed's annual incentive compensation is earned in the form of quarterly and year-end bonus awards weighted as follows: (i) 67.5% based on the quarterly and annual achievement of Company revenue targets, (ii) 22.5% based on the quarterly and annual achievement of Company non-GAAP operating income targets and (iii) 10% based upon individual performance as determined by the Compensation Committee in its discretion. We must achieve the pre-established threshold level of corporate performance in respect of either the revenues or non-GAAP operating income target before any payments (including for individual performance) may be made under the plan. The 2018 Cash Incentive Plan provided for no bonus to be paid pursuant to the applicable performance metric if our quarterly and annual revenues or our quarterly and annual non-GAAP operating income, as the case may be, were less than the threshold performance levels established for the corresponding fiscal periods and for a cap equal to 115% of the target bonus opportunity to be paid if our revenues or non-GAAP operating income performance equaled or exceeded "stretch" amounts for the same periods. If we equaled or exceeded the "stretch" amounts for both of the performance metrics in the same fiscal period, then each of Messrs. Faitelson and Melamed was entitled to receive 120% of his target bonus opportunity for such period.

The established performance objectives for fiscal 2018 were considered aggressive and attainable only with focused effort and execution and were designed to drive increased revenues and operating income, which the Compensation Committee believed would increase stockholder value consistent with our overall growth strategy.

Based on Company and individual performance, Mr. Faitelson was awarded bonuses in 2018 in the aggregate amount of $407,472, and Mr. Melamed was awarded bonuses in 2018 in the aggregate amount of $231,518. With the strong revenues and non-GAAP operating income growth achieved during the year, both Messrs. Faitelson and Melamed achieved 93% of their target bonus opportunities based on the significant revenues and non-GAAP operating income growth and performance achieved during the year.

Mr. O'Boyle and Mr. Raz. Messrs. O'Boyle and Raz participated in a 2018 Sales Compensation Plan pursuant to which each of Messrs. O'Boyle and Raz were entitled to annual sales commissions based on the revenues which we generated from the sale of our products and services worldwide. For 2018, the Compensation Committee, advised by Compensia and based on a review of factors including the scope of job responsibilities, individual execution of Company strategies and contributions to Company success, Company-wide performance, and comparability to market compensation, adjusted the annualized target commission opportunity for Mr. O'Boyle. Effective January 1, 2018 and pursuant to their 2018 Sales Compensation Plan, each of Messrs. O'Boyle and Raz had the opportunity to earn an annualized target commission for the year if the annual "collected net revenues target" (as defined in the plan) was met, or a pro-rata portion of their target compensation if annual collected net revenues were below the annual collected net revenues target. For any additional annual collected net revenues in excess of 100% of the annual collected net revenues target for 2018, each of Messrs. O'Boyle and Raz were entitled to receive 1.5% of any such excess.

Pursuant to the 2018 Sales Compensation Plan, the performance condition for the sales commission was not met unless related revenues were collected by us, provided however that 50% of the sales commission was made as an advance payment against the full amount. Accordingly, each of Messrs. O'Boyle and Raz became entitled to receive 50% of their commission bonus payments in 2018 within 30 days following delivery of our license which corresponds with issuance by the Company of an invoice to which the commission bonus related, and the remaining 50% only after we collected the net revenues to which the commission bonus payments related.

Mr. O'Boyle received in 2018 an aggregate amount of commissions equal to $305,831, which represented the sum of (i) $205,617 resulting from collected net revenues under the 2018 Sales Compensation Plan; (ii) $99,035 resulting from collected net revenues under his 2017 Sales Compensation Plan; and (iii) $1,179 resulting from collected net revenues under his 2016 and 2015 Sales Compensation Plans. Assuming 100% collection of 2018 net revenues, Mr. O'Boyle would receive an additional amount equal to $98,238 as a commission bonus pursuant to the 2018 Sales Compensation Plan (which would be aggregated with the $205,617 already earned under the 2018 Sales Compensation Plan towards the target commission opportunity of $350,000 set for Mr. O'Boyle in 2018).

Mr. Raz received in 2018 an aggregate amount of commissions equal to $33,888, which represented the sum of (i) $23,498 resulting from collected net revenues under the 2018 Sales Compensation Plan; (ii) $10,229 resulting from collected net revenues under his 2017 Sales Compensation Plan; and (iii) $161 resulting from collected net revenues under his 2016 and 2015 Sales Compensation Plans. Assuming 100% collection of 2018 net revenues, Mr. Raz would receive an additional amount equal to $11,200 as a commission bonus pursuant to the 2018 Sales Compensation Plan (which would be aggregated with the $23,498 already earned under the 2018 Sales Compensation Plan towards the target commission opportunity of $40,000 set for Mr. Raz in 2018).

Mr. Bass. Mr. Bass did not participate in any of the Company's annual performance incentive award plans in 2018.

Long-Term Incentive Awards

The Compensation Committee grants stock-based awards to our named executive officers in order to provide long-term incentive compensation opportunities which align the long-term interests of management with the long-term interests of the Company and its stockholders. The Compensation Committee believes that stock-based awards incentivize our named executive officers to optimize our long-term business performance and stockholder value. For 2018, the Compensation Committee approved all stock-based awards under the Company's 2013 Omnibus Equity Incentive Plan (referred to as the 2013 Plan).

Stock-based awards to our named executive officers are approved on an annual basis in amounts determined by the Compensation Committee. In February 2018, the Compensation Committee approved the grant of time-based RSU awards under the 2013 Plan to Messrs. Faitelson, Melamed, O'Boyle, Bass and Raz (the "February 2018 RSU Awards"). One quarter of the February 2018 RSU Awards will vest annually upon the last calendar day of the month of February, beginning on February 28, 2019, subject to the executive's continued service with us on each applicable vesting date. In addition, in August 2018, the Compensation Committee approved the grant of a time-based RSU award under the 2013 Plan to Mr. Raz (the "August 2018 RSU Award"). One quarter of the August 2018 RSU Award will vest annually upon the last calendar day of the month of August, beginning on August 31, 2019, subject to his continued service to us on each applicable vesting date. The February 2018 RSU Awards and August 2018 RSU Award will be settled in shares of the Company's common stock within 30 days of each applicable vesting date, subject to the terms and conditions set forth in the applicable RSU award agreement.

In determining the size of the awards granted to each named executive officer, as shown in the "Grants of Plan Based Awards in Fiscal 2018" table below, the Compensation Committee intended to reward and motivate our named executive officers to drive the financial performance of the Company forward and determined that the awards were within a reasonably competitive range of market practice among the Company's peers. The February 2018 RSU Award for Mr. Melamed was approved by the Compensation Committee in connection with his assumption of the responsibilities of Chief Operating Officer in addition to his existing role as Chief Financial Officer, and for Mr. Bass, in connection with his promotion to the office of Executive Vice President and Chief Technology Officer with its attendant responsibilities.

2019 Compensation Actions

In February 2019, the Compensation Committee conducted its annual executive compensation review and made 2019 compensation decisions for our named executive officers. In making these decisions, the Compensation Committee considered, among other factors, pay levels of our named executive officers relative to the Company's peers and the overall competitive market, based on a 2019 report prepared by Compensia, performance of each named executive officer and the recommendations of Institutional Shareholder Services ("ISS") for CEO compensation.

The Compensation Committee decided to maintain the base salaries and target annual incentive compensation opportunities of our named executive officers at the same amounts as in 2018.
The Compensation Committee introduced performance stock unit ("PSU") awards as part of Mr. Faitelson's 2019 long-term incentive compensation award and determined the mix of his award at 50% PSUs and 50% RSUs.
The Compensation Committee determined that subscription percentage of total license revenues, which ties directly to our business strategy of transitioning to a subscription license model from a perpetual model, would be the performance metric for Mr. Faitelson's 2019 PSU award.
The Compensation Committee maintained revenues and non-GAAP operating income as the corporate performance metrics for the 2019 Cash Incentive Plan, as such metrics continue to be key performance drivers supporting the Company's operating plan.

Perquisites and Other Benefits

We do not provide perquisites or other personal benefits to our named executive officers. Our compensation program for our named executive officers includes employee health and welfare benefits, including participation in the Company's life and health insurance and similar benefit programs (including our 401(k) plan) on the same general terms as other participants in these programs and, with respect to Israeli employees, recreation pay and contributions to an education fund and to a government-mandated pension fund.

Employment Agreements with Named Executive Officers

On February 10, 2014, in connection with our initial public offering, we entered into employment agreements with Messrs. Faitelson and O'Boyle; effective April 1, 2017, we entered into an employment agreement with Mr. Melamed, which was amended on February 8, 2018 in connection with Mr. Melamed's appointment as our Chief Operating Officer in addition to his position as Chief Financial Officer; effective March 1, 2018, we entered into an employment agreement with Mr. Bass in connection with his appointment as our Chief Technology Officer in addition to his position as Vice President of Engineering; and effective January 1, 2019, we entered into an employment agreement with Mr. Raz in connection with his designation as an executive officer in October 2018. The employment agreements with Messrs. Faitelson, Melamed and O'Boyle were further amended effective August 27, 2018 (the "August 2018 Amendments") in connection with the Compensation Committee's review of the change in control provisions that had applied to our executive officers since our initial public offering and determined to make some technical and other modernizing changes to their employment agreements. None of the changes increased the level of severance or other compensation provided for under the employment agreements.

The Company does not provide "gross-up" payments or tax reimbursements with respect to "excess parachute payments" under Section 280G of the Internal Revenue Code ("Section 280G") pursuant to any agreements with the named executive officers, including the employment agreements.

Please refer to the section entitled "Executive Employment Agreements" on page 28 of this proxy statement and the section entitled "Potential Payments Upon Termination or Change in Control" beginning on page 31 of this proxy statement for more information regarding the general terms of the employment agreements with Messrs. Faitelson, Melamed, Bass, O'Boyle and Raz, including termination provisions.

Policy Regarding Recoupment of Certain Incentive Compensation

The Company has committed to adopting a recoupment ("clawback") policy once final rules implementing Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act are adopted by the SEC.

Company Policy on Section 162(m) Limits on Deductibility of Compensation

Section 162(m) of the Internal Revenue Code places a limit of $1 million per year on the amount of compensation paid to certain of our executive officers that the Company may deduct for federal income tax purposes. An exception to the $1 million limitation for performance-based compensation meeting certain requirements was repealed beginning in 2018, as further described below.

The "Tax Cuts and Jobs Act," enacted on December 22, 2017, substantially modified Section 162(m) by, among other things, eliminating the performance-based exception to the $1 million deduction limit effective as of January 1, 2018. As a result, beginning in 2018, compensation paid to each of our named executive officers in excess of $1 million will generally be nondeductible, whether or not it is performance-based.

The Compensation Committee intends to continue to maintain flexibility and the ability to pay competitive compensation by not requiring all compensation to be deductible. The Tax Cuts and Jobs Act also includes a transition rule under which the changes to Section 162(m) described above will not apply to compensation payable pursuant to a written binding contract that was in effect on November 2, 2017 and is not subsequently materially modified. To the extent applicable to our existing contracts and awards, the Compensation Committee may choose to avail itself of the transition rule.

Conclusion

The Compensation Committee believes that our compensation programs appropriately incentivize executive performance and align the interests of our named executive officers with the long-term interests of our stockholders and enable the Company to attract and retain talented executives. The Compensation Committee will continue to oversee and evaluate our executive compensation program in a manner that the Compensation Committee believes will be in the best interests of our stockholders.

REPORT OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

The Compensation Committee, comprised of independent directors, reviewed and discussed the above Compensation Discussion and Analysis with the Company's management. Based on this review and discussion, the Compensation Committee recommends to the Board that the Compensation Discussion and Analysis be included in these proxy materials.

The Compensation Committee:
Kevin Comolli

Rona Segev-Gal

EXECUTIVE COMPENSATION

The following summary compensation table sets forth the cash and non-cash compensation paid to or earned by (i) our principal executive officer, (ii) our principal financial officer and (iii) the three most highly compensated executive officers of the Company other than the principal executive officer or the principal financial officer who were serving at the end of the 2018 fiscal year (collectively, our named executive officers). In each case, compensation is shown for the years during which compensation disclosure was required over the last three completed fiscal years of the Company: the fiscal years ended December 31, 2016, December 31, 2017 and December 31, 2018, respectively.

SUMMARY COMPENSATION TABLE

Name and Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)**[1]**	Option Awards ($)**[1]**	Non-Equity Incentive Plan Compensation ($)**[2]**	All Other Compensation ($)		Total ($)
Yakov Faitelson	2018	560,000	–	7,792,500	–	407,472	11,000	[3]	8,770,972
Chief Executive Officer	2017	400,000	–	1,831,050	–	460,000	10,800		2,701,850
and President	2016	400,000	–	337,400	196,269	389,837	10,600		1,334,106
Guy Melamed[4]	2018	400,000	–	3,117,000	–	231,518	11,000	[3]	3,759,518
Chief Financial Officer and Chief Operating Officer	2017	285,000	–	2,394,450	–	92,000	10,320		2,781,770
David Bass[5] Executive Vice President of Engineering and Chief Technology Officer	2018	343,027	–	2,857,250	–	–	54,408	[6]	3,254,685
James O’Boyle	2018	350,000		2,597,500	–	305,832	15,973	[7]	3,269,305
Senior Vice President	2017	310,000	55,000	704,250	–	286,315	15,801		1,371,366
of Worldwide Sales	2016	285,000	–	253,050	147,202	261,582	15,601		962,435
Gilad Raz[8] *Chief Information Officer and VP of Technical Services*	2018	360,000	–	1,084,500	–	33,888	11,000	[3]	1,489,388

(1) Represents the grant date fair value of each award computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (FASB ASC Topic 718). For a summary of the assumptions made in the valuation of the awards granted in 2018, please see Note 2.k, "Accounting for Stock-Based Compensation," of the Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2018. For a summary of the assumptions made in the valuation of the awards granted in 2017, please see Note 2.k, "Accounting for Stock-Based Compensation," of the Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for