SALESFORCE COM INC
Form 8-K
March 28, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

March 22, 2019

Date of Report (date of earliest event reported)

salesforce.com, inc.

(Exact name of registrant as specified in its charter)

Delaware	**001-32224**	**94-3320693**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

Salesforce Tower

415 Mission Street, 3rd Fl

San Francisco, CA 94105

(Address of principal executive offices)

Registrant s telephone number, including area code: (415) 901-7000

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On March 22, 2019, the Compensation Committee (the Committee) of the Board of Directors of salesforce.com, inc. (the Company) approved cash bonuses to Messrs. Marc Benioff and Keith Block, each a principal executive officer, Mr. Mark Hawkins, our principal financial officer, and Messrs. Alexandre Dayon and Parker Harris, each a named executive officer (collectively, the Named Executive Officers) for fiscal year 2019 performance pursuant to the Company s Kokua Bonus Plan. The bonus amounts were based primarily on the achievement of specific corporate performance goals as well as individual performance during the Company s fiscal year 2019, from February 1, 2018 to January 31, 2019, net of mid-year bonus payouts made on September 28, 2018.

The following table sets forth the bonus amounts to be paid on or about April 15, 2019 to the Company s Named Executive Officers as approved by the Committee:

Name	Position	Bonus Amount
Marc Benioff (1)	Chairman of the Board and Co-Chief Executive Officer	$ 2,325,000
Keith Block (2)	Co-Chief Executive Officer	$ 1,701,250
Mark Hawkins (3)	President and Chief Financial Officer	$ 675,000
Parker Harris (4)	Co-Founder and Chief Technology Officer	$ 750,000
Alexandre Dayon (5)	President and Chief Strategy Officer	$ 675,000

(1) Mr. Benioff s mid-year bonus payout on September 28, 2018 was $775,000.
(2) Mr. Block s mid-year bonus payout on September 28, 2018 was $312,500.
(3) Mr. Hawkins s mid-year bonus payout on September 28, 2018 was $225,000.
(4) Mr. Harris s mid-year bonus payout on September 28, 2018 was $250,000.
(5) Mr. Dayon s mid-year bonus payout on September 28, 2018 was $225,000.

Also, effective March 22, 2019, the Committee approved compensation arrangements of our Named Executive Officers for fiscal year 2020 in the below amounts. The table below sets forth the annual base salary and annual target bonus for the Named Executive Officers that will be effective as of February 1, 2019. The bonus amounts will be determined based upon achievement of a mix of Company and individual performance objectives pursuant to the Company s Kokua Bonus Plan.

Name	Annual Base Salary for Fiscal Year 2020	Annual Target Bonus for Fiscal Year 2020
Marc Benioff	$1,550,000	200%
Keith Block	$1,435,000	200%
Mark Hawkins	$1,000,000	100%
Parker Harris	$1,000,000	100%
Alexandre Dayon	$900,000	100%

Additionally, effective March 22, 2019, the Committee approved stock option, restricted stock unit and performance-based restricted stock unit awards to the Named Executive Officers as set forth below. The stock options grant the right to purchase shares of common stock at the fair market value on the grant date. Both the stock option and restricted stock unit grants are subject in each case to the Company s applicable standard four-year vesting schedule. The performance-based restricted stock units are subject to vesting based on a performance-based condition and a service-based condition, as described in more detail below.

Name	Stock Options	Restricted Stock Units	Performance-Based Restricted Stock Units
Marc Benioff	195,872	N/A	74,391
Keith Block	146,904	N/A	55,794
Mark Hawkins	122,420	15,480	15,499
Parker Harris	134,662	17,028	17,048
Alexandre Dayon	36,726	4,644	4,650

The performance-based restricted stock unit awards granted to the Named Executive Officers provide that, if the officer remains employed through April 15, 2022, his shares will vest in a percentage of the target number of shares shown above, between zero and 200 percent, depending on how the Company s total shareholder return (TSR) ranks over the three-year period from the grant date (the Performance Period), relative to the companies in the NASDAQ-100 Index as of the grant date (the Index Group). If the Company s TSR over the Performance Period is at the 60th percentile when ranked against the TSRs of the companies in the Index Group, 100 percent of the target number of shares will be eligible to vest. For every percentile by which the Company s TSR ranking within the Index Group exceeds the 60th percentile, the number of shares eligible to vest will increase by 2 22/39 percent of target, up to a maximum payout of 200 percent of target if the Company s TSR ranking is at the 99th percentile. For every percentile by which the Company s TSR ranking within the Index Group is below the 60th percentile, the number of shares eligible to vest will decrease by 3 1/3 percent of target, with no payout if the Company s TSR ranking is below the 30th percentile. Additionally, if the Company s absolute TSR over the Performance Period is negative, in no event will the number of shares eligible to vest exceed 100 percent of the target amount, even if the Company s TSR ranks above the 60th percentile within the Index Group.

Special vesting rules apply in the event of a change of control. Each award provides that if a change of control of the Company occurs during the officer s employment, his shares will become eligible to vest based on how the Company s TSR performance ranks relative to the Index Group from the grant date through the date of the change of control (instead of through the three-year Performance Period), using the same zero to 200 percent scale described above (any such shares that become eligible to vest based the Company s TSR performance as compared to the Index Group through the date of the change of control are referred to as eligible shares). A portion of the service-based condition will be considered satisfied as of the date of a change of control, and a pro-rated portion of the eligible shares (if any) will vest to reflect service through that date, with the remaining eligible shares vesting in equal quarterly installments thereafter over the balance of the original Performance Period, subject to the officer s continued employment through each vesting date. Any shares eligible to vest based on the TSR performance are also subject to accelerated vesting if the officer s employment terminates within three months before, or 18 months after, a change of control in a qualifying termination of employment, determined in accordance with the terms of his existing change of control and retention agreement.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: March 28, 2019

salesforce.com, inc.

/s/ Amy Weaver
Amy Weaver
President, Legal & Corporate Affairs, General Counsel and Secretary