

**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**

Date of Report (Date of earliest event reported): May 1, 2018

FIVE9, INC.

(Exact name of Registrant as specified in its charter)

Delaware
**(State or other jurisdiction
of incorporation)**

001-36383
**(Commission
File No.)**

94-3394123
**(I.R.S. Employer
Identification No.)**

Bishop Ranch 8
4000 Executive Parkway, Suite 400
San Ramon, California 94583
(Address of principal executive offices and Zip Code)

Registrant's telephone number, including area code: (925) 201-2000

Not Applicable
(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:

- 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))

Indicated 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.

Five9, Inc. (the “Company”) today announced that the Board of Directors (the “Board”) of the Company appointed, effective as of May 3, 2018, Rowan Trollope as the Company’s Chief Executive Officer and as a Class II director of the Company with a term set to expire at the 2019 annual meeting of stockholders. In connection with this appointment, Barry Zwarenstein will no longer serve as Interim Chief Executive Officer of the Company, effective as of May 3, 2018, but will continue to serve as Chief Financial Officer of the Company.

Mr. Trollope, age 45, is a 26-year veteran of the enterprise software industry. Prior to being appointed the Chief Executive Officer and a director of the Company, Mr. Trollope served as Senior Vice President and General Manager, Applications Group at Cisco Systems, Inc., an information technology company, since October 2015. From November 2012 to October 2015, Mr. Trollope served as Senior Vice President and General Manager, Collaboration Technology Group of Cisco. Mr. Trollope has also served as a director of VeriFone Systems, Inc. since May 2017. Mr. Trollope was selected to serve on our Board because of the perspective he will bring to our Board as Chief Executive Officer and his extensive experience in the technology industry.

In connection with Mr. Trollope’s appointment, the Company and Mr. Trollope entered into an offer letter dated April 7, 2018 (the “Offer Letter”). Pursuant to the Offer Letter, Mr. Trollope will receive an initial base salary of \$575,000 and will be eligible to earn an annual bonus with a target amount of 115% of his base salary under the Company’s 2018 Executive Bonus Program, subject to the achievement of corporate performance targets the Compensation Committee approved in February 2018, and with any bonus paid in his first quarter of employment prorated based on his start date. In addition, Mr. Trollope will be eligible to receive benefits under the Key Employee Severance Benefit Plan (the “KESP”) as a Tier 1 Participant, except that upon a Constructive Termination (as defined in the Offer Letter) that is not in connection with a change in control, Mr. Trollope will also receive (1) a lump sum cash payment equal to 12 months of his then-current base salary and (2) continued health insurance coverage for 12 months. The Company will also grant Mr. Trollope a restricted stock unit award (“RSU”) with a target dollar value of \$14.0 million, which will vest as to one-third of the total number of shares subject to the RSU on June 3, 2019 and one-twelfth of the total number of shares subject to the RSU every three months thereafter, in each case, subject to his continued service with the Company on each vesting date, except that if he is terminated without cause or incurs a Constructive Termination prior to June 3, 2019, such RSU will become vested through his termination date as if the RSU had been subject to quarterly vesting.

The foregoing is not a complete description of the Offer Letter and is qualified in its entirety by reference to the full text of the Offer Letter, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K.

The Company entered into an indemnification agreement with Mr. Trollope in the form previously filed as Exhibit 10.1 to the Company’s Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 5, 2015. The indemnification agreement requires the Company to indemnify Mr. Trollope to the fullest extent permitted under Delaware law against liability that may arise by reason of his service to the Company, and to advance expenses incurred as a result of any proceeding against him as to which he could be indemnified, among other things.

Item 7.01 Regulation FD Disclosure.

The Company today announced the appointment, effective as of May 3, 2018, of Mr. Trollope as the Company’s Chief Executive Officer and as a director of the Company. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in Item 7.01 of this Current Report on Form 8-K (including Exhibit 99.1 furnished herewith) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
<u>10.1</u>	<u>Offer Letter, dated April 7, 2018, by and between the Company and Rowan Trollope</u>
<u>99.1</u>	<u>Press release issued by the Company on May 1, 2018</u>

SIGNATURES

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

FIVE9, INC.

Date: May 1, 2018

By:

/s/ Barry Zwarenstein

Barry Zwarenstein

Interim Chief Executive Officer and Chief
Financial Officer



April 7, 2018

Mr. Rowan Trollope

Dear Rowan,

We are very pleased to offer you employment with Five9, Inc. (“Company” or “Five9”) for the position of Chief Executive Officer (“CEO”). You shall have the usual duties of a CEO, including, without limitation, managing the day-to-day business of the Company, developing the Company’s strategic direction, business plans, and financing and capitalization opportunities, supervising the Company’s executives, communicating with the Company’s Board of Directors (“Board”) and the Company’s stockholders, and evaluating, negotiating, and executing significant business transactions on behalf of the Company, as well as such other duties as may be assigned to you from time to time by the Board. You shall report to the Board.

You shall serve as a member of the Board during your employment with the Company, and you may be asked to serve as a director of one or more subsidiaries or affiliates of the Company. Upon the severance of your employment for any reason, you shall be deemed to have resigned from the Board and from all other positions as an officer or director of any of the Company’s subsidiaries or affiliates.

You agree that during your employment with the Company, you will (i) devote as much time and effort as reasonably necessary for the performance of your responsibilities under this letter, (ii) refrain from engaging in services of any kind (whether as an employee, independent contractor, owner, director, partner, advisor or in any other capacity) on behalf of a business that, as determined by the Board in its reasonable discretion, directly competes with the Company (or any of its subsidiaries or affiliates), and (iii) refrain from providing services of any kind or engage in any other business activity that would materially interfere with the performance of your duties as CEO. Your service on the boards of directors (or similar body) of other business entities, or the provision of other services to other business entities, is subject to the prior approval of the Board, which shall not be unreasonably withheld. You are permitted to continue your current level of activity with each of the entities listed on Exhibit A and if you no longer serve on the board of directors of Verifone in the future, you will be permitted to serve as a member of the board of another public company, provided such company is not competitive with the Company, such service will not interfere with the effective discharge of your duties and responsibilities to the Company, and such service would not damage the reputation of the Company, in each case in the reasonable discretion of the Company’s Nominating and Governance Committee in consultation with you. The Company shall have the right to require you to resign from any board or similar body on which you may then serve if the Board reasonably determines that your service on such board or body interferes with the effective discharge of your duties and responsibilities to the Company or that

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San Ramon, CA 94583

www.five9.com

any business related to such service is then in competition with any business of the Company or any of its affiliates, successors or assigns. You will also follow the Company's policies and procedures (including its policies protecting other employees against discrimination and sexual harassment) as described to you from time to time.

Your expected employment start date is May 3, 2018. In this position, you will receive an annual base salary of \$575,000, less applicable withholdings, paid according to the Company's standard payroll practices. In addition, you will be eligible to earn an annual bonus with a target amount of 115% of base salary, less applicable withholdings, subject to the terms of the Company's 2018 Executive Bonus Program ("Bonus Program") and based on the objectives set forth in the Bonus Program. Your bonus will be determined based solely on the Company's performance against the objectives set forth in the Bonus Program. If earned, your bonus will be paid on a quarterly basis and any bonus paid for your first quarter of employment will be pro-rated based on your start date. The Compensation Committee retains sole discretion to determine both eligibility and the amount of any bonus you are eligible to receive.

The Company will grant you an award of restricted stock units ("RSU") covering a number of shares of Company common stock with a target dollar value of \$14 million, as determined under the Company's Equity Award Grant Policy in effect on the date of this letter. Assuming your employment start date is May 3, 2018, in accordance with the Company's Equity Award Grant Policy, the RSU would have a grant date of May 17, 2018, would have a vesting commencement date of June 3, 2018 (pursuant to the Company's standard vesting terms) and would vest as to 1/3rd of the total number of shares subject to the RSU on June 3, 2019, and as to 1/12th of such total number of shares on each September 3, December 3, March 3 and June 3 thereafter, so that the RSU is fully vested on June 3, 2021, subject to your continued service on each vesting date; provided, however, that if you incur an Involuntary Termination Without Cause (as defined below) prior to June 3, 2019, the RSU will become vested in a number of shares that would have otherwise become vested through the date of your Separation from Service (as defined in the KESP, as defined below) if the RSU had been subject to quarterly vesting without a one-year cliff on the same schedule as set forth above. The RSU will be governed by the Company's 2014 Equity Incentive Plan and standard form of RSU award agreement.

The Company has adopted the Key Employee Severance Benefit Plan ("KESP"), and you will be eligible for benefits provided under the KESP as a Tier 1 Participant, with the definition of Involuntary Termination Without Cause including a Constructive Termination using the definition set forth below. If, at any time during your employment as Chief Executive Officer, (i) the KESP expires or is terminated and is not replaced with a new plan, contract or arrangement providing total severance benefits that are at least as favorable in the aggregate to you, or (ii) if your severance benefits under the KESP are reduced, you will continue to be eligible to receive the severance benefits set forth in the KESP for a Tier 1 Participant in effect as of the date of this letter. "Constructive Termination" means the Participant's resignation from all positions he or she then holds with the Company, resulting in a Separation from Service, because one of the following events or actions is undertaken without the Participant's written

consent: (i) a material diminution in the Participant's authority, duties or responsibilities (which would include a failure to remain as the primary executive officer of the resulting combined entity after a Change in Control); (ii) a material reduction in the Participant's annual base salary (other than a reduction that affects all senior executives of the Company to a similar degree), which the parties agree is a reduction of ten percent (10%) or more; (iii) a material adverse change in the geographic location of the principal offices at which the Participant must perform the Participant's services, which the parties agree is a change that increases the Participant's one way commute by more than forty (40) miles; or (iv) the successor entity or surviving corporation in a Change in Control refuses to materially assume and comply with the terms of the Plan. An event or action will not give the Participant grounds for Constructive Termination unless (A) the Participant gives the Company written notice within sixty (60) days after the initial existence of the event or action that the Participant intends to resign in a Constructive Termination due to such event or action; (B) the event or action is not reasonably cured by the Company within thirty (30) days after the Company receives written notice from the Participant; and (C) the Participant's Separation from Service occurs within thirty (30) days after the end of the cure period. Capitalized terms set forth in this paragraph (other than Constructive Termination) have the meaning set forth in the KESP.

As a full-time employee of the Company, you will be eligible to participate in Company-sponsored vacation policies and employee benefits and be a member of any employee benefit plans that the Company may establish and that are generally available to other executives of the Company. Currently, these benefits include medical, dental and vision. In the near future, we will provide you more detailed information about these benefits, including eligibility rules.

Employment at the Company is "at will." This means that you are free to resign at any time with or without cause or prior notice. Similarly, the Company is free to terminate its employment relationship with you at any time, with or without cause or prior notice. As you know, Five9 is involved in a highly competitive and quickly evolving industry. Although your job duties, title, compensation and benefits, as well as the Company's policies and procedures, may change from time-to-time, the "at-will" nature of your employment may only be changed in a document signed by you and the Executive Chairman of the Board (or the Chairman of the Board, if there is not an Executive Chairman). Your employment with the Company is subject to Five9's general employment policies, many of which are described in the Five9 Employee Handbook.

You hereby agree not to use, disclose to the Company or induce the Company to use any confidential, proprietary or trade secret information or material belonging to others which comes (or has come) into your knowledge or possession at any time, nor will you use any such information or material in the course of your employment with the Company, absent authorization from the third-party that owns the information and the Company. You also agree not to ask any applicant, employee or other person to engage in such activities, absent authorization from the third-party that owns the information and the Company. In the event you believe that your work at the Company would make it difficult for you not to disclose to the Company any confidential, proprietary or trade secret information or materials

belonging to others, you will immediately provide written notice to the Board and the Human Resources Department. You further confirm that you have no other agreements, relationships with or commitments to any other person or entity that conflict with your obligations as an employee of the Company (including but not limited to noncompetition and non-solicitation agreements), and you represent that your employment will not require you to violate any obligation to or confidence with any other entity or person.

Your employment pursuant to this offer is contingent on the following: (1) your signing of the Company's Agreement Regarding Confidential Information, Intellectual Property, Non-Solicitation; (2) your ability to provide the Company with the legally-required proof of your identity and authorization to work in the United States; (3) the Company's satisfaction that you will not be in violation of any non-compete, proprietary invention and information agreements, or any other similar agreement between you and any current or former employer; and (4) your signing of the Company's Mutual Arbitration Agreement.

Rowan, we hope that you will accept our employment offer on the above terms and conditions, which can be modified only in writing as signed by the Executive Chairman of the Board (or Chairman of the Board, if there is not an Executive Chairman). This letter sets forth the terms of your employment with us and supersedes any prior representations or agreements, whether written or oral, including any other agreement between you and the Company. To accept our offer, please return one copy of your signed letter to me at your earliest convenience.

[Signature page follows]

Please contact me if you have any questions whatsoever about this letter or your employment. We are looking forward to you joining us as the Chief Executive Officer of Five9.

Sincerely,

/s/ Michael J Burkland

Michael Burkland
Executive Chairman of the Board

I have read and accept this employment offer:

/s/ Rowan Trollope

Rowan Trollope

4/8/2018

Date

Exhibit A

Outside Activities

Verifone Member of Board of Directors and Audit Committee
AccelepriseSF Non-operating General Partner
Optserve Corp. Founder and President



Five9 Appoints Industry Veteran Rowan Trollope as New CEO

SAN RAMON, Calif. – May 1, 2018 – Five9, Inc. (NASDAQ: FIVN), a leading provider of cloud contact center software for the digital enterprise, today announced that its Board of Directors has appointed Rowan Trollope as CEO effective May 3rd. Trollope was formerly SVP & General Manager of Cisco’s Applications Group.

Mike Burkland, who transitioned from CEO to Executive Chairman last December due to health reasons will continue as Executive Chairman. Barry Zwarenstein, Five9’s CFO, who served as Interim CEO during the transition, will continue as Chief Financial Officer. Dan Burkland will remain President overseeing Five9 customer facing functions which include Sales, Marketing and Services.

“I am absolutely thrilled that Rowan will be our next CEO,” said Mike Burkland. “Rowan is a proven superstar and one of Silicon Valley’s most sought-after executives. He is a seasoned veteran with an extensive track record of creating value, driving innovation and scaling large technology organizations. Rowan’s valuable domain experience in cloud technologies and the contact center market will be a huge benefit to Five9 and we’re really fortunate to gain a leader with his experience, talent and vision. In addition, I believe Rowan has the right character and personality traits to carry on our unique and thriving culture at Five9.”

Trollope has over 25 years of management experience. Most recently, as a key member of the CEO’s Executive Leadership Team at Cisco, he led the Applications Group, a \$5 billion business. Trollope joined Cisco in 2012 to lead the Collaboration Technology Group. During his tenure, his team reinvented Cisco’s Collaboration business, pivoting to a SaaS model and making design, simplicity and exponential improvement the guiding principles of product development. As a result, the business returned to growth - with recurring revenue growing in the double digits, margins expanding significantly, market share increasing, and leading Cisco’s shift to recurring revenue.

As a member of Cisco’s Executive Leadership Team, Trollope’s role expanded to creating a portfolio of new, high growth Enterprise SaaS businesses. This was first realized by turning-around the IoT initiative and building the industry’s #1 connectivity and data delivery platform. He next led expansion into the APM space and captured #1 market share position, and most recently took responsibility for Cisco’s blockchain strategy. Across his portfolio, Trollope applied an integrated approach of organic innovation and strategic M&A such as Broadsoft, AppDynamics and Jasper, and marquee partnerships with companies like Apple and Salesforce.

Prior to joining Cisco, Rowan spent many years in the Internet Security industry, and led Symantec’s sales, marketing and product development teams as the Group President, focusing on their cloud strategy. He was responsible for growing the company’s software-as-a-service



strategy and expanding cloud-based delivery and customer support models. Rowan holds a variety of patents in computer security and operating systems.

“I’m honored to lead Five9”, said Rowan Trollope. “Mike has done a tremendous job building the company into a leading provider of cloud contact center software. Thanks to Mike and his leadership, Five9 is extremely well positioned to continue expanding into the enterprise market in the years ahead. Five9 is a unique opportunity for me to join a market leader with strong momentum in a large market undergoing a shift to the cloud. I look forward to working with the Five9 team to take the company to the next level.”

Dave Welsh, Lead Independent Director said, “Five9 has grown consistently through the years to become a true market leader for cloud contact center software. The rest of the Five9 board and I are extremely pleased to have Rowan leading Five9 into its next stage of growth.”

Mike Burkland transitioned to Executive Chairman last December due to health reasons. Under Mike’s leadership, Five9’s revenue increased 20x to over \$200 million and the company’s value increased over 100x. “It has been a privilege to lead Five9 for the last 10 years – I am proud of our talented team and all that we have achieved together. As a rapidly growing, pure cloud company, in a large market which is in the early stages of cloud transformation, Five9 has a tremendous opportunity ahead,” Burkland added. “I’m so pleased to have Rowan at the helm to take Five9 to even greater heights.”

Forward-Looking Statements

This news release contains certain forward-looking statements, including the statements in the quotes from our Executive Chairman, Lead Independent Director, and Mr. Trollope, including statements regarding Five9’s market position, business momentum, growth outlook, Mr. Trollope’s expected impact on Five9 and its business, and the size and state of the cloud customer experience market, that are based on our current expectations and involve numerous risks and uncertainties that may cause these forward-looking statements to be inaccurate. Risks that may cause these forward-looking statements to be inaccurate include, among others, the risks detailed from time-to-time under the caption “Risk Factors” and elsewhere in our Securities and Exchange Commission filings and reports, including, but not limited to, our most recent quarterly report on Form 10-K/Q. Such forward-looking statements speak only as of the date hereof and readers should not unduly rely on such statements. We undertake no obligation to update the information contained in this press release, including in any forward-looking statements.

About Five9

Five9 is a leading provider of cloud contact center software for the digital enterprise, bringing the power of cloud innovation to customers and facilitating more than three billion customer interactions annually. Five9 provides end-to-end solutions with omnichannel routing, analytics, WFO, and AI to increase agent productivity and deliver tangible business results. The Five9 platform is reliable, secure, compliant, and scalable; designed to create exceptional personalized customer experiences.



For more information visit www.five9.com.
Engage with us [@Five9](#), [LinkedIn](#), [Facebook](#), [Blog](#).

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