

CALIX, INC
Form DEF 14A
April 02, 2019
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(RULE 14A-101)
INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

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 under §240.14a-12

CALIX, 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.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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CALIX, INC.

2777 Orchard Parkway

San Jose, California 95134

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 22, 2019

To the Stockholders of Calix, Inc.:

The Annual Meeting of Stockholders (Annual Meeting) of Calix, Inc. (Calix), will be held virtually, via live webcast at www.virtualshareholdermeeting.com/CALX19, on Wednesday, May 22, 2019 at 9:00 a.m. Pacific Daylight Time. The Annual Meeting will be held for the following purposes:

1. To elect four directors to the Calix Board of Directors (Board);
2. To approve the 2019 Equity Incentive Award Plan;
3. To approve the Amended and Restated Employee Stock Purchase Plan (ESPP) to increase the number of shares of common stock issuable under the ESPP by 2,500,000;
4. To approve, on a non-binding, advisory basis, the compensation of our named executive officers;
5. To ratify the selection of KPMG LLP as Calix's independent registered public accounting firm for the fiscal year ending December 31, 2019; and
6. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

The above items of business are more fully described in the Proxy Statement. Only stockholders who owned Calix common stock at the close of business on March 25, 2019 can vote at this meeting or any adjournments that take place.

We have elected to use the Internet as our primary means of providing our proxy materials to stockholders. As a result, we are sending a Notice of Internet Availability of Proxy Materials (Notice) rather than mailing a paper copy of this Proxy Statement and our 2018 Annual Report on or about April 2, 2019 to our stockholders of record as of the close of business on March 25, 2019. We are also providing access to our proxy materials over the Internet beginning on or about April 2, 2019. Electronic delivery of our proxy materials minimizes printing and mailing costs and reduces the environmental impact of the proxy materials.

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The Notice contains instructions for accessing the proxy materials, including the Proxy Statement and our 2018 Annual Report, and provides information on how stockholders may obtain paper copies free of charge. The Notice also provides the date and time of the virtual Annual Meeting, the matters to be acted upon at the meeting and the Board's recommendation with regard to each matter and information on how to attend the virtual Annual Meeting and vote online.

You are cordially invited to attend the virtual Annual Meeting. Whether or not you expect to attend, you should vote and submit your proxy over the Internet following the voting procedures described in the Notice to ensure that your vote is recorded. If you have requested and received paper copies of proxy materials, you can also vote over the phone or by signing, dating and returning by mail the proxy card sent to you.

By Order of the Board of Directors

/s/ Suzanne Tom
Suzanne Tom
Corporate Secretary

San Jose, California

April 2, 2019

The Notice of Annual Meeting, Proxy Statement and Form of Proxy are being distributed and made available on or about April 2, 2019.

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FOR 2019 ANNUAL MEETING OF STOCKHOLDERS**

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CALIX, INC.

2777 Orchard Parkway

San Jose, California 95134

PROXY STATEMENT

FOR THE 2019 ANNUAL MEETING OF STOCKHOLDERS

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 22, 2019

The Board of Directors of Calix, Inc. is soliciting your proxy to vote at the virtual Annual Meeting of Stockholders to be held on May 22, 2019, at 9:00 a.m. Pacific Daylight Time, and any adjournment or postponement of that meeting (Annual Meeting). The Annual Meeting will be held via live webcast only at www.virtualshareholdermeeting.com/CALX19.

We have elected to provide access to our proxy materials on the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (Notice) to our stockholders of record as of March 25, 2019 (Record Date), while brokers and other nominees who hold shares on behalf of beneficial owners will be sending their own similar notice. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or to request a printed set of the proxy materials. Instructions on how to request a printed copy by mail or email may be found in the Notice and on the website referred to in the Notice, including an option to request paper copies on an ongoing basis. On or about April 2, 2019, we are making this Proxy Statement available on the Internet and are mailing the Notice to all stockholders entitled to vote at the Annual Meeting. We intend to mail or email this Proxy Statement, together with a proxy card, to those stockholders entitled to vote at the Annual Meeting who have properly requested paper copies of such materials within three business days of request.

The only voting securities of Calix, Inc. are shares of common stock, \$0.025 par value per share (common stock), of which there were 54,163,829 shares outstanding as of the Record Date (excluding treasury shares). We need the holders of a majority of the outstanding shares of common stock, present or represented by proxy, to hold the Annual Meeting.

In this Proxy Statement, we refer to Calix, Inc. as the Company, Calix, we or us and the Board of Directors as the Board. When we refer to Calix's fiscal year, we mean the twelve-month period ending December 31 of the stated year.

Our 2018 Annual Report to Stockholders, which contains consolidated financial statements for fiscal year 2018, accompanies this Proxy Statement if you have requested and received a copy of the proxy materials in the mail. Stockholders who received the Notice can access this Proxy Statement and the 2018 Annual Report to Stockholders at the website referred to in the Notice. You also may obtain a copy of our 2018 Annual Report on Form 10-K, which was filed with the Securities and Exchange Commission (SEC), without charge, by writing to our Investor Relations department at the above address. Our 2018 Annual Report on Form 10-K and Proxy Statement are also available under Financials in the Investor Relations section of our website [at investor-relations.calix.com](http://investor-relations.calix.com) and at the SEC's web site at www.sec.gov.

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THE PROXY PROCESS AND STOCKHOLDER VOTING

QUESTIONS AND ANSWERS ABOUT THIS PROXY MATERIAL AND VOTING

Who can vote at the Annual Meeting?

Only stockholders of record at the close of business on March 25, 2019 will be entitled to vote online at the Annual Meeting. At the close of business on March 25, 2019, there were 54,163,829 shares of common stock outstanding and entitled to vote.

Stockholder of Record: Shares Registered in Your Name

If, on March 25, 2019, your shares were registered directly in your name with Calix's transfer agent, Computershare, Inc., then you are a stockholder of record. As a stockholder of record, you may vote online at the Annual Meeting or vote by proxy. Whether or not you expect to attend, you should vote and submit your proxy over the Internet following the voting procedures described in the Notice to ensure that your vote is recorded. If you have requested and received paper copies of proxy materials, you can also vote over the phone or by signing, dating and returning by mail the proxy card sent to you.

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

If, on March 25, 2019, your shares were held in an account at a brokerage firm, bank, dealer or other similar organization, then you are the beneficial owner of shares held in a street name and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered 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 on how to vote the shares in your account. You are also welcome to attend the Annual Meeting and to vote online.

What do I need in order to be able to attend the Annual Meeting online?

Any stockholder can attend the Annual Meeting live online at www.virtualshareholdermeeting.com/CALX19. The webcast will start at 9:00 a.m. Pacific Daylight Time. Stockholders may vote and submit questions while attending the Annual Meeting online. In order to be able to participate in the online Annual Meeting, you will need the control number included on your Notice or, if you received a printed copy of the proxy materials, your proxy card if you are a stockholder of record, or included with your voting instruction card and voting instructions you received from your broker, bank or other agent if you hold your shares in a street name. Instructions on how to participate online are also posted online at www.virtualshareholdermeeting.com/CALX19.

Why is Calix hosting the Annual Meeting online?

Among other reasons, Calix believes hosting the Annual Meeting online enables broader stockholder attendance and participation from any location around the world, minimizing travel time and cost. In designing our online format, we have taken measures to ensure our virtual meeting provides all stockholders with equal access to ask questions of our Board and management. Our virtual meeting allows participating stockholders to vote on proposals, access our Proxy Statement and 2018 Annual Report and engage in a live Q&A with our Board, management and auditors. In addition, a recording of our Annual Meeting is publicly available for a year following each annual meeting at www.virtualshareholdermeeting.com/CALX19.

What am I being asked to vote on?

You are being asked to vote on:

election of four Class III directors to hold office until our 2022 Annual Meeting of Stockholders (Proposal No. 1);

approval of the 2019 Equity Incentive Award Plan (Proposal No. 2);

approval of the Amended and Restated Employee Stock Purchase Plan (ESPP) to increase the number of shares of common stock issuable under the ESPP by 2,500,000 (Proposal No. 3);

approval on a non-binding, advisory basis of the compensation of our named executive officers (NEOs) as disclosed in this Proxy Statement (Proposal No. 4); and

ratification of the selection of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019 (Proposal No. 5).

In addition, you are entitled to vote on any other matters that are properly brought before the Annual Meeting.

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How does the Board recommend I vote on the Proposals?

The Board recommends that you vote:

FOR each of the Class III director nominees;

FOR approval of our 2019 Equity Incentive Award Plan;

FOR approval of the increase of the number of shares of common stock issuable under the ESPP by 2,500,000;

FOR approval, on a non-binding, advisory basis, of the compensation of our NEOs; and

FOR ratification of KPMG LLP as our independent registered public accounting firm.

How do I vote?

For election of directors, you may either vote **For** the four nominees or you may **Withhold** your vote for all or for any nominee you specify. For any other matter to be voted on, you may vote **For** or **Against** or abstain from voting. The procedures for voting are as follows:

Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record, you may vote in any of the following manners:

To vote during the Annual Meeting, follow the online instructions provided on the Notice of Internet Availability of Proxy Materials to login to www.virtualshareholdermeeting.com/CALX19 to cast your vote.

To vote over the Internet prior to the Annual Meeting, follow the instructions provided on the Notice of Internet Availability of Proxy Materials.

To vote by phone, call the toll-free number found on the proxy card, which you can request by following the instructions provided on the Notice of Internet Availability of Proxy Materials.

To vote by mail, complete, sign and date the proxy card, which you can request by following the instructions provided on the Notice of Internet Availability of Proxy Materials, and return it promptly by mail. As long as we receive your signed proxy card, or your vote by Internet or phone, by 11:59 p.m. Eastern Daylight Time on May 21, 2019, we will vote your shares as you direct.

Whether or not you plan to attend the Annual Meeting, we urge you to vote by proxy, phone or the Internet to ensure that your vote is counted. Even if you have submitted a proxy or voted by phone or the Internet before the Annual Meeting, you may still attend the Annual Meeting and vote online. In such case, your previously submitted proxy or vote will be disregarded.

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

If you are a beneficial owner of shares registered in the name of your broker, bank or other agent, you should have received a voting instruction card and voting instructions with these proxy materials from that organization rather than from us. You should complete and mail the voting instruction card to ensure that your vote is counted. You should follow the instructions from your broker, bank or other agent included with these proxy materials, or contact your broker, bank or other agent to request a proxy form. You may also vote online at the Annual Meeting.

Who counts the votes?

We have engaged Broadridge Financial Solutions, Inc. (Broadridge) as our independent agent to tabulate stockholder votes. If you are a stockholder of record, and you choose to vote over the Internet (either prior to or during the Annual Meeting) or by phone, Broadridge will access and tabulate your vote electronically, and if you have requested and received proxy materials via mail or email and choose to sign and mail your proxy card, your executed proxy card is returned directly to Broadridge for tabulation. As noted above, if you hold your shares through a broker, your broker (or its agent for tabulating votes of shares held in a street name) returns one proxy card to Broadridge on behalf of all its clients.

What is the required vote and how are votes counted?

A majority of the outstanding shares of common stock must be present or represented by proxy at the Annual Meeting in order to have a quorum. Abstentions and broker non-votes will be treated as shares present for the purpose of determining the presence of a quorum.

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With respect to Proposal No. 1, the election of directors, directors will be elected by a plurality of the votes cast, which means that the four nominees receiving the highest number of For votes will be elected. Abstentions and broker non-votes will have no effect with regard to this proposal, because approval of a percentage of shares present or outstanding is not required for this proposal.

With respect to Proposals No. 2, 3, 4 and 5, the affirmative vote of the holders of a majority in voting power of the shares of common stock present or by proxy and entitled to vote on the proposal is required for approval. Abstentions have the same effect as a vote against these proposals.

Because your vote on Proposal No. 4 is advisory, it will not be binding on us, our Board or our Compensation Committee. However, we value our stockholders' views on the effectiveness of our executive compensation program. Our Board and Compensation Committee consider the annual advisory vote of our stockholders when making decisions about executive compensation.

Under the New York Stock Exchange (NYSE) rules, brokers are permitted to vote their clients' proxies in their own discretion as to certain routine proposals. However, where a proposal is considered non-routine, a broker who has received no instructions from its client generally does not have discretion to vote its clients' uninstructed shares on that proposal. When a broker indicates on a proxy that it does not have discretionary authority to vote certain shares on a particular proposal, the missing votes are referred to as broker non-votes. Those shares would be considered present for purposes of determining whether a quorum is present but would not be counted in determining the number of votes present for the proposal. Those shares would not be taken into account in determining the outcome of the non-routine proposal.

Under NYSE rules, Proposals No. 1 through No. 4 are non-routine matters while Proposal No. 5 is a routine matter. Because brokers cannot vote uninstructed shares on behalf of their customers for non-routine matters, it is important that stockholders vote their shares.

Broadridge will separately count For and Withhold votes with respect to Proposal No. 1, For and Against votes and abstentions, with respect to Proposal Nos. 2, 3 and 4, and For and Against votes, abstentions and broker non-votes with respect to Proposal No. 5.

How many votes do I have?

On each matter to be voted upon, you have one vote for each share of common stock you own as of March 25, 2019.

What if I return a proxy card but do not make specific choices?

If you have properly requested and received a proxy card by mail or email, and we receive a signed and dated proxy card that does not specify how your shares are to be voted, your shares will be voted For the election of each of the four nominees for director and For Proposals No. 2, 3, 4 and 5. If any other matter is properly presented at the Annual Meeting, the individuals named as proxy holders on your proxy card will vote your shares in the manner recommended by the Board on all proposals presented in this Proxy Statement and as they may determine in their best judgment as to any other matters properly presented for vote at the Annual Meeting.

Who is paying for this proxy solicitation?

We will pay for the entire cost of soliciting proxies. In addition to these mailed proxy materials, our directors, officers and employees may also solicit proxies in person, by phone or by other means of communication. Directors, officers

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 of Internet Availability of Materials or set of materials?

If you receive more than one Notice of Internet Availability of Materials or more than one set of materials, your shares are registered in more than one name or are registered in different accounts. In order to vote all the shares you own, you must follow the instructions for voting on the Internet on all of the Notices of Internet Availability of Proxy Materials or proxy cards you receive via mail or email upon your request, which includes voting over the Internet, phone or by signing and returning all of the proxy cards you request and receive.

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Can I change my vote after submitting my proxy or voting on the Internet or by phone?

Yes. You can revoke your proxy or prior vote at any time before the final vote at the Annual Meeting. If you are the record holder of your shares, you may revoke your proxy or prior vote in any one of three ways:

You may submit another properly completed proxy with a later date or submit a new vote on the Internet or by phone using the same instructions followed when you submitted your prior vote.

You may send a written notice that you are revoking your proxy to Calix's Corporate Secretary at Calix, Inc., 2777 Orchard Parkway, San Jose, California 95134.

You may attend the Annual Meeting and vote online. Simply logging into the Annual Meeting will not, by itself, revoke your proxy or prior vote.

If your shares are held by your broker, bank or other agent, you should follow the instructions provided by them.

How will voting on any business not described in this Proxy Statement be conducted?

We are not aware of any business to be considered at the Annual Meeting other than the items described in this Proxy Statement. If any other matter is properly presented for vote at the Annual Meeting and you are not attending the meeting in person but have voted by proxy, the individuals named as proxy holder on your proxy card will vote your shares as they may determine in their best judgment.

When are stockholder proposals due for next year's Annual Meeting?

To be considered for inclusion in next year's proxy materials, your proposal must be submitted in writing by December 4, 2019, to Calix's Corporate Secretary at 2777 Orchard Parkway, San Jose, California 95134. If you wish to submit a proposal that is not to be included in next year's proxy materials under the SEC's shareholder proposal procedures or nominate a director, you must do so between January 23, 2020 and February 22, 2020; provided that if the date of the annual meeting is earlier than April 22, 2020 or later than July 21, 2020, you must give notice not later than the 90th day prior to the annual meeting date or, if later, the 10th day following the date on which public disclosure of the annual meeting date is first made. You are also advised to review our bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if the holders of a majority in voting power of the shares of common stock issued and outstanding and entitled to vote are present or represented by proxy at the Annual Meeting. On the Record Date, there were 54,163,829 shares outstanding and entitled to vote. Accordingly, 27,081,915 shares must be represented by stockholders present at the Annual Meeting or by proxy to have a quorum.

Your shares will be counted towards the quorum if you submit a valid proxy vote or vote online at the Annual Meeting. Abstentions and broker non-votes also will be counted towards the quorum requirement. If there is no quorum, either the chairperson of the Annual Meeting or a majority in voting power of the stockholders entitled to

vote at the Annual Meeting, present or represented by proxy, may adjourn the Annual Meeting to another time or place.

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

Voting results will be announced by the filing of a Current Report on Form 8-K within four business days after the Annual Meeting. If final voting results are unavailable at that time, we will file an amended Current Report on Form 8-K within four business days of the day the final results are available.

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CORPORATE GOVERNANCE

Overview

Our Board is responsible for providing oversight over the Company's business and affairs, including the Company's strategic direction, as well as the management and financial and operational execution that can best perpetuate the success of the business and support the long-term interest of our stockholders. To effectively support its responsibilities, the Board has three principal board committees: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee that each carry out responsibilities set out in specific committee charters approved by the Board and consistent with applicable requirements of the NYSE and the SEC. The Board has also established a Cybersecurity Committee and a Strategic Committee, each with specific committee charters approved by the Board. The Board and each Board committee may at their discretion retain outside advisors at the Company's expense in carrying out their responsibilities.

Our Board is committed to good corporate governance practices and seeks to represent stockholder interests through the exercise of sound judgment. To this end, the Board has adopted Corporate Governance Guidelines (Guidelines) that provide specific provisions for the governance of the Board and Company. We have a Code of Business Conduct and Ethics (Code of Conduct) applicable to all directors, officers and employees that is approved and adopted by our Board representing our commitment to the highest standards of ethics and integrity in the conduct of our business. Our bylaws, together with the Guidelines, the Board committee charters and our Code of Conduct serve as the governance and compliance framework of the Company.

On an annual basis, the Board and its committees review the Guidelines, Board committee charters and our Code of Conduct. The Guidelines, the written charter for each of the Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee, Cybersecurity Committee, Strategic Committee and the Code of Conduct, as well as any amendments from time to time, may be found under Governance in the Investor Relations section of our website at investor-relations.calix.com. The referenced information on the Investor Relations section of our website is not a part of this Proxy Statement.

Leadership Structure of the Board

Under our bylaws, our Board appoints our corporate officers, including the chief executive officer. We separate the roles of chief executive officer and chairman of the Board in recognition of the differences between the two roles. Mr. Russo serves as president and chief executive officer and is responsible for setting the strategic direction for and the day-to-day leadership and performance of Calix, while Mr. Listwin serves as chairman and provides guidance to the chief executive officer and management, sets the agenda for Board meetings and presides over meetings of the full Board. The Board does not have a policy on whether the role of the chairman and chief executive officer should be separate and, if it is to be separate, whether the chairman should be selected from the non-employee directors or be an employee and if it is to be combined, whether a lead independent director should be selected. As president and chief executive officer, Mr. Russo is not independent under the rules of the NYSE. Mr. Listwin, Calix's chairman, is an independent director as defined under the rules of the NYSE and has significant executive leadership and strategic experience, including multiple executive leadership roles at large publicly-traded technology companies. The Board believes that the current board leadership structure is best for Calix and its stockholders at this time. Our Nominating and Corporate Governance Committee periodically reviews and recommends to the Board the leadership structure of the Board.

Board Independence

Among other considerations, the Board strongly values independent board oversight as an essential component of strong corporate performance. On at least an annual basis, the Board undertakes a review of the independence of each director and considers whether any director has a material relationship with Calix. The Board evaluates each director under the independence rules of the NYSE and the non-employee director and audit committee independence requirements of the SEC.

The NYSE rules require listed company boards have at least a majority of independent directors. Based on its evaluation, our Board determined that each of Messrs. Bowick, DeNuccio, Everett, Listwin, Matthews, Peters and Plants, and each of Mses. Crusco and Makagon, representing nine of Calix's ten current directors, are independent directors as defined under the NYSE rules. Mr. Russo, who has served as our president and chief executive office since 2002, is the only member of the Board who is not independent.

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Nine of the total ten current directors of our Board are independent under NYSE rules:

Director	Independent	Director Since
Christopher Bowick	Independent	2014
Kathy Crusco	Independent	2017
Kevin DeNuccio	Independent	2012
Mike Everett	Independent	2007
Don Listwin	Independent	2007
Kira Makagon	Independent	2017
Michael Matthews	Independent	2010
Kevin Peters	Independent	2014
J. Daniel Plants	Independent	2018
Carl Russo	Not Independent	1999

Board Composition and Qualifications

The Board assesses Board composition and qualifications at least annually. In assessing Board composition and qualifications, as well as in evaluating candidates for nomination or to fill vacancies on the Board, the Board seeks to maximize effectiveness of the Board and its committees to perpetuate the success of the Company, to best represent stockholder interests through the exercise of sound judgment and to assure continuity in the Board's oversight over the Company and management. The Board places significant emphasis on ensuring an appropriate mix of characteristics, skills and experience for the Board as a whole and as to each individual director. The Board, through its Nominating and Corporate Governance Committee, evaluates the skills and attributes of the Board as a whole and each individual director against the Company's needs and strategic direction. Among other considerations, the Board seeks to ensure an appropriate mix of expertise in executive and corporate leadership, diversity of background, perspective and experience (including diversity of gender, age and ethnicity), personal and professional integrity, ethics and values, financial and operational experience, as well as expertise and insights in technologies, industries and markets relevant to the Company's strategic plans.

Our Board believes the current mix of skills, backgrounds and attributes of our Board maximizes the effectiveness of our Board in its oversight responsibilities. In 2017, we added two new directors to our Board, with Ms. Makagon bringing substantial expertise in global platform strategy, technology, cybersecurity, operations and high-technology executive leadership to our Board and Ms. Crusco adding deep financial, accounting and operational expertise, public company leadership and governance experience to our Board. In 2018, we added Mr. Plants as a new director, bringing his expertise in corporate governance and leadership, as well as adding stockholder insight, to our Board. The Board values the board gender diversity, experience and perspective from the additions of Ms. Crusco and Makagon and Mr. Plants to the Board. A summary of the mix of key skills and attributes representative of our current Board is as follows:

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Our Board also considers board tenure in its review of Board composition. Our Board consists of a mix of board tenure. The average tenure of our independent directors is approximately six years, with three directors at tenures of less than three years, two directors at tenures of three to five years, two directors at five to ten years and two directors at ten or more years.

Director	Date Joined
Christopher Bowick	July 2014
Kathy Crusco	September 2017
Kevin DeNuccio	September 2012
Mike Everett	August 2007
Don Listwin	January 2007
Kira Makagon	July 2017
Michael Matthews	December 2010
Kevin Peters	October 2014
J. Daniel Plants	March 2018
Carl Russo	December 1999

Board Meetings and Committees

Our Board met seven times during fiscal year 2018. During 2018, each Board member attended 75% or more of the aggregate of the meetings of the Board and of the committees on which he or she served. In addition, our Board met in executive session without management present during its four regularly scheduled in-person meetings in 2018. Our chairman of the Board presides over the executive sessions of the Board.

We encourage our directors to attend our annual meetings of stockholders. Messrs. Bowick, DeNuccio, Everett, Listwin, Matthews, Peters, Plants and Russo and Ms. Crusco each attended our 2018 annual meeting of stockholders.

The Board has established three principal Board committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. In June 2017, the Board established a fourth Board committee, the Cybersecurity Committee, and in June 2018, the Board established a fifth Board committee, the Strategic Committee. The membership of all five Board committees are composed entirely of independent directors.

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Audit Committee

Our Audit Committee is established in accordance with Section 3(a)(58)(A) of the Exchange Act and is responsible for overseeing management of Calix's risks relating to accounting matters, financial reporting and legal and regulatory compliance. Each director serving on our Audit Committee is independent within the meaning of the NYSE listing standards and applicable rules and regulations of the SEC.

The current members of our Audit Committee are Mr. Everett, Ms. Crusco and Mr. Matthews, with Mr. Everett serving as the Audit Committee chair. Our Board has determined that Mr. Everett and Ms. Crusco are each an audit committee financial expert as defined under the SEC rules. During 2018, the Audit Committee met eleven times, and conducted private sessions with our independent registered public accounting firm, with individual members of management and with the committee members at each of its four regularly scheduled in-person meetings.

Our Audit Committee oversees our corporate accounting and financial reporting process. Among other matters, the Audit Committee evaluates the independent registered public accounting firm's qualifications, independence and performance; determines the engagement of the independent registered public accounting firm; reviews and approves the scope of the annual audit and the audit fees; discusses with management and the independent registered public accounting firm the results of the annual audit and the review of Calix's quarterly consolidated financial statements; approves the retention of the independent registered public accounting firm to perform any proposed permissible non-audit services; monitors the rotation of partners of the independent registered public accounting firm on Calix's engagement team as required by law; reviews Calix's critical accounting policies and estimates; oversees the internal audit function and annually reviews the Audit Committee charter and the committee's performance. The Audit Committee operates under a written charter pursuant to applicable standards and rules of the SEC and the NYSE. The Audit Committee's written charter is available under Governance in the Investor Relations section of our website at investor-relations.calix.com.

In carrying out its responsibilities, the Audit Committee may at its discretion retain outside advisors at the Company's expense.

Compensation Committee

Our Compensation Committee is responsible for overseeing the management of risks relating to Calix's executive compensation plans and arrangements. Each director serving on our Compensation Committee is independent within the meaning of the NYSE listing standards and applicable rules and regulations of the SEC. Mr. Listwin joined the Compensation Committee on May 16, 2018 upon the retirement of Michael Flynn from our Board on May 16, 2018. Mr. Flynn was independent within the meaning of the applicable rules and regulations of the NYSE and SEC during his service on the Compensation Committee.

The current members of our Compensation Committee are Messrs. Bowick, DeNuccio and Listwin, with Mr. Bowick serving as the Compensation Committee chair. During 2018, the Compensation Committee met eight times.

Our Compensation Committee reviews and oversees policies relating to compensation and benefits of Calix executive officers and employees. The Compensation Committee reviews and approves corporate goals and objectives relevant to compensation of the chief executive officer and other executive officers, certifies performance against such corporate goals and objectives and sets the compensation of our executive officers. The Compensation Committee also administers Calix's stock-based compensation plans, including the issuance of stock options and other awards under Calix's equity incentive award plan. The Compensation Committee reviews and evaluates, at least annually, the performance of the Compensation Committee and its members, including compliance of the Compensation

Committee with its charter. In fulfilling its responsibilities, the Compensation Committee may delegate any or all of its responsibilities to a subcommittee of the Compensation Committee, but only to the extent consistent with Calix's certificate of incorporation and bylaws, NYSE rules and other applicable law. The Compensation Committee operates under a written charter pursuant to applicable standards and rules of the SEC and the NYSE. The Compensation Committee's written charter is available under "Governance" in the Investor Relations section of our website at investor-relations.calix.com.

In carrying out its responsibilities, the Compensation Committee may at its discretion retain outside advisors at the Company's expense.

Compensation Committee Interlocks and Insider Participation

Messrs. Bowick and DeNuccio served on Calix's Compensation Committee for the entirety of 2018. Mr. Flynn served on the Compensation Committee until May 16, 2018. Mr. Listwin has served on the Compensation Committee since May 16, 2018. None of the members of Calix's Compensation Committee is or was at any time during 2018 an officer or employee of Calix, was formerly an officer of Calix or has engaged in certain related transactions with Calix, as required to be disclosed by SEC regulations. None of Calix's executive officers currently serves or in the past year has served as a member of the board of directors or compensation committee of any other entity that has one or more executive officers serving on Calix's Board or Compensation Committee.

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Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is responsible for overseeing management of Calix's risks associated with the independence of the Board and potential conflicts of interest. Each director serving on our Nominating and Corporate Governance Committee is independent within the meaning of the NYSE listing standards. Mr. DeNuccio joined the Nominating and Corporate Governance Committee on May 16, 2018 upon Mr. Flynn's retirement from our Board on May 16, 2018. Mr. Flynn was independent within the meaning of the applicable rules and regulations of the NYSE and SEC during his service on the Nominating and Corporate Governance Committee.

Our Nominating and Corporate Governance Committee currently consists of Messrs. DeNuccio, Listwin and Peters, with Mr. Listwin serving as the Nominating and Corporate Governance Committee chair. During 2018, the Nominating and Corporate Governance Committee met five times.

The Nominating and Corporate Governance Committee is responsible for making recommendations regarding candidates for directorships and the size and composition of the Board. In addition, the Nominating and Corporate Governance Committee is responsible for overseeing Calix's Corporate Governance Guidelines and reporting and making recommendations concerning governance matters. The Nominating and Corporate Governance Committee operates under a written charter that satisfies the applicable standards of the SEC and the NYSE. The Nominating and Corporate Governance Committee's written charter is available under Governance in the Investor Relations section of our website at investor-relations.calix.com.

In carrying out its responsibilities, the Nominating and Corporate Governance Committee may at its discretion retain outside advisors at the Company's expense.

Director Nominations

The Nominating and Corporate Governance Committee considers director candidate recommendations from a variety of sources, including nominees recommended by stockholders. The Nominating and Corporate Governance Committee may also retain an executive search firm to assist in identifying, screening and facilitating the interview process of director candidates. The Nominating and Corporate Governance Committee may take into account minimum qualifications including, among other factors the Committee may deem appropriate: diversity of personal and professional background, perspective and experience, including diversity of gender, age and ethnicity; personal and professional integrity, ethics and values; experience in corporate management, operations or finance; experience relevant to the Company's industry and with relevant social policy concerns; experience as a board member or executive officer of another publicly held company; relevant academic expertise; practical and mature business judgment; promotion of a diversity of business or career experience relevant to the success of the Company; and any other relevant qualifications, attributes or skills, which will be evaluated in the context of the Board as a whole, with the objective of assembling a board that can best perpetuate the success of the business and represent stockholder interests through the exercise of sound judgment using its diversity of experience in these various areas. In addition, the Nominating and Corporate Governance Committee expects any candidate for the Board to be able to represent the interests of the Company's stockholders as a whole rather than any special interest or constituency.

Each of our nominees standing for election at this 2019 Annual Meeting was recommended to the Board by the Nominating and Corporate Governance Committee based on the Committee's evaluation as set forth above.

The policy of the Nominating and Corporate Governance Committee is to consider properly submitted director candidates recommended by stockholders. For a stockholder to make any nomination for election to the Board at an annual meeting, the stockholder must provide notice to Calix, which must be received at Calix's principal executive

office not less than 90 days and not more than 120 days prior to the one-year anniversary of the preceding year's annual meeting; provided, that if the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, the stockholder's notice must be delivered not later than 90 days prior to the date of the annual meeting or, if later, the 10th day following the date on which public disclosure of the annual meeting date is first made. Further updates and supplements to such notice may be required at the times and in the forms required under our bylaws. As set forth in our bylaws, submissions must include the name and address of the proposed nominee, information regarding the proposed nominee that is required to be disclosed in a proxy statement or other filings in a contested election under Section 14(a) of the Exchange Act, information regarding the proposed nominee's indirect and direct interests in shares of Calix's common stock, and a completed and signed questionnaire, representation and agreement of the proposed nominee. Our bylaws also specify further requirements as to the form and content of a stockholder's notice. We recommend that any stockholder wishing to make a nomination for director review a copy of our bylaws, as amended and restated to date, which is available, without charge, from our Corporate Secretary at 2777 Orchard Parkway, San Jose, California 95134. The presiding officer at the applicable annual meeting may, if the facts warrant, determine that a nomination was not properly made in accordance with the foregoing, in which case the defective nomination may be disregarded.

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Cybersecurity Committee

The Cybersecurity Committee was constituted by the Board in June 2017 as a Board committee of independent directors responsible for overseeing the management of enterprise security over cyber risks, overall data and security breach programs and readiness and our program for data and security breach response and management. Each director serving on our Cybersecurity Committee is independent within the meaning of the NYSE listing standards.

Calix's Cybersecurity Committee currently consists of Mr. Peters, Ms. Makagon and Mr. Matthews, with Mr. Peters serving as the Cybersecurity Committee chair. During 2018, the Cybersecurity Committee met four times.

Our Cybersecurity Committee oversees Calix's management of risks associated with cybersecurity threats and reviews with management at each meeting the Company's assessment of cybersecurity threats and risks, data security programs, and management and mitigation of potential and any actual cybersecurity and information technology risks and breaches. Among other responsibilities, the Cybersecurity Committee also reviews and provides oversight of: the effectiveness of Calix's data breach incident response plan; Calix's cybersecurity risk systems against industry benchmarks and best practices; and Calix's information security planning and resources to manage changes in Calix's cybersecurity threat landscape, including assessments of the potential impact of cybersecurity risk on Calix's business, operations and reputation. The Cybersecurity Committee's written charter is available under Governance in the Investor Relations section of our website at investor-relations.calix.com.

In carrying out its responsibilities, the Cybersecurity Committee may at its discretion retain outside advisors at the Company's expense.

Strategic Committee

The Board constituted a Strategic Committee in June 2018 as a committee of independent directors with responsibility to oversee our business strategy, strategic direction and objectives.

Our Strategic Committee currently consists of Ms. Crusco and Messrs. Listwin and Plants. Mr. Listwin has served as chair of the Strategic Committee from its formation until May 2019. Mr. Plants will serve as chair of the Strategic Committee commencing in May 2019.

Among other duties, the Strategic Committee provides oversight over our long-term strategic plan to support our objectives and to create long-term stockholder value and evaluates potential strategic actions and financing strategies. The Strategic Committee also works with management to monitor internal and external risks, threats and potential disruptions to our strategic plan. The Strategic Committee's written charter is available under Governance in the Investor Relations section of our website at investor-relations.calix.com.

In carrying out its responsibilities, the Strategic Committee may at its discretion retain outside advisors at the Company's expense.

Annual Self-Assessment and Board Education

Annually, the Board and each Board committee conduct a self-assessment to assess the performance and effectiveness of the Board and Board committees, as well as to provide feedback on individual directors. The chairman of the Board leads discussions and actions related to the self-assessments. The Board is committed to the ongoing director education and advancement. To that end, the Company has a written Board education policy and provides its directors with membership in the National Association of Corporate Directors (NACD) to assist them in remaining current with

best practices and developments in board oversight and corporate governance, as well as opportunities to participate in NACD fellowship programs on leading boardroom practices and commitment to boardroom excellence.

Board Oversight Over Risks

The Board has an active role, as a whole and also at the committee level, in overseeing management of Calix's risks, including financial risks, cybersecurity risks, credit and liquidity risks, legal and regulatory risks and operational risks. The Board is responsible for general oversight of risks and regularly reviews information from management who is responsible for the day-to-day processes and operations to manage risks.

The Audit Committee has primary responsibility for oversight over management's processes over financial, credit and liquidity, legal and regulatory risks, including the Company's compliance program; the Cybersecurity Committee oversees Calix's management of risks associated with cybersecurity and data breach threats; the Compensation Committee is responsible for risk assessments over Calix's compensation practices and policies; and the Strategic Committee has oversight over internal and external risks to our strategic plan. While Board committees have responsibility for evaluating certain areas of risks and overseeing the management of such risks, the entire Board retains overall responsibility and remains regularly informed through committee reports about such risks.

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Code of Conduct and Compliance

We are committed to the conduct of our business to the highest standards of ethics and integrity as reflected in our Code of Conduct. All of our directors, officers and employees are expected to comply with our Code of Conduct, including our principal executive officer, principal financial officer, principal accounting officer and persons performing similar functions. Under our Code of Conduct, we have established a compliance hotline that is operated by an independent third party to receive complaints about any accounting, internal control or auditing matters as well as compliance, ethical or other matters of concern (including on an anonymous basis where permitted under applicable law). Annually, our Audit Committee reviews our Code of Conduct and related policies and processes with management. Our Code of Conduct is available under Governance in the Investor Relations section of our website at investor-relations.calix.com.

Risk Assessment of Compensation Practices and Policies

We have assessed, with input from outside consultants, and discussed with the Compensation Committee our compensation policies and practices for our employees as they relate to risk management. Based upon this assessment, we believe that any risks arising from such policies and practices are not reasonably likely to have a material adverse effect on the Company.

Our employees' base salaries are fixed in amount and thus we do not believe that they encourage excessive risk-taking. While performance-based cash incentives and sales-based incentives focus on achievement of short-term or annual goals, we believe that our performance-based cash incentives and sales-based incentives appropriately balance risk and the desire to focus employees on specific goals important to our long-term success. We believe these programs also do not encourage unnecessary or excessive risk taking as the potential payout is limited, with payouts on performance-based cash incentives generally limited to 100% of target and payouts of greater than target based on limited incremental achievement above 100% of target. Further, such programs represent only one portion of the total compensation opportunities available to most employees and we believe that our internal policies and controls help mitigate this risk.

A significant portion of the compensation provided to senior management is in the form of long-term equity-based incentives that are important to help further align management's interests with those of our stockholders. We do not believe that these equity-based incentives encourage unnecessary or excessive risk taking because their ultimate value is tied to our stock price.

The statements regarding the risks arising from our compensation policies and practices contain forward-looking statements that involve substantial risks and uncertainties. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs.

Communications with the Board

Stockholders and other interested parties may communicate with the Board or any specified individual directors. Such correspondence should be sent to the attention of the Board or specific directors, c/o Corporate Secretary, 2777 Orchard Parkway, San Jose, California 95134.

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The following table presents information as to the beneficial ownership of our common stock as of March 25, 2019 for:

each stockholder known by us to be the beneficial owner of more than 5% of our common stock;

each of our directors;

each NEO as set forth in the Summary Compensation Table in this Proxy Statement; and

all current executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable. Shares of our common stock subject to options that are currently exercisable or exercisable within 60 days of March 25, 2019 and restricted stock units (RSUs) that vest within 60 days of March 25, 2019, are deemed to be outstanding and to be beneficially owned by the person holding the options or RSUs for the purpose of computing the percentage ownership of that person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

Percentage ownership of our common stock in the table is based on 54,163,829 shares of our common stock outstanding (exclusive of treasury shares) on March 25, 2019. Unless otherwise indicated, the address of each of the individuals and entities named below is c/o Calix, Inc., 2777 Orchard Parkway, San Jose, California 95134.

Name of Beneficial Owner	Shares of Common Stock Beneficially Owned (1)				
	Common Stock	Options Exercisable Within 60 Days	RSUs Vesting Within 60 Days	Total Number of Shares Beneficially Owned	Percent
5% Stockholder:					
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	4,180,423 (2)			4,180,423	7.90%
Divisar Partners QP, L.P. 275 Sacramento Street, 8th Floor San Francisco, CA 94111	3,064,255 (3)			3,064,255	5.80%
Dimensional Fund Advisors LP Dimensional Place 6300 Bee Cave Road, Building One	2,981,386 (4)			2,981,386	5.61%

Austin, TX 78746

Renaissance Technologies LLC

800 Third Avenue

New York, NY 10022

2,905,918 (5)

2,905,918

5.47%

Named Executive Officers:

Carl Russo	6,127,855 (6)	420,000		6,547,855	12.09%
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Cory Sindelar	54,000	173,250		227,250	*
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Michael Weening	6,374	376,000		382,374	*
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Gregory Billings (7)		267,750		267,750	*
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Non-Employee Directors:

J. Daniel Plants	1,280,630 (8)			1,280,630	2.36%
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Don Listwin	860,000 (9)	7,500	18,320	885,820	1.64%
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Kevin DeNuccio	206,335		18,320	224,655	*
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Michael Everett	125,761	10,000	18,320	154,081	*
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Kevin Peters	74,083		18,320	92,403	*
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Michael Matthews	73,940	12,500	18,320	104,760	*
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Christopher Bowick	66,301		18,320	84,621	*
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Kathy Crusco	26,936		18,320	45,256	*
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Kira Makagon	12,330		18,320	30,650	*
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All Current Directors and Executive Officers

as a Group (12 persons)	8,914,545	999,250	146,560	10,060,355	18.57%
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- * Represents beneficial ownership of less than one percent of the outstanding shares of common stock.
- (1) Shares shown in the table above include shares held in the beneficial owner's name or jointly with others, or in the name of a bank, nominee or trustee for the beneficial owner's account.
 - (2) The information was based upon a Schedule 13G/A filed with the SEC on February 4, 2019 by BlackRock, Inc. BlackRock, Inc. has sole voting with respect to 3,921,892 of these shares and sole dispositive power over 4,180,423 of these shares. The shares reported as being beneficially held by BlackRock, Inc. may be held by one or more of its subsidiaries: BlackRock Advisors, LLC; BlackRock Asset Management Canada Limited; BlackRock Fund Advisors; BlackRock Institutional Trust Company, N.A.; Blackrock International Limited; Blackrock Financial Management, Inc.; BlackRock Investment Management, LLC; Blackrock Investment Management (UK) Limited; or Blackrock Japan Co., Ltd.
 - (3) The information was based upon a Schedule 13G filed with the SEC on February 13, 2019 by Divisar Partners QP, L.P., Divisar Capital Management LLC and Steven Baughman as a group. Divisar Partners QP, L.P. has shared voting power with respect to 2,818,015 shares and shared dispositive power with respect to 2,818,015 shares. Divisar Partners QP, L.P. disclaims beneficial ownership of the shares. Each of Divisar Capital Management LLC and Mr. Baughman has shared voting power with respect to 3,064,255 shares and shared dispositive power with respect to 3,064,255 shares.
 - (4) The information was based upon a Schedule 13G filed with the SEC on February 8, 2019 by Dimensional Fund Advisors LP. Dimensional Fund Advisors LP has sole voting power with respect to 2,282,975 of these shares, sole dispositive power with respect to 2,981,386 of these shares. Dimensional Fund Advisors LP disclaims beneficial ownership of the shares.
 - (5) The information was based upon a Schedule 13G filed with the SEC on February 13, 2019 by Renaissance Technologies LLC and Renaissance Technologies Holdings Corporation as a group. Each of Renaissance Technologies LLC and Renaissance Technologies Holdings Corporation has sole voting with respect to 2,762,700 of these shares, sole dispositive power over 2,762,700 of these shares and shared dispositive power with respect to 143,218 of these shares.
 - (6) Includes 2,239,188 shares held by The Crescentico Trust, Carl Russo, Trustee; 275,633 shares held by Equanimous Investments; and 284,653 shares held by Calgrat Partners, L.P. The managing members of Equanimous Investments are Carl Russo and Tim Pasquinelli. The managing partner of Calgrat Partners, L.P. is Tim Pasquinelli. Mr. Russo and Mr. Pasquinelli may be deemed to have shared voting and investment power over the shares held by Equanimous Investments and Calgrat Partners, L.P., as applicable. Mr. Russo and Mr. Pasquinelli each disclaim beneficial ownership of such shares, except to the extent of his pecuniary interest therein. The address of each of The Crescentico Trust, Carl Russo, Trustee; Equanimous Investments; and Calgrat Partners, L.P. is 1960 The Alameda #150, San Jose, California 95126.
 - (7) Mr. Billings no longer served as an executive officer as defined under Section 240.3b-7 of the Exchange Act after December 31, 2018.
 - (8) Includes 1,253,044 shares held by Voce Capital Management LLC. Mr. Plants is a managing member of Voce Capital Management LLC and disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein.
 - (9) Includes 200,000 shares held by No Mas Ninos, L.P. Mr. Listwin is a general partner of No Mas Ninos, L.P. and may be deemed to have shared voting and investment power over the shares held by the partnership.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own more than 10% of a registered class of our equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock and other equity securities. Officers, directors and greater than 10% stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. We believe that during the fiscal year 2018, our directors and Section 16 officers complied with all Section 16(a) filing requirements, except as to one late Form 4 for Mr. Matthews to report a transaction in May 2018. In making the above statements, we have relied

upon the written representations of our directors and Section 16 officers.

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PROPOSAL NO. 1

ELECTION OF DIRECTORS

Our Amended and Restated Certificate of Incorporation provides that our Board shall be divided into three classes, with the directors in each class having a three-year term. Unless the Board determines that vacancies (including vacancies created by increases in the number of directors) shall be filled by the stockholders, and except as otherwise provided by law, vacancies on the Board may be filled only by the affirmative vote of a majority of the remaining directors. A director elected by the Board to fill a vacancy (including a vacancy created by an increase in the number of directors) shall serve for the remainder of the full term of the class of directors in which the vacancy occurred and until such director's successor is elected and qualified.

As of April 2, 2019, the date this Proxy Statement is made available, the Board consists of ten directors, divided into the following three classes:

Class I directors: Kathy Crusco, Kevin DeNuccio and Michael Everett, whose current terms will expire at the 2020 Annual Meeting;

Class II directors: Don Listwin, Kevin Peters and J. Daniel Plants, whose current terms will expire at the 2021 Annual Meeting; and

Class III directors: Christopher Bowick, Kira Makagon, Michael Matthews and Carl Russo, whose current terms will expire at the 2019 Annual Meeting.

Our Nominating and Corporate Governance Committee recommended, and our Board has approved, Christopher Bowick, Kira Makagon, Michael Matthews and Carl Russo as nominees for election to the Board as Class III directors at the 2019 Annual Meeting. Messrs. Bowick, Matthews and Russo and Ms. Makagon have each agreed to stand for reelection as Class III directors. Each director to be elected will hold office from the date of such director's election by the stockholders until the third subsequent annual meeting of stockholders or until his or her successor is elected and has been qualified, or until such director's earlier death, resignation or removal. Shares of common stock represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the four Class III director nominees named above.

The Board expects each of the nominees to be available for election to the Board at the 2019 Annual Meeting. In the event that any nominee should be unable to serve or for good cause will not serve, such shares will be voted for the election of such substitute nominee as the Board may propose. Each person nominated for election has agreed to serve if elected, and management has no reason to believe that any nominee will be unable to serve. Directors are elected by a plurality of the votes cast at the meeting.

Our Director Nominees and Board of Directors

At least annually our Nominating and Corporate Governance Committee reviews the skills and characteristics of directors and the mix of skills and experience and diversity of the Board in the context of our business strategy, growth initiatives and our customers and target market, our business and operating requirements and the long-term interests of our stockholders. In doing so, the Nominating and Corporate Governance Committee seeks a board

composition that can best perpetuate the success of the business and represent stockholder interests. The Committee also considers the tenure of our directors and seeks to maintain a balance of longer tenured directors with deep institutional knowledge and newer directors who bring new perspectives to the Board. See further discussion under *Board Meetings and Committees – Nominating and Corporate Governance Committee* above regarding the Nominating and Corporate Governance Committee's evaluation and selection of director nominees.

The Board believes that all the nominees for reelection are highly qualified and have the skills and experience required for effective service on the Board. In particular, Mr. Bowick, a long-time executive in the telecommunications industry, brings significant industry-specific experience along with technical and operational knowledge and expertise with respect to large communications service providers representative of the markets we serve. Ms. Makagon, an innovator in the technology platform space, brings substantial expertise in global platform strategy, technology, cybersecurity, operations and high technology executive leadership to our Board. Mr. Matthews, a marketing and business strategy executive with global experience, contributes significant expertise in the technology industry with a strong background in telecommunications, software, technology and innovation. Mr. Russo, our president and chief executive officer, brings industry-specific expertise as well as extensive experience and background about our customers and markets, and provides substantial expertise and knowledge regarding our business strategy, markets and operations. We believe the skills and attributes of these nominees complement the expertise, background and experience of our other continuing directors.

Biographical information describing the qualifications and relevant experience, skills and attributes of our Class III nominees and our other current directors who will continue in office after the Annual Meeting as of April 2, 2019 is set forth below.

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Nominees for Election to a Three-Year Term Expiring at the 2022 Annual Meeting of Stockholders

Christopher Bowick

Compensation Committee Chair

Independent director

Mr. Bowick brings to our Board extensive experience in advising and managing companies in the technology and telecommunications industries. Mr. Bowick is principal of The Bowick Group, LLC, where he provides technology, product, business and executive-development advice and counsel to clients in the cable television and telecommunications industries.

Age: 63

Director since 2014

Calix Board committees:

Compensation (Chair)

Other current directorships:

Minerva Networks (private)

ComSonics, Inc. (private)

From 1998 until his retirement in 2009, Mr. Bowick held various positions at Cox Communications. Mr. Bowick joined Cox in 1998 as vice president, technology development, and was named senior vice president of engineering and chief technical officer in 2000. Mr. Bowick retired as chief technology officer of Cox in June of 2009. At Cox, Mr. Bowick was responsible for strategic technology planning, day-to-day technical operations and the development and deployment of technology solutions for the company's video, voice, high speed data and wireless products, including the development and deployment of telecommunications services, such as circuit-switched telephone, voice over IP, high-speed data, digital video, HDTV, video-on-demand and interactive television. Mr. Bowick was also responsible for network engineering and network operations for Cox's nation-wide network infrastructure including its national backbone, Metropolitan Area Networks and HFC networks. Prior to joining Cox, Mr. Bowick served as group vice president of technology and chief technical officer for Jones Intercable, Inc., while simultaneously serving as president of Jones Futurex, a designer and manufacturer of triple DES, PC-based hardware encryption devices and provider of contract manufacturing services. Prior to Jones, Mr. Bowick served as vice president of engineering for Scientific Atlanta's Transmission Systems Business Division, and as a design engineer for Rockwell International, Collins Avionics Division.

Mr. Bowick holds a Master of Business Administration from the University of Colorado and a Bachelor of Science in Electrical Engineering from the Georgia Institute of Technology. Mr. Bowick is a National Association of Corporate Director (NACD) Governance Fellow under the NACD's director credential program.

Kira Makagon

Independent director

Ms. Makagon brings to the Board extensive experience in global platform strategy, technology, cybersecurity, operations and high technology executive leadership. Since August 2012, Ms. Makagon has served as executive vice president of innovation at RingCentral, Inc., a publicly-held provider of cloud-based global collaborative communications solutions.

Age: 55

Director since 2017

Calix Board committees:

Cybersecurity

From January 2012 to July 2012, Ms. Makagon served as the senior vice president of products of iCrossing, a global digital marketing agency owned by Hearst Corporation. From June 2009 to December 2011, she held various executive leadership roles at Red Aril, Inc., an online media technology company, serving as founder, chief executive officer and member of the board of directors from June 2009 to April 2010, and president from April 2010 to December 2011. Prior to joining Red Aril, Ms. Makagon held various executive leadership roles at NebuAd, Inc., an online data and media company, serving as co-founder and president from September 2006 to July 2008, chief executive officer from August 2008 to December 2008, and consultant and board member from January 2009 to May 2009. Ms. Makagon has also served in various roles at Exigen Group, a provider of SaaS workflow platforms and call center solutions, including president, ventures and alliances, and executive vice president, marketing and business development, as well as serving on the board of directors. Prior to that, Ms. Makagon co-founded and held key executive positions in flagship online marketing and CRM companies, including Octane Software, which was acquired by E.piphany, and Scopus Technology, where she brought multiple generations of CRM products to market.

Other current directorships:

None

Ms. Makagon holds a Bachelor of Science in computer science and a Master of Business Administration from the University of California, Berkeley.

Table of Contents**Michael Matthews****Independent director**

Mr. Matthews is a marketing and business strategy executive with significant exposure to the telecommunications industry and to global markets. Mr. Matthews brings to our Board over 30 years of experience in the technology industry, and a strong background in telecommunications, software, technology and innovation. Mr. Matthews currently serves as an advisor to the TM Forum, a global trade association with over 850 member companies including communication service providers, digital service providers and enterprises. Since January 2016, Mr. Matthews has served as chief executive officer and chairman of AwareX, Inc., a privately-held software technology company.

Age: 62**Director since** 2010**Calix Board committees:**

Audit

Cybersecurity

Other current directorships:

AwareX, Inc. (private)

From January 2012 through September 2013, Mr. Matthews served as chief corporate development officer for the information technology company AGT International GMBH, where he was responsible for AGT's research and development, new business ventures and marketing. From September 2008 to December 2011, Mr. Matthews served as head of strategy and business development at Nokia Siemens Networks, a telecommunications company, where he directed the company's strategic planning and investments, mergers and acquisitions program and strategic alliances and partnerships. From February 2003 to January 2008, Mr. Matthews served as chief marketing officer at Amdocs Inc., a publicly-held software and services provider. From September 1999 to March 2002 he served as the executive vice president, sales and marketing, at Groove Networks, a privately held software company which was acquired by Microsoft Corporation. Prior to this, he served in leadership positions across technology companies in the United States and Australia such as Platinum Technology, Inc. a database management software company which was acquired by Computer Associates, Inc., Sterling Software, a software company which was acquired by Computer Associates, Inc., and Digital Equipment Corporation, which was acquired by Compaq Computer Corporation.

Mr. Matthews has a degree in Civil Engineering from the University of Queensland, Australia.

Carl Russo

President and Chief Executive Officer

Director

Mr. Russo has served as Calix's president and chief executive officer since December 2002. As Calix's president and chief executive officer, Mr. Russo brings substantial expertise and knowledge regarding our business strategy, markets and operations to Calix's board of directors. He also brings to the Board an extensive background in the telecommunications and networking technology industries.

Age: 62

Director since 1999

Calix Board committees:

None

From November 1999 to May 2002, Mr. Russo served as vice president of optical strategy and group vice president of optical networking of Cisco Systems, Inc. From April 1998 to October 1999, Mr. Russo served as president and chief executive officer of Cerent Corporation, which was acquired by Cisco. From April 1995 to April 1998, Mr. Russo served in various capacities, including as chief operating officer, at Xircom, Inc., which was acquired by Intel Corporation. Previously, Mr. Russo served as senior vice president and general manager for the hyperchannel networking group of Network Systems Corporation and as vice president and general manager of the data networking products division of AT&T Paradyne Corporation. Mr. Russo served on the board of directors of Vital Network Services, Inc., a privately-held company delivering network lifecycle services, and Xirrus, Inc., a privately-held company providing products that enable high-performance wireless networks.

Other current directorships:

None

Mr. Russo attended Swarthmore College and previously served on its board of managers.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF EACH CLASS III DIRECTOR NOMINEE NAMED ABOVE.

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Directors Continuing in Office Until the 2020 Annual Meeting of Stockholders

Kathy Crusco

Independent director

Ms. Crusco brings to our Board a wealth of experience instilling operational rigor at leading technology companies. Since December 2017, Ms. Crusco has served as executive vice president and chief financial officer at Kony, Inc., a privately-held mobile applications solutions provider.

Age: 54

Director since 2017

Calix Board committees:

Audit (Audit Committee financial expert)

Strategic

From August 2016 until November 2017, Ms. Crusco served as executive vice president, chief operating officer and chief financial officer at Epicor Software Corporation, a privately-held software company. Ms. Crusco joined Epicor in May 2011 when the company merged with Activant Solutions Inc., a business management software company where she served as senior vice president and chief financial officer from May 2007 to November 2010, then as executive vice president and chief financial officer. Before joining Activant, she worked for Polycom from 2002 to 2007, rising to the role of vice president of worldwide finance during her tenure. Ms. Crusco has also held a variety of financial roles at Documentum, Inc., Adaptec, Inc. and Price Waterhouse LLP.

Other current directorships:

Plantronics, Inc. (branded as *Poly*)
(member of audit committee)

Ms. Crusco holds a Bachelor of Science in Business Administration with an emphasis in accounting from California State University, Chico.

Kevin DeNuccio

Independent director

Mr. DeNuccio brings to our Board over 25 years of leadership and governance experience at communications technology companies and service providers worldwide. Mr. DeNuccio is presently general partner of Wild West Capital LLC, a private investment firm which he co-founded in July 2012.

Age: 59

Director since 2012

Calix Board committees:

Compensation

Nominating and Corporate
Governance

Other current directorships:

Juniper Networks, Inc. (member of
compensation committee)

SevOne, Inc. (private)

Zededa (private)

From February 2014 until April 2017, Mr. DeNuccio served as president, chief executive officer and a member of the board of directors of Violin Memory, Inc., a publicly-held data storage company, which filed a voluntary petition for Chapter 11 bankruptcy protection in December 2016 and was subsequently acquired by a unit of Soros Fund Management LLC. Mr. DeNuccio served as chief executive officer of Metaswitch Networks, a telecommunications hardware and software company, from February 2010 until June 2012. From January 2007 until the present, Mr. DeNuccio has also worked as a private equity investor, both individually and through Wild West Capital. Mr. DeNuccio served as chief executive officer of Redback Networks from August 2001 until its acquisition by Ericsson in January 2007. From 1995 to 2001, he held a number of executive positions at Cisco Systems, Inc., including senior vice president of worldwide service provider operations. Prior to joining Cisco, Mr. DeNuccio was founder, president, and chief executive officer of Bell Atlantic Network Integration, a wholly owned subsidiary of Bell Atlantic (now Verizon Communications). He has also held senior management positions at both Unisys Corporation and Wang Laboratories network integration and worldwide channel partner businesses. Mr. DeNuccio previously served on numerous public and private boards of directors, including Sandisk, Redback and JDS Uniphase Corporation, each a publicly-held company.

Mr. DeNuccio has a Master of Business Administration from Columbia University and a Bachelor's degree in Finance from Northeastern University.

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Michael Everett

Audit Committee Chair

Independent director

Mr. Everett brings to our Board over 30 years of experience in senior management and financial operations at communications technology companies, as well as his background as a corporate attorney. Mr. Everett was named chief financial officer of the year by San Francisco Business Times in 2007 and is admitted to the State Bar of California and the New York Bar.

Age: 69

Director since 2007

Calix Board committees:

Audit (Chair and Audit Committee financial expert)

From May 2007 until his retirement in December 2008, Mr. Everett served as vice president of finance at Cisco Systems, Inc. From April 2003 to May 2007, Mr. Everett was chief financial officer of WebEx Communications, Inc., a web collaboration service provider that was acquired by Cisco. From 2001 to 2003, Mr. Everett served as chief financial officer of Bivio Networks, Inc., a network appliance company. In 2001, Mr. Everett served as chief financial officer of VMware, Inc., an infrastructure software company. From February 1997 to November 2000, Mr. Everett served as executive vice president and chief financial officer of Netro Corporation, a broadband wireless technology provider. Mr. Everett served in several senior management positions at Raychem Corporation from 1987 through 1996, including senior vice president and chief financial officer from August 1988 to August 1993, and was involved in the company's early fiber to the home initiatives. Before joining Raychem Corporation, Mr. Everett served as a partner in the law firm of Heller, Ehrman, White & McAuliffe LLC. He currently serves on the advisory boards of Moxtra, Inc. and Zuora, Inc. and as chair and trustee of the Santa Fe Chamber Music Festival. Mr. Everett also formerly served on the board of directors and as chairman of the audit committee of Smart Focus, Ltd., a privately-held marketing analytics company, and on the board of directors of Broncus Technologies, Inc., a privately-held medical technology company, including as chairman of the audit committee and member of the compensation committee.

Other current directorships:

None

Mr. Everett holds a Juris Doctor from the University of Pennsylvania Law School and a Bachelor of Arts in History from Dartmouth College.

Directors Continuing in Office Until the 2021 Annual Meeting of Stockholders

Don Listwin

Chairman of the Board

Independent director

Age: 60

Director since 2007

Calix Board committees:

Mr. Listwin has served as chairman of our Board since July 2007 and brings over 30 years of experience in the networking industry to our Board. Since January 2018, Mr. Listwin has served as chief executive officer of iSchemaView, a privately-held medical device company.

Compensation

Nominating and Corporate Governance (Chair)

Strategic (Chair through May 2019)

Mr. Listwin founded BelizeKIDS.org in 2016, a non-profit organization focused on helping children in Belize, and Canary Foundation in 2004, a non-profit organization devoted to the early detection of cancer, and has served on the board of directors of both organizations since their inception. From January 2008 to January 2009, Mr. Listwin served as chief executive officer of Sana Security, Inc., a security software company, which was acquired by AVG Technologies. From September 2000 to October 2004, Mr. Listwin served as chief executive officer of Openwave Systems Inc., a leader in mobile internet infrastructure software. From August 1990 to September 2000, he served in various capacities at Cisco Systems, Inc., most recently as executive vice president. Mr. Listwin formerly served on the board of directors of Violin Memory, Inc., Isilon Systems, Inc., Openwave Systems Inc. (now known as Unwired Planet, Inc.), TIBCO Software Inc., Redback Networks, Inc. and E-Tek Dynamics Inc., each a publicly-held company. Mr. Listwin also previously served as a member of the board of scientific advisors of the National Cancer Institute.

Other current directorships:

AwareX, Inc. (private)

iSchemaView (private)

D-Wave Systems, Inc. (private)

POET Technologies Inc. (member of audit and compensation committees)

Robin Systems, Inc. (private)

Teradici Corporation (private)

Mr. Listwin holds an honorary Doctorate of Law from the University of Saskatchewan and a Bachelor of Science in Electrical Engineering from the University of Saskatchewan.

Table of Contents**Kevin Peters**

Cybersecurity Committee Chair

Independent director

Mr. Peters brings to our Board a wealth of leadership experience gained over the course of a 28-year career with AT&T, one of world's largest communications companies. Since February 2018, Mr. Peters has served as president and chief executive officer of NetNumber Inc., a privately-held technology company.

Age: 55**Director since** 2014**Calix Board committees:**

Cybersecurity (Chair)

Nominating and Corporate
Governance

Mr. Peters formerly served as executive vice president, global customer service for AT&T, Inc., from 2012 until his retirement in 2014. Mr. Peters joined AT&T in 1986, and held various functional roles, including in information technology, sales, engineering and finance until 2000. Mr. Peters then served as vice president, local network planning and project management in 2001. During his subsequent career at AT&T, Mr. Peters served in the following capacities: senior vice president, network engineering from 2003 until 2004; senior vice president, global network technology program management, AT&T Labs in 2005; senior vice president-enterprise systems and software engineering in 2006; executive vice president, global network operations from 2006 until 2009; and chief marketing officer, business from 2010 until 2011. Since retiring, Mr. Peters has provided advisory services to a number of companies, including Accenture, a global management consulting and professional services firm, and J&L Group, a privately-held telecommunications company. In addition to the other current directorships described, Mr. Peters also currently volunteers and serves on the board of directors of the Crandon Lakes Country Club and the Yogi Berra Museum and Learning Center; and serves on the advisory board of the Howe School of Business, Stevens Institute of Technology.

Other current directorships:

AwareX, Inc. (private)

NetNumber Inc. (private)

UniTek Global Services, Inc.
(private)

Mr. Peters holds a Master of Business Administration with honors (Beta Gamma Sigma) from Columbia University, a Master of Science in Telecommunications Engineering from Stevens Institute of Technology and a Bachelor of Science in Psychology from Fairfield University, and attended the Harvard University Advanced Management Program.

J. Daniel Plants

Strategic Committee Chair

Independent director

Age: 52

Director since 2018

Mr. Plants brings to our Board extensive experience as a successful investor, director and advisor to public companies. Currently, Mr. Plants serves as chief investment officer of Voce Capital Management LLC, an investment advisor that he founded in 2011.

Calix Board committees:

Strategic (Chair effective May 2019)

From July 2007 until May 2009, Mr. Plants served as managing director and head of communications technology and media for Needham & Company LLC, an investment banking and asset management firm. Prior to joining Needham & Company, Mr. Plants held a number of executive leadership roles at investment banking firms Goldman Sachs and JPMorgan Chase. Mr. Plants also served on the board of directors of Destination Maternity Corporation, a maternity apparel retailer, from November 2014 until December 2016.

Other current directorships:

Cutera, Inc. (chairman of the board and member of compensation committee)

Mr. Plants holds a Juris Doctor from the University of Michigan Law School and a Bachelor of Arts in economics from Baylor University. Mr. Plants is also admitted to the New York Bar.

There are no family relationships among any directors, director nominees or executive officers of Calix.

Table of Contents**Our Executive Officers**

The following is biographical information for our current executive officers who were not discussed above.

Name	Age	Position(s)
Cory Sindelar	50	Chief Financial Officer
Michael Weening	50	Executive Vice President, Field Operations

Cory Sindelar has served as Calix's chief financial officer and principal financial officer since October 1, 2017, and previously served as Calix's interim chief financial officer and principal financial officer from May 31, 2017 to September 30, 2017. Prior to joining Calix, Mr. Sindelar served from December 2011 to April 2017 as the chief financial officer of Violin Memory, Inc., a publicly-held data storage company, which filed a voluntary petition for Chapter 11 bankruptcy protection in December 2016 and was subsequently acquired by a unit of Soros Fund Management LLC. He also previously served as chief financial officer of Kilopass Technology, Inc. from November 2010 to December 2011, and as chief financial officer of Ikanos Communications, Inc. from September 2006 to July 2010. From 2003 to 2006, Mr. Sindelar held various finance positions at EMC Corporation. From 2000 to 2003, Mr. Sindelar was vice president, corporate controller and principal accounting officer at Legato Systems, Inc., an enterprise software company, which was acquired by EMC. Mr. Sindelar holds a Bachelor of Science in Business Administration with an emphasis in accounting from Georgetown University.

Michael Weening has served as Calix's executive vice president of field operations since July 2018, and previously served as executive vice president of sales and marketing from November 2016 until June 2018, and as executive vice president of sales from June 2016 until November 2016. Prior to joining Calix, Mr. Weening held various executive leadership roles at Salesforce.com, a customer relationship management company. From August 2014 until June 2016, Mr. Weening served as senior vice president of global customer success and services at Salesforce.com, and from May 2012 until August 2014 as senior vice president of customer and sales growth in Japan and Asia Pacific at Salesforce.com. From May 2009 until May 2012, Mr. Weening served as vice president of business sales at Bell Mobility in Canada. Prior to joining Bell Mobility, Mr. Weening also held various sales leadership roles at Microsoft Corporation in Canada and the United Kingdom. Mr. Weening holds a Bachelor of Arts in Business Administration from Brock University.

Independence of the Board

The NYSE prescribes independence standards for listed companies. These standards require a majority of the Board to be independent. They also require each member of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee of the Board to be independent. No director qualifies as independent unless the Board determines that the director has no direct or indirect material relationship with us. The Board also evaluates each director's independence to serve on our Board and committees under the applicable requirements of the SEC. On an annual basis, each director and executive officer is obligated to complete a director and officer questionnaire which requires disclosure of any transactions with us in which the director or executive officer, or any member of his or her immediate family, have a direct or indirect material interest. We also review our relationship with any entity employing a director or on which the director currently serves as a member of the board.

After review of all relevant transactions or relationships between each director, or any of his or her immediate family members, and Calix, its senior management and its independent registered public accounting firm, the Board has affirmatively determined that all of Calix's current directors are independent directors within the meaning of the applicable NYSE standards, except for Mr. Russo, Calix's current president and chief executive officer. All of the

committees of our Board are comprised entirely of directors determined by the Board to be independent within the meaning of the NYSE standards and applicable SEC regulations.

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PROPOSAL NO. 2

APPROVAL OF THE CALIX, INC. 2019 EQUITY INCENTIVE AWARD PLAN

Summary

On March 22, 2019, the Board adopted, subject to stockholder approval, the Calix, Inc. 2019 Equity Incentive Award Plan (the 2019 Plan). The 2019 Plan is intended to replace our 2010 Equity Incentive Award Plan (the 2010 Plan). Upon stockholder approval of the 2019 Plan, the 2019 Plan will become effective and will supersede and replace in its entirety the 2010 Plan, and no further awards will be granted under the 2010 Plan; however, the terms and conditions of the 2010 Plan will continue to govern any outstanding awards granted thereunder. If the 2019 Plan is not approved by our stockholders, it will not become effective, the 2010 Plan will continue in effect, and we may continue to grant awards under the 2010 Plan, subject to its terms, conditions and limitations, using the shares available for issuance thereunder.

Employees and consultants of the Company, its subsidiaries and affiliates, as well as members of our Board, are eligible to receive awards under the 2019 Plan. The 2019 Plan provides for the grant of stock options, including incentive stock options (ISOs) and nonqualified stock options (NQSOs), stock appreciation rights (SARs), restricted stock, restricted stock units (RSUs), other stock or cash-based awards and dividend equivalents to eligible individuals.

The Board approved a 1,700,000 share reserve under the 2019 Plan, such that the number of shares available for issuance under the 2019 Plan is equal to the sum of (i) 1,700,000 shares of our common stock, (ii) any shares of our common stock that are available for issuance under the 2010 Plan as of the effective date of the 2019 Plan, and (iii) any shares of our common stock subject to issued and outstanding awards under the 2010 Plan that expire, are cancelled or otherwise terminate following the effective date of the 2019 Plan. In designing the 2019 Plan, we sought to implement a number of important compensation and governance best practices to ensure the 2019 Plan furthers our compensation plan objectives and supports long-term stockholder interests. Specifically, compared to our 2010 Plan, we (i) removed the evergreen provisions so that increases in the share pool for the 2019 Plan would require stockholder approval, (ii) eliminated any reload rights associated with awards, (iii) adopted minimum vesting requirements for awards and (iv) prohibited dividend payments on unvested awards. Furthermore, we adopted a policy that any award to our NEOs under the 2019 Plan would be subject to our Compensation Recovery Policy with clawback provisions that will apply to any awards to NEOs under the 2019 Plan. In addition, the following items will not be counted against the shares available for issuance under the 2019 Plan: (i) the payment of dividend equivalents in cash in conjunction with any outstanding awards and (ii) to the extent permitted by applicable law or any exchange rule, shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by our company or any of its subsidiaries, except as may be required by reason of Section 422 of the U.S. Internal Revenue Code of 1986, as amended (the Code).

On March 25, 2019, the record date for the 2019 Annual Meeting (the Record Date), the Company had an aggregate of 54,163,829 common shares outstanding. On the Record Date, the Company had a total of approximately 1,029,559 common shares reserved for issuance and available for future grants under the 2010 Plan. As of the Record Date, there were approximately 629,196 full-value awards issued and outstanding and approximately 6,390,368 options outstanding under our prior plans, including the 2010 Plan, with an approximate weighted average exercise price of the outstanding options of \$7.61 and an approximate weighted average remaining contractual term for the outstanding options of eight years.

Approval of the 2019 Plan will constitute approval pursuant to the stockholder approval requirements of Section 422 of the Code, relating to ISOs.

Key Features of the 2019 Plan

No repricing of awards without stockholder approval. Under the 2019 Plan, awards may not be repriced, replaced or regranted through cancellation or modification without stockholder approval if the effect would be to reduce the exercise price for the shares underlying the award.

No evergreen feature/stockholder approval required for share reserve increases. The 2019 Plan does not provide for an annual increase in the share reserve, and the 2019 Plan may not be amended to increase the share reserve without stockholder approval.

No reload features. Awards granted under the 2019 Plan are not subject to any reload provisions.

Minimum vesting requirements. Subject to limited exceptions, no awards granted under the 2019 Plan may vest until the first anniversary of the date of grant.

No payment of dividends on unvested awards. Under the 2019 Plan, no dividends or dividend equivalents in respect of shares underlying an unvested award may be paid.

Requirement that all awards granted to NEOs are subject to clawback. Awards granted to our NEOs under the 2019 Plan are subject to the clawback provisions under our Compensation Recovery Policy.

Background on Share Request

In its determination to approve the 2019 Plan, our Board reviewed an analysis prepared by Radford, its compensation consultant, which included an analysis of our historical share usage, certain burn rate metrics and the costs of the 2019 Plan. Specifically, our Board considered the following:

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In determining the reasonableness of the 2019 Plan share reserve, our Board considered our historic burn rate. In 2018, 2017 and 2016, we granted equity awards representing a total of approximately 404,146 shares, 4,032,236 shares, and 2,516,681 shares, respectively, under the 2010 Plan. This level of equity awards represents a three-year average burn rate of approximately 4.66% of weighted average ordinary shares outstanding. Equity burn rate is calculated by dividing the number of shares subject to equity awards granted during the fiscal year (without adjusting for forfeitures) by the weighted average ordinary shares outstanding during the fiscal year. The following table lists all grants of performance-based stock options against actual shares earned by our NEOs in each of the last three fiscal years.

	Performance-Based Stock Options		
	2016	2017	2018
	Granted	Earned	Granted
Carl Russo			
<i>President and Chief Executive Officer</i>			420,000
Cory Sindelar			
<i>Chief Financial Officer</i>		108,000	54,000 (1)
Michael Weening			
<i>Executive Vice President, Field Operations</i>		344,000	102,000 (1)
Gregory Billings			
<i>Senior Vice President, Services</i>		201,000	63,000 (1)

- (1) Shares earned in 2018 represent the vested portion of the 2018 Performance-Based Equity Awards granted to Messrs. Sindelar, Weening and Billings. Vesting of the 2018 Performance-Based Equity Awards were contingent upon achievement of a 2018 financial performance metric, with 50% of the shares earned based on performance scheduled to vest on January 1, 2019 and the remaining 50% scheduled to vest in substantially equal installments over the subsequent 24 months. In February 2019, the Compensation Committee certified attainment of the 2018 performance metric. See discussion in our Compensation Discussion and Analysis under *Performance-Based Grant 2018 Financial Performance*.

We expect the share authorization under the 2019 Plan to provide us with enough shares for awards for approximately one year through the 2020 annual meeting of stockholders, assuming we continue to grant awards consistent with our current practices and historical usage, as reflected in our historical burn rate. We cannot predict our future equity grant practices, the future price of our shares or future hiring activity with any degree of certainty at this time, and the share reserve under the 2019 Plan could last for a shorter or longer time.

Radford's analysis, which is based on generally accepted evaluation methodologies, concluded that the number of shares under the 2019 Plan is well within generally accepted standards as measured by an analysis of the plan cost relative to industry standards.

In light of the factors described above, and that the ability to continue to grant equity compensation is vital to our ability to continue to attract and retain employees in the competitive labor markets in which we compete, our Board has determined that the size of the share reserve under the 2019 Plan is reasonable and appropriate at this time.

A summary of the principal provisions of the 2019 Plan is set forth below. The summary is qualified by reference to the full text of the 2019 Plan, which is attached as Appendix A to this Proxy Statement.

Administration

The Compensation Committee (or, with respect to awards to non-employee directors, our Board) (together, the administrator) is charged with the general administration of the 2019 Plan. The 2019 Plan provides that, subject to certain limitations, our Board and the Compensation Committee may from time to time delegate its authority to grant awards to a committee consisting of one or more members of our Board or the Compensation Committee or one or more of our officers. Subject to the terms and conditions of the 2019 Plan, the administrator will have the authority to select the persons to whom awards are to be made; to determine the type of awards to be granted, the number of shares to be subject to awards and the terms and conditions of awards; to determine when awards can be settled in cash, shares, other awards or whether to cancel, forfeit or surrender awards; to prescribe the form award agreements; to accelerate vesting or lapse restrictions; and to make all other determinations and to take all other actions necessary or advisable for the administration of the 2019 Plan. The administrator will also be authorized to adopt, amend or rescind rules relating to the administration of the 2019 Plan, excluding certain matters described below that will require the approval of our stockholders.

Eligibility

Persons eligible to participate in the 2019 Plan include all members of the Board, currently comprised of nine non-employee directors and approximately 767 employees (including three NEOs) of the Company and its subsidiaries, as well as consultants of the Company and its subsidiaries, in each case, as determined by the administrator of the 2019 Plan. Only employees may be granted ISOs under the 2019 Plan.

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Limitation on Awards and Shares Available

If our stockholders approve the 2019 Plan, the number of shares available for issuance under 2019 Plan will be equal to the sum of (i) 1,700,000 shares of our common stock, (ii) any shares of our common stock that are available for issuance under the 2010 Plan as of the effective date of the 2019 Plan, and (iii) any shares of our common stock subject to issued and outstanding awards under the 2010 Plan that expire, are cancelled or otherwise terminate following the effective date of the 2019 Plan. In addition, the following items will not be counted against the shares available for issuance under the 2019 Plan: (i) the payment of dividend equivalents in cash in conjunction with any outstanding awards and (ii) to the extent permitted by applicable law or any exchange rule, shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by our company or any of its subsidiaries, except as may be required by reason of Section 422 of the Code.

Awards granted under the 2019 Plan must vest no earlier than one year measured from the date of grant and no award agreement may reduce or eliminate such minimum vesting requirement, provided that an award may provide that such minimum vesting restrictions may lapse or be waived upon a participant's termination of service. In addition, up to an aggregate of five percent of the number of shares available for issuance under the 2019 Plan may be granted without regard to the foregoing minimum vesting requirement. For the purposes of awards to non-employee directors, a vesting period shall be deemed to be one year if it runs from the date of one annual meeting of the Company's stockholders to the next annual meeting of the Company's stockholders, so long as the period between such meetings is not less than 50 weeks.

As of March 25, 2019, the closing price of a share of our common stock on the NYSE was \$7.75.

Awards

The 2019 Plan provides for the grant of ISOs, NQSOs, SARs, restricted stock, RSUs, dividend equivalents and other share or cash-based awards. All awards under the 2019 Plan will be set forth in award agreements, which will detail all terms and conditions of the awards, including any applicable vesting and payment terms and post-termination exercise limitations. No fractional shares shall be issued or delivered pursuant to the 2019 Plan or any award thereunder.

The 2019 Plan provides that the administrator may grant or issue stock options, SARs, restricted stock, RSUs, dividend equivalents and other stock or cash awards, or any combination thereof. Each award will be set forth in an agreement with the person receiving the award and will set forth the type, terms and conditions of the award, including exercise price, vesting schedule, and treatment of awards upon termination of employment, if applicable. Vesting provisions may require that certain conditions be met, such as continued employment or specified performance goals, before an awardee may receive the shares underlying an award or before such shares become freely tradeable and nonforfeitable.

Stock Options. Stock options, including ISOs and NQSOs may be granted pursuant to the 2019 Plan. The option exercise price of all stock options granted pursuant to the 2019 Plan will not be less than 100% of the fair market value of a share of common stock on the date of grant, or in the case of ISOs granted to an individual who owns (or is deemed to own) at least 10% of the total combined voting power of all classes of our capital stock, 110% of the fair market value of a share on the date of grant. Stock options may be exercised as determined by the administrator, but in no event more than ten years after their date of grant, or in the case of ISOs granted to an individual who owns (or is deemed to own) at least 10% of the total combined voting power of all class of our capital stock, five years. The aggregate fair market value of the shares with respect to which options intended to be incentive stock options are exercisable for the first time by an employee in any calendar year may not exceed \$100,000, or such other amount as

the Code provides.

Restricted Stock. Restricted stock may be granted pursuant to the 2019 Plan. A restricted stock award is the grant of shares of common stock at a price determined by the administrator (which may be zero), that is nontransferable and may be subject to substantial risk of forfeiture until specific conditions are met. Conditions may be based on continuing employment or service or achieving performance goals. During the period of restriction, participants holding shares of restricted stock may have full voting and dividend rights with respect to such shares. The restrictions will lapse in accordance with a schedule or other conditions determined by the administrator. Dividends that otherwise would be paid prior to vesting are held by the Company and will be paid to the participants only to the extent that the vesting conditions are met.

Stock Appreciation Rights/SARs. Stock appreciation rights or SARs may be granted pursuant to the 2019 Plan, either alone or in tandem with other awards. A SAR is the right to receive payment of an amount equal to the excess of the fair market value of a share of common stock on the date of exercise of the SAR over the fair market value of a share of common stock on the date of grant of the SAR. SARs may be paid in cash or stock. SARs may be exercised as determined by the administrator, but in no event more than 10 years after their date of grant.

Restricted Stock Units/RSUs. Restricted stock units or RSUs represent the right to receive shares of common stock at a specified date in the future, subject to forfeiture of such right. If the RSU has not been forfeited, then on the date specified in the RSU award we shall deliver to the holder of the RSU unrestricted shares of common stock which will be freely transferable. The administrator will specify the purchase price, if any, to be paid by the grantee for the common stock.

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Dividend Equivalents / Dividends. Dividend equivalents represent the value of the dividends per share of common stock paid by the Company, calculated with reference to the number of shares covered by an Award (other than a dividend equivalent award, option or SAR) held by the participant. Dividend Equivalents will not be granted on options or stock appreciation rights. In addition, no dividend or dividend equivalents will be paid in respect of shares underlying any unvested awards.

Other Stock or Cash Based Awards. Other stock or cash based awards are awards of cash, fully vested shares of common stock and other awards valued wholly or partially by referring to, or otherwise based on, our common stock. Other stock or cash based awards may be granted to participants and may also be available as a payment form in the settlement of other awards, as standalone payments and as payment in lieu of base salary, bonus, fees or other cash compensation otherwise payable to any individual who is eligible to receive awards. The administrator will determine the terms and conditions of other stock or cash based awards, which may include vesting conditions based on continued service, performance and/or other conditions.

Prohibition on Repricing Without Stockholder Approval

Except in connection with a corporate transaction involving our company, the terms of outstanding awards may not be amended without the approval of our stockholders to (a) reduce the exercise price per share of outstanding options or SARs or (b) cancel outstanding options or SARs in exchange for cash, other awards or options or SARs with an exercise price per share that is less than the exercise price per share of the original options or SARs.

Awards Subject to Clawback

The 2019 Plan allows the administrator to subject awards (including any proceeds, gains or other economic benefit actually or constructively received by a participant) granted under the 2019 Plan to the clawback provisions of our Compensation Recovery Policy and any clawback policy we adopt to comply with applicable law, including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder, whether or not such clawback policy was in place at the time of grant of an award, to the extent set forth in such clawback policy and/or in the applicable award agreement.

MISCELLANEOUS PROVISIONS

Adjustment Upon Certain Events

In the event of a stock dividend, stock split, combination or exchange of shares, merger, consolidation, spin-off, recapitalization, distribution of assets or any other corporate event affecting the common stock or the share price of the common stock in a manner that causes dilution or enlargement of benefits or potential benefits under the 2019 Plan, the administrator will make proportionate and equitable adjustments, in its discretion, to: (i) the aggregate number and types of shares of stock that may be issued under the 2019 Plan; (ii) the number and kind of shares subject to outstanding awards; (iii) the terms and conditions of any outstanding awards (including any applicable performance targets); and/or (iv) the grant or exercise price for any outstanding awards.

In addition, in such a case as noted above or in the event of any unusual or nonrecurring transactions or events affecting the Company or the financial statements of the Company, or of changes in applicable laws, the administrator, may, in its discretion, subject to the terms of the 2019 Plan, take any of the following actions if it determines that such action is appropriate in order to prevent the dilution or enlargement of benefits or potential benefits intended to be made available under the 2019 Plan or with respect to any award: (i) provide for either the payment and termination of the award or the replacement of the award; (ii) provide that the awards shall be assumed

by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices; (iii) make adjustments in the number and type of shares of stock (or other securities or property) subject to outstanding awards and/or in the terms and conditions of (including the grant or exercise price), and the criteria included in, outstanding awards which may be granted in the future; (iv) provide for the acceleration of vesting or exercisability of the awards; (v) replace such Awards with other rights or property selected by the Administrator; and/or (vi) provide that the awards cannot vest or be exercised after the event that triggers the action.

If a Change in Control of the Company occurs (as defined in the 2019 Plan), all outstanding options and SARs that are not exercised shall be assumed or substituted by the surviving corporation and other outstanding awards shall be converted into similar awards of the surviving corporation. If the surviving corporation refuses to assume or substitute for an award, the award shall accelerate and become fully vested and exercisable upon the Change in Control and all restrictions on the award shall lapse.

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Transferability of Awards

Except by will or the laws of descent and distribution or pursuant to beneficiary designation procedures approved from time to time by the administrator or as otherwise provided by the administrator, no award granted under the 2019 Plan may be assigned, transferred or otherwise disposed of by the awardee, unless and until the award has been exercised or the shares underlying the award have been issued, and all restrictions applicable to the shares have lapsed.

Rights as a Stockholder

An awardee will not have any rights as a stockholder with respect to the shares covered by an award until the awardee becomes the owner of the shares.

No Rights as Employee

Nothing in the 2019 Plan or in any award agreement will give any awardee under the 2019 Plan any right to continue as an employee, consultant or non-employee director for our Company or any of our Subsidiaries or will interfere with or restrict in any way the rights of any such entity to discharge any awardee at any time.

Data Privacy

The 2019 Plan provides that, as a condition of receipt of any award, each awardee explicitly consents to the collection, use and transfer, in electronic or other form, of personal data by and among, as applicable, our Company and subsidiaries, including any transfer of this data required to a broker or other third party with whom our Company or any of our Subsidiaries or the awardee may elect to deposit any shares, to implement, administer and manage the awardee's participation in the 2019 Plan.

Tax Withholding

We may deduct or withhold, or require an awardee to remit to our Company, an amount sufficient to satisfy applicable withholding tax obligations with respect to any taxable event concerning the awardee arising as a result of the 2019 Plan or any award. The administrator may in its discretion and in satisfaction of the foregoing requirement, or in satisfaction of such additional withholding obligations as an awardee may have elected, allow the awardee to satisfy these obligations by means of cash or check, wire transfer of immediately available funds, shares, broker-assisted cashless exercise or any other form of legal consideration acceptable to the administrator. The Administrator may allow the awardee to elect to have us withhold shares otherwise issuable under any award (or allow the surrender of shares). The number of shares which may be withheld (or surrendered) will be no greater than the number of shares having a fair market value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the maximum statutory withholding rates in the awardee's applicable jurisdictions for federal, state, local and foreign income and payroll taxes.

Amendment and Termination

The 2019 Plan may be amended, modified or terminated at any time and from time to time; provided that, no amendment, suspension or termination of the 2019 Plan shall, without the consent of the awardee, materially and adversely affect any rights or obligations under any award theretofore granted or awarded, unless the award itself otherwise expressly so provides or such action is to comply with the requirements of any applicable clawback policy or Section 409A of the Code.

Notwithstanding the foregoing, the 2019 Plan requires us to obtain stockholder approval within twelve (12) months before or after doing any of the following (other than in connection with certain corporate events, as described above):

Increasing the maximum number of shares available under the 2019 Plan;

Reducing the price per share of any outstanding option or SAR granted under the 2019 Plan; and

Cancelling any option or SAR in exchange for cash or another option or SAR having a lower per share exercise price.

In addition, subject to applicable law and the limitations above, the administrator may amend, modify or terminate any outstanding award, including substituting another award of the same or a different type, changing the date of exercise or settlement, and converting an ISO to an NQSO. The awardee's consent to such action will be required unless (a) the administrator determines that the action, taking into account any related action, would not materially and adversely affect the awardee, or (b) the change is otherwise permitted under the 2019 Plan.

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Expiration Date

The 2019 Plan will expire on, and no award will be granted pursuant to the 2019 Plan after March 22, 2029, the tenth anniversary of the date the 2019 Plan was approved by the Board of Directors. Any award outstanding on the expiration date of the 2019 Plan will remain in force according to the terms of the 2019 Plan and the applicable award agreement.

FEDERAL INCOME TAX CONSEQUENCES

This discussion regarding federal tax consequences is intended for the general information of our share owners, not 2019 Plan awardees. Alternative minimum tax and state and local income taxes are not discussed and may vary depending on individual circumstances and from locality to locality.

Code Section 162(m)

Under Code Section 162(m), income tax deductions of publicly-traded companies may be limited to the extent total compensation (including, without limitation, base salary, annual bonus, RSU settlement and nonqualified benefits) for certain executive officers exceeds \$1 million (less the amount of any excess parachute payments as defined in Code Section 280G) in any one year. Under the tax rules in effect before 2018, the Code Section 162(m) deduction limit did not apply to qualified performance-based compensation that was established by an independent compensation committee and conformed to certain restrictive conditions stated under the Code and related regulations. However, the U.S. Tax Cuts and Jobs Act of 2017 eliminated this performance-based compensation exception effective January 1, 2018, subject to a special rule that grandfathers certain awards and arrangements that were in effect on or before November 2, 2017. As a result, compensation awarded in excess of \$1 million to our current and former NEOs generally is not deductible.

Code Section 409A

Certain awards under the 2019 Plan may be considered nonqualified deferred compensation subject to Code Section 409A, which imposes additional requirements on the payment of deferred compensation. These requirements generally provide that, if at any time during a taxable year a nonqualified deferred compensation plan fails to meet the requirements of Code Section 409A or is not operated in accordance with those requirements, all amounts deferred under the nonqualified deferred compensation plan for the then-current taxable year and all preceding taxable years, by or for any awardee with respect to whom the failure relates, are includible in the gross income of the awardee for the taxable year to the extent not subject to a substantial risk of forfeiture and not previously included in gross income. If a deferred amount is required to be included in income under Code Section 409A, the amount will be subject to income tax at regular income tax rates plus a 20 percent penalty, as well as potential premium interest tax.

Federal Tax Treatment of Award Types

With respect to NQSOs, the Company is generally entitled to deduct and the optionee recognizes taxable income in an amount equal to the difference between the option exercise price and the fair market value of the shares at the time of exercise. A participant receiving ISOs will not recognize taxable income upon grant. Additionally, if applicable holding period requirements are met, the participant will not recognize taxable income at the time of exercise. However, the excess of the fair market value of the Common Stock received over the option price is an item of tax preference income potentially subject to the alternative minimum tax. If stock acquired upon exercise of an ISO is held for a minimum of two years from the date of grant and one year from the date of exercise, the gain or loss (in an amount equal to the difference between the fair market value on the date of sale and the exercise price) upon

disposition of the stock will be treated as a long-term capital gain or loss, and the Company will not be entitled to any deduction. If the holding period requirements are not met, the ISO will be treated as one which does not meet the requirements of the Code for ISOs and the tax consequences described for NQSOs will apply.

The current federal income tax consequences of other awards authorized under the 2019 Plan generally follow certain basic patterns: SARs are taxed and deductible in substantially the same manner as NQSOs; nontransferable restricted stock subject to a substantial risk of forfeiture results in income recognition equal to the excess of the fair market value over the price paid, if any, only at the time the restrictions lapse (unless the recipient elects to accelerate recognition as of the date of grant); stock-based performance awards, dividend equivalents and other types of awards are generally subject to tax at the time of payment. Compensation otherwise effectively deferred is taxed when paid. In each of the foregoing cases, the Company will generally have a corresponding deduction at the time the participant recognizes income, subject to Section 162(m) with respect to covered employees. An award of a retainer, committee fee or meeting-based fee generally realizes ordinary income and we are entitled to a deduction in an amount equal to the amount of such retainer or fees upon payment thereof.

Table of Contents**New Plan Benefits**

Other than with respect to annual grants of stock options to our non-employee directors that will be made immediately following the date of the Annual Meeting, all future awards under the 2019 Plan (assuming it is approved by stockholders) are subject to the discretion of the plan administrator, and therefore it is not possible to determine the benefits that will be received in the future by other participants in the 2019 Plan (although the *Grants of Plan-Based Awards in 2018* table in this Proxy Statement describes all equity awards granted to our named executive officers during our fiscal year ended December 31, 2018 under the 2010 Plan).

Name and Position	Dollar Value (\$)	Number of Shares Underlying Award Grants (#)
Carl Russo, <i>President and Chief Executive Officer</i>		
Cory Sindelar, <i>Chief Financial Officer</i>		
Michael Weening, <i>Executive Vice President, Field Operations</i>		
All current executive officers as a group		
All current directors who are not executive officers as a group (1)	1,080,000	
All employees who are not executive officers as a group		

- (1) Our Non-Employee Director Equity Compensation Policy provides that each director who is a non-employee director (provided that such director has served as a director for at least six months prior to such date) will automatically be granted RSUs valued at \$120,000 (based on the per share closing price of our common stock on the date of such annual meeting of stockholders), which will be granted on the first business day after the Annual Meeting and vest on the earlier of the first anniversary of the grant date or the day prior to the next annual general meeting of our stockholders, subject to continuous service as a director until such vesting date, except in the event of certain terminations of service.

To be approved, this proposal must receive a For vote from the holders of a majority in voting power of the shares of common stock which are present or represented by proxy and entitled to vote on the proposal. Abstentions will have the same effect as an Against vote for purposes of determining whether this matter has been approved. Broker non-votes will not be counted for any purpose in determining whether this matter has been approved.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR APPROVAL OF THE CALIX, INC. 2019 EQUITY INCENTIVE AWARD PLAN AS DISCUSSED ABOVE.

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PROPOSAL NO. 3

APPROVAL OF THE CALIX, INC.

AMENDED AND RESTATED EMPLOYEE STOCK PURCHASE PLAN

We are asking our stockholders to approve the Calix, Inc. Amended and Restated Employee Stock Purchase Plan (ESPP) to increase the number of shares authorized for issuance under the ESPP by 2,500,000 shares. This would increase the total shares authorized for issuance under the ESPP from 7,300,000 shares to 9,800,000 shares. Our Board, upon recommendation of the Compensation Committee, approved the increase by 2,500,000 shares of the shares authorized for issuance effective as of March 22, 2019, subject to stockholder approval.

The purpose of the ESPP is to provide our employees with an opportunity to purchase the Company's common stock so that they may increase their proprietary interest in our success and to align employee interests to those of our stockholders. We believe that the ESPP is an important component of the benefits package that we offer to our employees, is a key factor in recruiting and retaining talented and high caliber employees in a competitive market and serves to incentivize employee performance aligned with our business strategy and growth initiatives. In the past two years, we averaged approximately 400 employees participating in the ESPP in each purchase period.

Under the ESPP, eligible employees purchase our common stock through accumulated payroll deductions. All eligible employees of the Company (or of any subsidiary) shall have equal rights and privileges under the ESPP. The ESPP qualifies as an employee stock purchase plan under Section 423 of the Internal Revenue Code of 1986, as amended (the Code).

Our stockholders last approved an increase in the shares authorized for issuance under the ESPP in May 2017 which increased the shares available for issuance under the ESPP to 7,300,000. As of March 25, 2019, a total of 5,750,431 shares have been purchased under the ESPP since its inception in July 2010. Given the current rate of participation by our employees in the ESPP and the expansion of ESPP eligibility to our employees in China, we expect that the additional 2,500,000 share increase to the ESPP will cover two to three years of purchases.

The current purchase periods under the ESPP, as set by the Compensation Committee of our Board, provide for six-month purchase periods commencing May 15 and November 15 of each year. If approved by our stockholders, the increase in shares for the ESPP will go into effect for the six-month purchase period commencing November 15, 2019 with an exercise date of May 14, 2020.

A copy of the proposed ESPP is included as Appendix B to this Proxy Statement.

Summary of the ESPP

The principal features of the ESPP are summarized below. The following summary of the ESPP is not a complete description of all the provisions of the ESPP and is qualified in its entirety by reference to the complete text of the ESPP, which is filed with the SEC as Appendix B to this Proxy Statement. Any stockholder who wishes to obtain a copy of the ESPP may do so by written request to the Calix's Corporate Secretary at 2777 Orchard Parkway, San Jose, California 95134.

Administration. Our Board has appointed our Compensation Committee to serve as the administrator of the ESPP. The ESPP administrator has final authority for interpretation of any provisions of the ESPP or of any right to purchase stock granted under the ESPP. The Plan administrator may request advice or assistance or employ such other persons

as are necessary for proper administration of the Plan. Interpretations and constructions of the administrator of any provision of the ESPP or of any rights under it is conclusive and binding on all persons. We bear all expenses and liabilities incurred by the ESPP administrator.

Offerings. The ESPP provides for the grant to employees of rights to purchase shares of the Company's common stock at reduced prices through payroll deductions. Purchase Periods are six-month periods that are set as November 15 through May 14 and May 15 through November 14 of each year, unless otherwise determined by our Compensation Committee as administrator of the ESPP. However, in no event may a Purchase Period be longer than 27 months in length.

Shares Available Under ESPP. Under the proposed ESPP, the maximum number of our shares of common stock which will be authorized for sale under the ESPP is 9,800,000, an increase of 2,500,000 shares from the share reserve last approved by our stockholders in May 2017. The shares made available for sale under the ESPP may be authorized but unissued shares or reacquired shares reserved for issuance under the ESPP.

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Eligibility and Enrollment. Any employee of the Company (and such present or future subsidiaries of the Company as our Board may designate) who (i) is customarily employed more than twenty hours a week; (ii) is customarily employed more than five months per calendar year and (iii) who is an employee at the commencement of a Purchase Period is eligible to participate in the ESPP. However, no employee is eligible to participate in the ESPP if, immediately after the election to participate, such employee would own stock of the Company (including stock such employee may purchase under outstanding options) representing 5% or more of the total combined voting power or value of all classes of stock of the Company or any parent or subsidiary of the Company. In addition, no employee is permitted to participate if the rights of the employee to purchase common stock of the Company under the ESPP and any other qualified employee stock purchase plans would accrue at a rate which exceeds \$25,000 of the fair market value of such stock (determined at the time the right is granted) for each calendar year. Eligible employees become participants in the ESPP by executing a participation agreement and filing it with the Company's stock administrator. By enrolling in the ESPP, a participant is deemed to have elected to purchase the maximum number of whole shares of common stock that can be purchased with the compensation withheld during each Purchase Period for which the participant is enrolled. No participant will be eligible to purchase more than 2,000 shares of stock within any Purchase Period. Termination of a participant's status as an eligible employee for any reason, including death, is treated as an automatic withdrawal from the ESPP.

As of March 25, 2019, two of our current executive officers and approximately 737 current non-executive officer employees in the U.S., Canada and China are eligible to participate in the ESPP. Mr. Russo is not eligible to participate in the ESPP based on his total share holdings of Calix common stock. In addition, consultants and non-employee directors are not eligible to participate in the ESPP.

Payroll Deductions. The payroll deductions made for each participant may be not less than 1% nor more than 15% of a participant's base salary compensation. Compensation is defined in the ESPP, and generally includes cash remuneration that would be reported as income for federal income tax purposes. Payroll deductions commence with the first paycheck issued during the Purchase Period for which the participant is enrolled and are deducted from subsequent paychecks throughout the Purchase Period unless changed or terminated as provided in the ESPP. A participant may decrease (but not increase) his or her payroll deduction authorization once during any Purchase Period. If a participant wishes to increase or decrease the rate of payroll withholding, he or she may do so effective for the next Purchase Period by submitting a new election.

Exercise Date; Purchase of Stock. The Exercise Date of each Purchase Period occurs on the last trading day of each Purchase Period. On the Exercise Date, each participant's accumulated payroll deductions are applied to the purchase of whole shares of common stock at a purchase price which is the lower of 85% of the fair market value per share of the common stock on the first trading day or on the last trading day of the applicable Purchase Period. The fair market value of the common stock on a given date is defined as the closing price on that day as reported by the NYSE. As of March 25, 2019, the closing price of our common stock on the NYSE was \$7.75 per share.

A participant may cancel his or her payroll deduction authorization at any time at least seven days before the last day of the Purchase Period. Upon cancellation, the participant's account balance will be refunded in cash without interest. A participant who ceases contributions to the ESPP during any Purchase Period shall not be permitted to resume contributions to the ESPP during the same Purchase Period.

Unless a participant has previously canceled his or her participation in the ESPP in accordance with the terms of the ESPP, the participant will be deemed to have exercised his or her purchase right in full as of each Exercise Date. Upon exercise, the participant will purchase the number of whole shares that his or her accumulated payroll deductions will buy at the purchase price, subject to the participation limitations listed above.

A participant may not assign, transfer, pledge or otherwise dispose of (other than by will or the laws of descent and distribution) payroll deductions credited to a participant's account or any rights or interest, including purchase rights, under the ESPP, and during a participant's lifetime, purchase rights under the ESPP shall be exercisable only by such participant. Any such attempt at assignment, transfer, pledge or other disposition will not be given effect.

Adjustments upon Changes in Recapitalization, Dissolution, Liquidation, Merger or Asset Sale. In the event of any increase or decrease in the number of issued shares of our common stock resulting from a subdivision or consolidation of shares or any other capital adjustment, the payment of a stock dividend, or other increase or decrease in such shares affected without receipt of consideration, we will proportionately adjust the aggregate number of shares of our common stock offered under the ESPP, the number and price of shares which any participant has elected to purchase pursuant under the ESPP and the maximum number of shares which a participant may elect to purchase in any single Purchase Period.

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If there is a proposal to dissolve or liquidate the Company, then the ESPP will terminate, and any amounts that a participant has paid towards the purchase of common stock under the ESPP will be refunded without interest. If the Company undergoes a merger with or into another corporation or sale of all or substantially all of our assets, each outstanding Purchase Period will be assumed or an equivalent Purchase Period substituted by the successor corporation or the parent or subsidiary of the successor corporation. If the successor corporation refuses to assume or substitute for the outstanding Purchase Period, then the outstanding Purchase Period will be shortened by setting a new Exercise Date to take place before the date of the proposed sale or merger. We will notify each participant in writing at least five days prior to any such new Exercise Date.

Amendment and Termination. Our Board may amend, suspend or terminate the ESPP at any time. The ESPP shall terminate upon the earlier of (i) such date as is determined by the Company in its sole discretion or (ii) the date on which all shares available for issuance under the ESPP shall have been sold pursuant to purchase rights exercised under the ESPP. However, the Board may not amend the ESPP without obtaining stockholder approval within 12 months before or after such amendment to the extent required by applicable laws.

Federal Income Tax Consequences

Generally, no federal income tax consequences will arise at the time an employee purchases shares of common stock under the ESPP. If an employee disposes of shares purchased under the ESPP less than one year after the shares are purchased or within two years of the enrollment date, the employee will be deemed to have received compensation taxable as ordinary income for the taxable year in which the disposition occurs in the amount of the difference between the fair market value of the shares of common stock at the time of purchase and the amount paid by the employee for the shares. The amount of such ordinary income recognized by the employee will be added to the employee's basis in the shares for purposes of determining capital gain or loss upon the disposition of the shares by the employee.

If an employee does not dispose of the shares of common stock purchased under the ESPP until at least one year after the shares are purchased and at least two years after the enrollment date, the employee will be deemed to have received compensation taxable as ordinary income for the taxable year in which the disposition occurs in an amount equal to the lesser of (a) the excess of the fair market value of the shares of common stock on the date of disposition over the purchase price paid by the employee, or (b) the excess of the fair market value of the shares of common stock on the enrollment date over the purchase price paid by the employee. The amount of such ordinary income recognized by the employee will be added to the employee's basis in the shares for purposes of determining capital gain or loss upon the disposition of the shares by the employee.

We generally will not be entitled to a tax deduction with respect to the shares of common stock purchased by an employee under the ESPP, unless the employee disposes of the shares less than one year after the shares are transferred to the employee or less than two years after the enrollment date, in which case we will generally be entitled to a tax deduction corresponding to the amount of ordinary income recognized by the employee.

Table of Contents**New Plan Benefits**

The increase in shares authorized for issuance under the proposed ESPP applies to future Purchase Periods under the ESPP, starting with the Purchase Period commencing November 15, 2019 and closing with an Exercise Date of May 14, 2020. The number of shares of common stock that may be purchased under the ESPP is dependent upon the stock's market value on the first and last day of each future Purchase Period, the voluntary election by each eligible employee to participate and the amount each participant has elected to apply to a Purchase Period, and is not currently determinable. The following table states the amounts which were received by each of the named individuals and groups under our ESPP for our last completed fiscal year, and the number of shares of common stock purchased under the ESPP from its inception through March 25, 2019.

Name and Position	Dollar Value of Shares Purchased in 2018 (\$)(1)	Number of Shares Purchased in 2018	Number of Shares Purchased from Inception through March 25, 2019
Carl Russo (2)			
<i>President and Chief Executive Officer</i>			
Cory Sindelar			
<i>Chief Financial Officer</i>	33,500	4,000	4,000
Michael Weening			
<i>Executive Vice President, Field Operations</i>	33,080	3,960	6,374
Gregory Billings			
<i>Senior Vice President, Services Executive Group</i>	66,580	7,960	10,374
Non-Executive Director Group (3)			
Non-Executive Officer Employee Group	7,384,228	898,162	5,740,057

(1) Represents fair market value at date of purchase. The average purchase price of the shares was \$5.25.

(2) Mr. Russo is not eligible to participate in the ESPP based on his total share holdings of Calix common stock.

(3) Non-executive directors are not eligible to participate in the ESPP.

To be approved, this proposal must receive a For vote from the holders of a majority in voting power of the shares of common stock which are present or represented by proxy and entitled to vote on the proposal. Abstentions will have the same effect as an Against vote for purposes of determining whether this matter has been approved. Broker non-votes will not be counted for any purpose in determining whether this matter has been approved.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR APPROVAL OF THE
CALIX, INC. AMENDED AND RESTATED EMPLOYEE STOCK PURCHASE PLAN AS DISCUSSED
ABOVE.**

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PROPOSAL NO. 4

**APPROVAL ON A NON-BINDING, ADVISORY BASIS OF THE
COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS (SAY-ON-PAY)**

We are seeking an advisory vote from our stockholders to approve the compensation paid to our NEOs, as disclosed in this Proxy Statement under the Compensation Discussion and Analysis section (CD&A) below.

Our Compensation Committee, with advice and information from its external compensation consultant, has structured our executive compensation program to stress a pay-for-performance philosophy. The compensation opportunities provided to our NEOs are significantly dependent on Calix's financial performance, the performance of Calix's stock and the NEO's individual performance, which are intended to drive creation of sustainable stockholder value. The Compensation Committee intends to continue to emphasize what it believes to be responsible compensation arrangements that attract, retain and motivate high-caliber executive officers to achieve Calix's short- and long-term business strategies and objectives.

Our Board previously determined to hold an advisory say-on-pay vote every year. In accordance with this determination and Section 14A of the Exchange Act, you have the opportunity to vote For or Against or to Abstain from voting on the following non-binding resolution relating to executive compensation:

RESOLVED, that the stockholders approve, on an advisory basis, the compensation paid to Calix's NEOs as disclosed in Calix's proxy statement for the 2019 Annual Meeting of Stockholders under the compensation disclosure rules of the SEC, including the compensation discussion and analysis, compensation tables and narrative discussion of the proxy statement.

In deciding how to vote on this proposal, we encourage you to consider Calix's executive compensation philosophy and objectives, the design principles and the elements of Calix's executive compensation program described in our CD&A below. As described in the CD&A, a guiding principle of our compensation philosophy is that pay should be linked to performance and that the interests of our executives and stockholders should be aligned. Our compensation program is a mix of short- and long-term components, cash and equity elements and fixed and contingent payments in proportions we believe will provide the proper incentives, reward our NEOs, help us achieve our goals and increase stockholder value. For example:

Chief Executive Officer Compensation Aligned with Stockholder Interests. A significant portion of our chief executive officer's compensation is performance-based and reflects a market-based cash compensation package. As a holder of more than 10% of our common stock consistently since Calix's initial public offering, our chief executive officer is a significant stockholder and his personal wealth has consistently been, and continues to be, tied directly to sustained stock price appreciation and performance, which provides direct alignment with stockholder interests.

Other NEOs Compensation Substantially Tied to Performance. Our other NEOs earn a significant portion of their total compensation based upon increases in Calix's stock price and a significant portion of their variable cash and long-term equity compensation is contingent upon Calix's financial performance along with our Compensation Committee's assessment of executive performance.

Change in Control and Severance Benefits Not Grossed Up. Calix provides limited change in control and severance benefits to provide NEOs security and to remain competitive in attracting and retaining executive talent. Calix does not provide for any tax gross up to any NEO in connection with any change in control or severance benefits.

To be approved, on a non-binding and advisory basis, the compensation paid to our NEOs must receive a For vote from the holders of a majority in voting power of the shares of common stock which are present or represented by proxy and entitled to vote on the proposal. Abstentions will have the same effect as Against votes for purposes of determining whether this matter has been approved. Broker non-votes will not be counted for any purpose in determining whether this matter has been approved.

While your vote on this proposal is advisory and will not be binding, we value the opinions of Calix's stockholders on executive compensation matters and will take the results of this advisory vote into consideration when making future decisions regarding Calix's executive compensation program. Unless the Board modifies its determination of the frequency of future say on pay advisory votes, the next say-on-pay advisory vote will be held at our 2020 Annual Meeting of stockholders.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL OF THE COMPENSATION PAID TO THE NAMED EXECUTIVE OFFICERS, AS DISCLOSED IN THIS PROXY STATEMENT UNDER THE COMPENSATION DISCLOSURE RULES OF THE SEC.

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PROPOSAL NO. 5

RATIFICATION OF SELECTION OF INDEPENDENT

REGISTERED PUBLIC ACCOUNTING FIRM

Our Audit Committee has engaged KPMG LLP (KPMG) as our independent registered public accounting firm for the fiscal year ending December 31, 2019 and is seeking ratification of such selection by our stockholders at the Annual Meeting. KPMG has audited our financial statements since February 29, 2016. Representatives of KPMG 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 KPMG as our independent registered public accounting firm. However, our Audit Committee is submitting the selection of KPMG to our stockholders for ratification as a matter of good corporate practice. If our stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain KPMG. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if they determine that such a change would be in the best interests of Calix and its stockholders.

To be approved, the ratification of the selection of KPMG as our independent registered public accounting firm must receive a For vote from the holders of a majority in voting power of the shares of common stock which are present or represented by proxy and entitled to vote on the proposal. Abstentions will have the same effect as an Against vote for purposes of determining whether this matter has been approved. Broker non-votes will not be counted for any purpose in determining whether this matter has been approved.

Principal Accountant Fees and Services

The following table provides information regarding the fees for the audit and other services provided by KPMG for the fiscal years ended December 31, 2018 and 2017 (in thousands).

	Fiscal Years Ended December 31,	
	2018	2017
Audit Fees	\$ 1,480	\$ 1,497
Audit-Related Fees		200
Tax Fees		
All Other Fees		
Total Fees	\$ 1,480	\$ 1,697

Audit Fees

Audit fees of KPMG consist of fees billed or expected to be billed for professional services rendered for the audit of our annual consolidated financial statements for the fiscal years ended 2018 and 2017, the audit of the effectiveness of our internal control over financial reporting and the review of our consolidated financial statements included in our Form 10-Q quarterly reports for the fiscal years ended 2018 and 2017. Audit fees also include services that are typically provided by the independent registered public accounting firm in connection with statutory and regulatory

filings for our international subsidiaries for those fiscal years.

Audit-Related Fees

Audit-related fees of KPMG consist of assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported above under *Audit Fees*. The services for the fees under this category include approximately \$200,300 for the fiscal year ended 2017 for consultation and review of ASC Topic 606 adoption.

Pre-Approval Policy and Procedures

Our Audit Committee pre-approves all audit and non-audit services provided by our independent registered public accounting firm. Our Audit Committee may delegate authority to one or more members of the Audit Committee to provide such pre-approvals, provided that such approvals are presented to the Audit Committee at a subsequent meeting. This policy is set forth in the charter of the Audit Committee and available under *Governance* in the Investor Relations section of our website at investor-relations.calix.com.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE RATIFICATION OF THE
SELECTION OF KPMG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
FOR THE FISCAL YEAR ENDING**

DECEMBER 31, 2019.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Executive Summary

Our compensation and benefits programs reflect our philosophy of compensation and incentivizing all of our employees, including our named executive officers (NEOs), in ways that support two primary objectives:

attract, reward and retain exceptional talent in the markets in which we operate

identify and reward outstanding performance that reflects Calix principles and values and aligns with long-term stockholder value creation

To help us achieve these objectives, a significant portion of our NEOs' compensation is at risk with significant upside potential for strong performance as well as downside exposure for underperformance. NEOs with greater responsibilities and the ability to directly impact our Company's goals and long-term results bear a greater proportion of the risk if these goals and results are not achieved.

The following discussion describes and analyzes our compensation objectives and policies as well as the material components of our compensation program for our NEOs during 2018. Our NEOs for 2018 were:

Carl Russo, President and Chief Executive Officer

Cory Sindelar, Chief Financial Officer

Michael Weening, Executive Vice President, Field Operations

Gregory Billings, Senior Vice President, Services

Compensation Philosophy and Process

We strive to find the best talent, resources and infrastructure to serve our customers and strategically expand our systems and services portfolio. Our goal is to attract and retain highly qualified executives to manage and oversee each of our business functions. We seek out individuals who we believe will be able to contribute to our business and our vision of future success, culture, principles and values and who will promote the long-term interests and growth of our Company. Our compensation philosophy is intended to promote a team-oriented approach to performance as a portion of each NEO's incentive compensation is based on achievement against the same performance objectives as our broad-based incentive plan.

Our executive compensation program aims to achieve the following:

enable us to attract, retain and drive a high caliber, talented leadership team to execute on our business strategy

foster a goal-oriented leadership team with a clear understanding of long-term business objectives and shared corporate principles and values

ensure that the elements of compensation provided to our employees and executives are balanced, individually and in combination, and do not encourage excessive risk-taking

reflect the competitive environment of our industry and our changing business needs

allocate our resources effectively and efficiently in the development and selling of market-leading technology, systems and services

maintain pay parity and fair compensation practices across our organization

In furtherance of these goals, our executive compensation program is designed to:

be market competitive, including targeting benchmarking and evaluating compensation levels and compensation practices to our peer group

emphasize pay for performance

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share risks and rewards with our stockholders

align the interests of our executives with those of our stockholders

reflect our principles and values

Our executive compensation program in 2018 consisted of the following components:

base salary

incentive-based cash compensation

grants of equity awards that vest contingent on corporate performance and that include a component that vest on continued service if performance thresholds are met

health, welfare and retirement benefits

In November 2018, our Compensation Committee conducted its annual review of our executive compensation program with its independent compensation consultant, Radford, including a review of our pay philosophy, compensation mix, short and long-term incentive plan structures, equity plan risk assessment and severance plan, and concluded that overall our executive compensation program was consistent with market practice. In reaching these conclusions, our Compensation Committee, in consultation with Radford, also reviewed governance and pay-for-performance guidelines issued by proxy advisory firms.

Stockholder Advisory Vote on Executive Compensation

We hold an advisory, non-binding stockholder vote on executive compensation every year. At our 2018 Annual Meeting of Stockholders, our stockholders voted to approve the compensation of our NEOs, with approval of over 95% of the votes cast. Our Compensation Committee reviewed these voting results along with the results from our 2017 Annual Meeting of Stockholders, noting the strong level of our stockholders' support for our NEOs compensation. The Compensation Committee also reviewed our compensation programs with Radford and management, including consideration of governance and pay-for-performance guidelines issued by proxy advisory firms. The Compensation Committee regularly reviews executive compensation programs, in conjunction with Radford, and makes changes it determines are appropriate. The Compensation Committee intends to continue to take into consideration the outcome of our stockholders' future advisory say-on-pay votes when making future compensation decisions for the NEOs.

Role of Our Compensation Committee

Our Compensation Committee approves and interprets our executive compensation and benefit plans and policies. The Compensation Committee is appointed by the Board and consists entirely of directors who are non-employee directors for purposes of Rule 16b-3 of the Exchange Act. In 2018, our Compensation Committee determined the compensation for all of our NEOs. Except for our chief executive officer's compensation and performance, each NEO's individual

performance and contributions to our Company for each fiscal year is assessed by our chief executive officer who reports his recommendations regarding each element of the NEOs' compensation to the Compensation Committee. Our chief executive officer does not participate in any formal discussion with the Compensation Committee regarding decisions on his own compensation and he recuses himself from meetings in which his compensation is assessed or discussed.

Competitive Market Review

The market for experienced executive leaders is highly competitive in our industry. We strive to attract and retain highly qualified executives to effectively lead each of our business functions. In doing so, we draw upon a pool of talent that is highly sought after by both large and established technology and telecommunications companies in our geographic area and by other competitive companies in development or growth phases. Established organizations in our industry seek to recruit top talent from emerging companies in the sector just as smaller organizations look to attract and retain the best talent from the industry as a whole. We also compete for key talent on the basis of: our vision of future success; our culture and values; the cohesiveness and productivity of our teams; and the excellence of our technical and leadership teams. The competition for technical and non-technical skills is aggressive across the sector, and we expect it to remain high for the foreseeable future.

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Our Compensation Committee determines compensation for our NEOs, in large part based upon our financial resources as well as competitive market data. In setting executive compensation for 2018, our Compensation Committee conducted a review of our NEOs' compensation, as well as a mix of elements used to compensate our NEOs, and compared that information with data provided by Radford, as discussed below.

Our 2018 peer group criteria consisted of companies within the technology industry with revenues between \$200 million and \$1.2 billion and market capitalizations between \$150 million and \$1.5 billion that we believe compete with us for executive talent. Our 2018 peer group was set by our Compensation Committee based on recommendations from Radford, consideration of ISS and Glass Lewis peer group criteria, and discussion with management. Although Aerohive Networks and Digi International are both below \$200 million in revenue, our Compensation Committee determined to retain these companies in our 2018 peer group because both companies are within range based on our market capitalization. Although Infinera and Oclaro were both above \$1.5 billion in market capitalization at the time of our 2018 peer group evaluation and selection, our Compensation Committee determined to retain Infinera in our 2018 peer group because Infinera is a local talent competitor and has been included in our peer group in prior years, and to retain Oclaro because Oclaro's revenue is within range for our peer group and is on ISS and Glass Lewis' peer group list for Calix. Our 2018 peer group consisted of the following companies:

8x8, Inc.	Extreme Networks, Inc.
A10 Networks, Inc.	Five9 Inc.
ADTRAN, Inc.	Gigamon Inc. (1)
Aerohive Networks, Inc.	Harmonic Inc.
Barracuda Networks, Inc. (1)	Infinera Corporation
Broadsoft, Inc. (1)	Oclaro, Inc. (1)
CalAmp Corp.	ShoreTel, Inc. (1)
Comtech Telecommunications Corp.	Silver Spring Networks, Inc. (1)
Digi International Inc.	Sonus Networks, Inc. (1)

(1) Represents companies that were acquired after our 2018 peer group evaluation and selection. Our revenue was at the 65th percentile and our market cap was positioned at the 10th percentile of our 2018 peer group. We determine our approximate position relative to the appropriate market benchmark by comparing our practices and levels: by target annual cash compensation, which includes base salary, target annual incentive opportunity; and by total direct compensation, which includes target cash compensation and equity compensation. Our Compensation Committee seeks to set the total target cash compensation for our NEOs at approximately the 50th percentile of our peer group, when looking at the group in the aggregate.

During 2018, our Compensation Committee continued to engage Radford as its independent executive compensation consultant. Radford was hired directly by our Compensation Committee and works with management only at our Compensation Committee's direction to interpret results, make recommendations and assist in setting compensation levels for our executive officers. After review and consultation with Radford, our Compensation Committee determined that Radford is independent and that there is no conflict of interest in retaining Radford currently or during 2018.

Weighting of Elements in our Compensation Program

The use and weight of each compensation element is based on a determination by our Compensation Committee of the importance of each element in meeting our overall corporate objectives for each year as well as our long-term business strategy. We also take into consideration assessments of our compensation program, including an assessment of compensation program risk, conducted by Radford for the Compensation Committee.

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Chief Executive Officer Compensation

In 2012, Mr. Russo's base salary was set at \$500,000 per year and his performance target under our cash incentive plan was set to be equal to 100% of his annual base salary. For 2018, Mr. Russo's base salary and performance target remained as set in 2012. Mr. Russo was not granted any equity awards during 2018, but continues to be a significant stockholder (with stock ownership of approximately 12.09% of common stock outstanding) with his personal wealth tied directly to sustained stock price appreciation and performance, which provides direct alignment with stockholder interests. Mr. Russo's 2018 total target cash compensation is between the 25th and 50th percentile of our peer group of companies.

Other NEO Compensation

As with our chief executive officer compensation, we put a significant amount of the total potential compensation of our other NEOs in 2018 at risk based on our achievements of corporate financial targets aligned with our business strategy.

The 2018 weighting of compensation elements for our other NEOs in 2018 as a group is as follows:

Base Salary

Base salary reflects the experience, skills, knowledge and responsibilities of each NEO as well as competitive market conditions. Base salary is one component of total cash compensation. During 2018, our Compensation Committee adjusted the base salaries of Messrs. Sindelar and Weening from \$320,000 to \$352,000 based on the recommendations of our chief executive officer and Radford and our Compensation Committee's assessment of the executive's base salary relative to the base salaries paid to similarly situated executives at our peer group of companies.

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The table below sets forth the annual base salary for each NEO as set by our Compensation Committee as of December 31, 2018.

Name of Executive Officer	Annual Base Salary
Carl Russo	\$ 500,000
Cory Sindelar (1)	352,000
Michael Weening (1)	352,000
Gregory Billings	300,000

(1) Each of Messrs. Sindelar's and Weening's base salaries increased from \$320,000 to \$352,000 effective July 1, 2018.

The annual base salaries of our NEOs are reviewed at least once a year, and our Compensation Committee intends to make adjustments to reflect performance considerations as well as competitive conditions.

Cash Incentive Compensation

Our NEOs participate in our executive cash incentive plan. To be consistent with market practice, our Compensation Committee, in consultation with Radford, determined that as of 2017 Mr. Weening would no longer participate in cash incentive awards under the sales-based incentive compensation plan for our sales organization, although he would continue to receive payments under the 2016 sales-based incentive compensation plan for shipments against bookings attained in 2016, which amounted to less than \$5,000 for 2018 and is not expected to be material to Mr. Weening's compensation in future years. Mr. Weening continues to participate in our executive cash incentive plan.

The executive cash incentive plan provides for funding based on quarterly corporate financial targets and an annual payout based on assessment of the NEO's performance for the year. The cash incentive plan does not provide for any guaranteed payments. Our chief executive officer recommends, and our Compensation Committee determines, the achievement as to individual performance of each NEO. Our chief executive officer's performance is evaluated and determined solely by our Compensation Committee.

Our Compensation Committee sets target incentive opportunities for each NEO under the plan in an amount equal to a percentage of the NEO's annual base salary. We seek to align the performance targets of our cash incentive plan to our business strategy and long-term stockholder interests. Our Compensation Committee establishes targets for our quarterly corporate financial targets based on the annual operating plan approved by our Board at the beginning of the year and based on quarterly financial information prepared by management. In general, in order for the cash incentive compensation pool to be funded, the financial targets need to be achieved for that particular quarter, which for 2018 consisted of both revenue and non-GAAP operating income (loss) targets, although our Compensation Committee retains discretion over whether or not the plan is funded quarter over quarter. Non-GAAP operating income (loss), for the purposes of the cash incentive plan, is calculated as operating income (loss) on a GAAP basis less certain items that are not considered indicative of our normal operating performance, consisting of: non-cash stock-based compensation, gain on sale of product line, restructuring charges (benefit) and U.S. tariff and tariff-related costs.

These performance metrics were selected by our Compensation Committee in order to incentivize revenue growth and operational efficiencies as key measures of our operational performance at this stage of our development. The non-GAAP operating income (loss) component is a measure that is required in addition to the revenue target to

mitigate risks of revenue generation activities at the expense of achieving profitability goals. The Compensation Committee believes that the use of these targets incentivizes long-term stockholder value.

Even though our Compensation Committee has established target cash incentive opportunities for each NEO, once our corporate performance goals are achieved and the cash incentive compensation pool is funded, our Compensation Committee retains discretion to adjust cash incentive compensation paid to each individual up or down, ranging from 0% to 125% of the individual's target cash incentive opportunity in 2018, based upon assessment of individual performance by our Compensation Committee, including upon consultation with Mr. Russo (except as to Mr. Russo's compensation).

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A summary of the total cash incentive compensation targets set by our Compensation Committee for our NEOs for 2018 is as follows:

Total Target Cash Incentive Opportunity

Named Executive Officer	Target Cash Incentive Plan Opportunity	Target Cash Incentive Plan Opportunity as a Percentage of Base Salary
Carl Russo	\$ 500,000	100%
Cory Sindelar (1)	201,600	60%
Michael Weening (2)	302,400	90%
Gregory Billings	165,000	55%

- (1) Mr. Sindelar's base salary increased from \$320,000 to \$352,000 effective July 1, 2018. Accordingly, his target cash incentive plan opportunity for 2018 is pro-rated at 60% of his base salary from January 1 through June 30, 2018 and July 1 through December 31, 2018.
- (2) Mr. Weening's base salary increased from \$320,000 to \$352,000 effective July 1, 2018. Accordingly, his target cash incentive plan opportunity for 2018 is pro-rated at 90% of his base salary from January 1 through June 30, 2018 and July 1 through December 31, 2018.

Achievement Against Quarterly Financial Targets

The table below sets forth the quarterly financial targets under our cash incentive plan and the Compensation Committee's determination of our achievement for each fiscal quarter of 2018 for purposes of funding the cash incentive plan (in thousands, except for percentages).

Fiscal Quarter	Target		Achievement		Compensation Committee Determination
	Non-GAAP Operating Income		Non-GAAP Operating Income		of
	Revenue	(Loss)	Revenue	(Loss) (1)	(2)
First quarter	\$ 108,000	\$ (5,000)	\$ 99,403	\$ (9,716)	0%
Second quarter	111,000	400	111,702	411	100%
Third quarter	115,000	2,400	114,699	3,018	100% (3)
Fourth quarter	122,000	8,800	115,500	7,443	0%

- (1) Reconciliation of these non-GAAP amounts to GAAP is provided in Appendix C.
- (2) Our executive cash incentive plan requires achievement of both quarterly revenue and non-GAAP operating income (loss) targets in each quarter.
- (3)

In making its determination of corporate achievement against the third quarter financial targets, the Compensation Committee exercised its discretion under the executive cash incentive plan to fund the bonus at 100% after considering the significant accomplishments of the executive team, the Company's significant achievement above target for non-GAAP operating income and the closeness of the reported revenue to the set target.

Summary of Payouts of Cash Incentive Compensation

The table below summarizes the annual payout awarded to each NEO under the cash incentive plan on amounts funded for 2018. The payout awards are determined by our Compensation Committee following assessment of corporate performance and in consultation with Mr. Russo as to each NEO other than Mr. Russo. In addition, after the assessment of the funding for awards under our 2018 cash incentive plans on a company-wide basis, including consideration of recommendations by Mr. Russo, the Compensation Committee exercised its discretion to downward adjust the award payout under the 2018 cash incentive plan for the NEOs by \$278,000 in favor of increasing funding for non-executive awards. The amounts awarded to each of Messrs. Russo, Sindelar and Weening, reflecting an allocation of this downward adjustment, is as set forth below.

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Named Executive Officer	Target Cash Incentive		Actual
	Plan Opportunity	Amount Funded	Award Payout
Carl Russo	\$ 500,000	\$ 250,000	\$
Cory Sindelar (1)	201,600	100,800	86,800
Michael Weening (2)	302,400	151,200	142,145 (3)
Gregory Billings	165,000	82,500	82,500

- (1) Mr. Sindelar's base salary increased from \$320,000 to \$352,000 effective July 1, 2018. Accordingly, his target cash incentive plan opportunity for 2018 is pro-rated at 60% of his base salary from January 1 through June 30, 2018 and July 1 through December 31, 2018.
- (2) Mr. Weening's base salary increased from \$320,000 to \$352,000 effective July 1, 2018. Accordingly, his target cash incentive plan opportunity for 2018 is pro-rated at 90% of his base salary from January 1 through June 30, 2018 and July 1 through December 31, 2018.
- (3) Amount for Mr. Weening represents an award payout of \$137,200 under the cash incentive plan plus a payment of \$4,945 in 2018 under the 2016 sales-based incentive compensation plan for shipments against bookings Mr. Weening attained in 2016. Mr. Weening no longer participated in the sales-based incentive compensation plan as of January 1, 2017.

Compensation Committee Discretion

Our Compensation Committee may, from time to time, exercise discretion to award discretionary cash bonuses to its NEOs, which awards are made on an infrequent basis and intended to recognize exemplary performance. No discretionary bonuses were awarded to any NEO in 2018. Similarly, our Compensation Committee may, from time to time, exercise discretion to downward adjust incentive awards to our NEOs.

Equity-Based Incentives

Our 2010 Equity Incentive Award Plan provides our key employees, including our NEOs, with stock-based incentives to align their interests with the interests of our stockholders.

We believe that award of stock-based compensation to our key employees and executives encourages strong long-term financial and operational performance and provides them the opportunity to participate in the long-term appreciation of our stock value. Our Compensation Committee also reviews the equity burn rate annually to ensure it is aligned with peer/industry practices.

We generally provide grants of stock-based awards to our NEOs under our 2010 Equity Incentive Award Plan on an annual basis as determined by our Compensation Committee. Stock-based awards are generally in the form of stock option grants or restricted stock units (RSUs) with either time-based vesting or performance-based vesting. Awards with time-based vesting typically vest as to 25% of the shares subject to the award after the first twelve months of service and in equal quarterly installments thereafter with full vest in four years, subject to continued service through each vesting date. Awards with performance-based vesting typically vest contingent on achievement of corporate goals or other financial targets.

Initial awards at the time of hire generally vest solely based on the continued service of the NEO. The size and terms of the initial option or RSU grant made to each new NEO upon joining the Company is primarily based on competitive conditions applicable to the NEO's specific position and the value of unvested equity the executive is leaving at his or her prior company. In addition, we consider the number of shares of our common stock underlying options and RSUs granted to other executives in comparable positions within the Company.

Subsequent RSU awards and stock options are granted at the discretion of the Compensation Committee, generally in recognition of a promotion or extraordinary performance, or as an annual refresh grants to continue to incentivize future performance. Annual refresh equity awards in recent years have generally included threshold performance criteria which are intended to reduce or eliminate the economic benefit of such awards in the event we do not achieve specified performance objectives. Because the performance-based awards are contingent upon the Company achieving financial targets as established by the Compensation Committee based on our business strategy and long-term growth initiatives, we believe the award to each NEO is aligned to the interests of our stockholders. If achieved, a portion of the shares underlying the performance-based awards vest immediately and a portion vests over time based on continuous service. We believe these awards provide an appropriate blend of performance-based incentive and executive-retention impact with a service-based vesting component. We believe that award size, performance target and vest terms are such that a significant portion of each NEO's total compensation would be attained only if we achieved performance aligned with our growth initiatives and long-term stockholder value. We believe that our equity awards also provide an important retention tool for our NEOs, as they are typically subject to vesting over a longer period of time, generally four years, based on the Compensation Committee's assessment of the circumstances, such as timing of award, retention or other considerations.

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Our Compensation Committee generally evaluates annual refresh grants of stock-based awards for our NEOs with any such equity awards expected to be tied to the following year's financial performance and with vesting over a future service period, generally four years from the date of grant. In particular, the Company believes that the financial performance targets chosen for its equity awards to executives align with its objective of creating long-term stockholder value.

Performance-Based Grant 2018 Financial Performance

In December 2017, the Compensation Committee evaluated an annual refresh grant of performance-based stock options for our executives tied to a specific financial target for 2018 (the 2018 Performance-Based Equity Award). After consideration, the Compensation Committee approved the grant of a 2018 Performance-Based Equity Award on December 29, 2017 to each NEO that would be earned and vest, contingent upon achievement of the Company's 2018 non-GAAP operating income goal, as to 50% of the shares of common stock underlying the stock option grant on January 1, 2019, subject to the Compensation Committee's certification of the achievement of the financial target, and as to 50% of the shares of common stock underlying the stock option grant, in substantially equal quarterly installments over the subsequent 24 months. The 2018 Performance-Based Equity Award included an option to purchase 108,000 shares of common stock for Mr. Sindelar, an option to purchase 204,000 shares of common stock for Mr. Weening and an option to purchase 126,000 shares of common stock for Mr. Billings. At his request, Mr. Russo did not receive a stock option grant in connection with the 2018 Performance-Based Equity Award. The Compensation Committee determined to select a financial target of 2018 non-GAAP operating income for the 2018 Performance-Based Equity Award to align the equity awards to what it considered to be a key financial metric for the Company for 2018. The Compensation Committee elected to provide for 50% vesting, subject to achievement of the target 2018 non-GAAP operating income, in recognition that our NEOs did not vest into any stock option grants under the performance-based equity awards granted in 2017 as the 2017 financial targets were not achieved, and in consideration of the importance of the non-GAAP operating income target as part of the Company's execution on its strategic objectives and focus on long-term stockholder value.

In November 2018, the Compensation Committee exercised its discretion to modify the performance target for the 2018 Performance-Based Equity Award such that the stock option would be earned if the Company was profitable for the year ended December 31, 2018 as measured by non-GAAP net income, which represented a significant year-over-year improvement of approximately \$1.24 per share compared to a non-GAAP net loss in the prior year. Previously, the Compensation Committee had set the target at a specified non-GAAP operating income target of \$12.5 million. The Compensation Committee made this modification after consideration of several factors, including the importance to long-term stockholder value of the Company's achievement of profitability on a non-GAAP net income basis, the opportunity the Company had of achieving profitability for 2018 in light of the second and third quarter performance improvements and work underway on the Company's ramp of its new platforms, while recognizing the challenges related to the continued transformation of the Company's business model and certain external factors impacting operating performance. The Compensation Committee also considered the importance of incentivizing and retaining executive talent and noted that no equity awards had been granted to the NEOs in 2017. The Compensation Committee determined that the modified target represented a performance target that was challenging but attainable with concerted effort and execution, and therefore would incentivize strong executive performance toward the desired financial objective. No other modifications were made to the terms of the 2018 Performance-Based Equity Award. In February 2019, following review of the Company's financial performance for 2018, the Compensation Committee certified that, based on the Company's reported non-GAAP net income of \$0.4 million for the fiscal year ended December 31, 2018, the performance target for the 2018 Performance-Based Equity Award was met and each stock option immediately vested in respect of 50% of the shares subject thereto with the remaining shares underlying the options to vest in eight substantially equal quarterly installments.

Performance-Based Grant 2019 Financial Performance

In February 2019, the Compensation Committee evaluated an annual refresh grant of performance-based stock options for our executives tied to specific financial targets for 2019 (the 2019 Performance-Based Equity Award). After consideration, the Compensation Committee approved the grant of a 2019 Performance-Based Equity Award on February 14, 2019 to each NEO, with the actual number of shares earned contingent upon achievement of both annual and quarterly corporate financial targets for revenue, non-GAAP gross margin and non-GAAP earnings per share for fiscal year 2019 (collectively, the 2019 Performance Targets). The 2019 Performance-Based Equity Award would vest, subject to the Compensation Committee's certification of the achievement of the 2019 Performance Targets, as to 25% of the shares of common stock earned on the date of such certification, and as to the remaining 75% of the shares of common stock earned, in substantially equal quarterly installments over the subsequent 36 months. No shares are awarded unless all of the 2019 Performance Targets are met. If all of the 2019 Performance targets are met, each NEO receives 100% of their target shares. Furthermore, each NEO may receive a number of shares above their target shares for achievement of at least 125% above the non-GAAP earnings per share target, up to a maximum of 200% of the target shares for achievement above 125% of the earnings per share target. The 2019 Performance-Based Equity Award includes an option to purchase up to 240,000 shares of common stock for Mr. Sindelar, an option to purchase up to 300,000 shares of common stock for Mr. Weening and an option to purchase up to 150,000 shares of common stock for Mr. Billings, in each case with the number of shares representing the target share opportunity at 200% of the target shares. At his request, Mr. Russo did not receive a stock option grant in connection with the 2019 Performance-Based Equity Award. In determining the 2019 Performance Targets, the Compensation Committee set the 2019 Performance Targets to align each NEO's opportunity to earn the equity awards to the Company's 2019 focus on gross margin expansion, disciplined operating expense investment, deliberate revenue growth and increased predictability, such that the NEO's equity awards are at risk based on the Company's performance in these areas. The Compensation Committee determined to provide for 25% vesting upon achievement of the 2019 Performance Targets and time-based vesting for the remaining award shares over the subsequent 36 months such that the 2019 Performance-Based Equity Awards both incentivizes corporate financial performance and provides retention value for each NEO.

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Change in Control and Severance Benefits

We provide our NEOs with certain change in control and severance benefits under our Amended and Restated Executive Change in Control and Severance Plan (*CICSP*), which our Compensation Committee adopted in July 2010. In September 2017, our Compensation Committee amended the *CICSP* to expand eligibility to include additional members of senior management and to amend certain benefits in the event of a termination in connection with a change in control. Our Compensation Committee provides change in control and severance benefits to our senior management to, among other things, provide security to our NEOs including in the event of a change in control of the Company.

Under the *CICSP*, in the event an eligible NEO's employment with us is terminated by us other than for Cause (as defined in the *CICSP*), death or disability and such termination is outside of the Change in Control Period (as defined below), he or she is eligible to receive (i) a cash severance payment in an amount equal to 12 months of base salary and a pro-rata portion of the eligible NEO's annual bonus opportunity at target, (ii) 12 months accelerated vesting of equity awards and (iii) 12 months of health insurance benefit continuation, subject to certain exceptions.

In the event an eligible NEO's employment with us is terminated by us other than for Cause, or the eligible NEO terminates his or her employment for Good Reason (as defined in the *CICSP*) during a period of time commencing 60 days prior to a change in control and ending 12 months following the change in control (the *Change in Control Period*), he or she is eligible to receive (i) a cash severance payment in an amount equal to: 24 months of base salary (in the case of Mr. Russo) or 12 months of base salary (in the case of Messrs. Sindelar, Weening and Billings); 200% of the annual bonus opportunity at target (in the case of Mr. Russo) or 100% of the annual bonus opportunity at target (in the case of Messrs. Sindelar, Weening and Billings); and a pro-rata portion the eligible NEO's annual bonus opportunity at target, subject to attainment of the performance criteria with respect to the eligible NEO's bonus opportunity, (ii) 100% acceleration of all equity awards and (iii) 24 months of health insurance benefit continuation (in the case of Mr. Russo) or 12 months of health insurance benefit continuation (in the case of Messrs. Sindelar, Weening and Billings), in each case subject to certain exceptions.

Our NEOs must execute, and not revoke during any applicable revocation period, a general release of claims against us in order to be eligible for any severance benefits. We do not provide for any tax gross-up payments under our *CICSP* or otherwise in connection with executive severance benefits.

Benefits

We provide the following benefits, as applicable to all employees, including our NEOs:

medical, dental and vision insurance

life insurance, accidental death and dismemberment and business travel and accident insurance

employee assistance program

health and dependent care flexible spending accounts

transportation flexible spending accounts

employee stock purchase plans

short- and long-term disability

401(k) plan for U.S. employees

Registered Retirement Savings Plan for Canadian employees, including for Mr. Weening, and a pension plan for employees in certain other countries outside of the U.S. and Canada

health club membership reimbursement

Perquisites

Our NEOs participate in the same benefit programs as other employees and do not receive any other perquisites.

Table of Contents***Clawback Policy***

In early 2019, we adopted a clawback policy that applies to all executive officers and covers all compensation under the cash incentive programs and all equity awards granted or awarded after the date the policy was adopted. The policy applies in the event our financial statements are restated as a result of material non-compliance with financial reporting rules and provides our Board of Directors with broad discretion as to what actions may be taken based on circumstances leading to the restatement, including recovery of incentive-based compensation received by an executive officer in excess of what the executive officer would have been paid under the restatement. Our Compensation Committee monitors regulatory developments with respect to compensation policies and will recommend to our Board of Directors any changes to the current policy that are necessary or appropriate in light of guidance issued by the SEC.

Policy Prohibiting Speculative Transactions and Hedging or Pledging

In accordance with our insider trading policy, we do not permit any officer, director or employee, and their respective family members, to directly or indirectly participate in certain trading activities related to our common stock that are considered aggressive or speculative in nature, including short sales, publicly traded options, hedging transactions, margin purchases and pledging our common stock.

Tax and Accounting Considerations**Section 280G of the Internal Revenue Code**

Section 280G of the Internal Revenue Code disallows a tax deduction for excess parachute payments and Section 4999 of the Code imposes a 20% excise tax on any person who receives excess parachute payments. Our NEOs are not eligible to receive any tax gross-up payments in the event any payments made or that may be made to them become subject to this excise tax. The Compensation Committee will take into account the implications of Section 280G in determining potential payments to be made to our executives in connection with a change in control. Nevertheless, to the extent that certain payments upon a change in control are classified as excess parachute payments, such payments may not be deductible under Section 280G.

Section 409A of the Internal Revenue Code

Section 409A of the Internal Revenue Code, which governs the form and timing of payment of deferred compensation, imposes a 20% tax and an interest penalty on the recipient of deferred compensation that is subject to but does not comply with Section 409A. As a general matter, it is our intention to design and administer our compensation and benefits plans and arrangements for all of our employees and other service providers, including our NEOs, so that they are either exempt from, or satisfy the requirements of, Section 409A of the Code. The Compensation Committee will take into account the implications of Section 409A in determining the form and timing of compensation awarded to our executives and will strive to structure any nonqualified deferred compensation plans or arrangements to be exempt from or to comply with the requirements of Section 409A.

Section 162(m) of the Internal Revenue Code

Section 162(m) disallows a tax deduction for any publicly held corporation for individual compensation exceeding \$1 million in any taxable year for our CEO, our CFO, any employee who is one of the top three highest compensated executive officers for the tax year; or for any employee who was a covered employee for any preceding taxable year beginning after December 31, 2016 referred to as covered employees. Further, since the enactment of tax reform

legislation on December 22, 2017 (the 2017 Tax Reform Act), qualified performance-based compensation is exempt from this \$1 million limitation only if payable pursuant to a written binding contract in effect on November 2, 2017 (and that has not subsequently been materially modified). The Compensation Committee has not previously taken the deductibility limit imposed by Section 162(m) into consideration in setting compensation and as a result of the 2017 Tax Reform Act, a deduction for any compensation paid to our NEOs in excess of \$1 million is disallowed.

Accounting for Stock-Based Compensation

We follow Financial Accounting Standards Board Accounting Standards Codification Topic 718 (ASC Topic 718) for our stock-based compensation awards. ASC Topic 718 requires companies to calculate the grant date fair value of their stock-based awards using a variety of assumptions. ASC Topic 718 also requires companies to recognize the compensation cost of their stock-based awards in their income statements over the period that an employee is required to render service in exchange for the award. Grants of stock options, restricted stock, RSUs and other stock-based awards under our equity incentive award plans will be accounted for under ASC Topic 718. Our Compensation Committee will regularly consider the accounting implications of significant compensation decisions, especially in connection with decisions that relate to our equity incentive award plans and programs. As accounting standards change, we may revise certain programs to appropriately align accounting expenses of our equity awards with our overall executive compensation philosophy and objectives.

Table of Contents**Summary Compensation Table**

The following table sets forth all of the compensation awarded to, earned by or paid to our NEOs during 2018, 2017 and 2016.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Option	Non-Equity	All	Total (\$)
				Awards (\$) (1)	Plan Compensation (\$) (2)	Other Compensation (\$) (3)	
Carl Russo	2018	500,000					500,000
President and Chief Executive Officer	2017	500,000		1,440,222			1,940,222
	2016	500,000			225,000		725,000
Cory Sindelar (4)	2018	336,000		383,670	86,800	6,979	813,449
Chief Financial Officer	2017	73,846		1,026,959		102,215	1,203,020
Michael Weening (5)	2018	336,000		724,710	142,145	7,703	1,210,558
Executive Vice President, Field Operations	2017	320,000	140,000	1,012,738	59,293	5,813	1,537,844
	2016	166,154	50,000	1,249,098	144,450	2,066	1,611,768
Gregory Billings (6)	2018	300,000		447,615	82,500	8,250	838,365
Senior Vice President, Services	2017	300,000	85,000	721,066		7,691	1,113,757

- (1) Amounts reported in 2018 represent the incremental value to the 2018 Performance-Based Equity Awards granted to Messrs. Sindelar, Weening and Billings as a result of the November 2018 modification to the 2018 Performance-Based Equity Awards, which were originally granted in 2017. This incremental value as reported for 2018 was calculated in accordance with ASC Topic 718, excludes the impact of estimated forfeitures related to service-based vesting conditions, assumes 100% performance and are not adjusted for subsequent changes in our stock performance or the level of ultimate vesting. For a further discussion on these performance-based stock option awards, see above under *Performance-Based Grant 2018 Financial Performance*. For a discussion of the assumptions used in the valuations of the stock options, see Note 7 of the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2018.
- (2) Amounts reported for Mr. Weening in 2018 include \$4,945 in payment in 2018 under the 2016 sales-based incentive compensation plan for shipments against bookings Mr. Weening attained in 2016. Mr. Weening no longer participated in the sales-based incentive compensation plan as of January 1, 2017.
- (3) Amounts reported for 2018 represent (i) employer matching contributions of \$6,979 we made for Mr. Sindelar pursuant to our U.S. 401(k) Plan, (ii) employer matching contributions of \$7,703 we made for Mr. Weening to the Canadian Registered Retirement Savings Plan (RRSP), a tax-deferred capital accumulation plan in which our Canadian employees can participate and (iii) employer matching contributions of \$8,250 we made for Mr. Billings pursuant to our U.S. 401(k) Plan. Payments under the RRSP are set in Canadian dollars and were converted to U.S. dollars using an average exchange rate of CAD1.00 to US\$0.7697. Amount reported for Mr. Sindelar in 2017 represent (i) compensation in the amount of \$100,000 we made to Mr. Sindelar under a consulting arrangement pursuant to which Mr. Sindelar served as our interim chief financial officer and principal financial officer and (ii) employer matching contributions of \$2,215 we made for Mr. Sindelar pursuant to our U.S. 401(k) Plan.
- (4) Mr. Sindelar's base salary increased from \$320,000 to \$352,000 effective July 1, 2018.
- (5) Mr. Weening's base salary increased from \$320,000 to \$352,000 effective July 1, 2018.

- (6) Mr. Billings' employment with Calix commenced on December 19, 2016. He was designated a named executive officer for 2017 and 2018.

Table of Contents**Grants of Plan-Based Awards in 2018**

The following table lists grants of plan-based awards to our NEOs in 2018 and their related fair value as of the respective grant date.

Name	Grant Date	Estimated Possible	Estimated Possible	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Option and Stock Awards (\$)
		Non-Equity Incentive Plan Awards Target (\$)	Payouts Under Equity Incentive Plan Awards Target (#)		
Carl Russo		500,000			
Cory Sindelar	12/29/2017 (2)	201,600	108,000 (2)	5.95	383,670
Michael Weening	12/29/2017 (2)	302,400	204,000 (2)	5.95	724,710
Gregory Billings	12/29/2017 (2)	165,000	126,000 (2)	5.95	447,615

- (1) These amounts represent possible payouts if the incentive plan performance goals are achieved at target level under our cash incentive plan for 2018, which do not provide for threshold or maximum levels. See discussion above under *Summary of Payouts of Cash Incentive Compensation*.
- (2) Amounts reported represent shares underlying options that comprised the 2018 Performance-Based Equity Awards granted to Messrs. Sindelar, Weening and Billings that were modified in November 2018 after originally being granted in 2017. The number of shares subject to such stock option grants eligible to vest are contingent upon achievement of a 2018 financial performance metric, with 50% of the shares earned based on performance scheduled to vest on January 1, 2019 and the remaining 50% scheduled to vest in substantially equal installments over the subsequent 24 months. In February 2019, the Compensation Committee certified attainment of the 2018 performance metric. See discussion above under *Performance Based Grant 2018 Financial Performance*.
- (3) Amounts reported represent the incremental value to the 2018 Performance-Based Equity Awards granted to Messrs. Sindelar, Weening and Billings that were modified in November 2018 after originally being granted in 2017. This incremental value was calculated in accordance with ASC Topic 718, excludes the impact of estimated forfeitures related to service-based vesting conditions, assumes 100% performance and are not adjusted for subsequent changes in our stock performance or the level of ultimate vesting. See discussion above under *Performance-Based Grant 2018 Financial Performance*. For a discussion of the assumptions used in the valuations of the stock options, see Note 7 of the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2018.

Outstanding Equity Awards at December 31, 2018

The following table lists all outstanding equity awards held by our NEOs as of December 31, 2018.

Option Awards

Name

Grant Date	Number of Securities Underlying Unexercisable Options (#)	Number of Securities Underlying Unexercised Options (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date
Carl Russo	1/28/2014	120,000		8.18	1/28/2024
	2/21/2013	200,000		8.41	2/21/2023
	2/24/2011	100,000		19.75	2/24/2021
Cory Sindelar	12/29/2017		108,000 (1)	5.95	12/29/2027
	10/1/2017	75,000	225,000 (2)	5.05	10/1/2027
Michael Weening	12/29/2017		204,000 (1)	5.95	12/29/2027
	6/27/2016	237,500	142,500 (2)	6.38	6/27/2026
Gregory Billings	12/29/2017		126,000 (1)	5.95	12/29/2027
	11/1/2017	25,000	25,000 (3)	5.45	11/1/2027
	12/21/2016	150,000	150,000 (2)	7.70	12/21/2026

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- (1) Represents the 2018 Performance-Based Equity Awards that vest based on attainment of 2018 financial performance metrics, with 50% of the shares earned based on performance vesting on January 1, 2019 and the remaining 50% scheduled to vest in substantially equal installments over the subsequent 24 months. In February 2019, the Compensation Committee certified attainment of the 2018 performance metric. At his election, Mr. Russo did not receive a 2018 Performance-Based Equity Award. See discussion above under *Performance-Based Grant 2018 Financial Performance*.
- (2) The stock option grant vests over four years, with 25% of the common stock subject to the grant vesting on the one-year anniversary of the grant date, and the remainder vesting quarterly thereafter in substantially equal installments over the next 36 months, subject to the NEO's continued employment with Calix through the applicable vesting dates.
- (3) Represents Mr. Billings' performance-based stock option grant pursuant to his amended offer letter. The stock option grant vests over four years, with 25% of the common stock subject to the grant vesting and becoming exercisable on December 19, 2017 and the remainder vesting and becoming exercisable quarterly thereafter in substantially equal installments over the next 36 months, subject to Mr. Billings' continued employment with Calix through the applicable vesting dates.

Option Exercises and Stock Vested in 2018

None of our NEOs exercised stock options or held stock awards that vested during 2018.

Table of Contents**Potential Payments Upon Termination or Change of Control**

Each of our NEOs is entitled to severance upon a termination without cause or, only during a change in control, a resignation for good reason under our CICSP. See the section above entitled *Change in Control and Severance Benefits* for more information regarding the benefits provided under our CICSP.

The table below sets forth the estimated payments and benefits that would be provided to each of our NEOs upon a termination of employment without cause or, following a change in control, resignation for good reason if our NEO's employment had terminated on December 31, 2018 or a change in control was consummated on December 31, 2018, as applicable, taking into account the NEO's compensation as of that date.

Executive Benefits and Payments upon Termination	Involuntary Termination for Reasons Other Than Cause, Death or Disability, or Voluntary Termination for Good Reason Only During a Change in Control	
	Not in Connection with a Change in Control (\$)	60 Days Prior to or 12 Months Following a Change in Control (\$)
Carl Russo		
Cash severance (1)	\$ 1,000,000	\$ 2,500,000
Value of accelerated vesting of equity awards (2)		
Health insurance benefit continuation (3)	18,967	37,913
Total	\$ 1,018,967	\$ 2,537,913
Cory Sindelar		
Cash severance (1)	\$ 563,200	\$ 774,400
Value of accelerated vesting of equity awards (2)	634,650	1,467,900
Health insurance benefit continuation (3)	18,614	18,614
Total	\$ 1,216,464	