

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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended March 31, 2022

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Commission File Number: 1-33026



Commvault Systems, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

22-3447504

(I.R.S. Employer Identification No.)

1 Commvault Way

Tinton Falls, New Jersey 07724

(Address of principal executive offices, including zip code)

(732) 870-4000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	CVLT	The Nasdaq Stock Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files.) Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Emerging growth company

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of September 30, 2021, the last business day of the registrant's most recently completed second fiscal quarter; the aggregate market value of voting and non-voting common stock held by non-affiliates of the registrant (based upon the closing price of the common stock as reported by The Nasdaq Stock Market) was approximately \$3.4 billion.

As of May 3, 2022, there were 44,602,631 shares of the registrant's common stock (\$0.01 par value) outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Information required by Part III (Items 10, 11, 12, 13 and 14) is incorporated by reference to portions of the registrant's definitive Proxy Statement for its 2022 Annual Meeting of Stockholders (the "Proxy Statement"), which is expected to be filed not later than 120 days after the registrant's fiscal year ended March 31, 2022. Except as expressly incorporated by reference, the Proxy Statement shall not be deemed to be part of this report on Form 10-K.

COMMVault SYSTEMS, INC.
FORM 10-K
FISCAL YEAR ENDED MARCH 31, 2022
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FORWARD-LOOKING STATEMENTS

The discussion throughout this Annual Report on Form 10-K contains forward-looking statements. In some cases, you can identify these statements by our use of forward-looking words such as “may,” “will,” “should,” “anticipate,” “estimate,” “expect,” “plan,” “believe,” “predict,” “potential,” “project,” “intend,” “could,” “feel” or similar expressions. In particular, statements regarding our plans, strategies, prospects and expectations regarding our business are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). You should be aware that these statements and any other forward-looking statements in this document reflect only our expectations and are not guarantees of performance. These statements involve risks, uncertainties and assumptions. Many of these risks, uncertainties and assumptions are beyond our control and may cause actual results and performance to differ materially from our expectations. Important factors that could cause our actual results to be materially different from our expectations include the risks and uncertainties set forth under the heading “Risk Factors.” Accordingly, you should not place undue reliance on the forward-looking statements contained in this Annual Report on Form 10-K. These forward-looking statements speak only as of the date on which the statements were made. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

References in this Annual Report on Form 10-K to “Commvault,” the “Company,” “we,” “our” or “us” refer to Commvault Systems, Inc., including as the context requires, its direct and indirect subsidiaries.

PART I

Item 1. Business

Company Overview

Incorporated in Delaware in 1996, Commvault Systems, Inc. is a global data management company offering customers enterprise level, intelligent data services via a single platform and unified code base.

We believe in solving hard problems for our customers by enabling our customers to accelerate their digital transformation in today's ever-evolving workforce. Our product portfolio includes intuitive tools and powerful machine learning technology that drives automation, reduces complexity, reigns in data fragmentation, and accelerates a customer's cloud journey. Our product functionality share the same back-end technologies to deliver the benefits of a holistic approach to protecting, managing, and securing data. Our products address many aspects of data management, from data protection and security, to data governance, transformation and insights, while providing scalability. We believe our technology and professional services provide the broadest set of capabilities in the industry, which enables customers to efficiently and cost-effectively scale their data on premise or in the cloud.

Products

Commvault provides a portfolio of intelligent data management solutions that help organizations securely manage their data without increasing costs or complexity. We call the seamless integration of our products the 'Power of AND', which creates an intuitive data management experience across customer-managed enterprise software AND SaaS-delivered cloud native solutions that mitigates data sprawl, facilitates cloud adoption, and meets customers wherever they are on their journey to modernize and transform their enterprise IT environment. These offerings are organized into three categories - (1) Data Protection, (2) Data Insights and (3) Data Storage.

All of Commvault's products are managed seamlessly through a single pane of glass called the Commvault Command Center, which is our user interface for managing data protection and disaster recovery by providing configuration values and streamlined procedures for data protection and recovery tasks. Customers use the Command Center to establish their data protection environment, identify content to be protected, and initiate and monitor backups and restores. The main navigation pane provides customers with easy access to various components including downloads, forms, analytics, and monitoring. The Command Center provides a controlled foundation for self-service, helping to reduce the load on administrators and IT support staff.

Data Protection

Commvault Backup and Recovery ("CBR") is designed to meet the needs of any size business covering workloads across all locations: hybrid environments including on-premise and multiple cloud providers; physical servers; virtual machines; applications and databases; endpoint devices; cloud applications and more. CBR provides backup, verifiable recovery and cost-optimized cloud workload mobility, helping to ensure data availability, even across multiple clouds. Our simplified backup and recovery solution allows customers to manage all workloads – cloud, virtual machines ("VMs"), containers, applications, databases and endpoints – from the Command Center while flexible copy data management allows users to multi-purpose backed-up data for DevOps, replication and more, across an entire infrastructure.

Commvault Disaster Recovery ("CDR") provides an easy-to-use replication and disaster recovery solution from a single extensible platform, all managed through the Command Center. Commvault's standalone disaster recovery solution is both easy to implement and cost-effective. It provides orchestration and automated compliance reporting, flexible replication, cost-optimized cloud data mobility, and verifiable recoverability via copy data management.

Commvault Complete Data Protection is a comprehensive, easy-to-use data protection solution that combines CBR with CDR. It delivers backup, replication, and disaster recovery for all workloads, on-premises, in the cloud, across multiple clouds, and in hybrid environments. It provides trusted recovery of data and applications, virtual machines, and containers, along with verifiable recoverability of replicas, cost-optimized cloud data mobility, security and resilient ransomware protection, and flexible copy data management to leverage protected data for DevOps, testing, and analytics.

Data Insights

Commvault's Data Insights portfolio is an integrated family of solutions for actionable insights, combining Commvault Data Governance, Commvault File Storage Optimization, and Commvault eDiscovery and Compliance. These solutions can operate independent of Commvault Complete Data Protection or as part of a combined solution to maximize data management capabilities for any business. This means that customers can gain insights to data that isn't managed by Commvault to drive analytics and other tasks.

Data Backup

Hyperscale X

Commvault HyperScale X is an intuitive and easy-to-deploy, scale-out solution that is fully integrated with Commvault's intelligent data management platform to help enterprises transition from legacy scale-up infrastructures. It provides scalability, security and resiliency to accelerate an organization's digital transformation journey as they move to hybrid cloud, container and virtualized environments. Its flexible architecture allows customers to get up and run quickly and scale. HyperScale X technology accelerates hybrid cloud adoption with an integrated solution that delivers comprehensive data management for all workloads, including containers, VMs and databases, from a single, extensible platform. With HyperScale X, customers can leverage the entire Commvault portfolio giving them access to all the features, functions, and industry leading integration with applications, databases, public cloud environments, hypervisors, operating systems, NAS systems and primary storage arrays, wherever the data resides. It is available in two form factors giving customers the flexibility to choose an implementation based on specific needs and preferences:

- Commvault HyperScale X Appliance: A fully integrated appliance that streamlines operations and infrastructure and is ideally suited for smaller deployments with capacity requirements less than 150 terabytes that want the simplicity of an all-in-one integrated appliance from a single vendor.
- Commvault HyperScale X Architecture: Our pre-validated designs for popular server platforms provides greater flexibility and allows customer to leverage existing vendor relationships and is ideally suited for larger environments that require greater scale.

Commvault Distributed Storage

Commvault Distributed Storage provides software-defined storage built on HyperScale architecture that uses modern distributed system techniques to meet our customers primary, secondary and cloud data needs. With the capability to be deployed on any operating system, hypervisor, container or cloud, this unique platform also has the versatility to deploy in hyperscale or hyperconverged mode. Commvault Distributed Storage stores, protects and replicates data across any number of private and public cloud data centers and is integrated into our Hyperscale X technology. The advanced software stack of Commvault Distributed Storage simplifies all aspects of storage with a full set of enterprise data capabilities that can be provisioned at the application level and automated.

Metallic Cloud Storage Service

Metallic Cloud Storage Service ("MCSS") is the "easy button" to adopt secure and scalable cloud storage in minutes, right from the Commvault Command Center — delivering against an organization's hybrid cloud strategy, without the need for additional cloud expertise. It is an integrated cloud storage target that enables IT organizations to efficiently adopt cloud storage for Commvault Backup & Recovery or HyperScale X – to ease digital transformation, save costs, reduce risk and scale.

Metallic Software-as-a-Service

Metallic Software-as-a-Service ("Metallic") delivers data protection technology with simplicity and agility, getting companies up and running to protect critical business data within minutes. Powered by Commvault's intelligent data management platform, Metallic delivers enterprise-grade data protection on a cloud-delivered platform, with advanced built-in security controls. Application program interfaces manage functions including billing, metrics, and identity management. Current Metallic offerings include data protection for Office 365, virtual machines and Kubernetes, databases, files, Dynamics 365, Salesforce and endpoints.

Professional Services

Commvault offers a wide range of professional services to complement its product portfolio. We offer multiple levels of customer service that can be tailored to our customers' needs.

Our customer support services consist of:

- **Real-Time Support.** Customers have 24/7 access to support with our support staff available by phone for first responses and to manage resolutions, and our customers have access to an online support database for help with troubleshooting and operational questions. Innovative use of web-based diagnostic tools provides problem analysis and resolution. Our solution design is also an important element in our comprehensive customer support, including "root cause" problem analysis, intelligent alerting and troubleshooting assistance. Our solutions are directly linked to our online support database allowing customers to analyze problems without engaging our technical support personnel.
- **Broad Expertise.** Our support engineers have extensive knowledge of complex applications, servers and networks. We proactively take ownership of the customer's problem, regardless of whether the issue is directly related to our products or to those of another vendor. We have also developed and maintain a knowledge library of storage systems and software products to further enable our support organization to quickly and effectively resolve customer problems.
- **Global Operations.** We offer global customer support options from physical locations in Tinton Falls, New Jersey; Reading, United Kingdom; Sydney, Australia; and Bangalore, India which are complemented by numerous regional support centers. Our cloud-based support system creates a virtual global support center combining these locations to allow for the fastest possible resolution times for customer incidents. We have designed our support infrastructure to be able to scale with the increasing globalization of our customers.
- **Enhanced Support Options.** We offer several enhanced customer support services such as Enterprise Support. Our Enterprise Support service is for customers with critical support needs and builds on our 24/7 real-time support deliverables and includes various levels of enhanced services to ensure dedicated support and customized reporting. Enterprise Support adds a specialized team of technical support engineers, an assigned support account manager and innovative tools to achieve our customers' mission.
- **Technology Consulting Services.** Our technology consultants ensure customers' environments are designed for optimal results and deliver over the long term by installing, configuring, personalizing and validating those environments. We also offer architecture design; implementation; personalization; data migration; and health assessment services. In addition, we offer customers staff-augmentation options to assist with rapid expert deployment of the Commvault suite.
- **Business Consulting Services.** Our business consultants provide insights that align to how specific businesses gather, retain and employ data. We offer disaster recovery readiness and policy implementation; private cloud services design; data classification and archive policy implementation; and operational efficiency assessment services.
- **Education Services.** We provide global on- and off-site training, and self-paced online alternatives for our products.
- **Remote Managed Services.** Commvault Remote Managed Services provides remote monitoring and management of the Commvault's solutions deployed on a customer's environment. Our engineers configure, maintain and optimize a customer's Commvault software environment remotely via a secure connection.

Customers

Our current customer base spans thousands of organizations across a variety of sizes, including large global enterprise companies, and small or mid-sized businesses and government agencies. We support customers in a range of industries, including banking, insurance and financial services, government, healthcare, pharmaceuticals and medical services, technology, legal, manufacturing, utilities and energy.

Strategic Relationships

An important element of Commvault's strategy is to establish partnerships that support development, marketing, selling and implementation of our technology solutions. We believe that strategic and technology-based relationships with industry leaders are fundamental to our success. We have forged numerous relationships with software application, hardware and cloud vendors to enhance our combined capabilities and to create the optimal combination of data and information management applications. We believe this approach enhances our ability to expand our product offerings and customer base and to enter new markets. We have established the following types of strategic relationships:

Alliance and Technology Partners. We maintain strategic product and technology relationships with major industry leaders to ensure that our products are integrated with, supported by and add value to our partners' portfolios. Collaboration with these market leaders allows us to provide applications that enable our customers to improve data and information management efficiency. We also maintain relationships with a broad range of industry operating system, application and infrastructure vendors to verify and demonstrate the interoperability of our portfolio with their equipment and technologies.

Distributors, Value-Added Reseller, Systems Integrator, Corporate Reseller and Original Equipment Manufacturer Relationships. Our corporate resellers bundle or sell our solutions together with their own products, and our value-added resellers resell our solutions independently.

In order to broaden our market coverage, we work closely with our global original equipment manufacturer ("OEM") partners, investing significant time and resources to deliver unique, joint solutions incorporating Commvault solutions. These partners team with our technical, engineering, marketing and sales force to enhance integration, tuning, operational management, implementation and vision for solutions that are designed to meet current and future data management needs. Our alliance managers work directly with global OEM partners to design, deliver and support field activities that make it easier for customers to locate, learn about, and purchase these differentiated solutions.

Additionally, we have a non-exclusive distribution agreement covering our North American commercial markets and our U.S. Federal Government markets with Arrow Enterprise Computing Solutions, Inc. ("Arrow"), a subsidiary of Arrow Electronics, Inc. Arrow's primary role is to enable a more efficient and effective distribution channel for our products and services by managing our reseller partners and leveraging their own industry experience. Sales generated through our distribution agreement with Arrow accounted for 37% of our total revenue in fiscal 2022 and 36% of our total revenue in fiscal 2021.

Service Provider Partners. Our solutions are the data protection platform for many service providers, which provide cloud-based solutions to customers worldwide. As companies of all sizes and markets rapidly adopt cloud infrastructures for cost efficiencies, speed and agility, we remain committed to these strategic relationships to address this growing trend. Customers looking to move IT operations to the cloud depend on service providers to migrate, manage and protect their data and cloud infrastructures. We partner with a broad ecosystem of managed service providers and cloud partners to effectively deliver data management-as-a-service solutions based on Commvault solutions across geographies, vertical markets and offerings.

Competition

The data storage management market is intensely competitive, highly fragmented and characterized by either legacy technology or rapidly changing technology and evolving standards. The principal competitive factors in our industry include product functionality, performance, integration, platform coverage, scalability, price, global sales infrastructure, technical support, branding and reputation. The ability of major system vendors to bundle solutions is also a significant competitive factor in our industry.

Our primary competitors in the data and information management software applications market, each of which has one or more products that compete with a part of or our entire product suite, are Dell-EMC, IBM, Veritas, Veeam, Rubrik, Cohesity, Druva, Avepoint and Datto.

Some of our competitors have greater financial resources and may have the ability to offer their products at lower prices than ours. In addition, some have greater name recognition, longer operating histories, substantially larger technical, sales, marketing and other global resources, and larger installed customer base with broader product offerings. As a result, these competitors can devote greater resources to the development, promotion, sale and support of their products than we can. Refer to our "Risk Factors" below.

Sales and Marketing

We sell our data management solutions to businesses of all sizes, and government agencies. We sell through our global direct sales force and partner channels.

We have a variety of marketing programs designed to create brand awareness and market recognition for our product offerings and sales lead generation. Our marketing efforts include sales campaigns, webinars, active participation at trade shows, technical conferences and seminars; advertising; content development and distribution; public relations; social media; industry analyst relations; publication of technical and educational articles in industry journals; sales training; and preparation of competitive analyses. In addition, our strategic partners augment our marketing and sales campaigns through seminars, trade shows, joint public relations and advertising campaigns. Our customers and strategic partners provide references and recommendations that we often feature in external marketing activities.

Research and Development

Our research and development organization is responsible for the design, development, testing and certification of our data management solutions. Our engineering efforts support product development across all major operating systems, databases, applications and network storage devices. A substantial amount of our development effort goes into certification, integration and support of our solutions to ensure interoperability with our strategic partners' solutions. We have also made substantial investments in the automation of our product test and quality assurance laboratories.

Technology, Intellectual Property and Proprietary Rights

We believe our solutions are a major differentiator versus our competitors' portfolios. Our solutions' unique indexing, cataloging, data movement, media management and policy technologies are the source of the performance, scale, management, cost of ownership benefits and seamless interoperability inherent in all of our data management solutions. Additional options enable content search, data encryption and auditing features to support data discovery and compliance. Our success and ability to compete depend on our continued development and protection of our solutions. We rely primarily on a combination of trade secret, patent, copyright and trademark laws, as well as contractual provisions, to establish and protect our intellectual property rights.

We patent our technical infrastructure and key usability and design concepts. Our software's unique capabilities are covered by a robust portfolio of over 1,000 patents worldwide. Areas such as data protection, security, transformation, insights, and compliance and governance, including our Metallic SaaS and HyperScale X solutions, are core to our competitive advantage. During fiscal year 2022, we were awarded over 120 patents. As of March 31, 2022, we had 968 issued patents and 381 pending patent applications in the United States, as well as 135 issued patents in foreign countries and 12 pending foreign patent applications. We also have established proprietary trademark rights in markets across the globe, and Commvault owns hundreds of U.S. and foreign trademark registrations and pending registration applications. Refer to our "Risk Factors" below.

Government Regulations

The legal environment of technology businesses, both in the United States and internationally, is evolving rapidly and is often unclear. These topics include data privacy and security, pricing, advertising, taxation, content regulation and intellectual property ownership and infringement.

We are subject to several local, state, federal and foreign laws and regulations regarding privacy and data protection. Regulators around the world have adopted or proposed limitations on, or requirements regarding, the collection, distribution, use, security and storage of personal information, payment card information or other confidential information of individuals, and the FTC and many state attorneys general are applying federal and state consumer protection laws to impose standards on the online collection, use and dissemination of data. In the event of a security breach, these laws may subject us to incident response, notice and remediation costs. Failure to safeguard data adequately or to destroy data securely could subject us to regulatory investigations or enforcement actions under applicable data security, unfair practices or consumer protection laws. The scope and interpretation of these laws could change and the associated burdens and our compliance costs could increase in the future.

We are also subject to U.S. and foreign laws and regulations that govern or restrict our business and activities in certain countries and with certain persons, including the U.S. Commerce Department's Export Administration Regulations and economic and trade sanctions regulations maintained by OFAC, as well as anti-bribery and anti-corruption laws and regulations, including the FCPA and the U.K. Bribery Act.

People

Commvault aims to unlock potential in data, customers and our employees. To accomplish that, our employees are empowered to drive innovation and help our customers—by inspiring one another and working to make what’s already great, even greater—whether that’s product, process or team. As of March 31, 2022, we had 2,848 employees worldwide, including 1,041 in sales and marketing, 763 in research and development, 669 in customer services and support and 375 in general and administration. Approximately 45% were in the United States and 55% were located internationally.

Inclusion and Diversity

At Commvault, we believe that diversity is a business imperative at the heart of our human capital management strategy. In partnership with our leadership team, we not only drive the ability to be a best-in-class data management organization but also uphold our value in the marketplace by leading as an employer of choice. Our commitment is driven and executed by a three-pronged approach to Inclusion and Diversity ("I&D"): Workplace Inclusion, Workforce Diversity and Personal Accountability.

We continue to elevate our employee engagement efforts – which is the foundation of our approach. We have implemented an Employee Resource Group ("ERG") operating model and have established four ERGs for cross-cultural learning, mentoring and relationship building across employees:

1. CV WIT (Women in Technology),
2. Multi-Culture,
3. LGBTQ+ & Allies, and
4. VALOR (Veterans)

In addition to our continued employee engagement initiatives, we launched a Courageous Conversations platform. Courageous Conversations was designed as a forum where difficult conversations can be broached in an open, safe and respectful manner. This platform has become the hub for all I&D related conversations, where employees and senior leaders share courageous life experiences related to bias and social injustice. Since its inception, we have hosted several powerful sessions, each virtually, reaching our workforce around the globe.

We continue to be committed to securing the very best talent, with a concerted effort to expound on and build an inclusive and diverse pipeline of candidates. We are committed to providing a clear vision to career progression while investing in the development, creativity and aspirational needs of all employees.

Safety and Well-being

Commvault values its people. We are focused on driving business globally while honoring and caring for the health and safety of our employees, customers, and partners. Since 2020, the vast majority of our employees shifted to a remote working environment and have been delivering successful and proactive results ever since. We continue to monitor the COVID-19 pandemic and are adhering to guidelines set forth by the World Health Organization and Centers for Disease Control as we begin to reopen offices. We are committed to creating an environment that supports our employees’ health and overall well-being, focusing on physical, emotional, financial, and personal wellness.

Information about our Executive Officers

The following table presents information with respect to our executive officers as of May 3, 2022:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Sanjay Mirchandani	57	President and Chief Executive Officer
Brian Carolan	51	Chief Financial Officer
Riccardo Di Blasio	50	Chief Revenue Officer

Sanjay Mirchandani, has served as our President and Chief Executive Officer since February 2019. Prior to joining Commvault, Mr. Mirchandani served from September 2016 to January 2019 as the Chief Executive Officer of Puppet, Inc. ("Puppet"), an Oregon-based IT automation company. Mr. Mirchandani joined Puppet in May 2016 as President and Chief Operating Officer. Mr. Mirchandani brings a wealth of international business experience through his diverse well-rounded career in technology. Before joining Puppet, from October 2013 to April 2016, Mr.

Mirchandani served as Corporate Senior Vice President and General Manager of Asia Pacific and Japan at VMware, Inc. and, from June 2006 to October 2013, Mr. Mirchandani held various senior leadership positions at EMC Corporation, including Chief Information Officer and leader of the Global Centers of Excellence. Prior to that, Mr. Mirchandani held various positions at Microsoft Corporation and Arthur Andersen LLP. Mr. Mirchandani has a Master of Business Administration degree from the University of Pittsburgh and a bachelor's degree in mathematics from Drew University.

Brian Carolan has served as our Chief Financial Officer since October 2012. Prior to his current role, Mr. Carolan served as our Vice President, Finance and Chief Accounting Officer from July 2006 until September 2012. He also held the position of Controller from February 2001 until June 2006. Prior to joining Commvault, Mr. Carolan was with Ernst & Young LLP in its Technology, Communications and Entertainment audit practice from 1993 until January 2001. Mr. Carolan obtained his bachelor's degree in accounting from Villanova University, his master's degree in business administration from New York University and is a certified public accountant in the State of New Jersey.

Riccardo Di Blasio has served as our Chief Revenue Officer since May 2019. Prior to joining Commvault, Mr. Di Blasio led DXC Technology as Global Head of Sales for VMware Cloud Platform Services. Prior to that role, he was Chief Executive Officer at Globetouch, Inc., leading the company growth in the IoT and connected cars industry from January 2017 until April 2018. He also served as Chief Operating Officer at Cohesity from October 2015 until November 2016, where he significantly grew the sales and support organizations while expanding global operations and achieving double digit growth in sales. Previous to those positions, he served in various leadership roles for more than a decade across US and Europe, as Senior Vice President of Sales and Marketing at VMware and EMC Corporation.

Available Information

Our internet address is www.commvault.com. On the investor relations section of this website, we post filings as soon as reasonably practicable after they are electronically filed with or furnished to the U.S. Securities and Exchange Commission ("SEC"), including: our Annual Reports on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K, our proxy statements related to our annual stockholders' meetings and any amendment to those reports or statements filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended. All such filings are available on the Investors Relations portion of our web site free of charge. The contents of our web site are not incorporated by reference into this Form 10-K or in any other report, statement or document we file with the SEC.

Item 1A. Risk Factors

You should consider each of the following factors as well as the other information in this Annual Report in evaluating our business and our prospects. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also impair our business operations. If any of the following risks actually occur, our business and financial results could be harmed. In that case, the trading price of our common stock could decline. You should also refer to the other information set forth in this Annual Report, including our financial statements and the related notes.

Risks Related to Our Business

We have engaged, and may continue to engage, in strategic acquisitions or transactions, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Acquisitions involve a number of risks, including diversion of management's attention, ability to finance the acquisition on attractive terms, failure to retain key personnel or valuable customers, legal liabilities, the need to amortize acquired intangible assets, and intellectual property ownership and infringement risks, any of which could have a material adverse effect on our business, results of operations, financial condition and cash flows. Any additional future acquisitions may also result in the incurrence of indebtedness or the issuance of additional equity securities.

We could also experience financial or other setbacks if transactions encounter unanticipated problems, including problems related to execution, integration or underperformance relative to prior expectations. Acquisitions may not result in long-term benefits to us or we may not be able to further develop the acquired business in the manner we anticipated.

Following the completion of acquisitions, we may have to rely on the seller to provide administrative and other support, including financial reporting and internal controls, and other transition services to the acquired business for a period of time. There can be no assurance that the seller will do so in a manner that is acceptable to us.

Our industry is intensely competitive, and many of our competitors have greater financial, technical and sales and marketing resources and larger installed customer bases, which could enable them to compete more effectively than we do.

The data and information management software market is intensely competitive, highly fragmented and characterized by rapidly changing technology and evolving standards, changing customer requirements and frequent new product introductions. Competitors vary in size and in the scope and breadth of the products and services offered.

The principal competitive factors in our industry include product functionality and integration, platform coverage, ability to scale, price, worldwide sales infrastructure, global technical support, name recognition and reputation. If we are unable to address these factors, our competitive position could weaken and we could experience a decline in revenues that could adversely affect our business.

It is also costly and time-consuming to change data and information management systems. Most of our new customers have installed data and information management systems, which gives an incumbent competitor an advantage in retaining a customer because it already understands the network infrastructure, user demands and information technology needs of the customer, and also because some customers are reluctant to invest the time and money necessary to change vendors.

New competitors entering our markets can have a negative impact on our competitive positioning. In addition, we expect to encounter new competitors as we enter new markets. Furthermore, many of our existing competitors are broadening their operating systems platform coverage. We also expect increased competition from OEMs, including those we partner with, and from systems and network management companies, especially those that have historically focused on the mainframe computer market and have been making acquisitions and broadening their efforts to include data management and products. We expect that competition will increase as a result of future industry consolidation. Increased competition could harm our business by causing, among other things, price reductions of our products, reduced profitability and loss of market share.

We rely on indirect sales channels, such as value-added resellers, systems integrators, corporate resellers, distributors, and OEMs, for the distribution of our solutions, and the failure of these channels to effectively sell our solutions could have a material adverse effect on our revenues and results of operations.

We rely significantly on our value-added resellers, systems integrators and corporate resellers, which we collectively refer to as resellers, for the marketing and distribution of our software applications and services. Resellers are our most significant distribution channel. However, our agreements with resellers are generally not exclusive, are generally renewable annually, typically do not contain minimum sales requirements and in many cases may be terminated by either party without cause. Many of our resellers carry data management solutions that compete with ours. These resellers may give a higher priority to other software applications, including those of our competitors, or may not continue to carry data management solutions. If a number of resellers were to discontinue or reduce the sales of our products, or were to promote our competitors' products in lieu of our own, it could have a material adverse effect on our future revenues. Events or occurrences of this nature could seriously harm our sales and results of operations. If we fail to manage our resellers successfully, there may be conflicts between resellers or they could fail to perform as we anticipate, including required compliance with the terms and obligations of our agreement, either of which could reduce our sales or impact our reputation in the market. In addition, we expect that a portion of our sales growth will depend upon our ability to identify and attract new resellers. Our competitors also use reseller arrangements and may be more successful in attracting reseller partners and could enter into exclusive relationships with resellers that make it difficult to expand our reseller network. Any failure on our part to maintain and/or expand our network of resellers could impair our ability to grow revenues in the future.

Some of our resellers may, either independently or jointly with our competitors, develop and market solutions that compete with our offerings. If this were to occur, these resellers might discontinue marketing and distributing our solutions. In addition, these resellers would have an advantage over us when marketing their competing products and related services because of their existing customer relationships. The occurrence of any of these events could have a material adverse effect on our revenues and results of operations.

In addition, we have a distribution agreement covering our North American commercial markets and our U.S. Federal Government market with Arrow. Pursuant to this distribution agreement, Arrow's primary role is to enable a more efficient and effective distribution channel for our products and services by managing our resellers and leveraging their industry experience. Arrow accounted for approximately 37% of our total revenues for fiscal 2022 and 36% of our total revenues for fiscal 2021. If Arrow was to discontinue or reduce the sales of our solutions or if our agreement with Arrow was terminated, and if we were unable to take back the management of our reseller channel or find another North American distributor to replace Arrow, then it could have a material adverse effect on our future revenues.

Our OEMs sell and integrate our solutions which represents a material portion of our revenues. We have no control over the shipping dates or volumes of systems these OEMs sell and they have no obligation to sell systems incorporating our solutions. They also have no obligation to recommend or offer our solutions exclusively or at all. They have no minimum sales requirements and can terminate our relationship at any time. These OEMs also could choose to develop their own data management solutions. Our OEM partners compete with one another. If one of our OEM partners views our arrangement with another OEM as competing, it may decide to stop doing business with us. Any material decrease in the volume of sales generated by OEMs could have a material adverse effect on our revenues and results of operations in future periods.

If the cost for maintenance and support agreements, or our term-based subscription licenses, with our customers is not competitive in the market or if our customers do not renew their agreements either at all, or on terms that are less favorable to us, our business and financial performance might be adversely impacted.

Most of our support and maintenance agreements are for a one-year term and thereafter, we pursue renewal thereof. Historically, such renewals have represented a significant portion of our total revenue. If our customers do not renew their annual maintenance and support agreements or transition to other products or services, either at all, or on terms that are less favorable to us, our business and financial performance might be adversely impacted.

Additionally, a significant amount of our revenues are from term-based, or subscription license arrangements. The arrangements are typically one to three years in duration. If at the end of the initial term, customers elect to not renew, or they renew terms that are less favorable to us, our business and financial performance might be adversely impacted.

In periods of volatile economic conditions, our exposure to credit risk and payment delinquencies on our accounts receivable significantly increases.

Our outstanding accounts receivables are generally not secured. Our standard terms and conditions permit payment within a specified number of days following the receipt of our solution. Volatile economic conditions, including those related to the COVID-19 pandemic and its variants, or the war in Ukraine and the global response, could result in our customers and resellers facing liquidity concerns leading to them not being able to satisfy their payment obligations to us, which would have a material adverse effect on our financial condition, operating results and cash flows.

In addition, we have transitioned a more significant percentage of our revenue to subscription, or term based, arrangements. In these arrangements, our customers may pay for solutions over a period of several years. Due to the potential for extended period of collection, we may be exposed to more significant credit risk.

Actual or threatened public health crises could adversely affect our business in a material way.

As a global company, with employees and customers located around the world in a variety of industries, our performance may be impacted by public health crises, including the COVID-19 pandemic, which has caused global economic uncertainty. The emergence of a public health threat could pose the risk that our employees, partners, and clients may be prevented from conducting business activities at full capacity for an indefinite period, due to the spread of the disease or suggested or mandated by governmental authorities. Moreover, these conditions can affect the rate of information technology spending and may adversely affect our clients' willingness to purchase our solutions, delay prospective clients' purchasing decisions, reduce the value or duration of their contracts, cause our clients to request concessions including extended payment terms or better pricing, or affect attrition rates, all of which could adversely affect our future sales and operating results. The global spread of COVID-19 has created significant uncertainty, and economic disruption. We have undertaken measures to protect our employees, partners, and clients, including allowing our employees to work remotely; however, there can be no assurance that these measures will be sufficient or that we can implement them without adversely affecting our business operations.

We develop solutions that interoperate with certain products, operating systems and hardware developed by others, and if the developers of those operating systems and hardware do not cooperate with us or we are unable to devote the necessary resources so that our solutions interoperate with those systems, our development efforts may be delayed or foreclosed and our business and results of operations may be adversely affected.

Our solutions operate primarily on the Windows, UNIX, Linux and Novell Netware operating systems; used in conjunction with Microsoft SQL; and on hardware devices of numerous manufacturers. When new or updated versions of these operating systems, solution applications, and hardware devices are introduced, it is often necessary for us to develop updated versions of our solution applications so that they interoperate properly with these systems and devices. We may not accomplish these development efforts quickly or cost-effectively, and it is not clear what the relative growth rates of these operating systems and hardware will be.

We sell a backup appliance which integrates our solution with hardware. If we fail to accurately predict manufacturing requirements and manage our supply chain we could incur additional costs or experience manufacturing delays that could harm our business.

We generally provide forecasts of our requirements to our supply chain partners on a rolling basis. If our forecast exceeds our actual requirements, a supply chain partner may assess additional charges or we may incur costs for excess inventory they hold, each of which could negatively affect our gross margins. If our forecast is less than our actual requirements, the applicable supply chain partner may have insufficient time or components to produce or fulfill our solutions' requirements, which could delay or interrupt manufacturing of our products or fulfillment of orders for our solutions, and result in delays in shipments, customer dissatisfaction, and deferral or loss of revenue. If we fail to accurately predict our requirements, we may be unable to fulfill those orders or we may be required to record charges for excess inventory. Any of the foregoing could adversely affect our business, financial condition or results of operations.

We encounter long sales and implementation cycles, particularly for our larger customers, which could have an adverse effect on the size, timing and predictability of our revenues.

Potential or existing customers, particularly larger enterprise customers, generally commit significant resources to an evaluation of available solutions and require us to expend substantial time, effort and money educating them as to the value of our solutions. Sales often require an extensive education and marketing effort.

We could expend significant funds and resources during a sales cycle and ultimately fail to win the customer. Our sales cycle for all of our products and services is subject to significant risks and delays over which we have little or no control, including:

- our customers' budgetary constraints;
- the timing of our customers' budget cycles and approval processes;
- our customers' willingness to replace their current software solutions;
- our need to educate potential customers about the uses and benefits of our solutions; and
- the timing of the expiration of our customers' current agreements for similar solutions.

If our sales cycles lengthen unexpectedly, they could adversely affect the timing of our revenues or increase costs, which may cause fluctuations in our quarterly revenues and results of operations. Finally, if we are unsuccessful in closing sales of our solutions after spending significant funds and management resources, our operating margins and results of operations could be adversely impacted, and the price of our common stock could decline.

We depend on growth in the data management solutions market, and lack of growth or contraction in this market could have a material adverse effect on our sales and financial condition.

Demand for data management solutions is linked to growth in the amount of data generated and stored, demand for data retention and management (whether as a result of regulatory requirements or otherwise) and demand for and adoption of new backup devices and networking technologies. Because our solutions are concentrated within the data management market, if the demand for backup and data management solutions devices declines, our sales, profitability and financial condition would be materially adversely affected.

Furthermore, the data management solutions market is dynamic and evolving. Our future financial performance will depend in large part on continued growth in the number of organizations adopting data management solutions for their environments. The market for data management solutions may not continue to grow at historic rates, or at all. If this market fails to grow or grows more slowly than we currently anticipate, our sales and profitability could be adversely affected.

Our complex solutions may contain undetected errors, which could adversely affect not only their performance but also our reputation and the acceptance of our solutions in the market.

Our complex solutions may contain undetected errors or failures, especially when they are made generally available or new versions are released. Despite extensive testing by us and customers, we have discovered errors in our solutions in the past and will do so in the future. As a result of past discovered errors, we experienced delays and lost revenues while we corrected those solutions. In addition, customers in the past have brought to our attention "bugs" in our software created by the customers' unique operating environments, which are often characterized by a wide variety of both standard and non-standard configurations that make pre-release testing very difficult and time consuming. Although we have been able to fix these bugs in the past, we may not always be able to do so. Our solutions may also be subject to intentional attacks by viruses that seek to take advantage of these bugs, errors or other weaknesses. Any of these events may result in the loss of, or delay in, market acceptance of our solutions or damage to our reputation, which would seriously harm our sales, results of operations and financial condition.

We may not receive significant revenues from our current research and development efforts for several years, if at all.

Developing software is expensive, and the investment in product development may involve a long payback cycle. Our research and development expenses were \$153.6 million, or 20% of our total revenues in fiscal 2022, \$133.4 million, or 18% of our total revenues in fiscal 2021 and \$110.0 million, or 16% of our total revenues in fiscal 2020. We believe that we must continue to dedicate a significant amount of resources to our research and development efforts to maintain our competitive position. However, we may not recognize significant revenues from these investments for several years, if at all.

Our ability to sell our solutions is highly dependent on the quality of our customer support and professional services, and failure to offer high quality customer support and professional services would have a material adverse effect on our sales and results of operations.

Our services include the assessment and design of solutions to meet our customers' storage management requirements and the efficient installation and deployment of our software applications based on specified business objectives. Further, once our software applications are deployed, our customers depend on us to resolve issues relating to our software applications. A high level of service is critical for the successful marketing and sale of our software. If we or our partners do not effectively install or deploy our applications, or succeed in helping our customers quickly resolve post-deployment issues, it would adversely affect our ability to sell software products to existing customers and could harm our reputation with prospective customers. As a result, our failure to maintain high quality support and professional services would have a material adverse effect on our sales of software applications and results of operations.

A portion of our revenue is generated by sales to government entities, which are subject to a number of challenges and risks.

Sales to U.S. and foreign federal, state, and local governmental agencies account for a portion of our revenue, and we may in the future increase sales to government entities. This customer base experiences budgetary constraints or shifts in spending priorities regularly which may adversely affect sales of our solutions to government entities.

Selling to government entities can be highly competitive, expensive and time consuming, often requiring significant upfront time and expense without any assurance that we will successfully sell our solutions. Government entities may require contract terms that differ from our standard terms and conditions including termination rights favorable for the customer, audit rights, and maintenance of certain security clearances for facilities and employees which can entail administrative time and effort resulting in costs and delays. Government demand for our solutions may be more volatile as they are affected by public sector budgetary cycles, funding authorizations, and the potential for funding reductions or delays, making the time to close such transactions more difficult to predict.

We are subject to several local, state, federal and foreign laws and regulations regarding privacy and data protection.

In the event of a security breach, these laws may subject us to incident response, notice and remediation costs. Failure to safeguard data adequately or to destroy data securely could subject us to regulatory investigations or enforcement actions under applicable data security, unfair practices or consumer protection laws which could have an adverse effect on our business, financial condition or operating results. The scope and interpretation of these laws could change and the associated burdens and our compliance costs could increase in the future.

Change in senior management or key personnel could cause disruption in the Company and have a material effect on our business.

We have had, and could have, changes in senior management which could be disruptive to management and operations of the Company and could have a material effect on our business, operating results and financial conditions. Turnover at the senior management level may create instability within the Company, which could impede the Company's day-to-day operations. Such instability could impede our ability to fully implement our business plan and growth strategy, which would harm our business and prospects.

We rely on our key personnel to execute our existing business operations and identify and pursue new growth opportunities. The loss of key employees could result in significant disruptions to our business, and the

integration and training of replacement personnel could be costly, time consuming, cause additional disruptions to our business and be unsuccessful.

Borrowing against our revolving credit facility could adversely affect our operations and financial results.

We have a \$100 million revolving credit facility. If we were to borrow substantially against this facility the indebtedness could have adverse consequences, including:

- requiring us to devote a portion of our cash flow from operations to payments of indebtedness, which would reduce the availability of cash flow to fund working capital requirements, capital expenditures and other general purposes;
- limiting our flexibility in planning for, or reacting to, general adverse economic conditions or changes in our business and the industry in which we operate in;
- placing us at a competitive disadvantage compared to our competitors that have less debt; and
- limiting our ability to fund potential acquisitions.

Risks Related to our International Operations

Volatility in the global economy could adversely impact our continued growth, results of operations and our ability to forecast future business.

As a global company, we have become increasingly subject to the risks arising from adverse changes in domestic and global economic and political conditions. Uncertainty in the macroeconomic environment and associated global economic conditions have resulted in volatility in credit, equity, debt and foreign currency markets.

These global economic conditions can result in slower economic activity, decreased consumer confidence, reduced corporate profits and capital spending, inflation, adverse business conditions and liquidity concerns. There has also been increased volatility in foreign exchange markets. These factors make it difficult for our customers, our vendors and us to accurately forecast and plan future business activities. These factors could cause customers to slow or defer spending on our solutions, which would delay and lengthen sales cycles and negatively affect our results of operations. If such conditions deteriorate or if the pace of economic recovery is slower or more uneven, our results of operations could be adversely affected, we may not be able to sustain the growth rates we have experienced recently, and we could fail to meet the expectations of stock analysts and investors, which could cause the price of our common stock to decline.

We continue to invest in our business internationally where there may be significant risks with overseas investments and growth prospects. Increased volatility or declines in the credit, equity, debt and foreign currency markets in these regions could cause delays in or cancellations of orders. Deterioration of economic conditions in the countries in which we do business could also cause slower or impaired collections on accounts receivable.

Our international sales and operations are subject to factors that could have an adverse effect on our results of operations.

We have significant sales and services operations outside the United States and derive a substantial portion of our revenues from these operations. We also plan to continue to expand our international operations. We generated approximately 48% of our revenues from outside the United States in both fiscal 2022 and fiscal 2021. International revenue increased 8% in fiscal 2022 compared to fiscal 2021. Expansion of our international operations will require a significant amount of attention from our management and substantial financial resources and might require us to add qualified management in these markets.

In addition to facing risks similar to the risks faced by our domestic operations, our international operations are also subject to risks related to the differing legal, political, social and regulatory requirements and economic conditions of many countries, including:

- adverse effects in economic conditions in the countries in which we operate related specifically to the COVID-19 pandemic and the governmental regulations put in place as a result of the virus, and the war in Ukraine;
- difficulties in staffing and managing our international operations;

- foreign countries may impose additional withholding taxes or otherwise tax our foreign income, impose tariffs or adopt other restrictions on foreign trade or investment, including currency exchange controls;
- difficulties in coordinating the activities of our geographically dispersed and culturally diverse operations;
- general economic conditions in the countries in which we operate, including seasonal reductions in business activity in the summer months in Europe and in other periods in other countries, could have an adverse effect on our earnings from operations in those countries;
- imposition of, or unexpected adverse changes in, foreign laws or regulatory requirements may occur, including those pertaining to sanctions, export restrictions, privacy and data protection, trade and employment restrictions and intellectual property protections;
- longer payment cycles for sales in foreign countries and difficulties in collecting accounts receivable;
- competition from local suppliers;
- greater risk of a failure of our employees and partners to comply with both U.S. and foreign laws, including antitrust regulations, the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act of 2010, and any trade regulations ensuring fair trade practices;
- costs and delays associated with developing solutions in multiple languages; and
- political unrest, war or acts of terrorism.

Our business in emerging markets requires us to respond to rapid changes in market conditions in those markets. Our overall success in international markets depends, in part, upon our ability to succeed in differing legal, regulatory, economic, social and political conditions. We may not continue to succeed in developing and implementing policies and strategies that will be effective in each location where we do business. The occurrence of any of the foregoing factors may have a material adverse effect on our business and results of operations.

We may experience fluctuations in foreign currency exchange rates that could adversely impact our results of operations.

Our international sales are generally denominated in foreign currencies, and this revenue could be materially affected by currency fluctuations. Our primary exposure is to fluctuations in exchange rates for the U.S. dollar versus the Euro and, to a lesser extent, the Australian dollar, British pound sterling, Canadian dollar, Chinese yuan, Indian rupee, Korean won and Singapore dollar. Changes in currency exchange rates could adversely affect our reported revenues and could require us to reduce our prices to remain competitive in foreign markets, which could also have a material adverse effect on our results of operations. An unfavorable change in the exchange rate of foreign currencies against the U.S. dollar would result in lower revenues when translated into U.S. dollars, although operating expenditures would be lower as well.

In recent fiscal years, we have selectively hedged our exposure to changes in foreign currency exchange rates on the balance sheet. In the future, we may enter into additional foreign currency-based hedging contracts to reduce our exposure to significant fluctuations in currency exchange rates on the balance sheet, although there can be no assurances that we will do so. However, as our international operations grow, or if dramatic fluctuations in foreign currency exchange rates continue or increase or if our hedging strategies become ineffective, the effect of changes in the foreign currency exchange rates could become material to revenue, operating expenses, and income.

Risks Related to Information Technology and Security

We may be subject to IT system failures, network disruptions and breaches in data security.

IT system failures, network disruptions and breaches of data security could disrupt our operations by causing delays or cancellation of customer orders, impeding the delivery of our solutions, negatively affecting customer support or professional services, preventing the processing of transactions and reporting of financial results, and disturbing our enterprise resource planning system. IT system failures, network disruptions and breaches of data security could also result in the unintentional disclosure of customer or our information as well as damage our reputation. There can be no assurance that a system failure, network disruption or data security breach will not have a material adverse effect on our financial condition and operating results.

Bad actors regularly attempt to gain unauthorized access to our IT systems, and many such attempts are increasingly sophisticated. The perception that the COVID-19 pandemic has made companies' IT systems more vulnerable has increased the already significant volume of such attempts. These attempts, which might be related to industrial, corporate or other espionage, criminal hackers or state-sponsored intrusions, include trying to covertly introduce malware or ransomware to our environments and impersonating authorized users.

Third-party service providers that we may rely on to back up and process our confidential information may also be subject to similar threats. Such threats could result in the misappropriation, theft, misuse, disclosure, loss or destruction of the technology, intellectual property, or the proprietary, confidential or personal information, of us or our employees, customers, licensees, suppliers or partners, as well as damage to or disruptions in our IT systems. These threats are constantly evolving, increasing the difficulty of successfully defending against them or implementing adequate preventative measures. We seek to detect and investigate all security incidents and to prevent their recurrence, but attempts to gain unauthorized access to our IT systems or other attacks may be successful, and in some cases, we might be unaware of an incident or its magnitude and effects.

Risks Related to Legal Matters

We have been, and may in the future become, involved in litigation that may have a material adverse effect on our business.

From time to time, we may become involved in various other legal proceedings relating to matters incidental to the ordinary course of our business, including intellectual property, commercial, product liability, employment, class action, whistleblower and other litigation and claims, and governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause us to incur significant expenses. Furthermore, because litigation is inherently uncertain, there can be no assurance that the results of any of these actions will not have a material adverse effect on our business, results of operations or financial condition.

Risks Related to Tax and Accounting

Our effective tax rate is difficult to project, and changes in such tax rate or adverse results of tax examinations could adversely affect our operating results.

We are a U.S.-based multinational company subject to tax in multiple U.S. and foreign tax jurisdictions. Our results of operations would be adversely affected to the extent that our geographical mix of income becomes more weighted toward jurisdictions with higher tax rates and would be favorably affected to the extent the relative geographic mix shifts to lower tax jurisdictions. Any change in our mix of earnings is dependent upon many factors and is therefore difficult to predict.

The process of determining our anticipated tax liabilities involves many calculations and estimates that are inherently complex and make the ultimate tax obligation determination uncertain. As part of the process of preparing our consolidated financial statements, we are required to estimate our income taxes in each of the jurisdictions in which we operate prior to the completion and filing of tax returns for such periods. These estimates involve complex issues, require extended periods of time to resolve, and require us to make judgments, such as anticipating the outcomes of audits with tax authorities and the positions that we will take on tax returns prior to our actually preparing the returns.

Furthermore, our overall effective income tax rate and tax expenses may be affected by various factors in our business, including changes in our entity structure, geographic mix of income and expenses, tax laws, and variations in the estimated and actual level of annual profits before income tax.

Our reported financial results may be adversely affected by changes in accounting principles generally accepted in the United States.

Generally accepted accounting principles in the United States are subject to interpretation by the Financial Accounting Standards Board, the SEC, and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results, and may even affect the reporting of transactions completed before the announcement or effectiveness of a change.

Risks Related to our Common Stock

Certain provisions of our certificate of formation and our amended and restated bylaws or Delaware law could prevent or delay a potential acquisition of control of our Company, which could decrease the trading price of our common stock.

Our certificate of formation, amended and restated bylaws and the laws in the State of Delaware contain provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the prospective acquirer and to encourage prospective acquirers to negotiate with our Board of Directors rather than to attempt a hostile takeover. Delaware law also imposes restrictions on mergers and other business combinations between us and any holder of 15% or more of our outstanding common stock.

We believe that these provisions protect our shareholders from coercive or otherwise unfair takeover tactics by effectively requiring those who seek to obtain control of the Company to negotiate with our Board of Directors and by providing our Board of Directors with more time to assess any acquisition of control. However, these provisions could apply even if an acquisition of control of the Company may be considered beneficial by some shareholders and could delay or prevent an acquisition of control that our Board of Directors determines is not in the best interests of our Company and our shareholders.

Although we believe we currently have adequate internal control over financial reporting, we are required to assess our internal control over financial reporting on an annual basis, and any future adverse results from such assessment could result in a loss of investor confidence in our financial reports and have an adverse effect on our stock price.

Management has assessed that our internal control over financial reporting is effective and lacks any material weaknesses. Such assessment is made through subjective judgment of our management that may be open to interpretation. The effectiveness of our internal control in the future is subject to the risk that such internal controls may become inadequate. In the future, if we fail to timely complete this assessment, or if our independent auditors are unable to express an opinion on the effectiveness of our internal controls, there may be a loss of public confidence financial reporting, the market price of our stock could decline and we could be subject to regulatory sanctions or investigations by the Nasdaq Stock Market, the SEC or other regulatory authorities, which would require additional financial and management resources. Any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to timely meet our regulatory reporting obligations.

We may experience a decline in revenues or volatility in our quarterly operating results, which may adversely affect the market price of our common stock.

We cannot predict our future quarterly revenues or operating results with certainty because of many factors outside of our control. A significant revenue or profit decline, lowered forecasts or volatility in our operating results could cause the market price of our common stock to decline substantially. Factors that could affect our revenues and operating results include the following:

- the unpredictability of the timing and magnitude of orders for our solutions, particularly transactions greater than \$100,000 in recent fiscal years, a majority of our quarterly revenues were earned and recorded near the end of each quarter;
- the possibility that our customers may cancel, defer or limit purchases as a result of reduced information technology budgets;
- the possibility that our customers may defer purchases of our solutions in anticipation of new solutions or updates from us or our competitors;
- the ability of our OEMs and resellers to meet their sales objectives;
- market acceptance of our new solutions and enhancements;
- our ability to control expenses;
- changes in our pricing, packaging and distribution terms or those of our competitors; and

- the demands on our management, sales force and customer services infrastructure as a result of the introduction of new solutions or updates.

Our expense levels are relatively fixed and are based, in part, on our expectations of future revenues. If revenue levels fall below our expectations and we are profitable at the time, our net income would decrease because only a small portion of our expenses varies with our revenues. Therefore, any significant decline in revenues for any period could have an immediate adverse impact on our results of operations for that period. We believe that period-to-period comparisons of our results of operations should not be relied upon as an indication of future performance. Our results of operations could be below expectations of public market analysts and investors in future periods which would likely cause the market price of our common stock to decline.

The price of our common stock may be highly volatile and may decline regardless of our operating performance.

The market price of our common stock could be subject to significant fluctuations in response to:

- variations in our quarterly or annual operating results;
- changes in financial estimates, treatment of our tax assets or liabilities or investment recommendations by securities analysts following our business or our competitors;
- the public's response to our press releases, rumors, our other public announcements and our filings with the SEC;
- changes in accounting standards, policies, guidance or interpretations or principles;
- sales of common stock by our directors, officers and significant stockholders;
- announcements of technological innovations or enhanced or new products by us or our competitors;
- our failure to achieve operating results consistent with securities analysts' projections;
- the operating and stock price performance of other companies that investors may deem comparable to us;
- broad market and industry factors; and
- other events or factors, including those resulting from war, incidents of terrorism or responses to such events.

The market prices of data management solutions companies have been extremely volatile. Stock prices of many of those companies have often fluctuated in a manner unrelated or disproportionate to their operating performance. In the past, following periods of market volatility, stockholders have often instituted securities class action litigation. Securities litigation could have a substantial cost and divert resources and the attention of management from our business.

General Risks

Our business could be materially and adversely affected as a result of natural disasters, terrorism or other catastrophic events.

Any economic failure or other material disruption caused by war or natural disasters, including fires, floods, hurricanes, earthquakes, and tornadoes; power loss or shortages; environmental disasters; telecommunications or business information systems failures or similar events could also adversely affect our ability to conduct business. If such disruptions result in cancellations of customer orders or contribute to a general decrease in economic activity or corporate spending on IT, or impair our ability to meet our customer demands, our operating results and financial condition could be materially adversely affected.

Our business may be adversely affected by the impact of the war in Ukraine and a widespread outbreak of contagious diseases, including the COVID-19 pandemic and its variants. These events may cause us or our customers to temporarily suspend operations and could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could affect demand for our solutions, our ability to collect against existing trade receivables and our operating results.

Item 1B. *Unresolved Staff Comments*

None.

Item 2. *Properties*

Our principal administrative, sales, marketing, customer support and research and development facility is located at our owned corporate headquarters in Tinton Falls, New Jersey.

In addition, we have offices in the United States in California and Texas; and outside the United States in Australia, Austria, Belgium, Brazil, Canada, China, Denmark, France, Germany, Hong Kong, India, Israel, Italy, Japan, Netherlands, Poland, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, United Arab Emirates, and United Kingdom.

Item 3. *Legal Proceedings*

From time to time, we may become involved in legal proceedings arising in the ordinary course of business. We do not believe that we are currently party to any pending legal action that could reasonably be expected to have a material adverse effect on our business or operating results.

Item 4. *Mine Safety Disclosures*

Not Applicable.

PART II

Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

Market for our Common Stock

Our common stock is listed and traded on The Nasdaq Global Market under the symbol "CVLT".

Stockholders

As of May 3, 2022, there were approximately 45 holders of our common stock. The number of record holders does not represent the actual number of beneficial owners of shares of our common stock because shares are frequently held in street name by securities dealers and others for the benefit of individual owners who have the right to vote their shares.

Dividend Policy

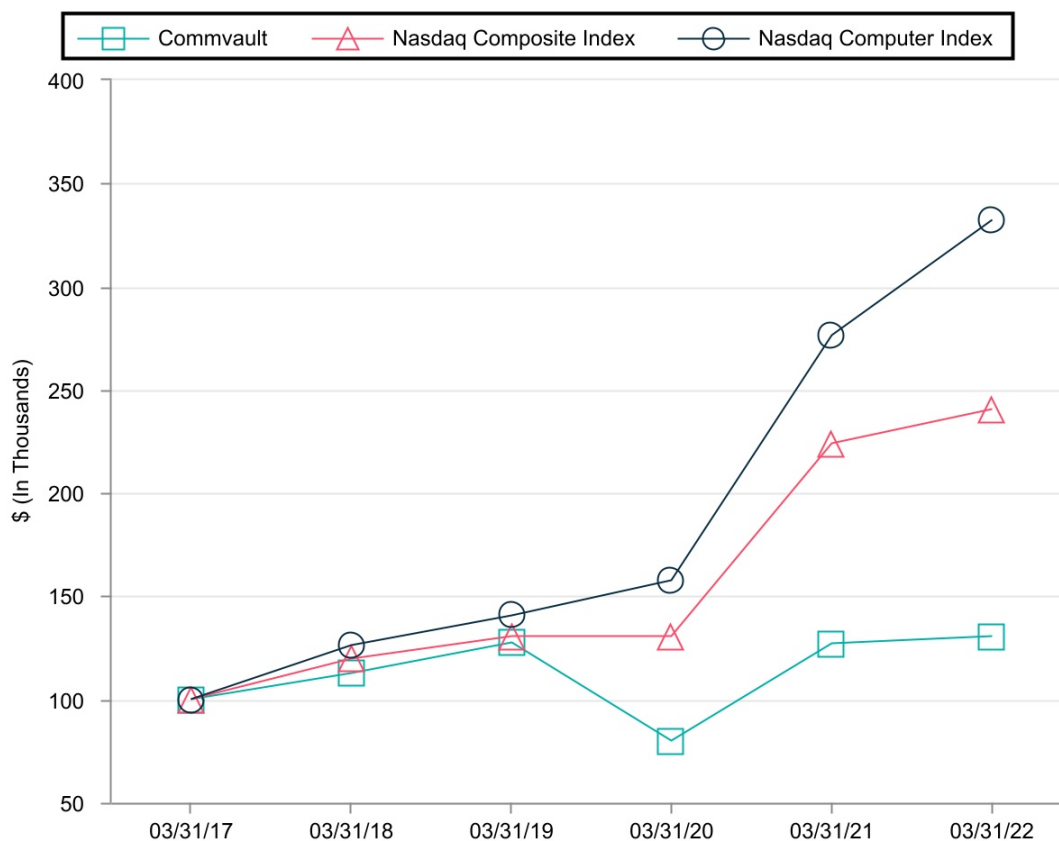
We have never paid cash dividends on our common stock, and we intend to retain our future earnings, if any, to fund the growth of our business. We therefore do not anticipate paying any cash dividends on our common stock in the foreseeable future. Our future decisions concerning the payment of dividends on our common stock will depend upon our results of operations, financial condition and capital expenditure plans, as well as any other factors that the Board of Directors, in its sole discretion, may consider relevant.

Stock Performance Graph

The graph set forth below compares the cumulative total stockholder return on our common stock between March 31, 2017 and March 31, 2022, with the cumulative total return of (i) The Nasdaq Computer Index and (ii) The Nasdaq Composite Index, over the same period. This graph assumes the investment of \$100,000 on March 31, 2017 in our common stock, The Nasdaq Composite Index and The Nasdaq Computer Index, and assumes the reinvestment of dividends, if any. The graph assumes the initial value of our common stock on March 31, 2017 was the closing sales price of \$50.80 per share.

The comparisons shown in the graph below are based upon historical data. The stock price performance shown in the graph below is not necessarily indicative of, nor is it intended to forecast, the future performance of our common stock. Information used in the graph was obtained from Nasdaq, a source we believe to be reliable, but we are not responsible for any errors or omissions in such information.

The performance graph shall not be deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any filing of Commvault under the Securities Act or the Exchange Act.



	3/31/2017	3/31/2018	3/31/2019	3/31/2020	3/31/2021	3/31/2022
Commvault	100.0	112.6	127.4	79.7	127.0	130.6
Nasdaq Composite Index	100.0	119.5	130.7	130.3	224.1	240.5
Nasdaq Computer Index	100.0	126.0	140.5	157.6	276.4	332.1

Issuer Purchases of Equity Securities

During the three months ended March 31, 2022, we repurchased \$39.8 million of common stock, or approximately 0.6 million shares, under our repurchase program. During the year ended March 31, 2022, we repurchased \$305.2 million of common stock, or approximately 4.3 million shares, under our repurchase program.

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced programs	Approximate dollar value of shares that may yet be purchased under the program
January 1-31, 2022	277,900	\$ 68.15	277,900	*
February 1-28, 2022	144,900	65.16	144,900	*
March 1-31, 2022	178,000	64.29	178,000	*
Three months ended March 31, 2022	600,800	\$ 66.29	600,800	

*During the fourth quarter of fiscal 2022 we completed a share repurchase program that was commenced in January 2021. On April 21, 2022 the Board of Directors approved a new share repurchase program of \$250.0 million. The Board's authorization has no expiration date.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis along with our consolidated financial statements and the related notes included elsewhere in this Annual Report on Form 10-K. The statements in this discussion regarding our expectations of our future performance, liquidity and capital resources, and other non-historical statements are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described under "Risk Factors" and elsewhere in this Annual Report on Form 10-K. Our actual results may differ materially from those contained in or implied by any forward-looking statements.

Overview

Incorporated in Delaware in 1996, Commvault Systems, Inc. is a global data management company offering customers enterprise level, intelligent data services via a single platform and unified code base.

We believe in solving hard problems for our customers by enabling our customers to accelerate their digital transformation in today's ever-evolving workforce. Our product portfolio includes intuitive tools and powerful machine learning technology that drives automation, reduces complexity, reigns in data fragmentation, and accelerates a customer's cloud journey. Our product functionality share the same back-end technologies to deliver the benefits of a holistic approach to protecting, managing, and securing data. Our products address many aspects of data management from data protection and security, to data governance, transformation and insights, while providing scalability. We believe our technology and professional services provide the broadest set of capabilities in the industry, which enables customers to efficiently and cost-effectively scale their data on premise or in the cloud.

Industry

The industry in which we currently operate continues to go through accelerating changes as the result of compounding data growth and the introduction of new technologies. We are continuing to pursue an aggressive product development program in both data and information management solutions. Our data management solutions include not only traditional backup, but also new innovations in de-duplication, data movement, virtualization, snap-based backups and enterprise reporting. Our information management innovations are primarily in the areas of archiving, eDiscovery, records management, governance, operational reporting and compliance. We remain focused on both the data and information management trends in the marketplace and, in fact, a material portion of our existing research and development expenses are utilized toward the development of such new technologies discussed above. While we feel confident in our ability to meet these changing industry demands with our Commvault suite and potential future releases, the development, release and timing of any features or functionality remain at our sole discretion and our solutions or other technologies may not be widely adopted.

Given the nature of the industry in which we operate, our software applications are subject to obsolescence. We continually develop and introduce updates to our existing software applications in order to keep pace with evolving industry technologies. In addition, we must address evolving industry standards, changing customer requirements and competitive software applications that may render our existing software applications obsolete.

For each of our software applications, we provide full support for the current generally available release and one prior release. When we declare a product release obsolete, a customer notice is delivered twelve months prior to the effective date of obsolescence announcing continuation of full product support for the first six months. We provide an additional six months of extended assistance support in which we only provide existing workarounds or fixes that do not require additional development activity. We do not have existing plans to make any of our software products permanently obsolete.

Sources of Revenues

We derive a significant portion of our total revenues from sales of licenses of our software applications and related appliance products. We do not customize our software or products for a specific end-user customer. We sell our software applications and products to end-user customers both directly through our sales force and indirectly through our global network of value-added reseller partners, systems integrators, corporate resellers and original equipment manufacturers. Our software and products revenue was 46% of our total revenues for fiscal 2022, 45% in fiscal 2021 and 41% in fiscal 2020.

During fiscal 2022, we continued to focus on subscription and other recurring revenue arrangements and began generating revenue from the renewals of subscription licenses sold in prior years. Any of our licensing models (capacity, instance based, etc.) can be sold via a subscription arrangement. In these arrangements the customer has the right to use the software over a designated period of time. The capacity of the license is fixed and the customer has made an unconditional commitment to pay. Software revenue in these arrangements is generally recognized when the software is delivered. During the fiscal year ended March 31, 2022, approximately 69% of software license revenue was sold under a subscription model. Software license revenue sold under a subscription model was 59% and 41% in the fiscal years ended March 31, 2021 and 2020, respectively. We also sell to some customers, primarily managed service providers, via utility, or pay-as-you-go models. In these arrangements actual usage is regularly measured and billed. Revenue in these utility arrangements is recognized as the software is used.

In recent fiscal years, including the periods presented, we generated an average of 80% of our software and products revenue from our existing customer base and approximately 20% of our software and products revenue from new customers. In addition, our total software and products revenue in any particular period is, to a certain extent, dependent upon our ability to generate revenues from large customer software and products deals, which we refer to as larger deal transactions. Larger deal transactions (transactions greater than \$0.1 million of software and product revenue) represented approximately 72% of our software and products revenue in fiscal 2022, 69% in fiscal 2021 and 65% in fiscal 2020.

Software and products revenue generated through indirect distribution channels accounted for approximately 90% of total software and products revenue in recent fiscal years. Software and products revenue generated through direct distribution channels accounted for approximately 10% of total software and products revenue in recent fiscal years. Deals initiated by our direct sales force are sometimes transacted through indirect channels based on end-user customer requirements, which are not always in our control and can cause this overall percentage split to vary from fiscal year to fiscal year. As such, there may be fluctuations in the dollars and percentage of software and products revenue generated through our direct distribution channels from time to time. We believe that the growth of our software and products revenue, derived from both our indirect channel partners and direct sales force, are key attributes to our long-term growth strategy. We intend to continue to invest in both our channel relationships and direct sales force in the future, but we continue to expect more revenue to be generated through indirect distribution channels over the long term. The failure of our indirect distribution channels or our direct sales force to effectively sell our software applications could have a material adverse effect on our revenues and results of operations.

We have a non-exclusive distribution agreement covering our North American commercial markets and our U.S. Federal Government market with Arrow Enterprise Computing Solutions, Inc. ("Arrow"), a subsidiary of Arrow Electronics, Inc. Pursuant to this distribution agreement, Arrow's primary role is to enable a more efficient and effective distribution channel for our products and services by managing our reseller partners and leveraging their own industry experience. We generated approximately 37% of our total revenues through Arrow in fiscal 2022, approximately 36% of our total revenues in fiscal 2021 and approximately 37% of our total revenues in fiscal 2020. If Arrow was to discontinue or reduce the sales of our products or if our agreement with Arrow was terminated, and if we were unable to take back the management of our reseller channel or find another North American distributor to replace Arrow, then it could have a material adverse effect on our future business.

Our services revenue was 54% of our total revenues for fiscal 2022, 55% in fiscal 2021 and 59% in fiscal 2020. Our services revenue is made up of fees from the delivery of customer support and other professional services, which are typically sold in connection with the sale of our software applications. Customer support agreements provide technical support and unspecified software updates on a when-and-if-available basis for an annual fee based on licenses purchased and the level of service subscribed. Other professional services include consulting, assessment and design services, implementation and post-deployment services and training, all of which to date have predominantly been sold in connection with the sale of software applications. Metallic, our software-as-a-service solution, allows customers to use hosted software over the contract period without taking possession of the software. Revenue related to Metallic is generally recognized ratably over the contract term as services revenue.

Most of our customer support agreements related to perpetual licenses are for a one-year term. As the end of the annual period approaches, we pursue the renewal of the agreement with the customer. Historically, maintenance renewals have represented a significant portion of our total revenue. Because of this characteristic of our business, if our customers choose not to renew their maintenance and support agreements with us on beneficial terms, or at all, our business, operating results and financial condition could be harmed.

The gross margin of our services revenue was 76% for fiscal 2022, 79% for fiscal 2021 and 78% for fiscal 2020. Overall, our services revenue has lower gross margins than our software and products revenue. The gross margin of our software and products revenue was 96% for fiscal 2022, 92% for fiscal 2021 and 90% for fiscal 2020. The increase in gross margin percentage of software and products is a result of reduced sales of hardware associated with our appliance as well as reduced software royalties associated with sales of HyperScale appliances and software. With the launch of HyperScale X in the second half of fiscal 2021, we typically sell software to a third party that sells an integrated appliance to end user customers. As a result, our hardware revenues and cost of sales have been decreasing.

Description of Costs and Expenses

Our cost of revenues is as follows:

- *Cost of Software and Products Revenue*, consists primarily of the cost of third-party royalties and other costs such as media, manuals, translation and distribution costs, and hardware associated with our appliances; and
- *Cost of Services Revenue*, consists primarily of salary and employee benefit costs in providing customer support and other professional services as well as third-party hosting fees.

Our operating expenses are as follows:

- *Sales and Marketing*, consists primarily of salaries, commissions, employee benefits, stock-based compensation and other direct and indirect business expenses, including travel and related expenses, sales promotion expenses, public relations expenses and costs for marketing materials and other marketing events (such as trade shows and advertising);
- *Research and Development*, which is primarily the expense of developing new software applications and modifying existing software applications, consists principally of salaries, stock-based compensation and benefits for research and development personnel and related expenses; contract labor expense and consulting fees as well as other expenses associated with the design, certification and testing of our software applications; and legal costs associated with the patent registration of such software applications;
- *General and Administrative*, consists primarily of salaries, stock-based compensation and benefits for our executive, accounting, human resources, legal, information systems and other administrative personnel. Also included in this category are other general corporate expenses, such as outside legal and accounting services, compliance costs and insurance; and
- *Depreciation and Amortization*, consists of depreciation expense primarily for our owned corporate campus headquarters location, computer equipment we use for information services and in our development and test labs and amortization of intangible assets.

Foreign Currency Exchange Rates' Impact on Results of Operations

Sales outside the United States were approximately 48% of our total revenue for both fiscal 2022 and fiscal 2021 and 49% for fiscal 2020. The income statements of our non-U.S. operations are translated into U.S. dollars at the average exchange rates for each applicable month in a period. To the extent the U.S. dollar weakens against foreign currencies, the translation of these foreign currency denominated transactions generally results in increased revenue, operating expenses and income from operations for our non-U.S. operations. Similarly, our revenue, operating expenses and net income will generally decrease for our non-U.S. operations if the U.S. dollar strengthens against foreign currencies.

Using the average foreign currency exchange rates from fiscal 2021, our software and products revenue would have been lower by \$0.1 million, our services revenue would have been lower by \$2.5 million, our cost of sales would have been lower by \$0.3 million and our operating expenses would have been lower by \$1.6 million from non-U.S. operations for fiscal 2022.

In addition, we are exposed to risks of foreign currency fluctuation primarily from cash balances, accounts receivables and intercompany accounts denominated in foreign currencies and are subject to the resulting transaction gains and losses, which are recorded as a component of general and administrative expenses. Net foreign currency transaction losses in fiscal 2022 were not significant. We recognized net foreign currency transaction losses of \$1.9 million in fiscal 2021 and gains of \$0.4 million in fiscal 2020.

Critical Accounting Policies

In presenting our consolidated financial statements in conformity with U.S. generally accepted accounting principles, we are required to make estimates and judgments that affect the amounts reported therein. Some of the estimates and assumptions we are required to make relate to matters that are inherently uncertain as they pertain to future events. We base these estimates on historical experience and on various other assumptions that we believe to be reasonable and appropriate. Actual results may differ significantly from these estimates. The following is a description of our accounting policies that we believe require subjective and complex judgments, which could potentially have a material effect on our reported financial condition or results of operations.

Revenue Recognition

We account for revenue in accordance with ASC 606, *Revenue from Contracts with Customers*. Our revenue recognition policies require us to make significant judgments and estimates. In applying our revenue recognition policy, we must determine which portions of our revenue are recognized currently (generally software and products revenue) and which portions must be deferred and recognized in future periods (generally services revenue). We analyze various factors including, but not limited to, the selling price of undelivered services when sold on a stand-alone basis, our pricing policies, the credit-worthiness of our customers, and contractual terms and conditions in helping us to make such judgments about revenue recognition. Changes in judgment on any of these factors could materially impact the timing and amount of revenue recognized in a given period.

We derive revenue from two primary sources: software and products, and services. Software and products revenue includes our software and integrated appliances that combine our software with hardware. Services include customer support (software updates and technical support), consulting, assessment and design services, installation services, customer education and Commvault software-as-a-service, which is branded as Metallic.

We sell both perpetual and term-based licenses of our software. We refer to our term-based software licenses as subscription arrangements. We do not customize our software and installation services are not required. The software is delivered before related services are provided and is functional without professional services, updates and technical support. We have concluded that our software licenses (both perpetual and subscription) are functional intellectual property that is distinct as the user can benefit from the software on its own. Software revenue for both perpetual and subscription licenses is typically recognized when the software is delivered and/or made available for download as this is the point the user of the software can direct the use of, and obtain substantially all of the remaining benefits from the functional intellectual property. We do not recognize software revenue related to the renewal of subscription software licenses earlier than the beginning of the new subscription period.

Services revenue includes revenue from customer support and other professional services. Customer support includes software updates on a when-and-if-available basis, telephone support, integrated web-based support and bug fixes or patches. Commvault sells its customer support contracts as a percentage of net software purchases the support is related to. Customer support revenue is recognized ratably over the term of the customer support agreement, which is typically one year. The term of our subscription arrangements is typically three years.

Our other professional services include consulting, assessment and design services, installation services and customer education. Customer education services include courses taught by our instructors or third-party contractors. Revenue related to other professional services and customer education services is typically recognized as the services are performed.

Commvault software-as-a-service, which is branded as Metallic, allows customers to use hosted software over the contract period without taking possession of the software. Revenue related to Metallic is generally recognized ratably over the contract term as services revenue.

Most of our contracts with customers contain multiple performance obligations. For these contracts, we account for individual performance obligations separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative standalone selling price basis. Standalone selling prices of software and appliances are typically estimated using the residual approach. Standalone selling prices of services are typically estimated based on observable transactions when these services are sold on a standalone basis.

Our typical performance obligations include the following:

Performance Obligation	When Performance Obligation is Typically Satisfied	When Payment is Typically Due	How Standalone Selling Price is Typically Estimated
Software and Products Revenue			
Software Licenses	Upon shipment or made available for download (point in time)	Within 90 days of shipment except for certain subscription licenses which are paid for over time	Residual approach
Customer Support Revenue			
Software Updates	Ratably over the course of the support contract (over time)	At the beginning of the contract period	Observable in renewal transactions
Customer Support	Ratably over the course of the support contract (over time)	At the beginning of the contract period	Observable in renewal transactions
Other Services Revenue			
Other Professional Services (except for education services)	As work is performed (over time)	Within 90 days of services being performed	Observable in transactions without multiple performance obligations
Education Services	When the class is taught (point in time)	Within 90 days of services being performed	Observable in transactions without multiple performance obligations
Software-as-a-service (Metallic)	Ratably over the course of the contract (over time)	Annual or monthly payments	Observable in transactions without multiple performance obligations

Accounting for Income Taxes

Under ASC 740, deferred income taxes arise from temporary differences between the tax basis of assets and liabilities and their reported amounts. Valuation allowances are established when, in our judgment, it is more likely than not that deferred tax assets will not be realized. In assessing the need for a valuation allowance, we weigh the available positive and negative evidence, including historical levels of pre-tax income, legislative developments, expectations and risks associated with estimates of future pre-tax income, and prudent and feasible tax planning strategies. We believe that it is more likely than not that we will not realize the benefits of our gross deferred tax assets and therefore have recorded a valuation allowance to reduce the carrying value of these gross deferred tax assets, net of the impact of the reversal of taxable temporary differences, to zero. The valuation allowance is material to our financial statements. In the future, changes to our estimates regarding the realizability of our gross deferred tax assets could materially impact our results of operations.

We conduct business globally and as a result, file income tax returns in the United States and in various state and foreign jurisdictions. In the normal course of business, we are subject to examination by taxing authorities throughout the world, including such major jurisdictions as the United States, Australia, Canada, Germany, Netherlands and United Kingdom.

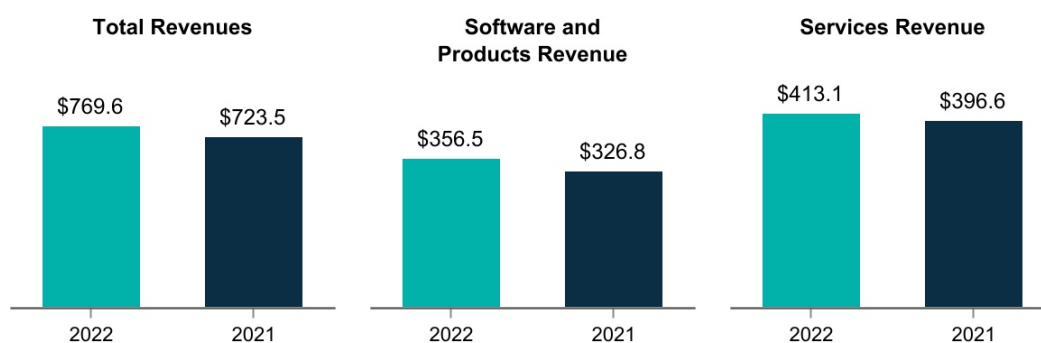
Goodwill

We test goodwill for impairment at least annually, on January 1, by performing a quantitative assessment of whether the fair value of each reporting unit or asset exceeds its carrying amount. We have one reporting unit. Goodwill is tested at this reporting unit level. This requires us to assess and make judgments regarding a variety of factors which impact the fair value of the reporting unit or asset being tested, including business plans, anticipated future cash flows, economic projections and other market data. Because there are inherent uncertainties involved in these factors, significant differences between these estimates and actual results could result in future impairment charges and could materially impact our future financial results. During the fourth quarter of 2022, we completed the annual impairment test for goodwill and determined that it had not been impaired as of the test date, January 1, 2022.

Results of Operations

Fiscal year ended March 31, 2022 compared to fiscal year ended March 31, 2021

Revenues (in millions)



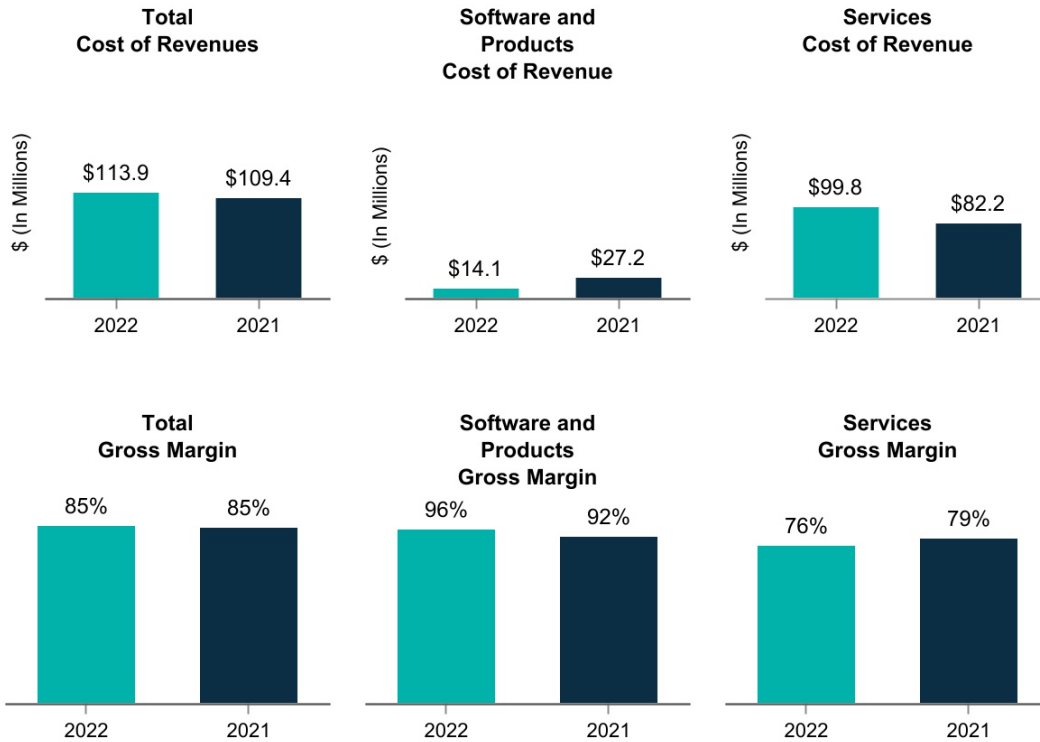
- Total revenues increased \$46.1 million, or 6%
- Software and products revenue represented 46% of our total revenues in fiscal 2022 and 45% of our total revenues in fiscal 2021. Software and products revenue increased \$29.6 million, or 9%, primarily due to the following:
 - Increase of \$30.0 million, or 13%, in larger deal transactions (deals greater than \$0.1 million in software and products revenue);
 - Increase of 19% in the number of larger deal transactions partially offset by a decrease of 4% in the average dollar amount of such transactions;
 - The average dollar amount of larger deal transactions was approximately \$320 thousand in fiscal 2022 and approximately \$335 thousand in fiscal 2021;
 - Larger deal transactions represented approximately 72% of our software and products revenue in fiscal 2022 and 69% of our software and products revenue in fiscal 2021; and
 - The increase in larger deal transaction revenue was partially offset by a decrease of \$0.3 million in transactions less than \$0.1 million.
- Services revenue represented 54% of our total revenues in fiscal 2022 and 55% of our total revenues in fiscal 2021. Services revenue increased \$16.5 million, primarily due to an increase in professional services and software-as-a-service revenue, partially offset by a decline in customer support revenue.

We track software and products revenue on a geographic basis. The geographic regions that are tracked are the Americas (United States, Canada, Latin America), EMEA (Europe, Middle East, Africa) and APJ (Australia, Japan, Southeast Asia, China). Americas, EMEA and APJ represented 59%, 30% and 11% of total software and products revenue, respectively, for the fiscal year ended March 31, 2022. The year over year increase of software and products revenue was 15% and 2% in the Americas and in EMEA, respectively, and declined 2% in APJ.

- The increase in Americas software and products revenue was primarily due to a 15% increase from larger deal transactions. This was the result of an increase in the number of transactions compared to the prior year partially offset by a decrease in average deal size.
- EMEA software and products revenue increased primarily as a result of a 13% increase in larger deal revenue driven by an increase in average deal size.
- APJ revenue from deals less than \$0.1 million decreased 5% compared to the prior year partially offset by a 1% increase in larger deal transactions.

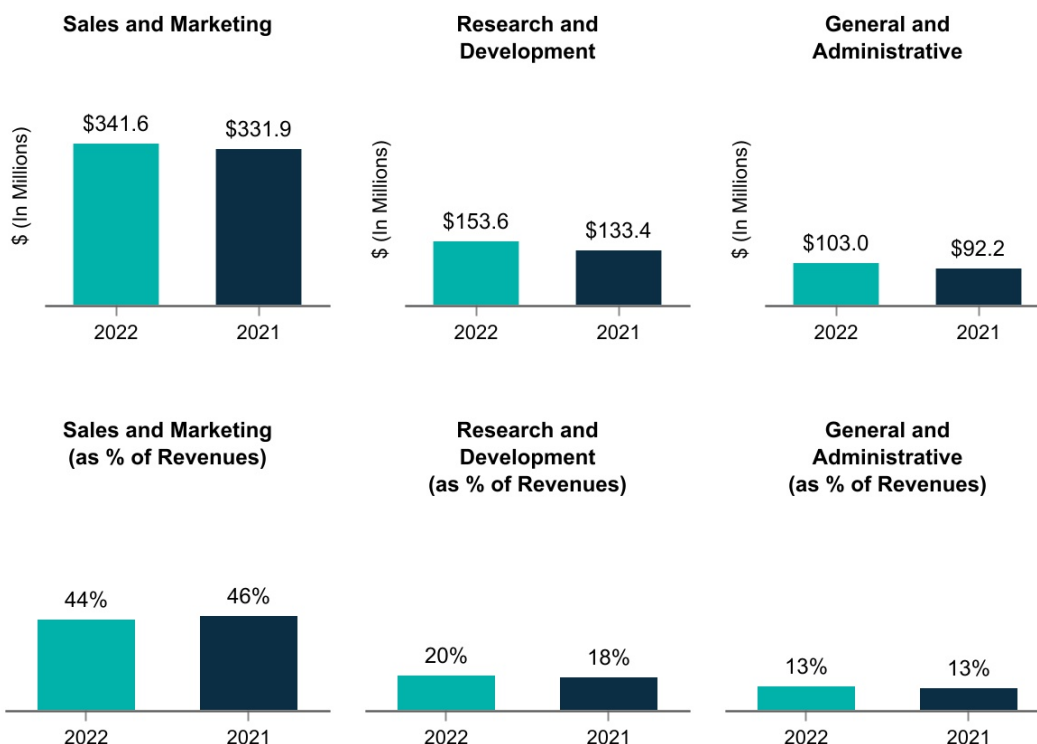
Our software and products revenue in EMEA and APJ is subject to changes in foreign exchange rates as more fully discussed above in the “*Foreign Currency Exchange Rates’ Impact on Results of Operations*” section.

Cost of Revenues and Gross Margin (\$ in millions)



- Total cost of revenues increased \$4.5 million and represented 15% of our total revenues in both fiscal 2022 and fiscal 2021.
- Cost of software and products revenue decreased \$13.2 million and represented 4% of software and products revenue in fiscal 2022 compared to 8% in fiscal 2021. The decrease was the result of reduced sales of hardware associated with our appliances as well as reduced software royalties associated with sales of HyperScale appliances and software. Our appliances are now typically sold by third parties that integrate our software with hardware.
- Cost of services revenue increased \$17.6 million and represented 24% of our services revenue in fiscal 2022 compared to 21% in fiscal 2021. The increase in cost of services revenue related to an increase in the cost of infrastructure related to our software-as-a-service offerings, as well as an increase in employee compensation and related expenses compared to the prior year due to temporary pay cuts enacted in 2021.

Operating Expenses (\$ in millions)



- **Sales and marketing expenses:** increased \$9.7 million, or 3%, primarily due to an increase in employee compensation and sales commissions associated with increased revenue.
- **Research and development expenses:** increased \$20.2 million, or 15%, as a result of an increase in employee compensation and related expenses attributable to the expansion of our engineering group.
 - Increase in employee compensation, including an increase in stock-based compensation of \$9.0 million compared to prior year.
 - Investing in research and development has been a priority for Commvault, and we anticipate continued spending related to the development of our data management software applications.
- **General and administrative expenses:** increased \$10.8 million, or 12%, primarily due to the following:
 - Increase in employee compensation and related expenses compared to prior year. Stock-based compensation increased \$9.3 million compared to the prior year.
 - Increase in legal expenses for costs related to intellectual property matters partially offset by \$7.9 million of settlement gains netted against related legal expenses.
- **Restructuring:** Our restructuring plan is intended to increase efficiency in our sales, marketing and distribution functions as well as reduce costs across all functional areas. Restructuring expenses were \$6.2 million and \$23.5 million for the years ended March 31, 2022 and 2021, respectively. These restructuring charges relate primarily to severance and related costs associated with headcount reductions. These charges include \$1.7 million in fiscal 2022 and \$2.7 million in fiscal 2021 of stock-based compensation related to modifications of existing awards granted to certain employees included in the restructuring. We cannot guarantee the restructuring program will achieve its intended result. Risks associated with this restructuring program also include additional unexpected costs, adverse effects on employee morale and the failure to meet operational and growth targets due to the loss of key employees, any of which may impair our ability to achieve anticipated results of operations or otherwise harm our business.
- **Depreciation and amortization expense:** decreased \$5.0 million, from \$14.6 million in fiscal 2021 to \$9.7 million in fiscal 2022, driven by the elimination of amortization of intangible assets related to Hedvig due to

their impairment in the second quarter of fiscal 2021. Current year amortization of intangible assets related to TrapX is \$0.2 million.

Interest Income

Interest income decreased \$0.3 million, from \$1.0 million in fiscal 2021 to \$0.7 million in fiscal 2022 primarily as a result of declines in market interest rates and the amount of invested funds.

Interest Expense

Interest expense increased \$0.1 million as a result of entering into a revolving credit facility in fiscal 2022.

Income Tax Expense

Income tax expense was \$9.8 million in fiscal 2022 compared to expense of \$9.7 million in fiscal 2021. The income tax expense for the year ended March 31, 2022 relates primarily to current foreign taxes.

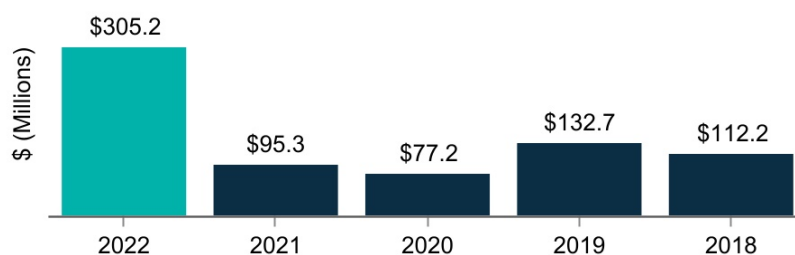
Liquidity and Capital Resources

As of March 31, 2022, our cash balance was \$267.5 million. In recent fiscal years, our principal source of liquidity has been cash provided by operations. The amount of cash and cash equivalents held outside of the United States by our foreign legal entities was approximately \$184.0 million. These balances are dispersed across many international locations around the world. We believe that such dispersion meets the current and anticipated future liquidity needs of our foreign legal entities. If we need to repatriate funds from outside of the United States, such repatriation would likely be subject to restrictions by local laws and/or tax consequences including foreign withholding taxes.

On December 13, 2021, we entered into a five-year \$100 million senior secured revolving credit facility (the "Credit Facility") with J.P. Morgan. The Credit Facility is available for share repurchases, general corporate purposes, and letters of credit. The Credit Facility contains financial maintenance covenants including a leverage ratio and interest coverage ratio. The Credit Facility also contains certain customary events of default which would permit the lender to, among other things, declare all loans then outstanding to be immediately due and payable if such default is not cured within applicable grace periods. The Credit Facility also limits our ability to incur certain additional indebtedness, create or permit liens on assets, make acquisitions, make investments, loans or advances, sell or transfer assets, pay dividends or distributions, and engage in certain transactions with foreign affiliates. Outstanding borrowings under the Credit Facility accrue interest at an annual rate equal to Secured Overnight Financing Rate plus 1.25% subject to increases based on our actual leverage. The unused balance on the Credit Facility is also subject to a 0.25% annual interest charge subject to increases based on our actual leverage. As of March 31, 2022, there were no borrowings under the Credit Facility and we were in compliance with all covenants.

During the year ended March 31, 2022, we repurchased \$305.2 million of common stock, or approximately 4.3 million shares, under our share repurchase program. This program commenced in January of 2021 and was completed on March 31, 2022. On April 21, 2022 the Board of Directors approved a new share repurchase program of \$250.0 million. The Board's authorization has no expiration date. Our stock repurchase program has been funded by our existing cash and cash equivalent balances as well as cash flows provided by our operations.

The following chart summarizes the cash used to repurchase shares of our common stock:

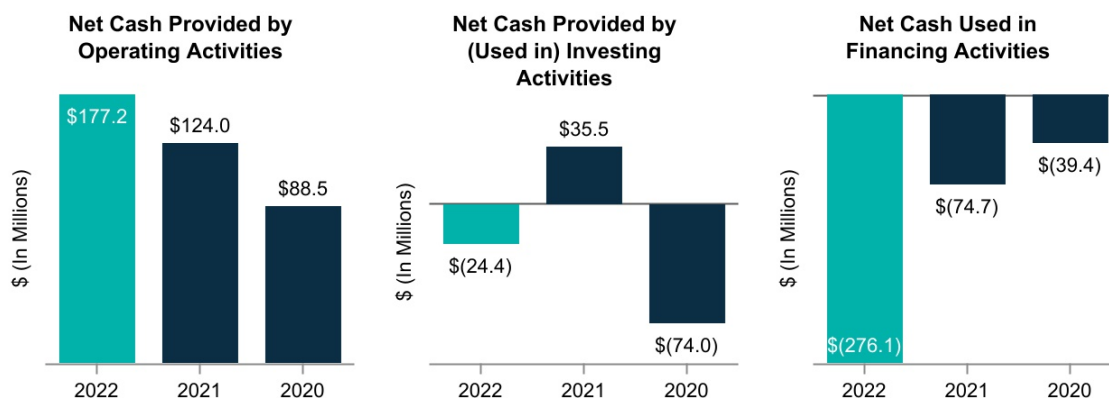


A summary of the cash used for the stock repurchase program consists of the following:

	Year Ended March 31,				
	2022	2021	2020	2019	2018
Cash used for repurchases (in thousands)	\$ 305,239	\$ 95,259	\$ 77,198	\$ 132,697	\$ 112,218
Shares repurchased (in thousands)	4,307	1,643	1,701	2,115	2,098
Average price per share	\$ 70.87	\$ 57.97	\$ 45.37	\$ 62.74	\$ 53.49

Our summarized annual cash flow information is as follows (in thousands):

	Year Ended March 31,		
	2022	2021	2020
Net cash provided by operating activities	\$ 177,180	\$ 123,955	\$ 88,464
Net cash provided by (used in) investing activities	(24,444)	35,469	(74,005)
Net cash used in financing activities	(276,088)	(74,738)	(39,403)
Effects of exchange rate — changes in cash	(6,378)	16,469	(6,966)
Net increase (decrease) in cash and cash equivalents	\$ (129,730)	\$ 101,155	\$ (31,910)



- Net cash provided by operating activities was impacted by:

- Fiscal 2022: net income adjusted for the impact of non-cash charges, increases in deferred revenue and accrued expenses, partially offset by increases in accounts receivable and deferred commissions.
- Fiscal 2021: net loss adjusted for the impact of non-cash charges, including the impairment of intangible assets, and increases in deferred revenue and accrued expenses, partially offset by increases in accounts receivable and deferred commissions.
- Fiscal 2020: net loss adjusted for the impact of non-cash charges and decreases in accounts receivable.

- Net cash provided by or used in investing activities was impacted by:

- Fiscal 2022: \$16.9 million used for the acquisition of TrapX, \$3.9 million of capital expenditures and \$4.1 million for the purchase of equity securities partially offset by proceeds of \$0.5 million related to the sale of an equity investment.
- Fiscal 2021: \$43.6 million of proceeds of short-term investments of U.S. Treasury bills, partially offset by \$8.1 million of capital expenditures.

- Fiscal 2020: \$157.5 million used for the acquisition of Hedvig and \$3.2 million of capital expenditures, partially offset by \$86.7 million of net proceeds of short-term investments of U.S. Treasury Bills.
- Net cash used in financing activities was impacted by:
 - Fiscal 2022: \$305.2 million used to repurchase shares of our common stock under our repurchase program, \$0.6 million of debt issuance costs paid partially offset by \$29.7 million of proceeds from the exercise of stock options and the employee stock purchase plan.
 - Fiscal 2021: \$95.3 million used to repurchase shares of our common stock under our repurchase program, partially offset by \$20.5 million of proceeds from the exercise of stock options and the employee stock purchase plan.
 - Fiscal 2020: \$77.2 million used to repurchase shares of our common stock under our repurchase program, partially offset by \$37.8 million of proceeds from the exercise of stock options and the employee stock purchase plan.

Working capital decreased \$144.4 million from \$234.4 million as of March 31, 2021 to \$90.0 million as of March 31, 2022. The decrease in working capital is primarily due to cash used for share repurchases during the fiscal year.

We believe that our existing cash, cash equivalents and our cash from operations will be sufficient to meet our anticipated cash needs for working capital, capital expenditures and potential stock repurchases for at least the next 12 months. We may seek additional funding through public or private financings or other arrangements during this period. Adequate funds may not be available when needed or may not be available on terms favorable to us, or at all. If additional funds are raised by issuing equity securities, dilution to existing stockholders will result. If we raise additional funds by obtaining loans from third parties, the terms of those financing arrangements may include negative covenants or other restrictions on our business that could impair our operational flexibility, and would also require us to fund additional interest expense. If funding is insufficient at any time in the future, we may be unable to develop or enhance our products or services, take advantage of business opportunities or respond to competitive pressures, any of which could have a material adverse effect on our business, financial condition and results of operations.

Summary Disclosures about Contractual Obligations and Commercial Commitments

Our material capital commitments consist of obligations under facilities and operating leases. Some of these leases have free or escalating rent payment provisions. Refer to Notes 2 and 15 of the notes to the consolidated financial statements for further discussion on operating leases.

We have certain software royalty commitments associated with the shipment and licensing of certain products. Royalty expense is generally based on a fixed cost per unit shipped or a fixed fee for unlimited units shipped over a designated period. Royalty expense, included in cost of software and products revenues, was \$11.2 million in fiscal 2022 and \$16.3 million in fiscal 2021.

We offer a 90-day limited product warranty for our software. To date, costs relating to this product warranty have not been material.

Off-Balance Sheet Arrangements

As of March 31, 2022, we did not have off-balance sheet financing arrangements, including any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities.

Indemnifications

Certain of our software licensing agreements contain certain provisions that indemnify our customers from any claim, suit or proceeding arising from alleged or actual intellectual property infringement. These provisions continue in perpetuity along with our software licensing agreements. We have never incurred a liability relating to one of these indemnification provisions in the past and we believe that the likelihood of any future payout relating to these provisions is remote. Therefore, we have not recorded a liability during any period related to these indemnification provisions.

Impact of Recently Issued Accounting Standards

See Note 2 of the notes to the consolidated financial statements for a discussion of the impact of recently issued accounting standards.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

None.

Foreign Currency Risk

Economic Exposure

As a global company, we face exposure to adverse movements in foreign currency exchange rates. Our international sales are generally denominated in foreign currencies and this revenue could be materially affected by currency fluctuations. Approximately 48% of our sales were outside the United States in both fiscal 2022 and fiscal 2021. Our primary exposures are to fluctuations in exchange rates for the U.S. dollar versus the Euro, and to a lesser extent, the Australian dollar, British pound sterling, Canadian dollar, Chinese yuan, Indian rupee, Korean won and Singapore dollar. Changes in currency exchange rates could adversely affect our reported revenues and require us to reduce our prices to remain competitive in foreign markets, which could also have a material adverse effect on our results of operations. Historically, we have periodically reviewed and revised the pricing of our products available to our customers in foreign countries and we have not maintained excess cash balances in foreign accounts.

We estimate that a 10% change in all foreign exchange rates would impact our reported operating profit by approximately \$11.8 million annually. This sensitivity analysis disregards the possibilities that rates can move in opposite directions and that losses from one geographic area may be offset by gains from another geographic area.

Transaction Exposure

Our exposure to foreign currency transaction gains and losses is primarily the result of certain net receivables due from our foreign subsidiaries and customers being denominated in currencies other than the functional currency of the subsidiary. Our foreign subsidiaries conduct their businesses in local currency and we generally do not maintain excess U.S. dollar cash balances in foreign accounts.

Foreign currency transaction gains and losses are recorded in General and administrative expenses in the Consolidated Statements of Operation. Net foreign currency transaction activity in fiscal 2022 was not significant. We recognized net foreign currency transaction losses of \$1.9 million and gains of \$0.4 million in fiscal 2021 and fiscal 2020, respectively.

Item 8. *Financial Statements and Supplementary Data*

Commvault Systems, Inc.
Consolidated Financial Statements
Fiscal Years Ended March 31, 2022, 2021 and 2020
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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Commvault Systems, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Commvault Systems, Inc. (the Company) as of March 31, 2022 and 2021, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity and cash flows for each of the three years in the period ended March 31, 2022, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at March 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of March 31, 2022, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated May 6, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

Description of the Matter	<p>Accounting for Revenue Recognition</p> <p>As described in Note 3 to the consolidated financial statements, the Company derives revenues from two primary sources: software and services. Most of the Company’s contracts with customers contain multiple performance obligations which are accounted for separately if they are distinct. The transaction price is allocated to separate performance obligations on a relative standalone selling price basis.</p>
<i>How We Addressed the Matter in Our Audit</i>	<p>Auditing the identification of performance obligations in a software contract requires significant judgment as it relates to the evaluation of the contractual terms of the arrangement.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company’s revenue recognition process, including the evaluation of the contractual terms of the revenue arrangements.</p> <p>To test the amount of revenue recognized, we performed audit procedures that included, among others, testing a sample of revenue transactions during the year and evaluating the identification of performance obligations based on analysis of the contractual terms and independent confirmations of the terms and conditions of the contract directly with customers.</p>

We have served as the Company’s auditor since 1998.

/s/ Ernst & Young LLP
 Iselin, New Jersey
 May 6, 2022

Commvault Systems, Inc.
Consolidated Balance Sheets
(In thousands, except per share data)

ASSETS	March 31,	
	2022	2021
Current assets:		
Cash and cash equivalents	\$ 267,507	\$ 397,237
Trade accounts receivable, net	194,238	188,126
Other current assets	22,336	22,237
Total current assets	484,081	607,600
Property and equipment, net	106,513	112,779
Operating lease assets	14,921	20,778
Deferred commissions cost	52,974	38,444
Intangible assets, net	3,542	—
Goodwill	127,780	112,435
Other assets	26,269	12,137
Total assets	\$ 816,080	\$ 904,173
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 432	\$ 374
Accrued liabilities	121,837	112,148
Current portion of operating lease liabilities	4,778	7,469
Deferred revenue	267,017	253,211
Total current liabilities	394,064	373,202
Deferred revenue, less current portion	150,180	119,231
Deferred tax liabilities, net	808	761
Long-term operating lease liabilities	11,270	15,419
Other liabilities	3,929	1,526
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Preferred stock, \$0.01 par value: 50,000 shares authorized, no shares issued and outstanding	—	—
Common stock, \$0.01 par value, 250,000 shares authorized, 44,511 shares and 46,482 shares issued and outstanding at March 31, 2022 and 2021, respectively	443	463
Additional paid-in capital	1,165,948	1,069,695
Accumulated deficit	(898,699)	(665,774)
Accumulated other comprehensive loss	(11,863)	(10,350)
Total stockholders' equity	255,829	394,034
Total liabilities and stockholders' equity	\$ 816,080	\$ 904,173

See accompanying notes to consolidated financial statements

Commvault Systems, Inc.
Consolidated Statements of Operations
(In thousands, except per share data)

	Year Ended March 31,		
	2022	2021	2020
Revenues:			
Software and products	\$ 356,487	\$ 326,843	\$ 275,308
Services	413,104	396,629	395,577
Total revenues	769,591	723,472	670,885
Cost of revenues:			
Software and products	14,057	27,218	28,082
Services	99,802	82,155	88,996
Total cost of revenues	113,859	109,373	117,078
Gross margin	655,732	614,099	553,807
Operating expenses:			
Sales and marketing	341,644	331,948	335,785
Research and development	153,615	133,401	110,020
General and administrative	103,049	92,214	92,130
Restructuring	6,192	23,471	21,348
Depreciation and amortization	9,666	14,628	15,815
Impairment of intangible assets	—	40,700	—
Net change in contingent consideration	—	—	(3,783)
Total operating expenses	614,166	636,362	571,315
Income (loss) from operations	41,566	(22,263)	(17,508)
Interest income	656	1,028	4,962
Interest expense	(109)	—	—
Other income, net	1,301	—	—
Income (loss) before income taxes	43,414	(21,235)	(12,546)
Income tax expense (benefit)	9,790	9,719	(6,901)
Net income (loss)	\$ 33,624	\$ (30,954)	\$ (5,645)
Net income (loss) per common share:			
Basic	\$ 0.74	\$ (0.66)	\$ (0.12)
Diluted	\$ 0.71	\$ (0.66)	\$ (0.12)
Weighted average common shares outstanding:			
Basic	45,443	46,652	45,793
Diluted	47,220	46,652	45,793

See accompanying notes to consolidated financial statements

Commvault Systems, Inc.
Consolidated Statements of Comprehensive Income (Loss)
(In thousands)

	Year Ended March 31,		
	2022	2021	2020
Net income (loss)	\$ 33,624	\$ (30,954)	\$ (5,645)
Other comprehensive income (loss):			
Foreign currency translation adjustment	(1,513)	3,073	(1,855)
Comprehensive income (loss)	\$ 32,111	\$ (27,881)	\$ (7,500)

See accompanying notes to consolidated financial statements

Commvault Systems, Inc.
Consolidated Statements of Stockholders' Equity
(In thousands)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balance at March 31, 2019	45,582	\$ 454	\$ 887,907	\$ (485,490)	\$ (11,568)	\$ 391,303
Stock-based compensation			65,888			65,888
Share issuances related to business combinations			1,616			1,616
Share issuance related to stock-based compensation	2,131	21	37,774			37,795
Repurchase of common stock	(1,702)	(17)	(14,526)	(62,655)		(77,198)
Net loss				(5,645)		(5,645)
Other comprehensive loss					(1,855)	(1,855)
Balance at March 31, 2020	46,011	458	978,659	(553,790)	(13,423)	411,904
Cumulative effect of adoption of ASU 2016-13				(84)		(84)
Stock-based compensation			84,833			84,833
Share issuance related to stock-based compensation	2,115	21	20,500			20,521
Repurchase of common stock	(1,644)	(16)	(14,297)	(80,946)		(95,259)
Net loss				(30,954)		(30,954)
Other comprehensive income					3,073	3,073
Balance at March 31, 2021	46,482	463	1,069,695	(665,774)	(10,350)	394,034
Stock-based compensation			105,163			105,163
Share issuance related to stock-based compensation	2,336	23	29,737			29,760
Repurchase of common stock	(4,307)	(43)	(38,647)	(266,549)		(305,239)
Net income				33,624		33,624
Other comprehensive loss					(1,513)	(1,513)
Balance at March 31, 2022	44,511	\$ 443	\$ 1,165,948	\$ (898,699)	\$ (11,863)	\$ 255,829

See accompanying notes to consolidated financial statements

Commvault Systems, Inc.
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended March 31,		
	2022	2021	2020
Cash flows from operating activities			
Net income (loss)	\$ 33,624	\$ (30,954)	\$ (5,645)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	10,950	15,878	17,065
Noncash stock-based compensation	105,163	84,833	65,888
Noncash change in fair value of equity securities	(301)	—	—
Noncash change in contingent consideration	—	—	(3,783)
Impairment of intangible assets	—	40,700	—
Deferred income taxes	49	(92)	(1,783)
Amortization of deferred commissions cost	18,339	18,318	17,717
Impairment of operating lease assets	—	1,684	2,761
Changes in operating assets and liabilities:			
Trade accounts receivable	(20,371)	(34,622)	26,096
Operating lease assets and liabilities, net	(925)	(1,157)	(1,226)
Other current assets and Other assets	3,732	11,887	(1,246)
Deferred commissions cost	(33,512)	(24,095)	(16,063)
Accounts payable	60	49	(2,474)
Accrued liabilities	10,400	10,660	(1,997)
Deferred revenue	48,295	31,740	(6,230)
Other liabilities	1,677	(874)	(616)
Net cash provided by operating activities	177,180	123,955	88,464
Cash flows from investing activities			
Purchase of short-term investments	—	—	(43,645)
Proceeds from maturity of short-term investments	—	43,645	130,338
Purchase of property and equipment	(3,911)	(8,176)	(3,203)
Purchase of equity securities	(4,139)	—	—
Business combination, net of cash acquired	(16,894)	—	(157,495)
Other	500	—	—
Net cash provided by (used in) investing activities	(24,444)	35,469	(74,005)
Cash flows from financing activities			
Repurchase of common stock	(305,239)	(95,259)	(77,198)
Proceeds from stock-based compensation plans	29,760	20,521	37,795
Debt issuance costs	(609)	—	—
Net cash used in financing activities	(276,088)	(74,738)	(39,403)
Effects of exchange rate — changes in cash	(6,378)	16,469	(6,966)
Net increase (decrease) in cash, cash equivalents and restricted cash	(129,730)	101,155	(31,910)
Cash, cash equivalents and restricted cash at beginning of year	397,237	296,082	327,992
Cash, cash equivalents and restricted cash at end of year	\$ 267,507	\$ 397,237	\$ 296,082
Supplemental disclosures of cash flow information			
Interest paid	\$ 13	\$ —	\$ —
Income taxes paid	\$ (1,493)	\$ 2,959	\$ 6,002

See accompanying notes to consolidated financial statements

Commvault Systems, Inc.
Notes to Consolidated Financial Statements
(In thousands, except per share data)

1. Nature of Business

Commvault Systems, Inc. and its subsidiaries ("Commvault," "we," "us," or "our") is a provider of data protection and information management software applications and products. We develop, market and sell a suite of software applications and services, globally, that provides our customers with data protection solutions. We also provide our customers with a broad range of professional and customer support services, including data management-as-a-service, branded as Metallic.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements include the accounts of Commvault. All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements and related disclosures in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") requires management to make judgments and estimates that affect the amounts reported in our consolidated financial statements and the accompanying notes. We base our estimates and judgments on historical experience and on various other assumptions that we believe are reasonable under the circumstances. The amounts of assets and liabilities reported in our balance sheets and the amounts of revenues and expenses reported for each of the periods presented are affected by estimates and assumptions, which are used for, but not limited to, the accounting for revenue recognition, income taxes and related reserves, deferred commissions, purchased intangible assets and goodwill. Actual results could differ from those estimates.

Revenue

We account for revenue in accordance with Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). For a further discussion of our accounting policies related to revenue, see Note 3 of the consolidated financial statements.

Shipping and Handling Costs

Shipping and handling costs are included in cost of revenues for all periods presented.

Sales Tax

We record revenue net of sales tax.

Accounting for Stock-Based Compensation

Restricted stock units without a market condition are measured based on the fair market values of the underlying stock on the date of grant. We recognize stock-based compensation expense using the straight-line method for all stock awards that do not include a market or performance condition. Awards that include a market or performance condition are expensed using the accelerated method.

Software Development Costs

The costs for the development of new products and substantial enhancements to existing products are expensed as incurred until technological feasibility has been established, at which time any additional costs would be capitalized in accordance with the accounting guidance for software. Because our current process for developing software is essentially completed concurrently with the establishment of technological feasibility, which occurs upon the completion of a working model, no costs have been capitalized for any of the periods presented.

Advertising Costs

We expense advertising costs as incurred. Advertising expenses were \$9,572, \$9,560, and \$5,579 for the years ended March 31, 2022, 2021 and 2020, respectively.

Accounting for Income Taxes

We account for income taxes in accordance with ASC Topic 740, *Income Taxes* ("ASC 740"). The provision for income taxes and effective tax rates are calculated by legal entity and jurisdiction and are based on a number of factors, including the level of pre-tax earnings, income tax planning strategies, differences between tax laws and accounting rules, statutory tax rates and credits, uncertain tax positions and valuation allowances. We use significant judgment and estimates in evaluating tax positions. The effective tax rate in a given financial statement period may be materially impacted by changes in the mix and level of earnings by taxing jurisdiction.

Under ASC 740, deferred income taxes arise from temporary differences between the tax basis of assets and liabilities and their reported amounts. Valuation allowances are established when, in our judgment, it is more likely than not that deferred tax assets will not be realized. In assessing the need for a valuation allowance, we weigh the available positive and negative evidence, including historical levels of pre-tax income, legislative developments, expectations and risks associated with estimates of future pre-tax income, and prudent and feasible tax planning strategies.

Foreign Currency Translation

The functional currencies of our foreign operations are deemed to be the local country's currency. Assets and liabilities of our international subsidiaries are translated at their respective period-end exchange rates, and revenues and expenses are translated at average currency exchange rates for the period. The resulting balance sheet translation adjustments are included in Other comprehensive income (loss) and are reflected as a separate component of Stockholders' equity.

Foreign currency transaction gains and losses are recorded in General and administrative expenses in the Consolidated Statements of Operations. These gains and losses relate primarily to receivables and payables that are not denominated in the functional currency of the subsidiary they relate to. Net foreign currency transaction losses were not significant for the year ended March 31, 2022. We recognized net foreign currency transaction losses of \$1,918 and gains of \$355 in the years ended March 31, 2021 and 2020, respectively.

Net Income (Loss) per Common Share

Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of common shares during the period. Diluted net income (loss) per share is computed using the weighted average number of common shares and, if dilutive, potential common shares outstanding during the period. Potential common shares consist of the incremental common shares issuable upon the exercise of stock options, vesting of restricted stock units and shares to be purchased under the Employee Stock Purchase Plan. The dilutive effect of such potential common shares is reflected in diluted earnings per share by application of the treasury stock method.

Commvault Systems, Inc.
Notes to Consolidated Financial Statements — (Continued)
(In thousands, except per share data)

The following table sets forth the reconciliation of basic and diluted common share:

	Year Ended March 31,		
	2022	2021	2020
Net income (loss)	\$ 33,624	\$ (30,954)	\$ (5,645)
Basic net income (loss) per common share:			
Basic weighted average shares outstanding	45,443	46,652	45,793
Basic net income per common share	\$ 0.74	\$ (0.66)	\$ (0.12)
Diluted net income (loss) per common share:			
Basic weighted-average shares outstanding	45,443	46,652	45,793
Dilutive effect of stock options, restricted stock units, and employee stock purchase plan ⁽¹⁾	1,777	—	—
Diluted weighted-average shares outstanding	47,220	46,652	45,793

⁽¹⁾ The fiscal 2021 and 2020 shares have been excluded from the diluted weighted-average shares outstanding calculation as we were in a net loss position; therefore, these shares would have been anti-dilutive.

The following table summarizes our potential outstanding common stock equivalents at the end of each period, which have been excluded from the computation of diluted net income (loss) per common share, as their effect is anti-dilutive.

	Year Ended March 31,		
	2022	2021	2020
Stock options, restricted stock units, and shares under the employee stock purchase plan	505	5,024	4,933

Cash, Cash Equivalents and Restricted Cash

We consider all highly liquid investments purchased with maturities of three months or less at the date of purchase to be cash equivalents, primarily in the form of money market funds.

Trade and Other Receivables

Trade and other receivables are primarily comprised of trade receivables that are recorded at the invoice amount, net of an allowance for doubtful accounts, which is not material. Unbilled receivables represent amounts for which revenue has been recognized but which have not yet been invoiced to the customer. The current portion of unbilled receivables is included in Trade accounts receivable on the Consolidated Balance Sheets. Long-term unbilled receivables are included in Other assets. The allowance for doubtful accounts was \$705 as of March 31, 2022 and \$483 as of March 31, 2021. For the years ended March 31, 2022, 2021 and 2020, bad debt expense was immaterial.

Historically, we have not experienced material losses related to the inability to collect receivables from our customers. While there is presently no indication that we will not collect material amounts of accounts receivable as of March 31, 2022, we continue to closely monitor the impact of COVID-19 and the war in Ukraine on our customers. In these current economic conditions, payment from our customers may be delayed or receivables may become uncollectible. The inability to collect receivables could have a material impact on our results of operations.

Concentration of Credit Risk

We grant credit to customers in a wide variety of industries worldwide and generally do not require collateral. Credit losses relating to these customers have been minimal.

Sales through our distribution agreement with Arrow Enterprise Computing Solutions, Inc. ("Arrow") totaled approximately 37%, 36% and 37% of total revenues for the years ended March 31, 2022, 2021 and 2020,

respectively. Arrow accounted for approximately 30% and 33% of total accounts receivable as of March 31, 2022 and 2021, respectively.

Fair Value of Financial Instruments

The carrying amounts of our cash, cash equivalents, accounts receivable, accounts payable and accrued expenses approximate their fair values due to the short-term maturity of these instruments.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for such asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value should maximize the use of observable inputs and minimize the use of unobservable inputs. To measure fair value, we use the following fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable:

Level 1 — Observable inputs such as quoted prices in active markets for identical assets or liabilities;

Level 2 — Inputs other than Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 — Unobservable inputs that are supported by little or no market activity and that require the reporting entity to develop its own assumptions.

There were no financial assets or liabilities measured at fair value on a recurring basis for the years ended March 31, 2022 or 2021.

Equity Securities Accounted for at Net Asset Value

We held equity interests in private equity funds of \$4,237 as of March 31, 2022, which are accounted for under the net asset value practical expedient as permitted under ASC 820, *Fair Value Measurement*. These investments are included in Other assets in the accompanying Consolidated Balance Sheets. The net asset values of these investments are determined using quarterly capital statements from the funds, which are based on our contributions to the funds, allocation of profit and loss and changes in fair value of the underlying fund investments. Changes in fair value as reported on the capital statements are recorded through profit and loss as non-operating income or expense. These private equity funds focus on making investments in key technology sectors, principally by investing in companies at expansion capital and growth equity stages. We have total unfunded commitments in private equity funds of \$6,889 as of March 31, 2022. We did not own interests in any of these funds prior to fiscal year 2022.

Leases

We account for leases in accordance with ASC 842, *Leases*. For a further discussion of our accounting policies related to leases, see Note 15 of the consolidated financial statements.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and amortization. Land is not depreciated. We provide for depreciation on a straight-line basis over the estimated useful lives of the assets. The depreciable assets that comprise our owned headquarters are classified as Buildings and are being depreciated over lives ranging from ten to sixty years. Computer and related equipment is generally depreciated over eighteen months to three years and furniture and fixtures are generally depreciated over three to twelve years. Leasehold improvements are amortized over the shorter of the useful life of the improvement or the term of the related lease. Expenditures for routine maintenance and repairs are charged against operations. Major replacements, improvements and additions are capitalized.

Goodwill and Intangible Assets

Goodwill is recorded when the consideration paid for an acquisition exceeds the fair value of net tangible and intangible assets acquired. The carrying value of goodwill is tested for impairment on an annual basis on January 1, or more often if an event occurs or circumstances change that would more likely than not reduce the fair value of its carrying amount. For the purpose of impairment testing, we have a single reporting unit. The impairment test consists of comparing the fair value of the reporting unit with its carrying amount that includes goodwill. If the carrying amount of the reporting unit exceeds the fair value of the reporting unit, an impairment loss would be recognized to reduce the carrying amount to its fair value.

Our finite lived purchased intangible asset, developed technology, was valued using the replacement cost method and is being amortized on a straight-line basis over its economic life of three years as we believed this method most closely reflects the pattern in which the economic benefits of the assets will be consumed. Impairment losses are recognized if the carrying amount of an intangible asset is both not recoverable and exceeds its fair value.

Long-Lived Assets

We review our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. To determine the recoverability of our long-lived assets, we evaluate the estimated future undiscounted cash flows that are directly associated with, and that are expected to arise as a direct result of, the use and eventual disposition of the long-lived asset. If the estimated future undiscounted cash flows demonstrate that recoverability is not probable, an impairment loss would be recognized. An impairment loss would be calculated based on the excess carrying amount of the long-lived asset over the long-lived asset's fair value. The fair value would be determined based on valuation techniques such as a comparison to fair values of similar assets.

Deferred Commissions Cost

Sales commissions, bonuses, and related payroll taxes earned by our employees are considered incremental and recoverable costs of obtaining a contract with a customer. Our typical contracts include performance obligations related to software licenses, software updates, customer support and other services, including software-as-a-service offerings. In these contracts, incremental costs of obtaining a contract are allocated to the performance obligations based on the relative estimated standalone selling prices and then recognized on a systematic basis that is consistent with the transfer of the goods or services to which the asset relates. We do not pay commissions on annual renewals of contracts for software updates and customer support for perpetual licenses. The costs allocated to software and products are expensed at the time of sale, when revenue for the functional software license or appliance is recognized. The costs allocated to software updates and customer support for perpetual licenses are amortized ratably over a period of approximately five years, the expected period of benefit of the asset capitalized. We currently estimate a period of five years is appropriate based on consideration of historical average customer life and the estimated useful life of the underlying software or appliance sold as part of the transaction.

Beginning in fiscal 2022, we modified the terms of our commission plans, and as a result, the commission paid on the renewal of a term-based, or subscription software license, was not commensurate with the commission paid on the initial purchase. As a result, the cost of commissions allocated to software updates and customer support on the initial transaction are now amortized over a period of approximately five years, consistent with the accounting for these costs associated with perpetual licenses. The costs of commissions allocated to software updates and support for the renewal of term-based software licenses is limited to the contractual period of the arrangement, as we pay a commensurate renewal commission upon the next renewal of the subscription license and related updates and support. This change in commission plans also resulted in a change in the estimate of the amortization period of our existing Deferred commissions cost associated with term licenses. This change in amortization period resulted in an approximate \$3,575 reduction in Sales and marketing expense, than if the change in estimate did not occur, for the year ended March 31, 2022.

The costs related to professional services are amortized over the period the related professional services are provided and revenue is recognized. Amortization expense related to these costs is included in Sales and marketing expenses in the accompanying Consolidated Statements of Operations.

Deferred Revenue

Deferred revenues represent amounts collected from, or invoiced to, customers in excess of revenues recognized. This results primarily from the billing of annual customer support agreements, and billings for other professional services fees that have not yet been performed by us. The value of deferred revenues will increase or decrease based on the timing of invoices and recognition of revenue.

Share Repurchases

We consider all shares repurchased as canceled shares restored to the status of authorized but unissued shares on the trade date. The aggregate purchase price of the shares of our common stock repurchased is reflected as a reduction to Stockholders' equity. We account for shares repurchased as an adjustment to common stock (at par value) with the excess repurchase price allocated between Additional paid-in capital and Accumulated deficit.

Comprehensive Income (Loss)

Comprehensive income (loss) is defined to include all changes in equity, except those resulting from investments by stockholders and distribution to stockholders.

Recently Adopted Accounting Standards

Standard	Description	Effective Date	Effect on the Consolidated Financial Statements (or Other Significant Matters)
ASU No. 2019-12 (Topic 740), Income Taxes	In December 2019, the Financial Accounting Standards Board ("FASB") issued a new standard to simplify the accounting for income taxes. The guidance eliminates certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period, and the recognition of deferred tax liabilities for outside basis differences related to changes in ownership of equity method investments and foreign subsidiaries. The guidance also simplifies aspects of accounting for franchise taxes and enacted changes in tax laws or rates, and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill.	We adopted this standard as of April 1, 2021.	The standard did not have a significant impact on our financial statements.
ASU No. 2021-08 (Topic 805), Business Combinations	In October 2021, the FASB issued a new standard to improve the accounting for acquired revenue contracts with customers in a business combination. The new guidance requires companies to apply revenue guidance under ASC Topic 606 to recognize and measure contract assets and contract liabilities acquired in a business combination on the acquisition date.	We elected to early adopt effective January 1, 2022.	The standard did not have a significant impact in our consolidated financial statements, including accounting policies, processes and systems.

3. Revenue

We derive revenues from two primary sources: software and products, and services. Software and products revenue includes our software and integrated appliances that combine our software with hardware. Services include customer support (software updates and technical support), consulting, assessment and design services, installation services, customer education and Commvault software-as-a-service, which is branded as Metallic.

We sell both perpetual and term-based licenses of our software. We refer to our term-based software licenses as subscription arrangements. We do not customize our software and installation services are not required. The software is delivered before related services are provided and is functional without professional services, updates and technical support. We have concluded that our software licenses (both perpetual and subscription) are functional intellectual property that is distinct as the user can benefit from the software on its own. Software revenue for both perpetual and subscription licenses is typically recognized when the software is delivered and/or made available for download as this is the point the user of the software can direct the use of, and obtain substantially all of the remaining benefits from the functional intellectual property. We do not recognize software revenue related to the renewal of subscription software licenses earlier than the beginning of the new subscription period.

We also sell appliances that integrate our software with hardware and address a wide-range of business needs and use cases, ranging from support for remote or branch offices with limited IT staff up to large corporate data centers. Revenue related to appliances is recognized when control of the appliances passes to the customer; typically upon delivery. In the second half of fiscal 2021 we began transitioning to a software only model in which we typically sell software to a third party, which assembles an integrated appliance that is sold to end user customers. As a result, the revenue and costs associated with hardware have declined from recent fiscal years.

Services revenue includes revenue from customer support and other professional services. Customer support includes software updates on a when-and-if-available basis, telephone support, integrated web-based support and bug fixes or patches. We sell our customer support contracts as a percentage of net software purchases the support is related to. Customer support revenue is recognized ratably over the term of the customer support agreement, which is typically one year on our perpetual licenses. The term of our subscription arrangements is typically three years, but can range between one and five years.

Our other professional services include consulting, assessment and design services, installation services and customer education. Customer education services include courses taught by our instructors or third-party contractors. Revenue related to other professional services and customer education services is typically recognized as the services are performed.

Commvault software-as-a-service, which is branded as Metallic, allows customers to use hosted software over the contract period without taking possession of the software. Revenue related to Metallic is generally recognized ratably over the contract term as services revenue.

Most of our contracts with customers contain multiple performance obligations. For these contracts, we account for individual performance obligations separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative standalone selling price basis. Standalone selling prices of software and appliances are typically estimated using the residual approach. Standalone selling prices of services are typically estimated based on observable transactions when these services are sold on a standalone basis.

Commvault Systems, Inc.
Notes to Consolidated Financial Statements — (Continued)
(In thousands, except per share data)

Our typical performance obligations include the following:

Performance Obligation	When Performance Obligation is Typically Satisfied	When Payment is Typically Due	How Standalone Selling Price is Typically Estimated
Software and Products Revenue			
Software Licenses	Upon shipment or made available for download (point in time)	Within 90 days of shipment except for certain subscription licenses which are paid for over time	Residual approach
Customer Support Revenue			
Software Updates	Ratably over the course of the support contract (over time)	At the beginning of the contract period	Observable in renewal transactions
Customer Support	Ratably over the course of the support contract (over time)	At the beginning of the contract period	Observable in renewal transactions
Other Services Revenue			
Other Professional Services (except for education services)	As work is performed (over time)	Within 90 days of services being performed	Observable in transactions without multiple performance obligations
Education Services	When the class is taught (point in time)	Within 90 days of services being performed	Observable in transactions without multiple performance obligations
Software-as-a-service (Metallic)	Ratably over the course of the contract (over time)	Annual or monthly payments	Observable in transactions without multiple performance obligations

Disaggregation of Revenue

We disaggregate revenue from contracts with customers into the nature of the products and services and geographical regions. The geographic regions that are tracked are the Americas (United States, Canada, Latin America), EMEA (Europe, Middle East, Africa) and APJ (Australia, New Zealand, Southeast Asia, China). We operate in one segment.

	Year Ended March 31, 2022			
	Americas	EMEA	APJ	Total
Software and Products Revenue	\$ 215,264	\$ 103,749	\$ 37,474	\$ 356,487
Customer Support Revenue	202,867	104,524	39,724	347,115
Other Services Revenue	39,764	19,068	7,157	65,989
Total Revenue	\$ 457,895	\$ 227,341	\$ 84,355	\$ 769,591
	Year Ended March 31, 2021			
	Americas	EMEA	APJ	Total
Software and Products Revenue	\$ 187,027	\$ 101,673	\$ 38,143	\$ 326,843
Customer Support Revenue	215,831	100,620	41,330	357,781
Other Services Revenue	21,264	12,138	5,446	38,848
Total Revenue	\$ 424,122	\$ 214,431	\$ 84,919	\$ 723,472

Commvault Systems, Inc.
Notes to Consolidated Financial Statements — (Continued)
(In thousands, except per share data)

	Year Ended March 31, 2020				
	Americas	EMEA	APJ	Total	
Software and Products Revenue	\$ 141,856	\$ 95,356	\$ 38,096	\$ 275,308	
Customer Support Revenue	230,226	88,965	40,939	360,130	
Other Services Revenue	18,778	10,459	6,210	35,447	
Total Revenue	\$ 390,860	\$ 194,780	\$ 85,245	\$ 670,885	

Information about Contract Balances

Amounts collected in advance of services being provided are accounted for as deferred revenue. Nearly all of our deferred revenue balance is related to services revenue, primarily customer support contracts and software-as-a-service contracts.

In some arrangements we allow customers to pay for term-based software licenses and products over the term of the software license. Amounts recognized as revenue in excess of amounts billed are recorded as unbilled receivables. Unbilled receivables, which are anticipated to be invoiced in the next twelve months, are included in Accounts Receivable on the Consolidated Balance Sheets. Long-term unbilled receivables are included in Other assets. The opening and closing balances of our Accounts receivable, Unbilled receivables and Deferred revenues are as follows:

	Accounts Receivable	Unbilled Receivable (current)	Unbilled Receivable (long-term)	Deferred Revenue (current)	Deferred Revenue (long-term)
Opening Balance as of March 31, 2021	\$ 168,985	\$ 19,141	\$ 7,463	\$ 253,211	\$ 119,231
Increase/(decrease), net	8,197	(2,085)	6,833	13,806	30,949
Ending Balance as of March 31, 2022	\$ 177,182	\$ 17,056	\$ 14,296	\$ 267,017	\$ 150,180

The net increase in accounts receivable (inclusive of unbilled receivables) is a result of an increase in software and products revenue relative to the prior year. The increase in deferred revenue is primarily the result of an increase in deferred revenue associated with software-as-a-service contracts that are billed upfront and recognized ratably over the contract period.

The amount of revenue recognized in the period that was included in the opening deferred revenue balance was approximately \$254,100 for the year ended March 31, 2022. The vast majority of this revenue consists of customer support arrangements. The amount of revenue recognized from performance obligations satisfied in prior periods was not material.

Remaining Performance Obligations

In addition to the amounts included in deferred revenue as of March 31, 2022, approximately \$83,500 of revenue may be recognized from remaining performance obligations, of which approximately \$21,250 was related to software and products. We expect most of the software and products revenue to be recognized in the first half of fiscal 2022. The majority of the services revenue is related to other professional services which may be recognized over the next twelve months but is contingent upon a number of factors, including customers' needs and schedules.

Commvault Systems, Inc.
Notes to Consolidated Financial Statements — (Continued)
(In thousands, except per share data)

4. Business Combination

On January 31, 2022, we completed the acquisition of TrapX Security ("TrapX"), an Israeli-based cyber deception technology company, acquiring 100% of the equity interest for a purchase price of \$18,653, paid in cash. The primary reason for the business combination is to expand the security features of our software-as-a-service offerings. The technology was valued using the replacement method. The following table summarizes the purchase price allocation as of the date of acquisition:

Assets acquired and liabilities assumed:		
Cash	\$	1,759
Trade accounts receivable		700
Developed technology		3,750
Pre-acquisition tax contingencies		(736)
Accrued expenses		(523)
Deferred revenue		(1,642)
Total identifiable net assets acquired and liabilities assumed		3,308
Goodwill		15,345
Total purchase price	\$	18,653

Actual and Unaudited Pro Forma Information

We completed the acquisition for TrapX on January 31, 2022, and accordingly, TrapX's operations for the period from January 31, 2022 to March 31, 2022 are included in our Consolidated Statements of Operations. TrapX contributed revenues of approximately \$535 and estimated net loss of \$948 for the period from the completion of acquisition through March 31, 2022.

The following unaudited pro forma results of operations have been prepared using the acquisition method of accounting to give effect to the TrapX acquisition as though it occurred on April 1, 2020. The pro forma amounts reflect certain adjustments, such as expenses related to the noncash amortization of intangible assets. The fiscal 2022 supplemental pro forma net income was adjusted to exclude \$1,379 of acquisition-related costs incurred in fiscal 2022. The fiscal 2021 supplemental pro forma net loss was adjusted to include these charges. In addition to estimated operating expenses, both periods include noncash amortization expenses related to intangible assets as if the acquisition had taken place on April 1, 2020.

The unaudited pro forma financial information is presented for illustrative purposes only, is based on a purchase price allocation, and is not necessarily indicative of the results of operations that would have actually been reported had the acquisition occurred on April 1, 2020, nor is it necessarily indicative of the future results of operations of the combined company.

	Unaudited			
	Year Ended March 31,			
	2022		2021	
Revenue	\$	774,161	\$	729,120
Net income (loss)	\$	33,104	\$	(37,601)

5. Goodwill and Intangible Assets, Net

Goodwill

Goodwill represents the residual purchase price paid in a business combination after the fair value of all identified assets and liabilities have been recorded. It includes the estimated value of potential expansion with new customers, the opportunity to further develop sales relationships with new customers and intangible assets that do not qualify for separate recognition. Goodwill is not amortized. None of the goodwill recorded is expected to be deductible for income tax purposes.

There were no impairments to the carrying amount of goodwill during either fiscal year ended March 31, 2022 or 2021.

Goodwill balances are as follows:

	2022		2021	
Opening balance	\$	112,435	\$	112,435
Additions		15,345		—
Ending balance	\$	127,780	\$	112,435

Intangible assets, net

Intangible assets are recorded at cost and amortized over their estimated useful lives.

	March 31, 2022			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value	Remaining Useful Life (in months)
Developed technology	\$ 3,750	\$ (208)	\$ 3,542	34

	March 31, 2021			
	Gross Carrying Amount	Accumulated Amortization	Impairment Charge	Net Carrying Value
Developed technology	\$ 49,000	\$ (9,800)	\$ (39,200)	\$ —
Customer relationships	3,000	(1,500)	(1,500)	—
Total intangible assets	\$ 52,000	\$ (11,300)	\$ (40,700)	\$ —

Amortization expense from acquired intangible assets was \$208 for the fiscal year ended March 31, 2022 and \$5,650 for the fiscal year ended 2021. During the second quarter of fiscal year 2021 we identified an indicator of impairment and concluded that the carrying values of the developed technology and customer relationships acquired in connection with the Hedvig transaction were not recoverable on an undiscounted basis. As a result, we remeasured the fair value of these assets and concluded their value was de minimis. We recorded a \$40,700 impairment charge in the accompanying Consolidated Statements of Operations for the year ended March 31, 2021. These non-recurring fair value measurements were categorized as Level 3, as significant unobservable inputs were used in the valuation analysis. Key assumptions used in the valuation include forecasts of revenue and expenses over an extended period, the useful life of the asset, tax rates, and estimated costs of debt and equity capital to discount the projected cash flows. Certain of these assumptions involve significant judgment and are based on management's estimate of current and forecasted market conditions.

Commvault Systems, Inc.
Notes to Consolidated Financial Statements — (Continued)
(In thousands, except per share data)

Estimated future amortization expense of intangible assets with finite lives as of March 31, 2022 is as follows:

Year ending March 31,		
2023	\$	1,250
2024		1,250
2025		1,042
Total	\$	3,542

6. Property and Equipment

Property and equipment consist of the following:

	March 31,	
	2022	2021
Land	\$ 9,445	\$ 9,445
Buildings	103,244	103,244
Computers, servers and other equipment	45,557	42,117
Furniture and fixtures	15,031	14,689
Leasehold improvements	9,349	8,089
Purchased software	2,016	1,955
Construction in process	2,119	4,304
	186,761	183,843
Less: Accumulated depreciation and amortization	(80,248)	(71,064)
	<u>\$ 106,513</u>	<u>\$ 112,779</u>

We recorded depreciation and amortization expense of \$10,708, \$10,228, and \$11,415 for the years ended 2022, 2021 and 2020, respectively. Approximately \$1,250 of depreciation expense is allocated to our cost of goods sold for the years ended 2022, 2021 and 2020.

7. Accrued Liabilities

Accrued liabilities consist of the following:

	March 31,	
	2022	2021
Compensation and related payroll taxes	\$ 73,409	\$ 69,890
Other	48,428	42,258
	<u>\$ 121,837</u>	<u>\$ 112,148</u>

8. Commitments and Contingencies

Purchase Commitments

We, in the normal course of business, enter into various purchase commitments for goods or services. Total non-cancellable purchase commitments as of March 31, 2022, which relate primarily to marketing and IT services are as follows:

	2023	2024	2025	2025 and beyond	Total
Purchase commitments	\$ 19,693	\$ 4,969	\$ 7,976	\$ 215	\$ 32,853

Commvault Systems, Inc.
Notes to Consolidated Financial Statements — (Continued)
(In thousands, except per share data)

We have certain software royalty commitments associated with the shipment and licensing of certain products. Royalty expense is generally based on a fixed cost per unit shipped or a fixed fee for unlimited units shipped over a designated period. Royalty expense, included in Cost of software and products revenues, was as follows:

	Year Ended March 31,		
	2022	2021	2020
Royalty expense	\$ 11,188	\$ 16,256	\$ 12,545

Warranties and Indemnifications

We typically offer a 90-day limited product warranty for our software. To date, costs related to this product warranty have not been significant.

We provide certain provisions within our software licensing agreements to indemnify our customers from any claim, suit or proceeding arising from alleged or actual intellectual property infringement. These provisions continue in perpetuity, along with our software licensing agreements. We have never incurred a liability relating to one of these indemnification provisions, and management believes that the likelihood of any future payout relating to these provisions is remote. Therefore, we have not recorded a liability during any period for these indemnification provisions.

Legal Proceedings

During fiscal 2022, we entered into settlement agreements resulting in a \$7,900 gain which resolved certain legal matters. The settlement amounts are recorded in General and administrative expenses net against related legal expenses.

We do not believe that we are currently party to any pending legal action that could reasonably be expected to have a material adverse effect on our business or operating results.

9. Capitalization

Common Stock

We have 44,511 and 46,482 shares of common stock, par value \$0.01, outstanding at March 31, 2022 and March 31, 2021, respectively.

During fiscal 2022, we repurchased \$305,239 of common stock, or approximately 4,307 shares, under our share repurchase program. This program commenced in January 2021 and ended on March 31, 2022. Our share repurchase program has been funded by our existing cash and cash equivalent balances as well as cash flows provided by our operations.

Subsequent Event

On April 21, 2022 the Board of Directors approved a new share repurchase program of \$250,000. The Board's authorization has no expiration date.

Shares Reserved for Issuance

At March 31, 2022, we have reserved 5,354 shares in connection with our Stock Plans discussed in Note 10 of the notes to the consolidated financial statements.

Commvault Systems, Inc.
Notes to Consolidated Financial Statements — (Continued)
(In thousands, except per share data)

10. Stock Plans

We maintain the Omnibus Incentive Plan (the “2016 Incentive Plan”) for granting awards to employees. On August 19, 2021, our shareholders approved an amendment to the 2016 Incentive Plan to increase the maximum number of shares of common stock that may be delivered under plan to 10,050, an increase of 2,000 shares. The 2016 Incentive Plan authorizes a broad range of awards including stock options, stock appreciation rights, full value awards (including restricted stock, restricted stock units, performance shares or units and other stock-based awards) and cash-based awards. As of March 31, 2022, approximately 2,090 shares were available for future issuance under the 2016 Incentive Plan.

As of March 31, 2022, we have granted non-qualified stock options, restricted stock units and performance stock awards under our stock incentive plans. Historically, most equity awards granted by us under our stock incentive plans generally vest quarterly over a three-year period, except that the shares that would otherwise vest quarterly over the first twelve months do not vest until the first anniversary of the grant. We anticipate that future grants under our stock incentive plans will be restricted stock units and performance stock awards and do not anticipate that we will grant stock options.

As of March 31, 2022, there was approximately \$146,077 of unrecognized stock-based compensation expense related to all of our employee stock plans that is expected to be recognized over a weighted-average period of 1.74 years. To the extent the actual forfeiture rate is different from what we have anticipated, stock-based compensation related to these awards will be different from our expectations.

Restricted stock unit activity is as follows:

Non-Vested Restricted Stock Units	Number of Awards	Weighted-Average Grant Date Fair Value
Non-vested as of March 31, 2021	3,451	\$ 44.90
Granted	1,958	69.77
Vested	(1,743)	45.90
Forfeited	(356)	52.93
Non-vested as of March 31, 2022	<u>3,310</u>	<u>\$ 58.16</u>

The total fair value of the restricted stock units that vested during the years ended March 31, 2022, 2021 and 2020 was \$122,259, \$72,544 and \$48,221, respectively.

The following summarizes the activity for our stock incentive plans from March 31, 2021 to March 31, 2022:

Options	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at March 31, 2021	1,357	\$ 62.06		
Options granted	—	—		
Options exercised	(406)	46.56		
Options forfeited	—	—		
Options expired	(34)	86.25		
Outstanding at March 31, 2022	<u>917</u>	<u>\$ 68.03</u>	<u>1.46</u>	<u>\$ 7,070</u>
Exercisable at March 31, 2022	<u>917</u>	<u>\$ 68.03</u>	<u>1.46</u>	<u>\$ 7,070</u>

Commvault Systems, Inc.
Notes to Consolidated Financial Statements — (Continued)
(In thousands, except per share data)

The total intrinsic value of options exercised was \$12,704, \$4,306, and \$13,428 in the years ended March 31, 2022, 2021 and 2020, respectively. Our policy is to issue new shares upon exercise of options as we do not hold shares in treasury.

The following table presents the stock-based compensation expense included in Cost of services revenue, Sales and marketing, Research and development, General and administrative and Restructuring expenses for the years ended March 31, 2022, 2021 and 2020.

	Year Ended March 31,		
	2022	2021	2020
Cost of services revenue	\$ 4,474	\$ 3,317	\$ 2,604
Sales and marketing	37,431	35,577	31,779
Research and development	33,870	24,823	14,594
General and administrative	27,679	18,369	15,158
Restructuring	1,709	2,747	1,753
Stock-based compensation expense	<u>\$ 105,163</u>	<u>\$ 84,833</u>	<u>\$ 65,888</u>

Performance Based Awards

In May 2021, we granted 105 performance stock units ("PSUs") to certain executives and in June 2021, we granted an additional 14 PSUs to certain executives for a total of 119 PSUs for fiscal 2022. Vesting of these awards is contingent upon i) us meeting certain revenue and non-GAAP performance goals (performance-based) in fiscal 2022 and ii) our customary service periods. The awards vest over three years. These awards generally have potential to vest at 200% based on actual fiscal 2022 performance. The related stock-based compensation expense is determined based on the value of the underlying shares on the date of grant and is recognized over the vesting term using the accelerated method. During each financial period, management estimates the probable number of PSUs that would vest until the ultimate achievement of the performance goals is known. Based on our results, the PSUs granted in May 2021, will be eligible to vest at approximately 150% and the PSUs granted in June 2021 will be eligible to vest at 200%. The awards are included in the restricted stock unit table.

There were no performance based stock units granted during fiscal 2021.

Awards with a Market Condition

In fiscal 2022, we granted 105 market performance stock units to certain executives. The vesting of these awards is contingent upon us meeting certain total shareholder return ("TSR") levels as compared to the Russell 3000 market index over the three years subsequent to grant date. The awards vest in three annual tranches and have a maximum potential to vest at 200% and a minimum of 0% based on TSR performance. The related stock-based compensation expense is determined based on the estimated fair value of the underlying shares on the date of grant and is recognized using the accelerated method over the vesting term. The estimated fair value was calculated using a Monte Carlo simulation model. The fair value of the awards granted during the year was \$87.74 per share, which approximated the market value of a share of stock at the time of grant. The awards are included in the restricted stock unit table above.

In fiscal 2021, we granted 299 market performance stock units to certain executives. The vesting of these awards is contingent upon us meeting certain total shareholder return ("TSR") levels as compared to the Russell 3000 market index over the three years subsequent to grant date. The awards vest in three annual tranches and have a maximum potential to vest at 200% and a minimum of 0% based on TSR performance. The related stock-based compensation expense is determined based on the estimated fair value of the underlying shares on the date of grant and is recognized using the accelerated method over the vesting term. The estimated fair value was calculated using a Monte Carlo simulation model. The fair value of the awards granted during the year was \$36.76 per share, which approximated the market value of a share of stock at the time of grant. The awards are included in the restricted stock unit table above.

Employee Stock Purchase Plan

The Employee Stock Purchase Plan (the "Purchase Plan") is a shareholder approved plan under which substantially all employees may purchase our common stock through payroll deductions at a price equal to 85% of the lower of the fair market values of the stock as of the beginning or the end of six-month offering periods. An employee's payroll deductions under the Purchase Plan are limited to 10% of the employee's salary and employees may not purchase more than \$25 of stock during any calendar year. Employees purchased 187 shares in exchange for \$10,816 of proceeds in fiscal 2022 and 272 shares in exchange for \$9,812 of proceeds in fiscal 2021. The Purchase Plan is considered compensatory and the fair value of the discount and look back provision are estimated using the Black-Scholes formula and recognized over the six-month withholding period prior to purchase. The total expense associated with the Purchase Plan for fiscal 2022, 2021 and 2020 was \$3,341, \$3,417 and \$2,939, respectively. As of March 31, 2022, there was approximately \$1,448 of unrecognized cost related to the current purchase period of our Purchase Plan.

11. Income Taxes

Global Intangible Low-Tax Income ("GILTI")

The Tax Cuts and Jobs Act (the "Act") was enacted on December 22, 2017. The Act subjects a U.S. shareholder to tax on Global Intangible Low-Taxed Income ("GILTI") earned by certain foreign subsidiaries. The FASB Staff Q&A, Topic 740, No. 5, Accounting for GILTI, states that an entity can make an accounting policy election to either recognize deferred taxes for temporary basis differences expected to reverse as GILTI in future years or to provide for the tax expense related to GILTI in the year the tax is incurred as a period expense only. The Company has elected to account for GILTI in the year the tax is incurred, and has recorded an estimate of GILTI as a component of the tax provision for the fiscal years ending March 31, 2022, 2021 and 2020.

The components of income (loss) before income taxes were as follows:

	Year Ended March 31,		
	2022	2021	2020
Domestic	\$ 25,905	\$ (28,628)	\$ (16,670)
Foreign	17,509	7,393	4,124
	<u>\$ 43,414</u>	<u>\$ (21,235)</u>	<u>\$ (12,546)</u>

The components of income tax expense (benefit) were as follows:

	Year Ended March 31,		
	2022	2021	2020
Current:			
Federal	\$ 284	\$ 3,399	\$ (10,071)
State	361	196	(613)
Foreign	9,096	6,215	5,566
Deferred:			
Federal	28	(113)	284
State	—	—	—
Foreign	21	22	(2,067)
	<u>\$ 9,790</u>	<u>\$ 9,719</u>	<u>\$ (6,901)</u>

Commvault Systems, Inc.
Notes to Consolidated Financial Statements — (Continued)
(In thousands, except per share data)

A reconciliation of the statutory tax rates and the effective tax rates for the years ended March 31, 2022, 2021 and 2020 are as follows:

	Year Ended March 31,		
	2022	2021	2020
Statutory federal income tax expense (benefit) rate	21.0 %	(21.0)%	(21.0)%
State and local income tax expense, net of federal income tax effect	0.8 %	0.9 %	(4.9)%
Foreign earnings taxed at different rates	6.2 %	10.0 %	12.3 %
U.S. tax on Global Intangible Low-Taxed Income	0.5 %	1.8 %	14.5 %
Domestic permanent differences including acquisition items	3.6 %	1.7 %	7.7 %
Foreign tax credits	(5.3)%	(7.8)%	(19.3)%
Research credits	(28.3)%	(68.6)%	(32.9)%
Tax reserves	2.6 %	(0.1)%	(0.6)%
Valuation allowance	18.3 %	74.4 %	64.0 %
Enacted tax law changes	0.3 %	— %	10.6 %
Stock-based compensation	(1.6)%	36.3 %	(43.1)%
CARES Act Impact	— %	15.0 %	(82.1)%
Reduction of NOL for carryback	— %	— %	59.2 %
Other differences, net	4.5 %	3.2 %	(19.4)%
Effective income tax expense (benefit)	<u>22.6 %</u>	<u>45.8 %</u>	<u>(55.0)%</u>

The significant components of our deferred tax assets and liabilities are as follows:

	March 31,	
	2022	2021
Deferred tax assets:		
Net operating losses	\$ 12,937	\$ 12,586
Equity investment	948	1,193
Stock-based compensation	15,726	16,280
Deferred revenue	19,125	14,879
Tax credits	50,587	39,062
Accrued expenses	2,148	3,568
Allowance for doubtful accounts and other reserves	493	801
Other	115	—
Less: valuation allowance	(90,242)	(78,339)
Total deferred tax assets	<u>11,837</u>	<u>10,030</u>
Deferred tax liabilities:		
Depreciation and amortization	(3,945)	(4,553)
Deferred commissions and other	(8,700)	(6,238)
Total deferred tax liabilities	<u>\$ (12,645)</u>	<u>\$ (10,791)</u>
Net deferred tax liability	<u>\$ (808)</u>	<u>\$ (761)</u>

Commvault Systems, Inc.
Notes to Consolidated Financial Statements — (Continued)
(In thousands, except per share data)

Net deferred tax assets arise due to the recognition of income and expense items for tax purposes, which differ from those used for financial statement purposes. ASC 740, *Income Taxes*, provides for the recognition of deferred tax assets if realization of such assets is more likely than not. In assessing the need for a valuation allowance, we considered all available objective and verifiable evidence both positive and negative, including historical levels of pre-tax income (loss) both on a consolidated basis and tax reporting entity basis, legislative developments, expectations and risks associated with estimates of future pre-tax income, and prudent and feasible tax planning strategies. As a result of this analysis, we determined that it is more likely than not that we will not realize the benefits of our gross deferred tax assets and therefore have recorded a valuation allowance to reduce the carrying value of these gross deferred tax assets, net of the impact of the reversal of taxable temporary differences. At March 31, 2022 and 2021, we recorded valuation allowances of \$90,242 and \$78,339, respectively, representing an increase in the valuation allowance of \$11,903 in 2022, due to the uncertainty regarding the realization of such deferred tax assets. Included in the March 31, 2022 valuation allowance of \$90,242 was \$3,894 related to purchase accounting.

During fiscal 2019, the Company could no longer assert that it had the intent to indefinitely reinvest the earnings and profits of the foreign subsidiaries, with the exception of India. Accordingly, the Company was required to adjust its deferred tax liability for the effects of this change in assertion. This effect was not significant. Our position during fiscal 2022 remains unchanged.

At March 31, 2022, we had federal NOL carry forwards of \$33,978. There are \$8,062 NOLs that will expire by 2036 and \$25,915 NOLs that will not expire. As of March 31, 2022, we had deferred tax assets related to state NOL carry forwards of \$1,793 which expire over various years beginning in 2031 depending on the jurisdiction. As of March 31, 2022, we had foreign NOL carry forwards of \$38,391 that will not expire.

We also had federal and state research tax credits ("R&D credit") carryforwards of approximately \$35,140 and \$18,873, respectively. The federal R&D credit carryforwards expire from 2033 through 2042, and the state R&D credit carryforwards expire from 2023 through 2037.

We conduct business globally and as a result, file income tax returns in the United States and in various state and foreign jurisdictions. In the normal course of business, we are subject to examination by taxing authorities throughout the world. The following table summarizes the tax years subject to income tax examinations by tax authorities as of March 31, 2022. The years subject to income tax examination in our foreign jurisdictions cover the maximum time period with respect to these jurisdictions. Due to NOLs, in some cases the tax years continue to remain subject to examination with respect to such NOLs.

Tax Jurisdiction	Years Subject to Income Tax Examination
U.S. Federal	2018 - Present
Foreign jurisdictions	2012 - Present

Commvault Systems, Inc.
Notes to Consolidated Financial Statements — (Continued)
(In thousands, except per share data)

The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax regulations in each of our tax jurisdictions. The number of years with open tax audits varies depending on the tax jurisdiction. A number of years may lapse before a particular matter is audited and finally resolved. A reconciliation of the amounts of unrecognized tax benefits is as follows:

Balance at March 31, 2019	\$	1,592
Additions for tax positions related to fiscal 2020		170
Additions for tax positions related to prior years		—
Settlements and effective settlements with tax authorities and remeasurements		—
Reductions related to the expiration of statutes of limitations		(100)
Foreign currency translation adjustment		—
Balance at March 31, 2020		1,662
Additions for tax positions related to fiscal 2021		614
Additions for tax positions related to prior years		—
Settlements and effective settlements with tax authorities and remeasurements		—
Reductions related to the expiration of statutes of limitations		(65)
Foreign currency translation adjustment		—
Balance at March 31, 2021		2,211
Additions for tax positions related to fiscal 2022		2,808
Additions for tax positions related to prior years		90
Settlements and effective settlements with tax authorities and remeasurements		—
Reductions related to the expiration of statutes of limitations		(117)
Additions for tax positions related to purchase accounting		4,232
Foreign currency translation adjustment		—
Balance at March 31, 2022	\$	9,224

We estimate that no significant remaining unrecognized tax benefits will be realized during the fiscal year ending March 31, 2023. Interest income, expense and penalties related to unrecognized tax benefits are recorded in Income tax expense in the Consolidated Statements of Operations. In the year ended March 31, 2022, we recognized interest income of \$8 related to the release of reserves. In the years ended March 31, 2021 and 2020, we recognized expense of \$9 and \$6, respectively, related to interest and penalties.

12. Employee Benefit Plan

We have a defined contribution plan, as allowed under Section 401(k) of the Internal Revenue Code, covering substantially all employees. Effective January 1, 2012, we make contributions equal to a discretionary percentage of the employee's contributions determined by us. During the years ended March 31, 2022, 2021 and 2020, we made contributions of \$2,923, \$2,445, and \$2,487, respectively.

13. Segment Information

We operate in one segment. Our products and services are sold throughout the world, through direct and indirect sales channels. Our chief operating decision maker (the "CODM") is the Chief Executive Officer. The CODM makes operating performance assessment and resource allocation decisions on a global basis. The CODM does not receive discrete financial information about asset allocation, expense allocation or profitability by product or geography.

Commvault Systems, Inc.
Notes to Consolidated Financial Statements — (Continued)
(In thousands, except per share data)

Revenues by geography are based upon the billing address of the customer. All transfers between geographic regions have been eliminated from consolidated revenues. The following table sets forth revenue and long-lived assets by geographic area:

	Year Ended March 31,		
	2022	2021	2020
Revenue:			
United States	\$ 398,632	\$ 379,106	\$ 342,660
Other	370,959	344,366	328,225
	<u>\$ 769,591</u>	<u>\$ 723,472</u>	<u>\$ 670,885</u>

No individual country other than the United States accounts for 10% or more of revenues in the years ended March 31, 2022, 2021 and 2020. Revenue included in the “Other” caption above primarily relates to our operations in Europe, Australia, Canada and Asia.

	March 31,	
	2022	2021
Long-lived assets:		
United States	\$ 275,546	\$ 248,386
Other	56,453	48,187
	<u>\$ 331,999</u>	<u>\$ 296,573</u>

At March 31, 2022 and 2021 no individual country, other than the United States, accounts for 10% or more of long-lived assets.

14. Restructuring

Our restructuring plans are aimed to increase efficiency in our sales, marketing and distribution functions as well as reduce costs across all functional areas. In the fourth quarter of fiscal 2022, we initiated a restructuring plan to combine the management of our EMEA and APJ field organizations. Restructuring charges relate primarily to severance and related costs associated with headcount reductions, stock-based compensation related to modifications of existing unvested awards granted to certain employees impacted by the restructuring plan and lease abandonment charges.

For the years ended March 31, 2022, 2021 and 2020, restructuring charges were comprised of the following:

	Year Ended March 31,		
	2022	2021	2020
Employee severance and related costs	\$ 4,483	\$ 19,040	\$ 16,834
Lease impairments related costs ⁽¹⁾	—	1,684	2,761
Stock-based compensation	1,709	2,747	1,753
Total restructuring charges	<u>\$ 6,192</u>	<u>\$ 23,471</u>	<u>\$ 21,348</u>

⁽¹⁾ There were no lease impairment charges for the year ended March 31, 2022. Lease impairment charges relate to seven and six offices for the years ended March 31, 2021 and 2020, respectively.

Commvault Systems, Inc.
Notes to Consolidated Financial Statements — (Continued)
(In thousands, except per share data)

Restructuring accrual

The activity in our restructuring accrual for the years ended March 31, 2022 and 2021 is as follows:

	Year Ended March 31,	
	2022	2021
Beginning balance	\$ 3,095	\$ 2,531
Employee severance and related costs	4,483	19,040
Payments	(5,317)	(18,476)
Ending balance	<u>\$ 2,261</u>	<u>\$ 3,095</u>

15. Leases

We determine if an arrangement contains a lease at inception. We generally lease our facilities under operating leases. Operating lease right-of-use ("ROU") assets are included in Operating lease assets on our Consolidated Balance Sheets. Current portion of operating lease liabilities and Long-term operating lease liabilities are included on our Consolidated Balance Sheets.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we generally use our incremental borrowing rate based on the estimated rate of interest for collateralized borrowing over a similar term of the lease payments at the commencement date.

We recognize operating lease costs over the estimated term of the lease, which includes options to extend lease terms that are reasonably certain of being exercised, starting when possession of the property is taken from the landlord. When a lease contains a predetermined fixed escalation of the minimum rent, we recognize the related operating lease cost on a straight-line basis over the lease term. In addition, certain of our lease agreements include variable lease payments, such as estimated tax and maintenance charges. These variable lease payments are excluded from minimum lease payments and are included in the determination of lease cost when it is probable that the expense has been incurred and the amount can be reasonably estimated.

Our lease liabilities relate primarily to operating leases for our global office infrastructure. These operating leases expire at various dates through fiscal 2031. We did not have any material finance leases for either the years ended March 31, 2022 or 2021.

Commvault Systems, Inc.
Notes to Consolidated Financial Statements — (Continued)
(In thousands, except per share data)

Net lease cost recognized in our Consolidated Statements of Operations is summarized as follows:

	Year Ended March 31,		
	2022	2021	2020
Operating lease cost	\$ 7,129	\$ 9,048	\$ 8,795
Short-term lease cost	123	232	410
Variable lease cost	1,608	1,938	2,088
Net lease cost	\$ 8,860	\$ 11,218	\$ 11,293

Cash flow information

	Year Ended March 31,		
	2022	2021	2020
Cash paid for operating lease liabilities	\$ 8,277	\$ 10,370	\$ 9,476
Additions of operating lease assets (non-cash)	\$ 1,827	\$ 17,603	\$ 8,448

As of March 31, 2022, the minimum lease commitment amount for operating leases signed but not yet commenced was immaterial.

As of March 31, 2022, the maturities of lease liabilities based on the total minimum lease commitment amount including options to extend lease terms that are reasonably certain of being exercised are as follows:

2023	\$ 4,745
2024	4,226
2025	3,904
2026	2,080
2027	568
Thereafter	1,846
Total minimum lease payments	\$ 17,369
Less: Imputed interest	1,321
Present value of operating lease liabilities	\$ 16,048
Less: Current portion of operating lease liabilities	4,778
Long-term operating lease liabilities	\$ 11,270

Lease term and Discount rate

	Year Ended March 31,	
	2022	2021
Weighted-average remaining term (in years)	4.18	4.43
Weighted-average discount rate	4 %	4 %

16. Revolving Credit Facility

On December 13, 2021, we entered into a five-year \$100,000 senior secured revolving credit facility (the "Credit Facility") with J.P. Morgan. The Credit Facility is available for share repurchases, general corporate purposes, and letters of credit. The Credit Facility contains financial maintenance covenants including a leverage ratio and interest coverage ratio. The Credit Facility also contains certain customary events of default which would permit the lender to, among other things, declare all loans then outstanding to be immediately due and payable if such default is not cured within applicable grace periods. The Credit Facility also limits our ability to incur certain additional indebtedness, create or permit liens on assets, make acquisitions, make investments, loans or advances, sell or transfer assets, pay dividends or distributions, and engage in certain transactions with foreign affiliates. Outstanding borrowings under the Credit Facility accrue interest at an annual rate equal to Secured Overnight Financing Rate plus 1.25% subject to increases based on our actual leverage. The unused balance on the Credit Facility is also subject to a 0.25% annual interest charge subject to increases based on our actual leverage. As of March 31, 2022, there were no borrowings under the Credit Facility and we were in compliance with all covenants.

We have deferred the expense related to debt issuance costs, which are classified as Other assets, and will amortize the costs into interest expense over the term of the Credit Facility. Unamortized amounts at March 31, 2022 were \$543. The amortization of debt issuance costs and interest expense incurred for the year ended March 31, 2022 was \$109. There was no amortization or expense incurred for the year ended March 31, 2021.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

Our management, with the participation of the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as of March 31, 2022. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2022.

(b) Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over our financial reporting as defined in Rules 13a-15(f) of the Exchange Act. There are inherent limitations in the effectiveness of any internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even an effective internal control can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of any internal control may vary over time.

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our internal control over financial reporting as of March 31, 2022. In making this assessment, management used the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in the 2013 Internal Control—Integrated Framework.

Based on our assessment, using those criteria, our management concluded that, as of March 31, 2022, our internal control over financial reporting was effective. The effectiveness of our internal control over financial reporting as of March 31, 2022 has been audited by Ernst & Young LLP, our independent registered public accounting firm, as stated in their report, which is included below in this Annual Report on Form 10-K.

(c) Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the fourth quarter of fiscal 2022 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Commvault Systems, Inc.

Opinion on Internal Control over Financial Reporting

We have audited Commvault Systems, Inc.'s internal control over financial reporting as of March 31, 2022, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Commvault Systems, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of March 31, 2022, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of March 31, 2022 and 2021, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity and cash flows for each of the three years in the period ended March 31, 2022, and the related notes and our report dated May 6, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP
Iselin, New Jersey
May 6, 2022

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III**Item 10. Directors, Executive Officers and Corporate Governance**

We will furnish to the SEC a definitive Proxy Statement not later than 120 days after the close of the fiscal year ended March 31, 2022. Information with respect to this Item is incorporated herein by reference from the sections of our 2022 Proxy Statement captioned, "Our Board of Directors" and "Corporate Governance".

Our Board of Directors has adopted a code of business ethics and conduct, which applies to all of our employees. The code of business ethics and conduct is in addition to our code of ethics for senior financial officers. The full texts of our code of business ethics and conduct and our code of ethics for senior financial officers can be found on our website, www.commvault.com.

Item 11. Executive Compensation

Information with respect to this Item is incorporated herein by reference from the sections of our 2022 Proxy Statement captioned "Executive Compensation" and "Compensation Committee Report".

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information with respect to this Item is incorporated herein by reference from the section of our 2022 Proxy Statement captioned "Security Ownership of Certain Beneficial Ownership and Management".

Securities Authorized for Issuance under Equity Compensation Plans

The following table provides information as of March 31, 2022 with respect to the shares of our common stock that may be issuable upon the exercise of options, warrants and rights under or existing equity compensation plans. The following information is as of March 31, 2022:

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders (1)	4,227,157	\$ 60.30	2,089,949
Equity compensation plans not approved by security holder	—	—	—
Totals	4,227,157	\$ 60.30	2,089,949

(1) Consists of shares of common stock to be issued upon exercise of outstanding options and vesting of restricted stock awards under our Omnibus Incentive Plan. These amounts do not include potentially issuable shares under the Employee Stock Purchase Plan. We have reserved 3,264 thousand shares for the future issuance of shares under the Employee Stock Purchase Plan.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

Information with respect to this Item is incorporated herein by reference from the sections of our 2022 Proxy Statement captioned "Transactions with Related Persons", "Corporate Governance - *Independence and Composition of our Board of Directors*" and "Corporate Governance - *The Board of Directors and Its Committees-General*".

Item 14. *Principal Accountant Fees and Services*

Information with respect to this Item is incorporated herein by reference from the section of our 2022 Proxy Statement captioned "Ratification of the Appointment of Independent Auditors - Audit, Audit-related, Tax and All Other Fees".

PART IV

Item 15. *Exhibits and Financial Statement Schedules*

Financial Statements

See "Index to Consolidated Financial Statements" set forth in Item 8 for a list of financial statements filed as part of this report.

Financial Statement Schedules

All schedules are omitted because they are not required or because the required information is included in the Consolidated Financial Statements or notes thereto.

Exhibits

The following exhibits are incorporated by reference or filed herewith.

<u>Exhibit No.</u>	<u>Description</u>
3.1	Amended and Restated Certificate of Incorporation of Commvault Systems, Inc., as amended (Incorporated by reference to Exhibit 3.1 to the Registrant's Form 10-Q for the quarter ended September 30, 2019).
3.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation of Commvault Systems, Inc. (Incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K dated August 28, 2020).
3.3	Amended and Restated Bylaws of Commvault Systems, Inc.
3.4	Certification of Designation of Series A Junior Participating Preferred Stock of Commvault Systems, Inc. (Incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K dated November 14, 2008).
4.1	Form of Common Stock Certificate (Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-1, Commission File No. 333-132550).
4.2	Description of Securities.
9.1	Form of Voting Trust Agreement (Incorporated by reference to Exhibit 9.1 to the Registrant's Registration Statement on Form S-1, Commission File No. 333-132550).
10.1*	Form of Non-Qualified Stock Option Agreement (Incorporated by reference to Exhibit 10.4 to the Registrant's Registration Statement on Form S-1, Commission File No. 333-132550).
10.2*	Form of Restricted Stock Unit Agreement (Incorporated by reference to Exhibit 10.5 to the Registrant's Annual Report on Form 10-K for the year ended March 31, 2007).
10.3*	Form of Indemnity Agreement between Commvault Systems, Inc. and each of its current officers and directors.
10.4*	Commvault Systems, Inc. Employee Stock Purchase Plan dated December 9, 2013 (Incorporated by reference to Exhibit 10.10 to the Registrant's Annual Report on Form 10-K for the year ended March 31, 2014).
10.5*	Employment Agreement, dated January 8, 2019, between the Company and Sanjay Mirchandani. (Incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K dated February 5, 2019).
10.6*	Executive Retention and Severance Agreement, dated April 1, 2019, between Commvault Systems, Inc. and Jay Whalen (Incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K dated March 31, 2019).
10.7*	Commvault Systems, Inc. Omnibus Incentive Plan (as amended by the Fifth Amendment thereof) (Incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q for the quarter ended September 30, 2021).
10.8	Credit Agreement, dated December 13, 2021, by and among Commvault Systems, Inc., the Lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent (Incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q for the quarter ended December 31, 2021).
10.9*	Offer Letter, dated April 28, 2022, between the Company and Gary Merrill. (Incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K dated May 3, 2022).
21.1	List of Subsidiaries of Commvault Systems, Inc.
23.1	Consent of Ernst & Young LLP
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Management contract or compensatory plan or arrangement.

** Furnished herewith.

Item 16. *Form 10-K Summary*

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Tinton Falls, State of New Jersey, on May 6, 2022.

COMMVault SYSTEMS, INC.

By: /s/ SANJAY MIRCHANDANI
Sanjay Mirchandani
Director, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on May 6, 2022.

<u>Signature</u>	<u>Title</u>
<u>/s/ SANJAY MIRCHANDANI</u> Sanjay Mirchandani	Director, President and Chief Executive Officer (Principal Executive Officer)
<u>/s/ BRIAN CAROLAN</u> Brian Carolan	Chief Financial Officer (Principal Financial Officer)
<u>/s/ JAMES WHALEN</u> James Whalen	Chief Accounting Officer (Principal Accounting Officer)
<u>/s/ NICHOLAS ADAMO</u> Nicholas Adamo	Chairman of the Board
<u>/s/ MARTHA H. BEJAR</u> Martha H. Bejar	Director
<u>/s/ R. TODD BRADLEY</u> R. Todd Bradley	Director
<u>/s/ KEITH GEESLIN</u> Keith Geeslin	Director
<u>/s/ VIVIE LEE</u> Vivie Lee	Director
<u>/s/ CHARLES E. MORAN</u> Charles E. Moran	Director
<u>/s/ ALLISON PICKENS</u> Allison Pickens	Director
<u>/s/ ARLEN SHENKMAN</u> Arlen Shenkman	Director
<u>/s/ DAVID F. WALKER</u> David F. Walker	Director

FOURTH
AMENDED AND RESTATED
BYLAWS
OF
COMMVAULT SYSTEMS, INC.,
A DELAWARE CORPORATION
ARTICLE I
CORPORATE OFFICES

1.1 REGISTERED OFFICE

The registered office of the Corporation shall be 2711 Centerville Road, Suite 400, in the City of Wilmington, County of New Castle, State of Delaware 19808. The name of the registered agent of the Corporation at such location is The Prentice-Hall Corporation System, Inc.

1.2 OTHER OFFICES

The Board of Directors may at any time establish other offices at any place or places where the Corporation is qualified to do business.

ARTICLE II
MEETINGS OF STOCKHOLDERS

2.1 PLACE OF MEETINGS

Meetings of stockholders shall be held at any place, within or outside the State of Delaware, designated by the Board of Directors. In the absence of any such designation, stockholders' meetings shall be held at the registered office of the Corporation.

2.2 ANNUAL MEETING

The annual meeting of stockholders shall be held each year on a date and at a time designated by the Board of Directors. At the meeting, Directors shall be elected and any other proper business may be transacted.

2.3 SPECIAL MEETING

Except as otherwise required by law, special meetings of the stockholders may be called only in accordance with the provisions of the Corporation's Amended and Restated Certificate of Incorporation as amended from time to time in the manner set forth therein and in the General Corporation Law of Delaware (the "Certificate").

2.4 NOTICE OF STOCKHOLDERS' MEETINGS

Except as otherwise required by law or by the Certificate or these Bylaws, notice of each annual or special meeting of the stockholders shall be given to each stockholder of record entitled to vote at such meeting not less than 10 nor more than 60 days before the day on which the meeting is to be held by delivering written notice thereof to him or her personally, or by

mailing a copy of such notice, postage prepaid, directly to him or her at his or her address as it appears in the records of the Corporation, or by transmitting such notice thereof to him or her at such address by telegraph, cable or other telephonic transmission. Every such notice shall state the place, the date and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called. Except as otherwise required by law, notice of any meeting of stockholders shall not be required to be given to any stockholder who attends such meeting in person or by proxy or who shall, in person or by duly authorized attorney, waive such notice in writing, either before or after such meeting. Except as otherwise required by law or provided in these Bylaws, neither the business to be transacted at, nor the purpose of, any meeting of the stockholders need be specified in any such notice or waiver of notice. Notice of any adjourned meeting of stockholders shall not be required to be given, except when expressly required by law or these Bylaws. An affidavit of the Secretary or an Assistant Secretary or of the transfer agent of the Corporation that the notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

2.5 ADVANCE NOTICE OF STOCKHOLDER NOMINEES AND STOCKHOLDER BUSINESS

Nominations of persons for election to the Board of Directors and the proposal of other business to be considered by the stockholders may be made at a meeting of stockholders only:

(i) pursuant to the Corporation's notice of meeting (or any supplement thereto),

(ii) by or at the direction of the Board of Directors, or

(iii) by any stockholder of the Corporation entitled to vote at the meeting who complies with the applicable requirements of this Section 2.5 and Section 2.15 of this Article II.

If a stockholder desires to submit a proposal for consideration at an annual or special stockholders' meeting, or to nominate persons for election as Directors at any stockholders' meeting duly called for the election of Directors, written notice of such stockholder's intent to make such a proposal or nomination must be given and received by the Secretary at the principal executive offices of the Corporation either by personal delivery or by United States mail not later than (i) with respect to an annual meeting of stockholders, 90 days prior to the anniversary date of the date on which notice of the prior year's annual meeting was mailed to stockholders, and (ii) with respect to a special meeting of stockholders, the close of business on the tenth day following the date on which notice of such meeting is first sent or given to stockholders. Each notice shall describe the proposal or nomination in sufficient detail for the proposal or nomination to be summarized on the agenda for the meeting and shall set forth:

(i) the name and address, as it appears on the books of the Corporation, of the stockholder who intends to make the proposal or nomination and the name and address of the beneficial owner, if any, on whose behalf the nomination or proposal is made;

(ii) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to present such proposal or nomination;

(iii) whether the stockholder plans to deliver or solicit proxies from other stockholders; and

(iv) the class and number of shares of the Corporation which are beneficially owned, and owned of record, by the stockholder. In addition, in the case of a stockholder proposal, the notice shall set forth the reasons for conducting such proposed business at the meeting and any material interest of the stockholder in such business.

In the case of a nomination of any person for election as a Director, the notice shall set forth:

(i) the name and address of any person to be nominated;

(ii) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder;

(iii) such other information regarding such nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act");

(iv) a questionnaire, representation and agreement to furnish such information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation, or that could be material to a reasonable stockholder's understanding of the independence and other qualifications, or lack thereof, of such nominee, that has been completed and signed by both such stockholder (as well as the beneficial owner, if any, on whose behalf the nomination is made) and such nominee (such form of questionnaire, representation and agreement to be made available following a written request by the stockholder and nominee delivered to the Secretary of the Corporation at the principal executive offices of the Corporation);

(v) the consent of each nominee to serve as a Director of the Corporation if so elected. The presiding officer of the annual or special meeting shall, if the facts warrant, refuse to acknowledge a proposal or nomination not made in compliance with the applicable procedures set forth in this Section 2.5 and Section 2.15 of this Article II, and any such proposal or nomination not properly brought before the meeting shall not be considered;

(vi) a description of any agreement, arrangement or understanding with respect to the nomination or proposal between or among such stockholder and such beneficial owner, any of their respective affiliates or associates, and any others acting in concert with the foregoing including any direct or indirect compensation and other material monetary agreements, arrangements or undertakings between such stockholder or such beneficial owner (and their respective affiliates) and any nominee (and his or her respective affiliates), which shall include all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the stockholder or beneficial owner were the "registrant" pursuant to Regulation S-K and if the nominee were a director or executive officer of such registrant;

(vii) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the stockholder's notice by, or on behalf of, such stockholder and such beneficial owners, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder and such beneficial owner, with respect to shares of stock of the Corporation,

(viii) a representation as to whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (a) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (b) otherwise to solicit proxies from stockholders in support of such proposal or nomination; and

(ix) a completed and signed questionnaire referenced in subsection (iv) of this paragraph.

Stockholders who wish to nominate persons for election as Directors may also utilize the proxy access rights set forth in Section 2.15 hereof, in which case such nomination shall comply with the procedures set forth in such provision.

2.6 CONDUCT OF BUSINESS

Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in his or her absence by the Chief Executive Officer, or in his or her absence the President, or in his or her absence by a Vice President, or in the absence of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the chairman of the meeting may appoint any person to act as secretary of the meeting. The chairman of any meeting of stockholders shall determine the order of business and the procedures at the meeting, including such matters as the regulation of the manner of voting and conduct of business.

2.7 QUORUM

The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the Certificate. If, however, such quorum is not present or represented at any meeting of the stockholders, then either (i) the chairman of the meeting, or (ii) the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented. At such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

2.8 VOTING

(a) The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of Sections 2.12 and 2.14 of these Bylaws, subject to the provisions of Sections 217 and 218 of the General Corporation Law of Delaware (relating to voting rights of fiduciaries, pledgors and joint owners of stock and to voting trusts and other voting agreements). Except as may be otherwise provided in the Certificate, each stockholder shall be entitled to one vote for each share of capital stock held by such stockholder.

(b) When a quorum is present or represented at any meeting, action on any matter, other than the election of Directors, shall be approved by the affirmative vote of a majority of votes cast with respect to the such matter, unless the question is one upon which, by express provisions of the General Corporation Law of Delaware or of the Certificate, a different vote or voting by classes is required, in which case such express provision shall govern and control the decision of the question. A majority of votes cast means that the number of votes cast "for" such matter must exceed the number of votes cast "against" that matter. Abstentions and broker non-votes shall not counted as a vote cast either "for" or "against" a matter and accordingly shall be disregarded for purposes of determining whether the matter was approved.

(c) When a quorum is present or represented at any meeting for the election of Directors, the vote required for election of a Director by stockholders, other than in a contested election, shall be the affirmative vote of a majority of votes cast with respect to the Director nominee. A majority of votes cast means that the number of votes cast "for" a Director nominee must exceed the number of votes cast "against" or "withheld" from that Director nominee. In a contested election, Directors shall be elected by a plurality of the votes cast, such that the

nominees receiving the greatest number of votes cast “for” their election, up to the number of Directors to be elected, shall be elected. Abstentions and broker non-votes shall not be counted as a vote cast either “for” or “against” or “withheld” from a Director nominee and accordingly shall be disregarded for purposes of determining whether the nominee was elected as Director.

The election is “contested” if (i) the Secretary of the Corporation has received a notice that a stockholder has nominated a person for election to the Board of Directors in compliance with the advance notice requirements for stockholder nominees for Director set forth in Section 2.5 of these Bylaws and (ii) such nomination has not been withdrawn by such stockholder on or prior to the tenth business day preceding the date the Corporation first mails its notice of meeting to the stockholders.

2.9 STOCKHOLDER VOTES ON PRECATORY PROPOSALS

In order for the stockholders to adopt or approve any precatory proposal submitted to them for the purpose of requesting the Board of Directors to take certain actions, a majority of the outstanding stock of the Corporation entitled to vote thereon must be voted in favor of the proposal.

2.10 VOTING PROCEDURES AND INSPECTIONS OF ELECTIONS

(a) The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his ability.

(b) The inspectors shall (i) ascertain the number of shares outstanding and the voting power of each, (ii) determine the shares represented at a meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors.

(c) The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting. No ballot, proxies or votes, nor any revocations thereof or changes thereto, shall be accepted by the inspectors after the closing of the polls unless the Delaware Court of Chancery upon application by a stockholder shall determine otherwise.

(d) In determining the validity and counting of proxies and ballots, the inspectors shall be limited to an examination of the proxies, any envelopes submitted with those proxies, any information provided in accordance with Section 212(c)(2) of the General Corporation Law of Delaware, ballots and the regular books and records of the Corporation, except that the inspectors may consider other reliable information for the limited purpose of reconciling proxies and ballots submitted by or on behalf of banks, brokers, their nominees or similar persons which represent more votes than the holder of a proxy is authorized by the record owner to cast or more votes than the stockholder holds of record. If the inspectors consider other reliable information for the limited purpose permitted in this Section 2.10, the inspectors at the time they make their certification pursuant to subsection (b)(v) of this Section 2.10 shall specify the precise information considered by them including the person or persons from whom they obtained the information, when the information was obtained, the means by which the information was obtained and the basis for the inspectors’ belief that such information is accurate and reliable.

2.11 STOCKHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Any action required or permitted to be taken by the stockholders must be effected at a duly called annual or special meeting of such stockholders and may not be effected by a consent in writing by any such stockholders.

2.12 RECORD DATE FOR STOCKHOLDER NOTICE; VOTING

In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 60 days prior to any other action.

If the Board of Directors does not so fix a record date, the fixing of such record date shall be governed by the provisions of Section 213 of the General Corporation Law of Delaware.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

2.13 PROXIES

Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him or her by a written proxy, signed by the stockholder and filed with the Secretary, but no such proxy shall be voted or acted upon after 3 years from its date, unless the proxy expressly provides for a longer period. A proxy shall be deemed signed if the stockholder's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission or otherwise) by the stockholder or the stockholder's attorney-in-fact. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212(e) of the General Corporation Law of Delaware.

2.14 LIST OF STOCKHOLDERS ENTITLED TO VOTE

The officer who has charge of the stock ledger of a Corporation shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The stock ledger shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders and of the number of shares held by each such stockholder.

2.15 PROXY ACCESS

(a) Inclusion of Nominee in Proxy Materials. Whenever the Board of Directors solicits proxies with respect to the election of directors at an annual meeting of stockholders, subject to the provisions of this Section 2.15, the Corporation shall include in its proxy materials

for such annual meeting, in addition to any persons nominated for election by the Board of Directors or a committee appointed by the Board of Directors, the name, together with the Required Information (as defined below), of any person nominated for election (a “Stockholder Nominee”) to the Board of Directors by a stockholder, or by a group of no more than twenty (20) stockholders, that has satisfied (individually or, in the case of a group, collectively) all applicable conditions and has complied with all applicable procedures set forth in this Section 2.15 (an “Eligible Stockholder,” which shall include an eligible stockholder group), and that expressly requests through a timely-submitted Nomination Notice (as defined below) to have its nominee included in the Corporation’s proxy materials for such annual meeting pursuant to this Section 2.15.

(b) Required Information. For purposes of this Section 2.15, the “Required Information ” that the Corporation will include in its proxy materials is (1) the information concerning the Stockholder Nominee and the Eligible Stockholder that is required to be disclosed in the Corporation’s proxy statement by the rules and regulations of the Securities and Exchange Commission promulgated under the Exchange Act; and (2) if the Eligible Stockholder so elects, a Supporting Statement (as defined below).

(c) Delivery of Nomination Notice. To be timely, a stockholder’s Nomination Notice must be delivered to, or mailed and received by, the Secretary of the Corporation at the principal executive offices of the Corporation (i) with respect to an annual meeting of stockholders, no earlier than the 150th day, and not later than the close of business on the 120th day prior to the anniversary date of the Corporation’s proxy materials for its most recent annual meeting of stockholders was mailed to stockholders or (ii) with respect to a special meeting of stockholders, not later than the close of business on the 10th day following the day on which notice of such meeting was first sent or given to stockholders. In no event shall any adjournment or postponement of an annual meeting or any public announcement thereof commence a new time period (or extend any time period) for the giving of a Nomination Notice as described above. The Nomination Notice shall be deemed submitted on the date on which all of the information and documents referred to in this Section 2.15, including without limitation, Section 2.15(G) and 2.15(I) (other than information and documents contemplated to be provided after the date the Nomination Notice is provided), have been delivered to or, if sent by mail, received by the Secretary of the Corporation.

(d) Permitted Number of Stockholder Nominees.

(1) The maximum aggregate number of Stockholder Nominees nominated by Eligible Stockholders that will be included in the Corporation’s proxy materials with respect to an annual meeting of stockholders (the “ Permitted Number ”) shall not exceed the greater of (a) two or (b) twenty percent (20%) of the number of directors in office as of the last day on which a Nomination Notice may be delivered pursuant to this Section 2.15, or if such amount is not a whole number, the closest whole number below twenty percent (20%); provided, however, that the Permitted Number shall be reduced by (i) any Stockholder Nominee who is subsequently withdrawn or that the Board of Directors decides to nominate for election itself and (ii) the number of incumbent directors who were Stockholder Nominees at any of the preceding three annual meetings (including any individual covered under clause (i) above) and whose election at the upcoming annual meeting is being recommended by the Board of Directors. In the event that one or more vacancies for any reason occurs on the Board of Directors after the deadline set forth in Section 2.15(C) above but before the date of the annual meeting and the Board of Directors resolves to reduce the size of the Board of Directors in connection therewith, the Permitted Number shall be calculated based on the number of directors in office as so reduced.

(2) Any Eligible Stockholder submitting more than one Stockholder Nominee for inclusion in the Corporation’s proxy materials pursuant to this Section 2.15 shall rank such Stockholder Nominees based on the order in which the Eligible Stockholder desires

such Stockholder Nominees be selected for inclusion in the Corporation's proxy materials. In the event that the number of Stockholder Nominees submitted by Eligible Stockholders pursuant to this Section 2.15 exceeds the Permitted Number provided for pursuant to subsection (D)(1) above, the highest ranking Stockholder Nominee who meets the requirements of this Section 2.15 of each Eligible Stockholder will be selected for inclusion in the Corporation's proxy materials until the Permitted Number is reached, going in order by the number (largest to smallest) of shares of common stock of the Corporation each Eligible Stockholder disclosed as Owned (as defined below) in its respective Nomination Notice submitted to the Corporation pursuant to this Section 2.15. If the Permitted Number is not reached after the highest-ranking Stockholder Nominee who meets the requirements of this Section 2.15 of each Eligible Stockholder has been selected, this process will continue with the next highest ranked nominees as many times as necessary, following the same order each time, until the Permitted Number is reached.

(e) Ownership. For purposes of this Section 2.15, an Eligible Stockholder shall be deemed to "Own" only those outstanding shares of common stock of the Corporation as to which the stockholder possesses both (1) the full voting and investment rights pertaining to the shares and (2) the full economic interest in (including the opportunity for profit and risk of loss on) such shares; provided that the number of shares calculated in accordance with clauses (1) and (2) shall not include any shares (a) sold by such stockholder or any of its affiliates in any transaction that has not been settled or closed, including any short sale, (b) borrowed by such stockholder or any of its affiliates for any purpose, or purchased by such stockholder or any of its affiliates subject to an agreement to resell, or (c) subject to any option, warrant, forward contract, swap, contract of sale, or other derivative or similar agreement entered into by such stockholder or any of its affiliates, whether any such instrument or agreement is to be settled with shares or with cash based on the notional amount or value of shares of common stock of the Corporation, in any such case which instrument or agreement has, or is intended to have, or if exercised would have, the purpose or effect of (1) reducing in any manner, to any extent or at any time in the future, such stockholder's or its affiliates' full right to vote or direct the voting of any such shares, and/or (2) hedging, offsetting or altering to any degree any gain or loss realized or realizable from maintaining the full economic ownership of such shares by such stockholder or affiliate. A stockholder shall "Own" shares held in the name of a nominee or other intermediary so long as the stockholder retains the right to instruct how the shares are voted with respect to the election of directors and possesses the full economic interest in the shares. A stockholder's Ownership of shares shall be deemed to continue during any period in which (1) the person has loaned such shares, provided that the person has the power to recall such loaned shares on no more than five (5) business days' notice and includes with the Nomination Notice an agreement that it (a) will promptly recall such loaned shares upon being notified by the Corporation that any of its Stockholder Nominees will be included in the Corporation's proxy materials and (b) will continue to hold such recalled shares (including the right to vote such shares) through the date of the annual meeting of stockholders; or (2) the person has delegated any voting power by means of a proxy, power of attorney or other instrument or arrangement that is revocable at any time by the person. The terms "Owned," "Owning" and other variations of the word "Own" shall have correlative meanings. Whether outstanding shares of common stock of the Corporation are "Owned" for purposes of this Section 2.15 shall be determined by the Board of Directors or any committee thereof. For purposes of this Section 2.15, the term "affiliate" or "affiliates" shall have the meaning ascribed thereto under the rules and regulations of the Securities and Exchange Commission promulgated under the Exchange Act.

(f) Eligible Stockholder. In order to make a nomination pursuant to this Section 2.15, an Eligible Stockholder or group of up to twenty (20) Eligible Stockholders must have Owned (as defined above) continuously for at least three (3) years at least the number of shares of common stock of the Corporation that shall constitute three percent (3%) or more of the voting power of the outstanding common stock of the Corporation (the "Required Shares") as of

the most recent date for which such amount is given in any filing by the Corporation with the SEC prior to the submission of the Nomination Notice, and must continue to own the Required Shares through and including the date of the annual meeting. For this purpose, two or more funds or trusts that are (a) under common management and investment control, (b) under common management and funded primarily by the same employer, or (c) a “group of investment companies,” as such term is defined in Section 12(d)(1)(G)(ii) of the Investment Company Act of 1940, as amended (each, a “Qualifying Fund”), shall be treated as one stockholder or beneficial owner. No person may be a member of more than one group of persons constituting an Eligible Stockholder under this Section 2.15. If a group of stockholders aggregates Ownership of shares in order to meet the requirements under this Section 2.15, (1) all shares held by each stockholder constituting their contribution to the foregoing three percent (3%) threshold must have been held by that stockholder continuously for at least three (3) years and through the date of the annual meeting, and evidence of such continuous Ownership shall be provided as specified in subsection (G)(1) below, (2) each provision in this Section 2.15 that requires the Eligible Stockholder to provide any written statements, representations, undertakings, agreements or other instruments or to meet any other conditions shall be deemed to require each stockholder (including each individual fund) that is a member of such group to provide such statements, representations, undertakings, agreements or other instruments and to meet such other conditions (except that the members of such group may aggregate their stockholdings in order to meet the three percent (3%) Ownership requirement of the “Required Shares” definition) and (3) a breach of any obligation, agreement or representation under this Section 2.15 by any member of such group shall be deemed a breach by the Eligible Stockholder. Should any stockholder withdraw from a group of Eligible Stockholders at any time prior to the annual meeting of stockholders, the group of Eligible Stockholders shall be deemed to own only the shares held by the remaining members of the group.

(g) Information to be Provided by Eligible Stockholder. An Eligible Stockholder making a nomination pursuant to this Section 2.15 must provide the following information in writing to the Secretary of the Corporation at the principal executive offices of the Corporation concurrently with submission of the Nomination Notice:

(1) evidence of continuous ownership of shares during the requisite three (3)-year holding period in a form that the Board of Directors or its designee, in good faith, determines would be deemed acceptable for purposes of a shareholder proposal under Rule 14a-8 under the Exchange Act, as such rule may be amended, including (a) one or more written statements from the Eligible Stockholder (and from each other record holder of the shares and intermediary through which the shares are or have been held during the requisite holding period) specifying, as of a date within seven (7) days prior to the date the Nomination Notice is received by the Secretary of the Corporation, the number of shares of common stock of the Corporation that the Eligible Stockholder Owns, and has continuously Owned for three (3) years preceding the date of the Nomination Notice, and (b) the Eligible Stockholder’s agreement to provide, within five (5) business days after the later of the record date for the annual meeting and the date on which the record date is first publicly disclosed by the Corporation, written statements from the Eligible Stockholder, record holder and intermediaries verifying the Eligible Stockholder’s continuous Ownership of the Required Shares through the record date; provided that statements meeting the requirements of Schedule 14N will be deemed to fulfill this requirement;

(2) the written consent of each Stockholder Nominee to being named in the proxy statement as a nominee and to serving as a director if elected, together with the information and representations that would be required to be set forth in a stockholder’s notice of a nomination pursuant to Section 2.5 hereof;

(3) a copy of the Schedule 14N that has been or is concurrently being filed by such Eligible Stockholder with the Securities and Exchange Commission as required by Rule 14a-18 under the Exchange Act, as such rule may be amended;

(4) the details of any relationship that existed within the past three (3) years and that would have been described pursuant to Item 6(e) of Schedule 14N (or any successor item) if it existed on the date of submission of Schedule 14N;

(5) a representation and undertaking (a) that the Eligible Stockholder (i) did not acquire, and is not holding, securities of the Corporation for the purpose or with the effect of influencing or changing control of the Corporation; (ii) has not nominated and will not nominate for election to the Board of Directors at the annual meeting any person other than the Stockholder Nominee(s) being nominated by it pursuant to this Section 2.15, (iii) has not engaged and will not engage in, and has not and will not be a “participant” in another person’s, “solicitation” within the meaning of Rule 14a-1(l) under the Exchange Act in support of the election of any individual as a director at the annual meeting other than its Stockholder Nominee(s) or a nominee of the Board of Directors, (iv) has not distributed and will not distribute to any stockholder any form of proxy for the annual meeting other than the form distributed by the Corporation, and (v) will Own the Required Shares through the date of the annual meeting of stockholders; (b) that the facts, statements and other information in all communications with the Corporation and its stockholders are and will be true and correct in all material respects and do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) as to whether or not the Eligible Stockholder intends to maintain qualifying Ownership of the Required Shares for at least one year following the annual meeting;

(6) in the case of a nomination by a group of stockholders that together is an Eligible Stockholder, the designation by all group members of one group member that is authorized to receive communications, notices and inquiries from the Corporation and to act on behalf of all such members with respect to the nomination and all matters related thereto, including any withdrawal of the nomination;

(7) an agreement in form satisfactory to the Board of Directors pursuant to which the Eligible Stockholder agrees to (a) assume all liability stemming from any legal or regulatory violation arising out of the Eligible Stockholder’s communications with the stockholders of the Corporation or out of the information that the Eligible Stockholder provided to the Corporation, (b) indemnify and hold harmless the Corporation and each of its directors, officers and employees individually against any liability, loss or damages in connection with any threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the Corporation or any of its directors, officers or employees arising out of any nomination, solicitation or other activity by the Eligible Stockholder in connection with its efforts to elect the Stockholder Nominee(s) pursuant to this Section 2.15, and (c) comply with all other laws, rules and regulations applicable to any actions taken pursuant to this Section 2.15, including any nomination, solicitation or election in connection with the annual meeting of stockholders; and

(8) in the case of a Qualifying Fund whose share Ownership is counted for purposes of qualifying as an Eligible Stockholder, documentation from the Qualifying Fund reasonably satisfactory to the Board of Directors that demonstrates that it meets the requirements of a Qualifying Fund set forth in Section 2.15(F) above.

(h) Representations and Agreement of the Stockholder Nominee. Concurrently with delivery of the Nomination Notice, a Stockholder Nominee must deliver to the Secretary of the Corporation a written representation and agreement (in the form provided by the Secretary upon written request) pursuant to which the Stockholder Nominee represents that he or she: (a) has read and agrees, if elected, to serve as a member of the Board of Directors, to adhere to the Corporation’s Corporate Governance Guidelines, Corporate Governance Policies and Code of Business Conduct and Ethics and any other Corporation policies and guidelines applicable to Directors in each case as in effect from time to time (including, but not limited to, any provision

therein requiring a Director to offer his or her resignation in specified circumstances); (b) qualifies as independent under the listing standards of the principal U.S. exchange upon which the Corporation's common stock is listed, any applicable rules of the Securities and Exchange Commission and any publicly disclosed standards used by the Board of Directors in determining and disclosing the independence of the Corporation's directors (the "Applicable Independence Standards"); (c) meets the director qualifications, if any, set forth in these Bylaws; and (d) is not and has not been subject to any event specified in Rule 506(d)(1) of Regulation D (or any successor rule) under the Securities Act of 1933, without reference to whether the event is material to an evaluation of the ability or integrity of the Nominee. The Stockholder Nominee must also provide information regarding any position of the Stockholder Nominee as an officer or director of any competitor of the Corporation, within the three years preceding the submission of the Nomination Notice.

At the request of the Corporation, the Stockholder Nominee must promptly, but in any event within five (5) business days of such request, submit all completed and signed questionnaires required of the Corporation's directors and officers. The Corporation may request such additional information (1) as may be reasonably necessary to permit the Board of Directors or any committee thereof to determine if each Stockholder Nominee is independent under the listing standards of the principal U.S. exchange upon which the Corporation's common stock is listed, any applicable rules of the Securities and Exchange Commission and any publicly disclosed standards used by the Board of Directors in determining and disclosing the independence of the Corporation's directors (the "Applicable Independence Standards") and otherwise to determine the eligibility of each Stockholder Nominee to serve as a director of the Corporation, or (2) that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of each Stockholder Nominee.

(i) Supporting Statement. The Eligible Stockholder may, at its election, include with the Nomination Notice a written statement for inclusion in the Corporation's proxy statement for the annual meeting of stockholders, not to exceed five hundred (500) words per nominee, in support of each Stockholder Nominee's candidacy (the "Supporting Statement"). Any Supporting Statement must be received concurrently with the Nomination Notice.

Notwithstanding anything to the contrary contained in this Section 2.15, the Corporation may omit from its proxy materials, or may supplement or correct, any information or Supporting Statement (or portion thereof) if the Board of Directors determines, in good faith that:

(i) such information is not true in all material respects or omits a material statement necessary to make the statements made not misleading;

(ii) such information directly or indirectly impugns the character, integrity or personal reputation of, or directly or indirectly makes charges concerning improper, illegal or immoral conduct or associations, without factual foundation, with respect to, any person; or

(iii) the inclusion of such information would otherwise violate Regulation 14A of the Exchange Act, or any other applicable law, rule or regulation listing standard.

Nothing in this Section 2.15 shall limit the Corporation's ability to solicit against and include in its proxy materials its own statements relating to any Eligible Stockholder or Stockholder Nominee.

(j) True, Correct and Complete Information. In the event that any information or communications provided by any Eligible Stockholder or Stockholder Nominee to the Corporation or its stockholders is not, when provided, or thereafter ceases to be, true, correct and complete in all material respects (including omitting a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading),

such Eligible Stockholder or Stockholder Nominee, as the case may be, shall promptly notify the Secretary of the Corporation and provide the information that is required to make such information or communication true, correct, complete and not misleading; it being understood that providing any such notification shall not be deemed to cure any such defect or limit the Corporation's right to omit a Stockholder Nominee from its proxy materials pursuant to this Section 2.15. In addition, any person providing any information to the Corporation pursuant to this Section 2.15 shall further update and supplement such information, if necessary, so that all such information shall be true and correct as of the record date for the annual meeting and as of the date that is ten (10) business days prior to the annual meeting or any adjournment or postponement thereof, and such update and supplement (or a written certification that no such updates or supplements are necessary and that the information previously provided remains true and correct as of the applicable date) shall be delivered to, or mailed and received by, the Secretary of the Corporation at the principal executive offices of the corporation not later than five (5) business days after the later of the record date for the annual meeting and the date on which the record date is first publicly disclosed by the Corporation (in the case of any update and supplement required to be made as of the record date), and not later than seven (7) business days prior to the date of the annual meeting or any adjournment or postponement thereof (in the case of any update and supplement required to be made as of ten (10) business days prior to the meeting).

(k) Limitation on Stockholder Nominees. Any Stockholder Nominee who is included in the Corporation's proxy materials for a particular meeting of stockholders but withdraws from or becomes ineligible or unavailable for election at such annual meeting will be ineligible to be a Stockholder Nominee pursuant to this Section 2.15 for the next two (2) annual meetings of stockholders.

(l) Exceptions. Notwithstanding anything to the contrary set forth herein, the Corporation shall not be required to include, pursuant to this Section 2.15, any Stockholder Nominee in its proxy materials for any meeting of stockholders (1) if the Eligible Stockholder who has nominated such Stockholder Nominee has engaged in or is currently engaged in, or has been or is a "participant" in another person's, "solicitation" within the meaning of Rule 14a-1(1) under the Exchange Act in support of the election of any individual as a director at the meeting other than its Stockholder Nominee(s) or a nominee of the Board of Directors, (2) if the Corporation receives notice, whether or not subsequently withdrawn, pursuant to Section 2.5 of these Bylaws that any stockholder intends to nominate any nominee for election to the Board of Directors at such meeting, (3) who is not independent under the Applicable Independence Standards, as determined by the Board of Directors or any committee thereof, (4) whose nomination or election as a member of the Board Directors would cause the Corporation to be in violation of these Bylaws, the Certificate of Incorporation, the rules and listing standards of the principal exchanges upon which the Corporation's shares of common stock are listed or traded, or any applicable law, rule or regulation, (5) who is or has been, within the past three (3) years, an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914, (6) who is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses) or has been convicted in such a criminal proceeding within the past ten (10) years, (7) who is subject to any order of the type specified in Rule 506(d) of Regulation D promulgated under the Securities Act of 1933, as amended, (8) if such Stockholder Nominee or the applicable Eligible Stockholder shall have provided information to the Corporation in respect to such nomination that was untrue in any material respect or omitted to state a material fact necessary in order to make the statement made, in light of the circumstances under which it was made, not misleading, as determined by the Board of Directors, (9) if such Stockholder Nominee or the applicable Eligible Stockholder otherwise contravenes any of the agreements or representations made by such Stockholder Nominee or Eligible Stockholder or fails to comply with its obligations pursuant to this Section 2.15, (10) if the applicable Eligible Stockholder ceases to be an Eligible Stockholder for any reason, including but not limited to not Owning the

Required Shares through the date of the applicable annual meeting of stockholders, (11) the Stockholder Nominee was nominated for election to the Board of Directors pursuant to this Section 2.15 at one of the Corporation's two preceding annual meetings of stockholders and either (1) withdrew or became ineligible or (2) received a vote of less than 20% of the votes cast for such Nominee, or (12) the Stockholder Nominee becomes unwilling or unable to serve on the Board of Directors or any material violation or breach occurs of the obligations, agreements, representations or warranties of the Nominating Stockholder or the Nominee under this Section 2.15.

(m) Disqualifications. Notwithstanding anything to the contrary set forth herein, if (1) a Stockholder Nominee is included in the Corporation's proxy materials for the annual meeting but subsequently is determined not to satisfy the eligibility requirements of this Section 2.15 or any other provision of the Corporation's Bylaws, Certificate of Incorporation, Corporate Governance Guidelines, Corporate Governance Policies or other applicable regulation at any time before the annual meeting, (2) a Stockholder Nominee and/or the applicable Eligible Stockholder shall have breached any of its obligations, agreements or representations, or fails to comply with its or their obligations pursuant to this Section 2.15, (3) a Stockholder Nominee dies, becomes disabled, becomes unwilling to serve as a director or otherwise becomes ineligible for inclusion in the Corporation's proxy materials pursuant to this Section 2.15 or unavailable for election at the annual meeting, or (4) the applicable Eligible Stockholder otherwise ceases to be an Eligible Stockholder for any reason, including but not limited to not Owning the Required Shares through the date of the applicable annual meeting of stockholders, in each case as determined by the Board of Directors, any committee thereof or the person presiding at the annual meeting, (x) the Corporation may omit or, to the extent feasible, remove the information concerning such Stockholder Nominee and the related Supporting Statement from its proxy materials and/or otherwise communicate to its stockholders that such Stockholder Nominee will not be eligible for election at the annual meeting, (y) the Corporation shall not be required to include in its proxy materials any successor or replacement nominee proposed by the applicable Eligible Stockholder or any other Eligible Stockholder and (z) the Board of Directors or the person presiding at the annual meeting shall declare such nomination to be invalid and such nomination shall be disregarded notwithstanding that proxies in respect of such vote may have been received by the Corporation. In addition, if the Eligible Stockholder (or a representative thereof) does not appear at the annual meeting to present any nomination pursuant to this Section 2.15, such nomination shall be declared invalid and disregarded as provided in clause (z) above.

(n) Filing Obligation. The Eligible Stockholder (including any person who Owns shares of common stock of the Corporation that constitute part of the Eligible Stockholder's Ownership for purposes of satisfying Section 2.15(E) hereof) shall file with the Securities and Exchange Commission any solicitation materials with the Corporation's stockholders relating to the meeting at which the Stockholder Nominee will be nominated, regardless of whether any such filing is required under Regulation 14A of the Exchange Act or whether any exemption from filing is available for such solicitation materials under Regulation 14A of the Exchange Act.

2.16 EXCLUSIVE FORUM

(a) Unless the corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for: (i) any derivative action or proceeding brought on behalf of the corporation, (ii) any action asserting a claim of breach of a duty (including any fiduciary duty) owed by any current or former director, officer, employee, stockholder or agent of the corporation to the corporation or the corporation's stockholders, (iii) any action asserting a claim against the corporation or any current or former director, officer, employee, stockholder or agent of the corporation arising out of or relating to any provision of the General Corporation Law of the State of Delaware or the Certificate of Incorporation or these bylaws (in each case, as

they may be amended from time to time); or (iv) any action asserting a claim against the corporation or any current or former director, officer, employee, stockholder or agent of the corporation governed by the internal affairs doctrine of the State of Delaware; provided, however, that, in the event that the Court of Chancery of the State of Delaware lacks subject matter jurisdiction over any such action or proceeding, the sole and exclusive forum for such action or proceeding shall be another state or federal court located within the State of Delaware, in each such case, unless the Court of Chancery (or such other state or federal court located within the State of Delaware, as applicable) has dismissed a prior action by the same plaintiff asserting the same claims because such court lacked personal jurisdiction over an indispensable party named as a defendant therein. This Section 2.16(a) does not apply to claims arising under the Securities Act of 1933 or the Securities Exchange Act of 1934 or any other claim for which the federal courts have exclusive jurisdiction.

(b) Unless the corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933.

(c) Any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the corporation shall be deemed to have notice of and consented to the provisions of this Section 2.16.

ARTICLE III

DIRECTORS

3.1 POWERS

Subject to the provisions of the General Corporation Law of Delaware and any limitations in the Certificate or these Bylaws relating to action required to be approved by the stockholders or by the outstanding shares, the business and affairs of the Corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors.

3.2 NUMBER

The authorized number of Directors of the Corporation shall be set from time to time in accordance with a resolution or resolutions adopted by the Board of Directors.

3.3 CLASSES OF DIRECTORS

The Directors elected prior to the 2023 annual meeting of stockholders shall be divided into three classes designated as Class I, Class II and Class III, respectively. At the 2021 annual meeting of stockholders, the term of office of the Class III Directors shall expire and successors to the Class III Directors shall be elected for a term expiring at the next annual meeting of stockholders and at each succeeding annual meeting of stockholders. At the 2022 annual meeting of stockholders, the term of office of the Class I Directors shall expire and successors to the Class I Directors shall be elected for a term expiring at the next annual meeting of stockholders and at each succeeding annual meeting of stockholders. At the 2023 annual meeting of stockholders, the term of office of the Class II Directors shall expire and successors to the Class II Directors shall be elected for a term expiring at the next annual meeting of stockholders and at each succeeding annual meeting of stockholders. From and after the election of Directors at the 2023 annual meeting of stockholders, the Board of Directors shall cease to be classified and each Director elected at the 2023 annual meeting of stockholders (and at each succeeding annual meeting of stockholders) shall hold office for a term expiring at the next annual meeting of stockholders held after such Director's election.

Notwithstanding the foregoing provisions of this Article, each Director shall serve until his successor is duly elected and qualified or until his earlier death, resignation or removal. No decrease in the number of Directors constituting the Board of Directors shall shorten the term of any incumbent Director.

3.4 RESIGNATION AND VACANCIES

(a) Any Director may resign at any time by giving written notice to the Board of Directors, the Chairman of the Board, the Chief Executive Officer or the Secretary. Except as otherwise provided in Section 3.4(b), such resignation shall take effect at the time specified in the written notice or, if the time is not specified, upon receipt of the notice; and, unless otherwise specified in the written notice, the acceptance of such resignation shall not be necessary to make it effective.

(b) If a nominee for Director who is an incumbent Director fails to receive the affirmative vote of a majority of the votes cast at any meeting for the election of Directors, other than a contested election, at which a quorum is present or represented, such Director shall tender his or her resignation to the Board of Directors promptly after certification of the results of the stockholder vote, which resignation shall be irrevocable, but contingent upon the acceptance thereof by Board of Directors.

The Nominations and Governance Committee will consider any such tendered resignation and, within 60 days after certification of the results of the stockholder vote, will make a recommendation to the Board of Directors concerning the acceptance or rejection of such resignation. In determining its recommendation to the Board of Directors, the Nominations and Governance Committee will consider all factors deemed relevant by the members of the Nominations and Governance Committee, which may include, without limitation, (i) the reason or reasons it believes are why a majority of the votes cast at the meeting were voted "against" or "withheld" from such Director's election, (ii) the qualifications of the Director, (iii) the Director's contribution to the Corporation, (iv) the overall composition of the Board, including whether accepting the resignation would cause the Corporation to fail to meet any Securities and Exchange Commission or listing requirements, (v) the availability of other qualified Director candidates, (vi) whether the acceptance of the resignation would trigger a default or breach under a material agreement to which the Corporation is a party, and (vii) whether the Director's resignation from the Board of Directors would be in the best interests of the Corporation and its stockholders. The Nominations and Governance Committee also will consider a range of possible alternatives concerning the Director's tendered resignation as the members of the Nominations and Governance Committee deem appropriate, which may include, without limitation, acceptance of the resignation, rejection of the resignation, or rejection of the resignation coupled with a commitment to seek to address and cure the underlying reasons reasonably believed by the Nominations and Governance Committee to have substantially resulted in such Director failing to receive the required number of votes for re-election.

The Board of Directors will take formal action on the Nominations and Governance Committee's recommendation no later than 90 days after certification of the results of the stockholder vote. In considering the Nominations and Governance Committee's recommendation, the Board of Directors will consider the information, factors and alternatives considered by the Nominations and Governance Committee and such additional information, factors and alternatives as the Board of Directors deems relevant.

Within four business days after the Board of Directors formally decides whether or not to accept the resignation tendered pursuant to this Section 3.4(b), the Corporation will publicly disclose that decision in a press release, in a Form 8-K or other filing with the Securities and Exchange Commission or by other public announcement, together with an explanation of the process by which the decision was made and, if applicable, the Board's reason or reasons for rejecting the tendered resignation.

Any Director whose resignation is being considered will not participate in the Nominations and Governance Committee's recommendation or the decision of the Board of Directors on the resignation. If the resignations of a majority of the members of the Nominations and Governance Committee have become effective due to application of the majority vote standard under Section 2.8(c) of these Bylaws and this Section 3.4(b), then the remaining independent Directors will appoint a special committee from among themselves for the purpose of considering the resignations and recommending whether to accept or reject them.

Neither the Nominations and Governance Committee nor the Board of Directors shall recommend or nominate for election any Director who fails to tender a resignation as required pursuant to this Section 3.4(b).

(c) Except as otherwise required by law, vacancies on the Board of Directors, including vacancies resulting from acceptance by the Board of Directors of a resignation submitted in accordance with Section 3.4(b) of these Bylaws, will be filled in accordance with the Certificate; provided that the size of the Board of Directors may be decreased pursuant to the provisions of Section 3.2 of these Bylaws.

3.5 PLACE OF MEETINGS; MEETINGS BY TELEPHONE

The Board of Directors of the Corporation may hold meetings, both regular and special, either within or outside the State of Delaware. Unless otherwise restricted by the Certificate or these Bylaws, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

3.6 MEETINGS

Meetings of the Board of Directors may be called at any time by the Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, the Secretary or any two Directors.

Notice of the time and place of meetings shall be delivered personally or by telephone to each Director or sent by first-class mail, electronic mail, facsimile or telegram, charges prepaid, addressed to each Director at the Director's address as it is shown on the records of the Corporation. If the notice is mailed, it shall be deposited in the United States mail at least four days before the time of the holding of the meeting. If the notice is delivered personally or by telephone, electronic mail, facsimile or telegram, it shall be delivered at least 48 hours before the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated either to the Director or to a person at the office of the Director who the person giving the notice has reason to believe will promptly communicate it to the Director. The notice need not specify the purpose or, if the meeting is to be held at the principal executive office of the Corporation, the place of the meeting.

3.7 QUORUM

A majority of the total number of Directors then in office shall be present in person at any meeting of the Board of Directors in order to constitute a quorum for the transaction of business at such meeting, and the vote of a majority of those Directors present at any such meeting at which a quorum is present shall be necessary for the passage of any resolution or act of the Board of Directors, except as otherwise expressly required by law, the Certificate or these Bylaws. A Director who is in attendance at a meeting of the Board of Directors but who abstains from the vote on any matter by announcing his abstention to the person acting as secretary of the meeting and not voting on such matter shall not be deemed

present at such meeting for purposes of the preceding sentence with respect to such vote, but shall be deemed present at such meeting for all other purposes.

3.8 WAIVER OF NOTICE

Whenever notice is required to be given under any provision of the General Corporation Law of Delaware or of the Certificate or these Bylaws, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Directors, or members of a committee of Directors, need be specified in any written waiver of notice unless so required by the Certificate or these Bylaws.

3.9 ADJOURNED MEETING; NOTICE

If a quorum is not present at any meeting of the Board of Directors, then the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

3.10 CONDUCT OF BUSINESS

Meetings of the Board of Directors shall be presided over by the Chairman of the Board, if any, or in his or her absence by the Chief Executive Officer (if he or she is a Director), or in their absence by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the chairman of the meeting may appoint any person to act as secretary of the meeting. The chairman of any meeting shall determine the order of business and the procedures at the meeting.

3.11 ACTION BY MEANS OF CONFERENCE TELEPHONE OR SIMILAR COMMUNICATIONS EQUIPMENT

Any one or more members of the Board of Directors or any committee thereof, may participate in a meeting of such Board of Directors or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

3.12 BOARD ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Unless otherwise restricted by the Certificate or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

3.13 FEES AND COMPENSATION OF DIRECTORS

Unless otherwise restricted by the Certificate or these Bylaws, the Board of Directors shall have the authority to fix the compensation of Directors. The Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as Director. No such payment shall preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

3.14 REMOVAL OF DIRECTORS

Except as otherwise required by law, Directors may be removed only in accordance with the provisions of the Certificate.

ARTICLE IV COMMITTEES

4.1 COMMITTEES OF DIRECTORS

The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one or more committees, with each committee to consist of one or more of the Directors of the Corporation. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Except as expressly limited by law, the Certificate or these Bylaws, any such committee, to the extent provided in the resolution of the Board of Directors or in these Bylaws, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation.

4.2 COMMITTEE MINUTES

Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

4.3 MEETINGS AND ACTION OF COMMITTEES

Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of Article III of these Bylaws, Section 3.5 (place of meetings and meetings by telephone), Section 3.6 (meetings), Section 3.7 (quorum), Section 3.8 (waiver of notice), Section 3.9 (adjournment and notice of adjournment), Section 3.10 (conduct of business), Section 3.11 (action by means of conference telephone or similar communications equipment) and 3.12 (action without a meeting), with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members; provided, however, that the time of regular meetings of committees may also be called by resolution of the Board of Directors and that notice of meetings of committees shall also be given to all alternate members, who shall, except as required by law, have the right to attend all meetings of the committee. The Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws and applicable law.

ARTICLE V OFFICERS

5.1 OFFICERS

The officers of the Corporation shall be a Chief Executive Officer, one or more Vice Presidents, a Secretary, a Chief Financial Officer and a Controller. The Corporation may also have, at the discretion of the Board of Directors, a Chairman of the Board, a President, a Chief Operating Officer, one or more Executive, Senior or Assistant Vice Presidents, Assistant

Secretaries and any such other officers as may be appointed in accordance with the provisions of Section 5.2 of these Bylaws. Any number of offices may be held by the same person.

5.2 APPOINTMENT OF OFFICERS

Except as otherwise provided in this Section 5.2, the officers of the Corporation shall be appointed by the Board of Directors, subject to the rights, if any, of an officer under any contract of employment. The Board of Directors may appoint, or empower an officer to appoint, such officers and agents of the business as the Corporation may require (whether or not such officer or agent is described in this Article V), each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board of Directors may from time to time determine. Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors or may be filled by the officer, if any, who appointed such officer.

5.3 REMOVAL AND RESIGNATION OF OFFICERS

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by an affirmative vote of the majority of the Board of Directors at any regular or special meeting of the Board of Directors or, except in the case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors or, in the case of an officer appointed by another officer, by such other officer.

Any officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

5.4 CHAIRMAN OF THE BOARD

The Chairman of the Board, if such an officer be elected, shall, if present, preside at meetings of the Board of Directors and exercise and perform such other powers and duties as may from time to time be assigned to him or her by the Board of Directors or as may be prescribed by these Bylaws.

5.5 CHIEF EXECUTIVE OFFICER

The Chief Executive Officer of the Corporation shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and the officers of the Corporation. He or she, if a Director, shall preside at all meetings of the stockholders and, in the absence or nonexistence of a Chairman of the Board at all meetings of the Board of Directors. He or she shall have the general powers and duties of management usually vested in the chief executive officer of a corporation, including general supervision, direction and control of the business and supervision of other officers of the Corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

The Chief Executive Officer shall, without limitation, have the authority to execute bonds, mortgages and other contracts requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation.

5.6 PRESIDENT

Subject to such supervisory powers as may be given by these Bylaws or the Board of Directors to the Chairman of the Board or the Chief Executive Officer, if there be such officers, the President shall have general supervision, direction and control of the business and supervision of other officers of the Corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws. In the event a Chief Executive Officer shall not be appointed, the President shall have the duties of such office.

5.7 VICE PRESIDENT

In the absence or disability of the President, the Vice Presidents, if any, in order of their rank as fixed by the Board of Directors or, if not ranked, a Vice President designated by the Board of Directors, shall perform all the duties of the President and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors, these Bylaws, the Chief Executive Officer, the President or the Chairman of the Board.

5.8 SECRETARY

The Secretary shall keep or cause to be kept, at the principal executive office of the Corporation or such other place as the Board of Directors may direct, a book of minutes of all meetings and actions of Directors, committees of Directors, and stockholders. The minutes shall show the time and place of each meeting, whether regular or special (and, if special, how authorized and the notice given), the names of those present at Directors' meetings or committee meetings, the number of shares present or represented at stockholders' meetings, and the proceedings thereof. The Secretary shall keep, or cause to be kept, at the principal executive office of the Corporation or at the office of the Corporation's transfer agent or registrar, as determined by resolution of the Board of Directors, a share register, or a duplicate share register, showing the names of all stockholders and their addresses, the number and classes of shares held by each, the number and date of certificates evidencing such shares, and the number and date of cancellation of every certificate surrendered for cancellation. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and of the Board of Directors required to be given by law or by these Bylaws. He or she shall keep the seal of the Corporation, if one be adopted, in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by these Bylaws.

5.9 CHIEF FINANCIAL OFFICER

The Chief Financial Officer shall deposit all money and other valuables in the name and to the credit of the Corporation with such depositaries as may be designated by the Board of Directors. He or she shall disburse the funds of the Corporation as may be ordered by the Board of Directors, shall render to the Chief Executive Officer and Directors, whenever they request it, an account of all of his or her transactions as treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

5.10 ASSISTANT SECRETARY

The Assistant Secretary, or, if there is more than one, the Assistant Secretaries in the order determined by the stockholders or Board of Directors (or if there be no such determination, then in the order of their election) shall, in the absence of the Secretary or in the event of his or her inability or refusal to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board of Directors or the stockholders may from time to time prescribe.

5.11 CONTROLLER

The Controller shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and shares. The books of account shall at all reasonable times be open to inspection by any Director. He or she shall render to the Chief Executive Officer, the President, the Chief Financial Officer and the Directors, whenever they request it, such reports as any of them may require, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

5.12 AUTHORITY AND DUTIES OF OFFICERS

In addition to the foregoing authority and duties, all officers of the Corporation shall have such authority and perform such duties in the management of the business of the Corporation as may be designated from time to time by the Board of Directors or the stockholders.

ARTICLE VI INDEMNITY

6.1 THIRD PARTY ACTIONS

The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that the person is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

6.2 ACTIONS BY OR IN THE RIGHT OF THE CORPORATION

The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a Director, officer, employee or agent of Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith and in manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and

reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

6.3 SUCCESSFUL DEFENSE

To the extent that a present or former Director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 6.1 and 6.2, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

6.4 DETERMINATION OF CONDUCT

Any indemnification under Sections 6.1 and 6.2 (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that the indemnification of the present or former Director, officer, employee or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Sections 6.1 and 6.2. Such determination shall be made, with respect to a person who is a Director or officer at the time of such determination, (1) by a majority vote of the Directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (2) by a committee of such Directors designated by majority vote of such Directors, even though less than a quorum or (3) if there are no such Directors, or if such Directors so direct, by independent legal counsel in a written opinion, or (4) by the stockholders.

6.5 PAYMENT OF EXPENSES IN ADVANCE

Expenses (including attorney's fees) incurred by an officer, Director, employee, agent, former Director or former officer of the Corporation in defending a civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the Director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article VI.

6.6 INDEMNITY NOT EXCLUSIVE

The indemnification and advancement of expenses provided by, or granted pursuant to, the other sections of this Article VI shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, vote of stockholders or disinterested Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office.

6.7 INSURANCE INDEMNIFICATION

The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article VI.

6.8 THE CORPORATION

For purposes of this Article VI, references to "the Corporation" shall include, in addition to the resulting Corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or

agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VI (including, without limitation the provisions of Section 6.4) with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

6.9 EMPLOYEE BENEFIT PLANS; FINES; SERVING AT THE REQUEST OF THE CORPORATION

For purposes of this Article VI, references to “other enterprises” shall include employee benefit plans; references to “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to “serving at the request of the Corporation” shall include any service as a Director, officer, employee or agent of the Corporation that imposes duties on, or involves services by, such Director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the Corporation” as referred to in this Article VI.

6.10 CONTINUATION OF INDEMNIFICATION AND ADVANCEMENT OF EXPENSES

The indemnification and advance of expenses provided by, or granted pursuant to, this Article VI shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

6.11 SEVERABILITY

If any provision or provisions of this Article VI shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions of this Article VI (including, without limitation, each portion of any Section of this Article VI containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (ii) to the fullest extent possible, the provisions of this Article VI (including, without limitation, each such portion of any Section of this Article VI containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision or provisions held invalid, illegal or unenforceable.

ARTICLE VII RECORDS AND REPORTS

7.1 MAINTENANCE AND INSPECTION OF RECORDS

The Corporation shall, either at its principal executive office or at such place or places as designated by the Board of Directors, keep a record of its stockholders listing their names and addresses and the number and class of shares held by each stockholder, a copy of these Bylaws as amended to date, accounting books, and other records.

Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to

inspect for any proper purpose the Corporation's stock ledger, a list of its stockholders, and its other books and records and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent is the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing that authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the Corporation at its registered office in Delaware or at its principal place of business.

7.2 INSPECTION BY DIRECTORS

Any Director shall have the right to examine the Corporation's stock ledger, a list of its stockholders and its other books and records for a purpose reasonably related to his or her position as a Director. The Court of Chancery is hereby vested with the exclusive jurisdiction to determine whether a Director is entitled to the inspection sought. The Court may summarily order the Corporation to permit the Director to inspect any and all books and records, the stock ledger, and the stock list and to make copies or extracts therefrom. The Court may, in its discretion, prescribe any limitations or conditions with reference to the inspection, or award such other and further relief as the Court may deem just and proper.

7.3 REPRESENTATION OF SHARES OF OTHER CORPORATIONS

The Chairman of the Board, the Chief Executive Officer, the President, any Vice President, the Chief Financial Officer, the Secretary or an Assistant Secretary of this Corporation, or any other person authorized by the Board of Directors or the Chief Executive Officer, the President or a Vice President, is authorized to vote, represent, and exercise on behalf of this Corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of this Corporation. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

ARTICLE VIII

GENERAL MATTERS

8.1 CHECKS

From time to time, the Board of Directors shall determine by resolution which person or persons may sign or endorse all checks, drafts, other orders for payment of money, notes or other evidences of indebtedness that are issued in the name of or payable to the Corporation, and only the persons so authorized shall sign or endorse those instruments.

8.2 EXECUTION OF CORPORATE CONTRACTS AND INSTRUMENTS

The Board of Directors, except as otherwise provided in these Bylaws, may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

8.3 STOCK CERTIFICATES; PARTLY PAID SHARES

The shares of a corporation shall be represented by certificates, provided that the Board of Directors of the Corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall

not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the Corporation by the Chairman or a vice-chairman of the Board of Directors, or the Chief Executive Officer, the President or any Vice President, and by the Chief Financial Officer, the Secretary or any Assistant Secretary representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

The Corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly paid shares or upon the books and records of the Corporation in the case of uncertificated partly paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully paid shares, the Corporation shall declare a dividend upon partly paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

8.4 SPECIAL DESIGNATION ON CERTIFICATES

If the Corporation is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and or rights shall be set forth in full or summarized on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock; provided, however, that, except as otherwise provided in Section 202 of the General Corporation Law of Delaware, in lieu of the foregoing requirements there may be set forth on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and or rights.

8.5 LOST CERTIFICATES

Except as provided in this Section 8.5, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the Corporation and canceled at the same time. The Corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or his or her legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

8.6 CONSTRUCTION; DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the General Corporation Law of Delaware shall govern the construction of these Bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a Corporation and a natural person.

8.7 DIVIDENDS

The Directors of the Corporation, subject to any restrictions contained in the Certificate and these Bylaws, may declare and pay dividends upon the shares of its capital stock pursuant to the General Corporation Law of Delaware. Dividends may be paid in cash, in property, or in shares of the Corporation's capital stock.

The Directors of the Corporation may set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve. Such purposes shall include but not be limited to equalizing dividends, repairing or maintaining any property of the Corporation, and meeting contingencies.

8.8 FISCAL YEAR

The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors and may be changed by the Board of Directors.

8.9 SEAL

The Corporation may adopt a corporate seal, which may be altered at pleasure, and may use the same by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

8.10 TRANSFER OF STOCK

Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate, and record the transaction in its books.

8.11 STOCK TRANSFER AGREEMENTS

The Corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the Corporation to restrict the transfer of shares of stock of the Corporation of any one or more classes owned by such stockholders in any manner not prohibited by the General Corporation Law of Delaware.

8.12 REGISTERED STOCKHOLDERS

The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner, shall be entitled to hold liable for calls and assessments the person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE IX AMENDMENTS

9.1 AMENDMENTS

The original or other Bylaws of the Corporation may be adopted, amended or repealed by the stockholders entitled to vote; provided, however, that the Corporation may, in its Certificate, confer the power to adopt, amend or repeal Bylaws upon the Directors. The fact that such power has been so conferred upon the Directors shall not divest the stockholders of the power, nor limit their power to adopt, amend or repeal Bylaws. Any adoption of new Bylaws or amendment or

repeal of these Bylaws must be approved by the holders of two-thirds of the shares entitled to vote on such matter.

DESCRIPTION OF SECURITIES

Commvault Systems, Inc. has two classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): our Common Stock and our Preferred Stock Purchase Rights.

This summary does not purport to be a complete statement of the relevant provisions of our Amended and Restated Certificate of Incorporation ("Charter") or our Amended and Restated Bylaws ("Bylaws"). This summary is subject to and qualified in its entirety by reference to our Charter and Bylaws, which are incorporated by reference as exhibits to the Annual Report on Form 10-K of which this exhibit is a part.

Description of Common Stock

Shares Authorized. The Company is authorized to issue up to 250,000,000 shares of common stock, par value \$0.01 per share (the "Common Stock").

Voting Rights. Each share of Common Stock is entitled to one vote on all matters submitted to a vote of stockholders, including the election of directors. Holders of shares of Common Stock do not have cumulative voting rights.

Dividends. Subject to the rights of holders of any outstanding shares of preferred stock, the holders of Common Stock are entitled to receive dividends, if any, as may be declared from time to time by the Board of Directors in its discretion out of funds legally available for the payment of dividends.

Other Rights. Subject to any preferential rights of holders of any outstanding shares of preferred stock, holders of Common Stock are entitled to share ratably in all assets legally available for distribution to stockholders in the event of dissolution. Our Common Stock has no sinking fund or redemption provisions or preemptive, conversion or exchange rights. Holders of shares of Common Stock are not currently entitled to pre-emptive rights.

Fully Paid. The issued and outstanding shares of Common Stock are fully paid and non-assessable.

Listing. The Common Stock is traded on The Nasdaq Stock Market LLC under the trading symbol "CVLT."

Description of Preferred Stock Purchase Rights and Preferred Stock

This description of Preferred Stock Purchase Rights and Series A Preferred Stock is subject to and qualified in its entirety by reference to the Rights Agreement, dated as of April 3, 2020, between Commvault Systems, Inc. and Computershare Trust Company, N.A. (the "Rights Agreement") as filed on Form 8-K dated April 6, 2020, Amendment No. 1 (the "Amendment") to the Rights Agreement dated as of November 16, 2020, as filed on Form 8-K dated November 16, 2020, and the Certificate of Designation of Series A Junior Participating Preferred Stock as filed on Form 8-K dated November 14, 2008.

Shares Authorized. The Company is authorized to issue up to 50,000,000 shares of preferred stock, par value \$0.01 per share, in one or more series and with rights and preferences that may be fixed or designated by our board of directors without any further action by our stockholders. 150,000 shares of preferred stock are designated as Series A Junior Participating Preferred Stock (the "Series A Preferred Stock").

On April 13, 2020, the Board of Directors issued a dividend of one preferred share purchase right ("Right") for each share of Common Stock to purchase one-thousandth of a share of Series A Preferred Stock, par value \$0.01 per share, at a price of \$200 per one-thousandth of a share of Series A Preferred Stock. However, those Rights expired on their terms on April 1, 2021 without having been exercised.

As of the date hereof, no shares of Series A Preferred Stock have been issued or are outstanding, and there are no outstanding or issued purchase rights in respect thereof. However, the Company could issue such shares or purchase rights in the future.

Voting Rights. Until a Right is exercised or exchanged, the holder of such Rights will have no rights as a stockholder, including the right to vote. In the event that shares of Series A Preferred Stock are issued, each one-thousandth share of Series A Preferred Stock will be entitled to one vote on all matters submitted to a vote of stockholders, including the election of directors. Except as may otherwise be provided, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock would vote together as one class on all matters submitted for a vote of shareholders. These voting rights are subject to adjustment under certain circumstances.

Dividends. Until a Right is exercised or exchanged, the holder of such Rights will have no rights as a stockholder, including the right to receive dividends. In the event that shares of Series A Preferred Stock are issued in the future, subject to any prior and superior rights of holders of any outstanding series of preferred stock, the holders of Series A Preferred Stock would be entitled to receive dividends, if any, as may be declared from time to time by the Board of Directors in its discretion out of funds legally available for the payment of dividends on terms as may be agreed.

Anti-Takeover Effects of Provisions of our Certificate of Incorporation and Bylaws

Board of Directors

Our Charter and Bylaws provide:

- that directors may be removed only for cause, if such removal is prior to the 2023 annual meeting of stockholders, and with or without cause if such removal is after the 2023 annual meeting of stockholders, by the affirmative vote of the holders of at least 66 2/3% of the shares of our capital stock entitled to vote; and
- that any vacancy on the board of directors, however occurring, including a vacancy resulting from an enlargement of the board, may only be filled by vote of a majority of the directors then in office.

These provisions could make it more difficult for a third party to acquire us or discourage a third party from acquiring us.

In addition, our Charter and Bylaws previously provided that the board of directors be divided into three classes, as nearly equal in size as possible, with staggered three-year terms. However, our stockholders have voted in favor of amending our Charter and Bylaws to remove this classification and we have begun the process of de-staggering the board of directors. At the end of this three-year process, all directors will be in a single class and elected for single-year terms. For more information, please see the amended Charter and Bylaws, as filed on Form 8-K dated August 28, 2020.

Stockholder Actions and Special Meetings

Our Charter and Bylaws also provide that:

- any action required or permitted to be taken by the stockholders at an annual meeting or special meeting of stockholders may only be taken if it is properly brought before such meeting and may not be taken by written action in lieu of a meeting; and
- special meetings of the stockholders may only be called by the chairman of the board of directors, our chief executive officer, or by the board of directors.

Our Bylaws provide that in order for any matter to be considered “properly brought” before a meeting, a stockholder must comply with requirements regarding advance notice to us. These provisions could delay stockholder actions which are favored by the holders of a majority of our outstanding voting securities until the next stockholders meeting. These provisions may also discourage another person or entity from making a tender offer for our common stock because such person or entity, even if it acquired a majority of our outstanding voting securities, would be able to take action as a stockholder (such as electing new directors or approving a merger) only at a duly called stockholders meeting and not by written consent.

Board Consideration of Change of Control Transactions

Our Charter empowers our board of directors, when considering a tender offer or merger or acquisition proposal, to take into account, in addition to potential economic benefits to stockholders, factors such as:

- a comparison of the proposed consideration to be received by stockholders in relation to the then current market price of our capital stock; and
- the impact of the transaction on our employees, suppliers and customers and its effect on the communities in which we operate.

Amendment

Delaware law provides that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or bylaws, unless a corporation's certificate of incorporation or bylaws, as the case may be, requires a greater percentage. Our Charter requires the affirmative vote of the holders of at least 66 2/3% of the shares of our capital stock entitled to vote to amend or repeal any of the foregoing provisions of our Charter. Our Bylaws may be amended or repealed by a majority vote of the board of directors or the holders of at least 66 2/3% of the shares of our capital stock issued and outstanding and entitled to vote. The stockholder vote would be in addition to any separate class vote that might in the future be required pursuant to the terms of any series preferred stock that might be outstanding at the time any such amendments are submitted to stockholders.

Preferred Stock

The authorization of undesignated preferred stock makes it possible for the board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change the control of our company. These and other provisions may deter hostile takeovers or delay changes in control or management of our company.

Delaware Business Combination Statute

Section 203 of the Delaware General Corporation Law provides that, subject to exceptions set forth therein, an interested stockholder of a Delaware corporation shall not engage in any business combination, including mergers or consolidations or acquisitions of additional shares of the corporation, with the corporation for a three-year period following the date that the stockholder becomes an interested stockholder unless:

- prior to that date, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, other than statutorily excluded shares; or
- on or subsequent to such date, the business combination is approved by the board of directors of the corporation and authorized at an annual or special meeting of stockholders by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

Except as otherwise set forth in Section 203, an interested stockholder is defined to include:

- any person that is the owner of 15% or more of the outstanding voting stock of the corporation, or is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of the corporation at any time within three years immediately prior to the date of determination; and
- the affiliates and associates of any such person.

Section 203 may make it more difficult for a person who would be an interested stockholder to effect various business combinations with a corporation for a three-year period. We have not elected to be exempt from the restrictions imposed under Section 203. The provisions of Section 203 may encourage persons interested in acquiring us to negotiate in advance with our board because the stockholder approval requirement would be avoided if a majority of the directors then in office approves either the business combination or the transaction which results in any such person becoming an interested stockholder. These provisions also may have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish transactions which our stockholders may otherwise deem to be in their best interests.

INDEMNIFICATION AGREEMENT

This INDEMNIFICATION AGREEMENT (this “Agreement”) is made and effective as of the date executed, by and between Commvault Systems, Inc., a Delaware corporation, (the “Company”), and [NAME OF INDEMNITEE] (“Indemnitee”).

WHEREAS, it is essential to the Company to retain and attract as directors and officers the most capable persons available;

WHEREAS, Indemnitee is a director or officer of the Company;

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of public companies;

WHEREAS, the Company’s Certificate of Incorporation (“Certificate of Incorporation”) and By-Laws (“By-Laws”) require the Company to indemnify, advance expenses to, and insure its directors and officers to the extent provided therein, and Indemnitee serves as a director or officer of the Company, in part, in reliance on such provisions in the Company’s Certificate of Incorporation and By-Laws;

WHEREAS, the Company has determined that its inability to retain and attract as directors and officers the most capable persons would be detrimental to the interests of the Company and that Company therefore should seek to assure such persons that indemnification and insurance coverage will be available in the future; and

WHEREAS, in recognition of Indemnitee’s need for substantial protection against personal liability in order to enhance Indemnitee’s continued service to the Company in an effective manner and Indemnitee’s reliance on the Certificate of Incorporation and By-Laws, and in part to provide Indemnitee with specific contractual assurance that the protection promised by the Company’s Certificate of Incorporation and By-Laws will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of the applicable provisions of the Certificate of Incorporation or By-Laws, any change in the composition of the governing bodies of the Company Board of Directors, or any acquisition transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancing of expenses to Indemnitee to the fullest extent (whether partial or complete) permitted by law and as set forth in this Agreement, and for the continued coverage of Indemnitee under the directors’ and officers’ liability insurance policy of the Company.

NOW, THEREFORE, in consideration of the premises and of Indemnitee’s continuing to serve the Company directly on its behalf or at its request as an officer, director, manager, member, partner, tax matters partner, fiduciary, or trustee of, or in any other capacity with, another Person (as defined below) or any employee benefit plan, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Certain Definitions:

(a) Change in Control: shall be deemed to have occurred if (i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing twenty percent (20%) or more of the total voting power represented by the Company’s then outstanding Voting Securities, or (ii) during any period of two (2) consecutive years, individuals who at the beginning of such period constitute the Board of Directors of the Company and any new director whose election by the Board of Directors or nomination for election by the Company’s stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof, or (iii) the stockholders of the Company approve a merger or consolidation of the Company with any other entity, other than a merger or consolidation that would result in the Voting Securities of the

Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities of the surviving entity) at least fifty percent (50%) of the total voting power represented by the Voting Securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of (in one transaction or a series of transactions) all or substantially all of the Company's assets.

(b) Board of Directors: means the Board of Directors of the Company.

(c) Claim: means any threatened, asserted, pending, or completed civil, criminal, administrative, investigative, or other action, suit, or proceeding of any kind whatsoever, including any arbitration or other alternative dispute resolution mechanism, or any appeal of any kind thereof, or any inquiry or investigation, whether instituted by the Company, any governmental agency, or any other party, that Indemnitee in good faith believes might lead to the institution of any such action, suit, or proceeding, whether civil, criminal, administrative, investigative, or other, including any arbitration or other alternative dispute resolution mechanism.

(d) DGCL: means the General Corporation Law of the State of Delaware.

(e) Exchange Act: means the Securities Exchange Act of 1934, as amended.

(f) ERISA: means the Employee Retirement Income Security Act of 1974, as amended.

(g) Expenses: means all direct or indirect costs, expenses, and obligations, including attorneys' fees, judgments, fines, penalties, interest, appeal bonds, amounts paid in settlement with the approval of the Company Board of Directors, and counsel fees and disbursements (including, without limitation, experts' fees, court costs, retainers, appeal bond premiums, transcript fees, duplicating, printing, and binding costs, as well as telecommunications, postage, and courier charges), paid or incurred in connection with investigating, prosecuting, defending, being a witness in, or participating in (including on appeal), or preparing to investigate, prosecute, defend, be a witness in, or participate in, any Claim relating to any Indemnifiable Event, and shall include (without limitation) all attorneys' fees and all other expenses incurred by or on behalf of Indemnitee in connection with preparing and submitting any requests or statements for indemnification, advancement, or any other right provided by this Agreement (including, without limitation, such fees or expenses incurred in connection with legal proceedings contemplated by Section 2(d) hereof).

(h) Indemnifiable Amounts: means (i) any and all liabilities, Expenses, damages, judgments, fines, penalties, ERISA excise taxes, and amounts paid in settlement (including all interest, assessments, and other charges paid or payable in connection with or in respect of such liabilities, Expenses, damages, judgments, fines, penalties, ERISA excise taxes, or amounts paid in settlement) arising out of or resulting from any Claim relating to an Indemnifiable Event, (ii) any liability pursuant to a loan, guaranty or otherwise, for any indebtedness of the Company or any subsidiary of the Company, including, without limitation, any indebtedness that the Company or any subsidiary of the Company has assumed or taken subject to, and (iii) any liability that an Indemnitee incurs as a result of acting on behalf of the Company (whether as a fiduciary or otherwise) in connection with the operation, administration, or maintenance of an employee benefit plan or any related trust or funding mechanism (whether such liability is in the form of an excise tax assessed by the United States Internal Revenue Service, a penalty assessed by the Department of Labor, restitution to such a plan or trust or other funding mechanism or to a participant or beneficiary of such plan, trust, or other funding mechanism, or otherwise).

(i) Indemnifiable Event: means any event or occurrence, whether occurring before, on, or after the date of this Agreement, related to the fact that Indemnitee is or was a director or officer, employee, agent or fiduciary of the Company, or is or was serving on behalf of the Company at the request of the Company as a director, officer, employee, manager, member, partner, tax matter partner, trustee, agent, fiduciary, or similar capacity, of another corporation, limited liability company, partnership, joint venture, employee benefit plan, trust, or other entity or enterprise, or by reason of act or omission by Indemnitee in any such capacity (in all cases whether or not Indemnitee is acting or serving in any such capacity or has such status at the time any Indemnifiable Amount is incurred for which indemnification, advancement or any other right can be provided by this Agreement). The term

“Company,” where the context requires when used in this Agreement, shall be construed to include such other corporation, limited liability company, partnership, joint venture, employee benefit plan, trust, or other entity or enterprise.

(k) Independent Legal Counsel: means an attorney or firm of attorneys, selected pursuant to and in accordance with the provisions of Section 3, who is experienced in matters of corporate law and who shall not have otherwise performed services for the Company or Indemnitee within the last five (5) years (other than with respect to matters concerning the rights of Indemnitee under this Agreement, or of other indemnitees under similar indemnity agreements).

(m) Person: means any individual, corporation, firm, partnership, joint venture, limited liability company, estate, trust, business association, organization, governmental entity, or other entity.

(n) Reviewing Party: means any appropriate person or body consisting of a member or members of the Company’s Board of Directors or any other person or body appointed by the Board who is not a party to the particular Claim for which Indemnitee is seeking indemnification, or Independent Legal Counsel.

(o) Voting Securities: means any securities of the Company that vote generally in the election of directors.

2. Basic Indemnification Arrangement; Advancement of Expenses.

(a) In the event that Indemnitee was, is or becomes subject to, a party to or witness or other participant in, or is threatened to be made subject to, a party to or witness or other participant in, a Claim by reason of (or arising in part out of) an Indemnifiable Event, the Company shall hold harmless and indemnify Indemnitee, or cause Indemnitee to be indemnified, including all Expenses and Indemnifiable Amounts, to the fullest extent permitted by Delaware law in effect on the date hereof and as amended from time to time; provided, however, that no change in Delaware law shall have the effect of reducing the benefits available to Indemnitee hereunder based on Delaware law as in effect on the date hereof or as such benefits may improve as a result of amendments to Delaware law that become effective after the date hereof. The rights of Indemnitee provided in this Section 2 shall include, without limitation, the rights set forth in the other sections of this Agreement. Payments of Indemnifiable Amounts shall be made as soon as practicable but in any event no later than thirty (30) days after written demand is presented to the Company.

(b) If so requested by Indemnitee, the Company shall advance, or cause to be advanced (within five (5) business days of such request), any and all Expenses incurred by Indemnitee (an “Expense Advance”). The Company shall, in accordance with such request (but without duplication), pay, or caused to be paid, such Expenses on behalf of Indemnitee, unless Indemnitee shall have elected to pay such Expenses and have such Expenses reimbursed, in which case the Company shall reimburse, or cause to be reimbursed, Indemnitee for such Expenses. To the fullest extent permitted by Delaware law, Indemnitee’s right to an Expense Advance is absolute and shall not be subject to any prior determination by the Reviewing Party that Indemnitee has satisfied any applicable standard of conduct for indemnification. Indemnitee hereby undertakes to repay any amounts advanced (without interest) to the extent it is ultimately determined that Indemnitee is not entitled under this Agreement to be indemnified by the Company in respect thereof. No other form of undertaking shall be required of Indemnitee other than execution of this Agreement. If Indemnitee commences legal proceedings in a court of competent jurisdiction to secure a determination that Indemnitee should be indemnified under applicable law, then Indemnitee shall not be required to reimburse the Company for any Expense Advance until a final judicial determination is made with respect thereto.

(c) Notwithstanding anything in this Agreement to the contrary, Indemnitee shall not be entitled to indemnification or advancement of Expenses pursuant to this Agreement in connection with any Claim initiated voluntarily by Indemnitee, and not by way of defense, unless (i) the Company has joined in, or the Board of Directors has authorized or consented to, the initiation of such Claim or (ii) the Claim is one to enforce Indemnitee’s rights under this Agreement (including an action pursued by Indemnitee to secure a determination that Indemnitee should be indemnified under applicable law),

however such indemnification or advancement of Expenses may be provided by the Company in specific cases if the Board of Directors finds it to be appropriate and lawful.

(d) Notwithstanding the foregoing, (i) the obligations of the Company under Section 2(a) shall be subject to the condition that the Reviewing Party shall not have determined (in a written opinion, in any case in which the Independent Legal Counsel referred to in Section 3 is involved) that Indemnitee would not be permitted to be indemnified under applicable law, and (ii) the obligation of the Company to make an Expense Advance pursuant to Section 2(b) shall be subject to the condition that, if, when, and to the extent that the Reviewing Party determines that Indemnitee would not be permitted to be so indemnified under applicable law, the Company shall be entitled to be reimbursed by Indemnitee (who, by execution of this Agreement, hereby agrees to reimburse the Company) for all such amounts theretofore paid; provided, however, that, if Indemnitee has commenced or thereafter commences legal proceedings in a court of competent jurisdiction to secure a determination that Indemnitee should be indemnified under applicable law, any determination made by the Reviewing Party that Indemnitee would not be permitted to be indemnified under applicable law shall not be binding and Indemnitee shall not be required to reimburse the Company for any Expense Advance until a final judicial determination is made with respect thereto (as to which all rights of appeal therefrom have been exhausted or lapsed). If there has not been a Change in Control, the Reviewing Party shall be selected by the Board of Directors, and if there has been such a Change in Control (other than a Change in Control that has been approved by a majority of the members of the Board of Directors who were directors immediately prior to such Change in Control), the Reviewing Party shall be the Independent Legal Counsel referred to in Section 3. If there has been no determination by the Reviewing Party, or if the Reviewing Party determines that Indemnitee would not be permitted to be indemnified in whole or in part under applicable law, Indemnitee shall have the right to commence litigation in any court in the State of Delaware having subject matter jurisdiction thereof and in which venue is proper seeking an initial determination by the court or challenging any such determination by the Reviewing Party or any aspect thereof, including the legal or factual bases therefor, and the Company hereby consents to service of process and to appear in any such proceeding. Any determination by the Reviewing Party otherwise shall be conclusive and binding on the Company and Indemnitee.

3. Change in Control. The Company agrees that, if there is a Change in Control of the Company (other than a Change in Control which has been approved by a majority of the Board of Directors who were directors immediately prior to such Change in Control), then with respect to all matters thereafter arising concerning the rights of Indemnitee to indemnity payments and Expense Advances under this Agreement or under any provision of the Certificate of Incorporation or By-Laws now or hereafter in effect relating to Claims for Indemnifiable Events, the Company shall seek legal advice only from Independent Legal Counsel selected by Indemnitee and approved by the Company (which approval shall not be unreasonably withheld). Such counsel, among other things, shall render its written opinion to the Company and Indemnitee as to whether and to what extent the Indemnitee would be permitted to be indemnified under applicable law. The Company agrees to pay the reasonable fees of the Independent Legal Counsel referred to above and to indemnify fully such counsel against any and all expenses (including attorneys' fees), claims, liabilities, and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

4. Indemnification for Additional Expenses. The Company shall indemnify, or cause the indemnification of, Indemnitee against any and all Expenses and, if requested by Indemnitee, shall advance such Expenses to Indemnitee, subject to and in accordance with Section 2, which are incurred by Indemnitee in connection with any action brought by Indemnitee for (a) indemnification or an Expense Advance by the Company under this Agreement or any other agreement or provision of the Certificate of Incorporation or By-laws now or hereafter in effect relating to Claims for Indemnifiable Events and (b) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, Expense Advance, or insurance recovery, as the case may be.

5. Contribution. Whether or not the indemnification set forth herein is available to Indemnitee, in respect of any Claim in which the Company is jointly liable with the Indemnitee (or would be if joined in such Claim), the Company shall pay the entire amount of any Expenses without requiring Indemnitee to contribute such payment and the Company hereby waives any right of contribution it may have against Indemnitee. Without diminishing the foregoing, if for any reason Indemnitee shall elect or be

required to pay all or any portion of any Expenses related to a Claim which the Company is jointly liable with the Indemnitee (or would be if joined in such Claim), the Company shall contribute the amount of Expenses actually and reasonably incurred by the Indemnitee in such proportion that is fair and reasonable in light of all the circumstances of such Claim in order to reflect just and equitable contribution. By way of example only, factors to be considered in determining the Company's fair and reasonable proportion may be the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent the circumstances resulting in the Claim. The Company further agrees to fully indemnify and hold Indemnitee harmless from any claims of contribution which may be brought by other officers, directors or employees of the Company who may be jointly liable with Indemnitee.

6. Partial Indemnity, Etc. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses or other Indemnifiable Amounts in respect of a Claim but not, however, for the entire amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. Moreover, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all Claims relating in whole or in part to an Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee shall be indemnified against all Expenses incurred in connection therewith. Without limiting the foregoing, if any Claim is disposed of, on the merits or otherwise (including a disposition without prejudice), without (i) the disposition being adverse to Indemnitee, (ii) an adjudication that Indemnitee was liable to the Company, (iii) a plea of guilty or nolo contendere (or its equivalent) by Indemnitee, (iv) an adjudication that Indemnitee did not act in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company, and (v) with respect to any criminal proceeding, an adjudication that Indemnitee had reasonable cause to believe his or her conduct was unlawful, Indemnitee shall be considered for the purposes hereof to have been wholly successful with respect thereto.

7. Burden of Proof. In connection with an Indemnitee's notice of any Claim relating to an Indemnifiable Event, Indemnifiable Amounts, and/or Expense Advances, or any determination by the Reviewing Party or otherwise as to whether Indemnitee is entitled to be indemnified hereunder, the Company, Reviewing Party, court, or other finder of fact or appropriate Person shall presume that Indemnitee has satisfied the applicable standard of conduct and is entitled to indemnification, the burden of proof shall be on the Company (or its representative) to establish by clear and convincing evidence that Indemnitee is not so entitled.

8. Reliance as Safe Harbor. For purposes of this Agreement, and without creating any presumption as to a lack of good faith if the following circumstances do not exist, Indemnitee shall be deemed to have acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company if Indemnitee's actions or omissions to act are taken in good faith reliance upon the records of the Company, including its financial statements, or upon information, opinions, reports, or statements furnished to Indemnitee by the officers or employees of the Company or any of its subsidiaries in the course of their duties, or by committees of the Board of Directors, or by any other Person (including legal counsel, accountants, and financial advisors) as to matters Indemnitee reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company. In addition, the knowledge and actions, or failures to act, of any director, officer, agent, or employee of the Company shall not be imputed to Indemnitee for purposes of determining the right to indemnity hereunder.

9. No Other Presumptions. For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval), or conviction, or upon a plea of nolo contendere or its equivalent, shall not create a presumption that Indemnitee did not meet any particular standard of conduct, was not successful on the merits of the Claim, or have any particular belief or that a court has determined that indemnification is not permitted by applicable law. In addition, neither the failure of the Reviewing Party to have made a determination as to whether Indemnitee has met any particular standard of conduct or had any particular belief, nor an actual determination by the Reviewing Party that Indemnitee has not met such standard of conduct or did not have such belief, prior to the commencement of legal proceedings by Indemnitee to secure a judicial determination that Indemnitee should be indemnified under applicable law shall be a defense to Indemnitee's claim or create a presumption that Indemnitee has not met any particular standard of conduct or did not have any particular belief.

10. Nonexclusivity, etc. The rights of the Indemnitee hereunder shall be in addition to any other rights Indemnitee may have under the Certificate of Incorporation, the DGCL, or otherwise. To the extent that a change in the DGCL (whether by statute or judicial decision) permits greater indemnification by agreement than would be afforded currently under the Certificate of Incorporation or this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. To the extent that there is a conflict or inconsistency between the terms of this Agreement and the Certificate of Incorporation or By-Laws, it is the intent of the parties hereto that Indemnitee shall enjoy the greater benefits regardless of whether contained herein or in the Certificate of Incorporation or By-Laws. No amendment or alteration of the Certificate of Incorporation or By-Laws or any other agreement shall adversely affect the rights provided to Indemnitee under this Agreement.

11. Liability Insurance. Indemnitee shall be covered by the Company's directors' and officers' liability insurance policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officer. Upon Indemnitee's notice of the commencement of an action, suit, or , the Company shall give prompt notice of the commencement of such action, suit, or proceeding to the insurers in accordance with the procedures set forth in the applicable policy. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policy.

12. Amendments, etc. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver.

13. Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights. The Company shall pay or reimburse all Expenses actually and reasonably incurred by Indemnitee in connection with such subrogation.

14. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment in connection with any Claim made against Indemnitee to the extent Indemnitee has otherwise actually received payment (under any insurance policy or any provision of the Certificate of Incorporation or By-law or otherwise) of the amounts otherwise indemnifiable hereunder.

15. Notification and Defense of Claims.

(a) Indemnitee shall notify the Company in writing as soon as practicable of any Claim that could relate to an Indemnifiable Event or for which Indemnitee could seek Expense Advances, including a brief description (based upon information then available to Indemnitee) of the nature of, and the facts underlying, such Claim. The failure by Indemnitee to timely notify the Company hereunder shall not relieve the Company from any liability hereunder unless the Company's ability to participate in the defense of such claim was materially and adversely affected by such failure.

(b) The Company shall be entitled to participate in the defense of any Claim relating to an Indemnifiable Event or assume the defense thereof, with counsel reasonably satisfactory to Indemnitee; provided that, if Indemnitee believes, after consultation with counsel selected by Indemnitee, that (a) the use of counsel chosen by the Company to represent Indemnitee would present such counsel with an actual or potential conflict of interest, (b) the named parties in any such Claim (including any impleaded parties) include the Company or any subsidiary of the Company, on the one hand, and Indemnitee, on the other hand, and Indemnitee concludes, after consultation with counsel selected by Indemnitee, that there may be one or more legal defenses available to him that are different from or in addition to those available to the Company or any subsidiary of the Company, or (c) any such representation by such counsel would be precluded under the applicable standards of professional conduct then prevailing, then Indemnitee shall be entitled to retain separate counsel (but not more than one law firm, plus, if applicable, local counsel in respect of any particular Claim) at the Company's expense. The Company shall not be liable to

Indemnatee under this Agreement for any amounts paid in settlement of any Claim relating to an Indemnifiable Event effected without the Company's prior written consent. The Company shall not, without the prior written consent of Indemnatee, effect any settlement of any Claim relating to an Indemnifiable Event to which Indemnatee is or could have been a party unless such settlement involves solely the payment of money and includes a complete and unconditional release of Indemnatee from all liability on all claims that are the subject matter of such Claim. Neither the Company nor Indemnatee shall unreasonably withhold, condition, or delay its or his consent to any proposed settlement; provided that Indemnatee may withhold consent to any settlement that does not provide a complete and unconditional release of Indemnatee.

16. Binding Effect, etc. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors, assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), spouses, heirs, executors, and personal and legal representatives. In the event Indemnatee files a Claim to enforce its rights under this Agreement, the Company shall be required to stipulate that it is bound by all provisions of this Agreement. This Agreement shall continue in effect regardless of whether Indemnatee continues to serve as an officer or director of the Company or of any other enterprise at the Company's request. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of the Company and its subsidiaries (on a consolidated basis), by written agreement in form and substance satisfactory to Indemnatee and Indemnatee's counsel, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

17. Severability. The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any provision within a single section, paragraph or sentence) are held by a court of competent jurisdiction to be invalid, illegal, void, or otherwise unenforceable in any respect, and the validity and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired and shall remain enforceable to the fullest extent permitted by law.

18. Notices. All notices, requests, consents, and other communications hereunder to any party shall be deemed to be sufficient if contained in a written document delivered in person or sent by facsimile, e-mail or other electronic transmission, nationally recognized overnight courier, or personal delivery, addressed to such party at the address set forth below or such other address as may hereafter be designated on the signature pages of this Agreement or in writing by such party to the other party:

(a) If to the Company, to:

Commvault Systems, Inc.
One Commvault Way
Tinton Falls, New Jersey 07724
E-mail: Legal@commvault.com
Attn: Chief Legal Officer

with a copy (which shall not constitute notice) to:

Skadden, Arps, Slate, Meagher & Flom LLP
500 Boylston Street
Boston, MA 02116
E-mail: Graham.Robinson@skadden.com
Attn: Graham Robinson

(b) If to Indemnatee, to the address set forth on the signature page hereof.

All such notices, requests, consents, and other communications shall be deemed to have been given or made if and when received (including by overnight courier) by the parties at the above addresses, sent by electronic transmission (including e-mail) to the e-mail addresses specified above, or sent by facsimile transmission to the facsimile numbers specified above (or at such other address, e-mail address, or

facsimile number for a party as shall be specified by like notice). Any notice delivered by any party hereto to any other party hereto shall also be delivered to each other party hereto simultaneously with delivery to the first party receiving such notice.

19. Headings. The headings of the sections and paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction or interpretation thereof.

20. Counterparts. This Agreement may be executed in counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same agreement. Only one such counterpart signed by the party against whom enforceability is sought need be produced to evidence the existence of this Agreement.

21. Specific Performance. The parties recognize that if any provision of this Agreement is violated by the parties hereto, Indemnitee may be without an adequate remedy at law. Accordingly, in the event of any such violation, Indemnitee shall be entitled, if Indemnitee so elects, to institute proceedings, either at law or in equity, to obtain damages, to enforce specific performance, to enjoin such violation, or to obtain any relief or any combination of the foregoing as Indemnitee may elect to pursue.

22. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts made and to be performed in such state without giving effect to the principles of conflicts of laws.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this 21st day of April, 2022.

COMMVault SYSTEMS, INC.

By _____
Name:
Title:

[Indemnitee]
[ADDRESS]

Subsidiaries of Commvault Systems, Inc.

Subsidiary	Jurisdiction of Organization
Commvault Capital Inc.	Delaware
Advanced Data Life Cycle Management Inc.	Delaware
Commvault Tinton Falls Urban Renewal LLC	Delaware
Hedvig, Inc.	Delaware
Commvault Systems (Puerto Rico) LLC	Puerto Rico
Commvault Systems (Canada) Inc.	Ontario, Canada
Commvault Systems Mexico S. de R.L. de C.V.	Mexico
Commvault Systems Mexico Administracion, S. de R.L. de C.V.	Mexico
Commvault Systems International B.V.	The Netherlands
Commvault Systems (India) Private Limited	India
Commvault Systems (Australia) Pty. Ltd.	Australia
Commvault Systems (New Zealand) Limited	New Zealand
Commvault Systems (Singapore) Private Limited	Singapore
Commvault Systems Limited	England
Commvault Systems GmbH	Germany
Commvault Systems (Japan) KK	Japan
Commvault Systems Ireland Limited	Ireland
Commvault Systems Italia Srl	Italy
Commvault Systems AB Srl	Sweden
Commvault Systems (Hong Kong) Limited	Hong Kong
Commvault Software Technology (Beijing) Co., Ltd	China
Commvault Systems (South Africa) (Pty) Ltd	South Africa
Commvault Systems (Israel) Ltd.	Israel
Commvault Systems Belgium BVBA	Belgium
Commvault Systems (Thailand) Ltd.	Thailand
CommVault Istanbul Yazılım Hizmetleri Limited Sirketi (Commvault Software Services Ltd.)	Turkey
Commvault Systems (Austria) GmbH	Austria
Commvault Systems (Switzerland) GmbH	Switzerland
Commvault Systems (Malaysia) Sdn. Bhd.	Malaysia
Commvault Systems (Poland) sp. zo.o.	Poland
Commvault System, S.L.U.	Spain

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-8 No. 333-138578) pertaining to the 1996 Stock Option Plan and the 2006 Long-Term Stock Incentive Plan of Commvault Systems, Inc.,
- (2) Registration Statement (Form S-8 No. 333-192014) pertaining to the Commvault Systems, Inc. Employee Stock Purchase Plan of Commvault Systems, Inc.,
- (3) Registration Statement (Form S-8 No. 333-213211) pertaining to the Commvault Systems, Inc. Omnibus Incentive Plan of Commvault Systems, Inc.,
- (4) Registration Statement (Form S-8 No. 333-221163) pertaining to the Commvault Systems, Inc. Omnibus Incentive Plan, as amended through the First Amendment, of Commvault Systems, Inc.,
- (5) Registration Statement (Form S-8 No. 333-228076) pertaining to the Commvault Systems, Inc. Omnibus Incentive Plan, as amended through the Second Amendment, of Commvault Systems, Inc.,
- (6) Registration Statement (Form S-8 No. 333-234384) pertaining to the Commvault Systems, Inc. Omnibus Incentive Plan, as amended through the Third Amendment, of Commvault Systems, Inc.,
- (7) Registration Statement (Form S-8 No. 333-249710) pertaining to the Commvault Systems, Inc. Omnibus Incentive Plan, as amended through the Fourth Amendment, of Commvault Systems, Inc., and
- (8) Registration Statement (Form S-8 No. 333-260526) pertaining to the Commvault Systems, Inc. Omnibus Incentive Plan, as amended through the Fifth Amendment, of Commvault Systems, Inc.;

of our reports dated May 6, 2022, with respect to the consolidated financial statements of Commvault Systems, Inc. and the effectiveness of internal control over financial reporting of Commvault Systems, Inc. included in this Annual Report (Form 10-K) of Commvault Systems, Inc. for the year ended March 31, 2022, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP
Iselin, New Jersey
May 6, 2022

**Certification of Chief Executive Officer
Required by Rule 13a-14(a) (17 CFR 240.13a-14(a))**

I, Sanjay Mirchandani, certify that:

1. I have reviewed this Annual Report on Form 10-K of Commvault Systems, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ SANJAY MIRCHANDANI

Sanjay Mirchandani
Director, President and Chief Executive Officer

Date: May 6, 2022

**Certification of Chief Financial Officer
Required by Rule 13a-14(a) (17 CFR 240.13a-14(a))**

I, Brian Carolan, certify that:

1. I have reviewed this Annual Report on Form 10-K of Commvault Systems, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ BRIAN CAROLAN

Brian Carolan
Chief Financial Officer

Date: May 6, 2022

**Certification Pursuant To
18 U.S.C. Section 1350
As Adopted Pursuant To
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Commvault Systems, Inc. (the "Company") on Form 10-K for the period ended March 31, 2022 as filed with the Securities and Exchange Commission (the "Report"), I, Sanjay Mirchandani, Director, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ SANJAY MIRCHANDANI

Sanjay Mirchandani
Director, President and Chief Executive Officer

May 6, 2022

**Certification Pursuant To
18 U.S.C. Section 1350
As Adopted Pursuant To
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Commvault Systems, Inc. (the "Company") on Form 10-K for the period ended March 31, 2022 as filed with the Securities and Exchange Commission (the "Report"), I, Brian Carolan, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ BRIAN CAROLAN

Brian Carolan
Chief Financial Officer

May 6, 2022