

Five9, Inc.
Related Party Transactions Policy
(Adopted by the Board of Directors to be effective on March 14, 2019)

I. Policy Statement

Five9, Inc. (the “Company”) recognizes that Related Party Transactions (as defined below) can present potential or actual conflicts of interest and may raise questions among stockholders as to whether those transactions are consistent with the best interests of the Company. Nevertheless, the Company recognizes that there are situations where Related Party Transactions may be in, or may not be inconsistent with, the best interests of the Company including, but not limited to, situations where the Company may obtain products or services of a nature, quantity or quality, or on other terms, that are not readily available from alternative sources or when the Company provides products or services to Related Parties (as defined below) on an arm’s length basis on terms comparable to those provided to unrelated third parties or on terms comparable to those provided to employees generally. Therefore, the Company has adopted the controls and procedures set forth below for the review and approval (or ratification if applicable) of Related Party Transactions.

The requirements and procedures set forth in this Related Party Transactions Policy (this “Policy”) are non-exclusive of and should be read in conjunction with other Company policies, codes, guidelines and procedures. As a general matter, when there is a conflict between internal policies, the more restrictive will govern. Questions about this Policy should be directed to the Company’s Chief Financial Officer.

II. Definitions

For the purposes herein:

- A “Related Party” includes any person who is, or at any time since the beginning of the Company’s last fiscal year was, a director, director nominee, executive officer, beneficial owner of more than 5% of any class of the Company's voting securities or any immediate family member(s) of the foregoing persons, or any firm, corporation or other entity in which any of the foregoing persons is employed or is a partner or principal or in a similar position or in which such person has more than a 5% beneficial ownership interest.
- “Immediate family members” include children, stepchildren, parents, stepparents, spouses, siblings, in-laws, and any person sharing the household of the director, executive, nominee or more than 5% beneficial owner (except tenants and employees).
- A "Related Party Transaction" is any individual or series of financial transactions, arrangements or relationships (including any indebtedness or guarantee of indebtedness) in which the Company was, is or will be a participant and in which any Related Party had, has or will have a direct or indirect interest. Notwithstanding the foregoing, a “Related Party Transaction” does not include transactions available to all employees generally.

III. Audit Committee Approval

Anyone seeking approval of a potential Related Party Transaction shall provide notice to the Company’s Chief Financial Officer of the facts and circumstances of the proposed Related Party Transaction, including, to the extent known:

- the Related Party’s relationship to the Company and interest in the transaction;
- the material facts of the proposed Related Party Transaction, including the proposed aggregate value of such transaction or, in the case of indebtedness, the amount of principal that would be involved;
- the benefits to the Company of the proposed Related Party Transaction;
- if applicable, the availability of other sources of comparable products or services; and
- an assessment of whether the proposed Related Party Transaction is on terms that are comparable to the terms available to an unrelated third party or to employees generally.

If the Chief Financial Officer affirms that the proposed transaction is reasonably likely to be a Related Party Transaction, the proposed Transaction shall be submitted to the Audit Committee (the “Committee”) or the Committee’s authorized delegate (which, for purposes of this Policy, shall be the Chairman of the Committee, referred to hereinafter as the “Delegate”) for consideration as soon as practicable. The Committee or Delegate (as the case may be) shall consider all of the relevant factors, including but not limited to (if and to the extent applicable):

- the benefits to the Company;
- the impact on a director’s independence in the event the Related Party is a director, an immediate family member of a director or an entity in which a director is a partner, shareholder or executive officer;
- the availability of other sources for comparable products or services;
- the terms of the transaction;
- the terms available to unrelated third parties or to employees generally; and
- whether the Related Party Transaction is, overall, in or not inconsistent with the best interests of the Company.

No member of the Committee nor the Delegate shall participate in any review, consideration or approval of any Related Party Transaction with respect to which such member or any of his or her immediate family members is the Related Party.

IV. Pending and Completed Related Party Transactions

In the event an executive officer or director of the Company becomes aware of a Related Party Transaction that has not been previously approved or ratified under this Policy, he or she shall notify the Chief Financial Officer to facilitate the following review.

1. If the Related Party Transaction is pending or ongoing, the facts and circumstances relative to the transaction will be submitted to the Committee or Delegate promptly and the Committee or Delegate shall then consider all of the relevant factors described in Section III above. Based on such review, the Committee or Delegate shall evaluate alternatives relative to the transaction, including but not limited to ratification, amendment or termination of the Related Party Transaction.

2. If the Related Party Transaction is completed, the Committee or Delegate shall evaluate the transaction taking into account the relevant factors described in Section III above to determine whether rescission of the transaction and/or any disciplinary action (assuming the Related Party involves an executive officer or director of the Company) is appropriate. Depending on the circumstances, the Committee may also request that the Chief Financial Officer re-evaluate the Company’s controls and procedures relative to identification and administration of potential Related Party Transactions and determine whether any changes should be recommended for approval by the Committee or the Delegate.

V. Reporting and Disclosure

The Delegate shall report to the Committee no later than the next Committee meeting any approval, ratification or rescission of a Related Party Transaction under this Policy pursuant to the delegated authority. Any material Related Party Transaction or disciplinary action (as discussed in Section IV above) shall be disclosed to the full Board of Directors.