AKAMAI TECHNOLOGIES INC
Form PRE 14A
April 05, 2018
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-12

AKAMAI TECHNOLOGIES, INC.

(Name of Registrant as Specified In Its Charter)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1 Title of each class of securities to which transaction applies:

2 Aggregate number of securities to which transaction applies:

3 Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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1 Amount previously paid:

2 Form, Schedule or Registration Statement No.:

3 Filing party:

4 Date Filed:

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Dear Fellow Stockholders:

Since our founding in 1998, Akamai has developed unique technology and an unmatched global infrastructure the Akamai Intelligent Platform. Today, Akamai s cloud delivery platform is utilized by many of the world s major commerce companies, financial institutions, airlines, and auto manufacturers. With our highly differentiated solutions supported by a talented employee base, we believe that Akamai has a unique opportunity to be the fabric that connects billions of people and devices to businesses and organizations around the world with uncompromising security, unparalleled performance, and unrivaled quality.

In 2017, we achieved record results, with our 15th consecutive year of annual revenue growth. We have nearly doubled our revenue over the past five years growing from less than $1.4 billion in 2012 to $2.5 billion in 2017. For the year, we generated solid net income of $218 million, or $1.26 per diluted share, and $801 million in cash from operations, equal to 32% of revenue. We exited the year with a strong balance sheet, with more than $1.2 billion in cash, cash equivalents, and marketable securities.

In recent years, we have made investments that have diversified our business from a media-dominated content delivery network into a leading supplier of web and security services for a broad range of customers. In 2017, for the first time, revenue from our Web Division was greater than from our Media Division, and Security was our fastest-growing solution, growing 32% year over year, exiting 2017 at a half-billion-dollar annualized revenue run rate. We also expanded and strengthened our product portfolio in 2017 through new offerings such as Enterprise Threat Protector, Digital Performance Management, and Bot Manager Premier, and two significant acquisitions (Nominum and SOASTA).

As evidence of our evolution, Akamai was recognized as a leading cyber security innovator last year when research firm Gartner named us as a visionary leader in its Magic Quadrant for web application firewalls. And, for the first time ever, Akamai served the majority of companies in the Global 500. Akamai has received many recognitions for being a Best Place to Work and a highly innovative company. In December, after evaluating nearly 1,000 of the largest publicly traded companies, *Forbes* and JUST Capital ranked Akamai in the top 40 and second among Internet companies for ethical leadership, product quality, and for treating our customers, communities, and employees well.

As a more diversified business with a broader set of customers, we believe Akamai has tremendous potential and is poised to capitalize on significant market opportunities, from cyber security to mobile and web performance management to online video streaming. We are taking a disciplined operational approach that is focused on expanding our operating margins to drive greater profitability. And we plan to continue to drive our momentum and strengthen our competitive advantage in the marketplace by further diversifying our customer base and product set. We believe that our unique technology and IP portfolio, our ability to efficiently manage a platform with millions of components, our strong relationships with leading telecommunications carriers and major brands on the Internet, and our relentless and personalized attention to customers and partners all provide Akamai with the foundation for a bright future that creates value for our shareholders, customers, and employees.

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Our highly talented workforce is an integral part of our business, and I thank them for their dedication to Akamai s continued success. On behalf of our more than 7,000 global employees, we would like to thank you, our fellow stockholders, for your continued support.

I am also pleased to invite you to attend Akamai s 2018 Annual Meeting of Stockholders to be held on Friday, June 1, 2018, at 11:00 a.m. at Akamai s offices at 150 Broadway, Cambridge, Massachusetts, 02142. Details regarding admission to the meeting and the business to be conducted at the meeting are more fully described in the accompanying Notice of 2018 Annual Meeting of Stockholders and Proxy Statement.

Your vote is important. Whether or not you plan to attend the 2018 Annual Meeting of Stockholders, we hope you will vote as soon as possible. Voting by proxy will ensure your representation at the 2018 Annual Meeting of Stockholders if you do not attend in person. Please review the instructions on the proxy card regarding your voting options.

/s/ Dr. Tom Leighton
Dr. Tom Leighton
Chief Executive Officer

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AKAMAI TECHNOLOGIES, INC.

150 BROADWAY

CAMBRIDGE, MASSACHUSETTS 02142

NOTICE OF 2018 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON JUNE 1, 2018

The 2018 Annual Meeting of Stockholders (the Annual Meeting) of Akamai Technologies, Inc. (Akamai or the Company) will be held on Friday, June 1, 2018, at 11:00 a.m., local time, at the Company s offices at 150 Broadway, Cambridge, Massachusetts, 02142.

At the Annual Meeting, we expect stockholders will consider and vote upon the following matters:

(1) To elect the four nominees named in the attached proxy statement as members of our Board of Directors to serve as Class I directors for a term of three years;

(2) To adopt and approve amendments to our Certificate of Incorporation to declassify our Board of Directors;

(3) To approve, on an advisory basis, our named executive officer compensation;

(4) To ratify the selection of PricewaterhouseCoopers LLP as our independent auditors for the fiscal year ending December 31, 2018; and

(5) To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

Stockholders of record at the close of business on April 16, 2018, are entitled to notice of, and to vote at, the Annual Meeting and any adjournment or postponement thereof. The stock transfer books of Akamai will remain open for the purchase and sale of Akamai s common stock.

All stockholders are cordially invited to attend the Annual Meeting.

By order of the Board of Directors,

/s/ AARON S. AHOLA

AARON S. AHOLA

Senior Vice President, General Counsel and Secretary

Cambridge, Massachusetts

April 20, 2018

WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE SUBMIT YOUR PROXY OR VOTING INSTRUCTIONS AT YOUR EARLIEST CONVENIENCE. MOST STOCKHOLDERS HAVE A CHOICE OF VOTING OVER THE INTERNET, BY TELEPHONE OR BY USING A TRADITIONAL PROXY CARD. SENDING IN YOUR PROXY WILL NOT PREVENT YOU FROM VOTING YOUR SHARES IN PERSON AT THE ANNUAL MEETING IF YOU DESIRE TO DO SO, AND YOUR PROXY IS REVOCABLE AT YOUR OPTION BEFORE IT IS EXERCISED.

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AKAMAI TECHNOLOGIES, INC.

150 BROADWAY

CAMBRIDGE, MASSACHUSETTS 02142

PROXY STATEMENT

THIS PROXY STATEMENT IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE BOARD OF DIRECTORS OF AKAMAI TECHNOLOGIES, INC. (AKAMAI OR THE COMPANY) FOR USE AT THE 2018 ANNUAL MEETING OF STOCKHOLDERS (THE ANNUAL MEETING) TO BE HELD AT THE OFFICES OF AKAMAI TECHNOLOGIES, INC., 150 BROADWAY, CAMBRIDGE, MASSACHUSETTS, 02142 AT 11:00 AM LOCAL TIME ON JUNE 1, 2018, AND AT ANY ADJOURNMENT OR POSTPONEMENT OF THAT MEETING. You may obtain directions to the location of the Annual Meeting by contacting Investor Relations, Akamai Technologies, Inc., 150 Broadway, Cambridge, Massachusetts 02142; telephone: 617-444-3000.

Our Annual Report to Stockholders for the year ended December 31, 2017 is being mailed to our stockholders with the mailing of the Notice of 2018 Annual Meeting of Stockholders and this Proxy Statement on or about April 20, 2018.

Important Notice Regarding the Availability of Proxy Materials for the 2018 Annual

Meeting of Stockholders to be Held on June 1, 2018:

This Proxy Statement and the 2017 Annual Report to Stockholders are available for viewing, printing and downloading at www.akamai.com/html/investor/financial_reports.html.

You may obtain a copy of our Annual Report on Form 10-K for the year ended December 31, 2017, as filed with the Securities and Exchange Commission, which we sometimes refer to herein as the Commission, except for exhibits thereto, without charge upon written request to Akamai Technologies, Inc., 150 Broadway, Cambridge, Massachusetts 02142, Attn: Investor Relations. Exhibits will be provided upon written request and payment of an appropriate processing fee.

Certain documents referenced in this Proxy Statement are available on our website at www.akamai.com. We are not including the information contained on our website, or any information that may be accessed by links on our website, as part of, or incorporating it by reference into, this Proxy Statement.

This Proxy Statement contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties and are based on the beliefs and assumptions of our management based on information currently available to them. Use of words such as believes, expects, anticipates, intends, plans, should, may, could, or similar expressions indicates a fo statement. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions. Important factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to, inability to grow revenue or increase profitability as projected, lack of market acceptance of new solutions and other factors set forth under the heading Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2017. We disclaim any obligation to update any forward-looking statements as a result of new information, future events or otherwise.

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EXECUTIVE SUMMARY

Below are highlights of important information you will find in this Proxy Statement. As it is only a summary, please review the complete Proxy Statement before you vote.

Our Mission and Strategy

The Internet plays a crucial role in the way companies, government agencies and other enterprises conduct business and reach the public. Smart enterprises want to take advantage of these trends safely, profitably and intelligently. At the same time, security threats are growing more prevalent and advanced. Enterprise applications are moving from behind the firewall to the cloud - making cybersecurity more complex to achieve than yesterday s perimeter defense. More consumers are cutting the cord and consuming entertainment over the Internet rather than through traditional cable, and they are increasingly using mobile devices to consume content and shop. Web pages are becoming vastly more complex with advertisements, videos, graphics and other third-party content that impair speed and reliability. Our strategy is to bridge the gap between our customers digital goals and the inherent challenges of the Internet by providing technology that optimizes and secures the delivery of online content and applications.

Akamai 2017 Performance Highlights

Akamai has increased its revenue in each of the past five fiscal years and has been profitable over that same period. The charts below show our revenue and net income, calculated in accordance with generally accepted accounting principles in the United States, or GAAP, for those years.

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Our security business has grown rapidly in recent years as shown below:

Over the past five years, we have successfully generated cash from operations to use in strategic initiatives. We believe we have effectively deployed that cash in stock repurchases and acquisition activity as reflected in the chart below.

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ACQUISITIONS

We completed two acquisitions in 2017:

Our acquisition of Soasta, Inc. was intended to allow us to offer solutions designed to provide greater visibility into the business impact of our customers website and application optimization strategies. Our acquisition of Nominum, Inc. was intended to add complementary capabilities to our portfolio of security offerings while expanding our distribution to carriers that serve our enterprise customers.

Corporate Governance Snapshot

Akamai s governance structure reflects our commitment to advancing the long-term interests of our stockholders, maintaining accountability, diversity, ethical conduct and alignment of interests between leadership and investors. Highlights of our governance profile include:

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Executive Compensation Overview

Akamai has developed an executive compensation program that is designed to closely align executive compensation with performance by allocating a majority of target compensation to performance-based equity awards that directly link the value of executive compensation to our stock price performance and tying annual incentive bonuses to performance against specific financial measures. We believe that a significant portion of executive pay should be variable and at risk. Specifically, the amount earned by the executive should primarily be tied to our financial performance and the performance of our stock price. The following graphs show the key design and structural aspects of our program.

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Summary of Voting Matters and Recommendations

Matter	Board Recommendation	See Page Number for More Information
Election of Directors	FOR each nominee	
Amendments to Certificate of Incorporation to Declassify our Board of Directors	FOR	
Advisory Vote on Executive Compensation	FOR	
Ratification of Selection of Independent Auditors	FOR	

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Part One Corporate Governance Highlights

Akamai seeks to maintain and enhance its record of excellence in corporate governance by continually refining its corporate governance policies, procedures and practices to align with evolving best practices, taking into account issues raised by our stockholders and other stakeholders and otherwise as circumstances warrant. We also place great value on stockholder input and engage regularly with our investors to gain insights into the governance issues about which they care most.

Overview of our Board of Directors

Our Board of Directors consists of 13 individuals with a range of backgrounds as reflected in the graphics below. Collectively, they bring industry expertise, leadership skills and financial sophistication to our corporate governance.

Board Refreshment

Akamai believes that having an independent, diverse, active and engaged Board of Directors has been key to our success. We also believe that new perspectives and ideas are critical to a forward-looking and strategic Board. At the same time, it is equally important to benefit from the valuable experience and familiarity that longer-serving directors bring to the boardroom. The Board believes that the skill set and perspectives of its members should remain sufficiently current and broad in dealing with current and changing business dynamics and, therefore, seeks to maintain a balance of directors with varying lengths of service and ages. While the Board recognizes that term limits and/or a mandatory retirement age could assist in this regard, they may have the unintended consequence of forcing the Board and Akamai to lose the contribution of directors who, over time, have developed increased judgment, knowledge and valuable insight into our business and operations. We have chosen to take an effective and more holistic, balanced approach to Board composition and director succession.

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We remain committed to ensuring our Board is composed of a highly capable and diverse group of directors well-equipped to oversee the success of the business and effectively represent the interests of stockholders. Six of our directors have been elected in the last five years. The average tenure for our independent directors is approximately 6.1 years.

Engaging with our Stockholders

During 2017 and early 2018, we reached out to 30 of our largest stockholders, which collectively held approximately 62% of our outstanding shares, to express an interest in meeting with them to discuss governance or executive compensation matters at Akamai. We met with more than 75% of those investors and discussed a broad range of operational, strategic and governance topics with them. A number of these meetings included Mr. Salerno, our Chairman of the Board. These engagement efforts and meaningful conversations provided our Board and management with a valuable understanding of investors perspectives and opportunity to exchange views. When the Board conducted its regular reviews of governance and executive compensation, it discussed the input we received and the evaluation process was reflective of those views. We were encouraged by the feedback we received and look forward to continuing our dialogue with our stockholders in the coming year.

Board Diversity

We believe that we have assembled an outstanding set of directors with varied backgrounds, experiences and viewpoints who understand our markets, our customers and our employees. Female and/or minority directors make up nearly one-third of the total Board. In addition, the Board is dedicated to encouraging diversity in leadership positions and two of our three standing committees are chaired by women.

Board Evaluations

A key component of our approach is a robust annual Board evaluation process. Led by our Lead Director and Chair of the Nominating and Corporate Governance Committee, this review is intended to elicit the views of all directors about what makes the Board effective, what improvements can be made, how their peers are most effective and whether steps should be taken to improve contributions and their views on the performance of the Board and its committees over the past year. We have historically also conducted individual peer evaluations. The Nominating and Corporate Governance Committee also regularly oversees and plans for director succession and refreshment of the Board to ensure a mix of skills, experience, tenure, and diversity that promotes and supports the Company s long-term strategy. In doing so, the Nominating and Corporate Governance Committee takes into consideration the overall needs, composition and size of the Board, as well as the criteria adopted by the Board regarding director candidate qualifications.

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Human Rights and Sustainability

Akamai is committed to mitigating the environmental impact of our operations. We have adopted a Sustainability Policy to reflect our belief that Akamai can and should operate with a limited environmental footprint. This Policy is centered on efforts to reduce greenhouse gas emissions arising from our business operations through energy conservation, energy efficiency, and the procurement of renewable energy; responsibly manage and dispose of our electronic waste; and deliver sustainable work environments that promote wellness and the conservation of natural resources through water efficiency, source reduction, material reuse and recycling, and the purchase of materials containing recycled and/or renewable natural resources. We set carbon output reduction targets and publicly share our progress in meeting those targets. In addition, we have submitted climate disclosures to the CDP, formerly the Carbon Disclosure Project, since 2010. In 2017, we announced our investment in a wind energy farm as part of our commitment to source renewable energy for 50 percent of our global network operations by 2020.

In 2016, we adopted a Human Rights Policy. We believe that the Internet can bring the world closer together and facilitate greater understanding among people across the globe. We are proud of our mission to make the Internet work better for people around the world. We also believe that respect for human rights is fundamental to unlocking the potential of the Internet and an essential value for the communities in which we operate. We are committed to ensuring that our employees, the people who work for our contractors, customers and suppliers, and individuals in the communities affected by our activities are treated with dignity and respect. Our Human Rights Policy is intended to advance these ideals.

Code of Ethics

We have adopted a written Code of Ethics that applies to, among others, our principal executive officer and principal financial and accounting officer, or persons serving similar functions. Our Code of Ethics is available on our website at www.akamai.com. We did not waive any provisions of the Code of Ethics for our directors or executive officers during the year ended December 31, 2017. If we amend, or grant a waiver under, our Code of Ethics that applies to our executive officers or directors, we intend to post information about such amendment or waiver on our website at www.akamai.com. We have also adopted Corporate Governance Guidelines, a copy of which is also available on our website at www.akamai.com/html/investor/corporate_governance.html.

Our Board of Directors

Our Board of Directors currently consists of 13 persons, divided into three classes, serving staggered terms of three years, as follows: five Class I directors (with terms expiring at the 2018 Annual Meeting of Stockholders), four Class II directors (with terms expiring at the 2019 Annual Meeting of Stockholders) and four Class III directors (with terms expiring at the 2020 Annual Meeting of Stockholders). In accordance with our amended and restated

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certificate of incorporation and amended and restated bylaws, the Board has voted to fix its size at 12 directors effective as of the 2018 Annual Meeting with four directors in each class.

Set forth below is information about the professional experiences of members of the Board, including the four nominees for election at the 2018 Annual Meeting of Stockholders. In addition, for each individual, we discuss the specific experience, qualifications and attributes that we believe qualify him or her to serve on the Board.

Nominees for Director Whose Terms Expire in 2018 (Class I Directors)

	Biography	Key Attributes
Jill Greenthal	Senior Advisor in the Private Equity Group of The Blackstone Group, a global asset manager, since 2007	Rich experience as a leading investment banker and advisor, a role that has given her a deep understanding of capital markets and mergers and acquisitions
Director Since 2007	Senior Managing Director in Blackstone s Advisory Group (2003-2007)	Insight into financial and strategic aspects of financial matters such as debt and equity financing transactions and acquisitions
Age 61	Previously served as Co-Head of the Global Media Investment Banking Group of Credit Suisse First Boston	
Independent		Experience working with other Internet and media companies as they have built their businesses enables her to provide valuable counsel to both our management and fellow directors
Board Committees	Other Current Boards	
Audit	Houghton Mifflin Harcourt, an educational content company	Insight into corporate governance trends that drives conversations in our governance committee.
Nominating and Corporate Governance (*Chair*)	Cars.com, an online automotive marketplace	
	Prior Public Company Boards in Last 5 Years	

Michaels Stores

Orbitz Worldwide

TEGNA Inc.

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	Biography	Key Attributes
Daniel Hesse	Former President and CEO, Sprint Corporation, a telecommunications provider, December 2007 to August 2014	Insight into mobile and telecommunications industry affords important insight into strategy deliberations
Director Since 2016	Other Current Boards	Plays key role in the Audit Committee s cybersecurity oversight function
Age 64	PNC Corporation, a financial institution	Experience as a chief executive officer enables him to advise on leadership, management and operational issues
Independent		
Board Committees		Leverages experience overseeing a large, complex technology company to provide valuable guidance and perspective
Audit		
Nominating and Corporate Governance		

	Biography	Key Attributes
Tom Leighton	Chief Executive Officer, Akamai, since January 2013	Co-founder and key developer of the software underlying our platform
Director Since 1998	Chief Scientist, Akamai (8/1998-12/2012)	Unparalleled understanding of our technology and how the Internet works
Age 61	Professor of Applied Mathematics at the Massachusetts Institute of Technology since 1982 (on leave)	Crucial source of industry information, technical and market trends and how Akamai can address those needs

Provides the Board with vital information about the strategic and operational challenges and opportunities facing the company

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	Biography	Key Attributes
William Wagner	President and CEO of LogMeIn, Inc., a software-as-a-service company since December 2015, having previously served from May 2013 through November 2015 as its President and Chief Operating Officer.	Extensive sales and marketing leadership experience in successful technology and software-as-a-service businesses
Director Since 2018		Current experience as a chief executive officer in the software industry
Age 51		Understanding of how customers use Akamai solutions
Independent		

Directors With Terms That Will Expire in 2019 (Class II Directors)

	Biography	Key Attributes
Pamela Craig	Former Chief Financial Officer of Accenture, a global management consulting, technology services and outsourcing organization, October 2006 to July 2013, having previously served in numerous positions at the firm	Knowledge, leadership experience and insight from her significant leadership role at Accenture provides us with unique insight into how to manage a large, global organization that has grown rapidly
Director Since 2011	Other Current Boards	Keen understanding of the challenges our current and potential customers face in interacting with customers, suppliers and partners across the world in a rapidly changing technological environment
Age 61	Merck and Co., a pharmaceutical company	
Independent	Advisory board member of SpencerStuart, a global executive search and recruitment firm	Knowledge of in complex global business issues and financial and accounting matters
Board Committees		
Audit *(Chair)*	Prior Public Company Boards in Last 5 Years	

Compensation	VMware
	Walmart Stores

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	Biography	Key Attributes
Jonathan Miller Director Since 2015 Age 61 Independent **Board Committees** Compensation Nominating and Corporate Governance	Partner at Advancit Capital, a venture capital firm focusing on early-stage companies, since 2014 Former Chairman and CEO of the Digital Media Group and Chief Digital Officer of Newscorp, a global media company (4/2009-12/2013) <u>Other Current Boards</u> AMC Networks, an entertainment company Interpublic Group of Companies, a marketing solutions provider J2 Global, which provides telecommunications solutions as well as technology, gaming and lifestyle content <u>Prior Public Company Boards in Last 5 Years</u> TripAdvisor Houghton Mifflin Harcourt Live Nation RTL Group	Insight into the challenges, goals and priorities of media companies such as those that are key current and prospective customers Key participant in the rapid development of the Internet as a global platform for video and audio entertainment Deep understanding of the ongoing evolution of digital media Involvement with early-stage media and technology companies gives our management and the Board a window into developments that could shape our industry in the future

Shutterstock

	Biography	Key Attributes
Paul Sagan Director Since 2005 Age 59	Managing Director, since 2018, at General Catalyst Partners, a venture capital firm; previously served as executive in residence (XIR) at the firm from 2014 until 2017. Former Chief Executive Officer, President and Chief Operating Officer (1/2005-12/2012) Previously served as a Senior Advisor to the World Economic Forum and in senior executive positions at Time Warner Cable, Time Inc. and CBS, Inc. <u>Other Current Boards</u> VMware, Inc., a provider of information infrastructure technology and solutions <u>Prior Public Company Boards in Last 5 Years</u> EMC iRobot	Having overseen every aspect of our operations for nearly fifteen years, has an unparalleled understanding of our business, personnel needs and customers and the markets in which we operate From his roles at General Catalyst, provides helpful insight into innovation developments among emerging companies Past and present service on boards of an array of other public companies allows him to bring valuable experience from those directorships High level of integrity and strong sense of corporate responsibility, valuable key attributes that contribute to the effective functioning of our Board

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	Biography	Key Attributes
Naomi Seligman Director Since 2001 Age 79 Independent **Board Committees** Audit Nominating and Corporate Governance	Senior partner at Ostriker von Simson, a consulting firm focusing on information technology, which brings together CIOs, CEOs, and other top executives from the largest multinational enterprises and premier venture capitalists and entrepreneurs to discuss technology issues, since 1999 Other Current Boards Oracle Corporation, an enterprise software company Vice Chairman of New Leaders, a national nonprofit for developing school leaders School of American Ballet Prior Public Company Boards in Last 5 Years iGate Sun Microsystems Dun & Bradstreet	Frequent interactions with technology company CEOs and Fortune 100 corporate CIOs give her a deep understanding of ongoing developments across the technology landscape Educates management and the Board about the priorities of our current and potential customers Understanding of investor perspectives, providing insight into how to communicate effectively with that community Experience, intelligence and willingness to challenge assumptions stimulate productive Board discussions to ensure that there are fulsome and appropriate deliberations

Directors With Terms That Will Expire in 2020 (Class III Directors)

	Biography	Key Attributes

Monte Ford

Director Since 2013

Age 58

Independent

Board Committees

Compensation

Nominating and Corporate Governance

Principal of CIO Strategy Exchange, a membership organization for chief information officers since 2016

Network Partner at Brightwood Capital Partners, a venture capital firm

CEO of Aptean Software, a provider of enterprise application software (2/2012-9/2013)

SVP & CIO of American Airlines (2000-2011)

Other Current Boards

Michaels Stores, Inc., an arts and crafts retailer

Prior Public Company Boards in Last 5 Years

Oncor Electric

Experience as an information technology executive:

🌑 CEO of a software company

🌑 At American Airlines, oversaw all aspects of information systems and business analytics functions

Helps fellow Board members and management understand what Akamai s current and potential customers expect and want from our solutions and to provide actionable insight into our innovation initiatives

Provides valuable advice and counsel regarding potential improvements to our internal IT systems

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	Biography	Key Attributes
Peter Tom Killalea Director Since 2018 Age 50	President, Aionle LLC, a consulting firm, since November 2014 VP Technology, Amazon.com, (2008-11/2014) Other Current Boards Capital One Financial Corp., a financial services company MongoDB, operator of a database platform Prior Public Company Boards in Last 5 Years Xoom	Professional focus on Internet security issues, a key area of emphasis in Akamai s strategic plan Experience with digital innovation and focus on customer experience Understanding of the CDN business through his work on the AWS platform at Amazon Extensive corporate governance experience serving on several public company boards

	Biography	Key Attributes
Frederic Salerno Director Since 2002 Age 74	Akamai s Chairman of the Board since March 2018; previously Lead Independent Director since 2013 Former executive at Verizon Communications, a telecommunications provider (1997-2002), last serving as Vice Chairman and CFO Other Current Boards	Deep understanding of financial markets, financial statements and investments Provides essential guidance about capital structure and other strategic matters Leadership, professional judgment and operating experience enable him to

		provide keen insight in helping address issues faced by the company
Independent	Florida Community Bank, a regional bank	
Board Committees	Intercontinental Exchange, an electronic exchange for trading commodities	Valued advisor to management and other directors when we are contemplating strategic initiatives intended to enable future growth
Audit		
Nominating and Corporate Governance	Prior Public Company Boards in Last 5 Years	
	CBS Broadcasting	
	Consolidated Edison	
	National Fuel Gas Company	
	Popular Inc.	
	Viacom	

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	Biography	Key Attributes
Bernardus Verwaayen	General Partner of Keen Venture Partners, a venture capital firm, since 2017	Brings an international perspective to our Board deliberations, helping us better understand non-U.S. markets, public policy issues and how to operate with a global employee base
Director Since 2013	Former Chief Executive Officer of Alcatel-Lucent, a provider of communications equipment and solutions (2008-11/2013)	CEO experience enables him to provide significant guidance to our CEO on management, leadership and operational issues
Age 65		
Independent	Former Chief Executive Officer of British Telecom, a provider of communications services (2002-2008)	Ability to leverage knowledge of telecommunications industry to advise us on carrier strategy and network relationships
Board Committees	Other Current Boards	
Compensation *(Chair)*	Akzo Nobel, a manufacturer of powder coatings	Deep understanding of motivational aspects of executive compensation approaches and applicable international issues
Nominating and Corporate Governance	Bharti Airtel, a global telecommunications company	

Director With Term That Will Expire in 2018 Not Standing for Re-Election

	Biography
George Conrades	In March 2018, Mr. Conrades announced his retirement from the Board effective as of the 2018 Annual Meeting.
	* * *
Director Since 1998	Chairman of the Board, Akamai, 1999-2018.
Age 79	

Managing Partner of Longfellow Venture Partners, an early stage venture capital company, since 2014 and a venture partner emeritus of Polaris Venture Partners, Inc., an early stage investment company

Former Chief Executive Officer, Akamai (4/1999-4/2005)

Other Current Boards

Oracle Corporation, an enterprise software company

Prior Public Company Boards in Last 5 Years

Harley-Davidson

Ironwood Pharmaceuticals

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Our Executive Officers

Our executive officers as of February 28, 2018 were:

F. Thomson Leighton, age 61, was elected Akamai s Chief Executive Officer in January 2013, having previously served as our Chief Scientist since he co-founded the company in 1998. As discussed above, Dr. Leighton also serves on our Board of Directors.

Aaron Ahola, age 48, joined Akamai in April 2000. During his tenure, he previously served as a Vice President and Deputy General Counsel from 2011 to 2017. In addition, from 2008 until 2017, he was our Chief Privacy Officer. From 2015 until 2017, he was our Chief Compliance Officer. In October 2017, he became our Senior Vice President, General Counsel and Corporate Secretary.

James Benson, age 51, was elected Akamai s Chief Financial Officer in February 2012, having previously served as Senior Vice President Finance between September 2009 and February 2012. Prior to joining Akamai, he had been Vice President, Finance/Operations & CFO Americas Technology Solutions Group at Hewlett-Packard.

Robert Blumofe, age 53, became Akamai s Executive Vice President, Platform and General Manager of the Enterprise Division in April 2016. He had previously served as our Executive Vice President Platform since January 2013. He was Senior Vice President Networks & Operations between 2008 and 2012, having previously served in a variety of positions at Akamai since joining us in 1999.

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James Gemmell, age 57, became our Executive Vice President and Chief Human Resources Officer in January 2015. He joined Akamai in April 2013 as Senior Vice President and Chief Human Resources Officer. Previously, he was employed at Cisco Systems, the technology equipment maker, from 2000 until April 2013, most recently serving as Executive Advisor from October 2012 through March 2013 and Interim Chief Human Resources Officer from May 2011 through September 2012.

Adam Karon, age 46, joined Akamai in February 2005 and has served in numerous leadership positions during his tenure. In March 2017, he became Executive Vice President and General Manager of the Media and Carrier Division. From July 2011 through December 2013, he was a Vice President in our services organization. He served as Senior Vice President, Global Services and Support from January 2014 through February 2017.

Rick McConnell, age 52, became Akamai s President and General Manager of the Web Division in May 2016, having previously served as President Products and Development from January 2013 through May 2016 and Executive Vice President Products and Development from November 2011 through December 2012. Prior to joining Akamai, Mr. McConnell was in a number of executive positions at Cisco Systems. Mr. McConnell was Chief Executive Officer of Latitude Communications, which was acquired by Cisco in January 2004.

Bill Wheaton, age 56, joined Akamai in 2000 as a result of our acquisition of InterVu, Inc. Mr. Wheaton served in a variety of roles before being promoted from Vice President to Senior Vice President, Media Business Unit in 2011. He was Executive Vice President, Media Division from July 2015 through February 2017. He became our Chief Strategy Officer in March 2017.

Security Ownership of Certain Beneficial Owners and Management

The following table includes information as to the number of shares of our common stock beneficially owned as of February 28, 2018, by the following:

🌑 each person known to us to be the beneficial owner of more than 5% of our outstanding shares of common stock;

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- 🌑 each of our directors;

- 🌑 our Named Executive Officers, who consist of (i) our principal executive officer during 2017; (ii) our principal financial officer during 2017; and (iii) our three other most highly compensated employees who were serving as executive officers on December 31, 2017; and

- 🌑 all of our executive officers and directors as of February 28, 2018 as a group.

Beneficial ownership is determined in accordance with the rules of the Commission and includes voting and/or investment power with respect to shares. Unless otherwise indicated below, to our knowledge, all persons named in the table have sole voting and investment power with respect to shares of common stock identified below, except to the extent authority is shared by spouses under applicable law. Beneficial ownership includes any shares that the person has the right to acquire within 60 days after February 28, 2018, through the exercise of any stock option or other equity right. Unless otherwise indicated, the address of each person identified in the table below is c/o Akamai Technologies, Inc., 150 Broadway, Cambridge, Massachusetts 02142. On February 28, 2018, there were 169,977,772 shares of our common stock outstanding.

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Name of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned	Percentage of Common Stock Outstanding (%)
5% Stockholders		
The Vanguard Group (1)	16,567,469	9.7
FMR LLC (2)	10,854,126	6.4
BlackRock, Inc. (3)	10,582,672	6.2
Clearbridge Investments, LLC (4)	9,105,713	5.4
Directors		
George H. Conrades (5)	531,644	*
Pamela J. Craig (6)	42,708	*
Monte Ford (7)	35,825	*
Jill A. Greenthal	38,197	*
Daniel Hesse	2,562	*
Peter T. Killalea (8)	0	*
F. Thomson Leighton	3,626,773	2.1
Jonathan Miller	8,101	*
Paul Sagan (9)	620,472	*
Frederic V. Salerno (10)	67,022	*
Naomi O. Seligman (11)	56,892	*
Bernardus Verwaayen (12)	37,273	*
William R. Wagner (13)	0	*
Other Named Executive Officers		
James Benson	31,376	*
Robert Blumofe	36,106	*
Rick McConnell	45,052	*
William Wheaton (14)	48,847	*
All executive officers and directors as of February 28, 2018 as a group (20) persons) (15)	5,503,671	3.2

* Percentage is less than 1% of the total number of outstanding shares of our common stock.

(1) The information reported is based on a Schedule 13G/A filed with the Commission on February 8, 2018 by The Vanguard Group, Inc., or Vanguard, which reports its address as 100 Vanguard Boulevard, Malvern, Pennsylvania 19355. Vanguard reports that it holds sole dispositive power with respect to 16,300,077 shares, sole voting power with respect to 235,146 shares, shared dispositive power with respect to 267,392 shares and shared voting power with respect to 33,805 shares.

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(2) The information reported is based on a Schedule 13G filed with the Commission on February 13, 2018 by FMR LLC, which reports its address as 245 Summer Street, Boston, Massachusetts 02210. FMR LLC reports that it has sole voting power with respect to 667,421 shares and sole dispositive power with respect to all of the shares held by it.
(3) The information reported is based on a Schedule 13G/A filed with the Commission on January 29, 2018 by BlackRock, Inc., or BlackRock, which reports its address as 55 East 52nd Street, New York, New York 10055. BlackRock reports that it holds sole voting power with respect to 9,110,311 shares and sole dispositive power with respect to all of the shares held by it.
(4) The information reported is based on a Schedule 13G filed with the Commission on February 14, 2018 by Clearbridge Investments, LLC, or Clearbridge, which reports its address as 620 8th Avenue, New York, NY 10018. Clearbridge reports that it holds sole voting power with respect to 8,725,875 shares and sole dispositive power with respect to all of the shares held by it.
(5) Includes 1,500 shares held by Mr. Conrades wife and 52,706 shares issuable in respect of deferred stock units, or DSUs, that have vested but not yet been distributed.
(6) Includes 4,830 shares issuable in respect of DSUs that have vested but not yet been distributed.
(7) Includes 24,271 shares of our common stock issuable upon exercise of stock options exercisable within 60 days after February 28, 2018.
(8) Mr. Killalea joined the Board of Directors in March 2018.
(9) Includes 117,292 shares of our common stock issuable upon exercise of stock options exercisable within 60 days after February 28, 2018, 6 shares held by Mr. Sagan in a trustee capacity and 9,112 shares issuable in respect of DSUs that have vested but not yet been distributed.
(10) Includes 4,830 shares issuable in respect of DSUs that have vested but not yet been distributed.
(11) Includes 48,032 shares issuable in respect of DSUs that have vested but not yet been distributed.
(12) Consists of 25,062 shares of our common stock issuable upon exercise of stock options exercisable within 60 days after February 28, 2018 and 12,211 shares issuable in respect of DSUs that have vested but not yet been distributed.
(13) Mr. Wagner joined the Board of Directors in April 2018.
(14) Includes 3,922 shares of our common stock issuable upon exercise of stock options exercisable within 60 days after February 28, 2018 and 460 shares issuable in respect of restricted stock units, or RSUs, vesting within such time period.
(15) Includes 170,547 shares of our common stock issuable upon exercise of stock options exercisable within 60 days after February 28, 2018, 3,929 shares issuable in respect of RSUs vesting within such time period, and 131,721 shares issuable in respect of DSUs that have vested but not yet been distributed.

Board Leadership and Role in Risk Oversight

Chairman of the Board

From 1999 until March 2018, George Conrades was our Chairman of the Board. In this role, he worked with the Lead Director and Chief Executive Officer to prepare Board meeting agendas, chaired meetings of the Board and our annual stockholder meetings and informed other directors about the overall progress of Akamai. Mr. Conrades also provided advice and counsel to the Chief Executive Officer and other executive officers, particularly relating to strategy, key customer accounts, market opportunities and leadership development. In addition, Mr. Conrades consulted in the annual performance evaluation of the Chief Executive Officer.

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Lead Director

Frederic Salerno served as our independent Lead Director of our Board from May 2013 until March 2018. In this role, he presided over meetings of the independent members of our Board of Directors, provided leadership and advice to management on key strategic

initiatives and sought to ensure effective communication among the committees of the Board. Mr. Salerno also worked with the Chairman of the Board to review and recommend committee memberships for the Board. He led discussions on the performance of the Chief Executive Officer and succession planning for executive officers and other key management positions. Mr. Salerno also took the lead role in providing feedback from our annual director peer evaluation process to his fellow Board members. In March 2018, Mr. Salerno was elected Chairman of the Board. We do not currently intend to appoint a new Lead Director to replace Mr. Salerno.

Roles of Chairman of the Board, CEO and Lead Director

Currently, the roles of Chairman of the Board of Directors and Chief Executive Officer are held by two different individuals. We believe this structure represents an appropriate allocation of roles and responsibilities at this time. Mr. Salerno, as a strong independent director, is able to play a key role in ensuring Board effectiveness, management oversight and adherence to good governance principles. Dr. Leighton is then better able to focus on our day-to-day business and strategy, meet with investors and convey the management perspective to other directors.

Risk Oversight

Our Board of Directors has an active role in supervising management s oversight of Akamai s risks. The Board and its committees perform this through both formal and informal mechanisms. They review business, regulatory, operational, cyber security and other risks that are incorporated in operating and strategic presentations that members of management and our advisors make to the Board. In addition, the Board regularly reviews information regarding our liquidity and operations, as well as the risks associated with each. Financial reporting risks are typically addressed by the Audit Committee through internal audits, committee agenda items, ethics and whistleblower updates and other discussions. As an example, the Audit Committee has overseen and reviewed analyses prepared by our internal audit function designed to assess the likelihood that enumerated risks would occur, the harm such risks would create if they occurred and current sufficiency of controls to address such risks. The Compensation Committee, in consultation with our independent executive compensation consultants, reviews Akamai s management of executive compensation and retention risks as part of its annual executive compensation review and individual compensation discussions. See also the discussion of our annual risk assessment in How We Evaluate and Address Risk in Our Compensation Policies and Practices in Part Two of this Proxy Statement. The full Board typically reviews on an annual basis executive succession planning and development. The Nominating and Corporate Governance Committee, or the N&G Committee, assists the Board in fulfilling its oversight

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responsibilities with respect to the management of risks associated with Board organization, membership and structure, succession planning for our directors and executive officers, and corporate governance.

Board Committees

The standing committees of our Board of Directors consist of an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Each committee operates under a charter that has been approved by the Board. Copies of the charters are posted in the Investor Relations section of our website at www.akamai.com. The Board has determined that all of the members of each of the three standing committees of the Board are independent as defined under The Nasdaq Stock Market, Inc. Marketplace Rules, or the Nasdaq Rules, including, in the case of all members of the Audit Committee, the independence requirements of Rule 10A-3 under the Securities Exchange

Act of 1934, as amended, and, in the case of all members of the Compensation Committee, the independence requirements under Rule 10C-1 under the Exchange Act. Membership on each standing committee as of February 28, 2018 is reflected in the chart below.

Committee Membership as of December 31, 2017

	Audit	Compensation	N&G
Pamela Craig	X*	X	
Monte Ford		X	X
Jill Greenthal	X		X*
Daniel Hesse		X	X
Jonathan Miller		X	X
Frederic Salerno	X		X
Naomi Seligman	X		X
Bernardus Verwaayen		X*	X

* Committee Chair

The Audit Committee assists the Board of Directors in overseeing the financial and accounting reporting processes and audits of our financial statements, which includes reviewing the professional services provided by our independent auditors, the independence of such auditors from our management, our annual financial statements and our system of internal financial and IT controls. The Audit Committee also reviews such other matters with respect to our accounting, auditing and financial reporting practices and procedures as it may find appropriate or may be brought to its attention. The Board has determined that Ms. Craig is an audit committee financial expert within the meaning of Item 407(d)(5)(ii) under Regulation S-K promulgated by the Commission under the Exchange Act. The Audit Committee held nine meetings in 2017.

The Compensation Committee assists the Board of Directors in discharging its responsibilities relating to the compensation of our executive officers, including determining the compensation of our Chief Executive Officer and other executive officers, administering our bonus, incentive compensation and stock plans, approving equity grants and approving the salaries and other benefits of our executive officers. In addition, the Compensation Committee consults with our management regarding our benefit plans and compensation policies and practices. The Compensation Committee is directly responsible for the appointment and oversight of our independent compensation consultants and other advisors it retains. The Compensation Committee held eight meetings in 2017 and took one action by unanimous written consent.

The N&G Committee is responsible for, among other things, identifying individuals qualified to become members of our Board of Directors; recommending to the full Board the persons to be nominated for election as directors and to each of its committees; overseeing self-evaluation of the Board, including the performance of individual directors; and reviewing and making recommendations to the Board with respect to corporate governance practices. The N&G Committee held five meetings in 2017 and took one action by unanimous written consent.

Mr. Killalea was appointed to the Audit Committee of the Board in March 2018. Mr. Wagner was elected to the Board in April 2018 and has not yet been appointed to a standing committee.

Meeting Attendance

The Board of Directors held eight meetings during 2017 and took two actions by unanimous written consent. Each incumbent director attended more than 75% of the total number of meetings of the Board and each committee on which he or she served during the fiscal year ended December 31, 2017. All directors are expected to attend regular Board meetings, Board committee meetings for committees on which he or she serves and our annual meeting of stockholders. All of our then-incumbent directors attended the 2017 Annual Meeting of Stockholders.

Determination of Independence

Under the Nasdaq Rules, a director of Akamai will only qualify as an independent director if, in the opinion of the Board of Directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Board has determined that each of the following individuals is an independent director as defined under Nasdaq Rule 5605(a)(2):

Pamela Craig	Monte Ford	Jill Greenthal
Daniel Hesse	Tom Killalea	Jonathan Miller
Frederic Salerno	Naomi Seligman	Bernardus Verwaayen
William Wagner		

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The Board had previously made a similar determination of independence with respect to Steven Scopellite, who served as a director until the 2017 Annual Meeting of Stockholders.

In making its independence determination with respect to Mr. Wagner, the Board considered that, in 2017, Akamai sold approximately $1,700,000 of products and services to, and purchased approximately $1,500 of products and services from, LogMeIn, Inc., where Mr. Wagner is an executive officer. The amount of sales and the amount purchases in 2017 were less than 0.2% of LogMeIn, Inc. s annual revenues and less than 0.1% of Akamai s annual revenues and the transactions were conducted in the ordinary course of business, on commercial terms and on an arms -length basis.

Our independent directors meet separately as part of each Board meeting and at other times as appropriate. In the independent director sessions, Mr. Salerno and the other independent directors review management performance, assess the focus and content of meetings of the Board and establish the strategic issues that the Board believes should be the focus of management s attention to drive short-term and longer-term business success. Mr. Salerno then provides feedback to the Chief Executive Officer and other members of management on their performance and important issues on which the independent members of the Board believe management should focus.

Director Compensation

The following table sets forth compensation paid in 2017 to our directors for their service as directors, other than Dr. Leighton, whose compensation is reflected in Executive Compensation Matters below:

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($) (1)	Total ($)
George H. Conrades (2)	95,000	245,005	340,005
Pamela L. Craig (3)	80,000	245,005	325,005
Monte Ford (4)	75,000	225,008	300,008
Jill A. Greenthal (5)	80,000	229,995	309,995
Daniel Hesse (6)	75,000	225,008	300,008
Jonathan Miller (7)	75,000	225,008	300,008
Paul Sagan (8)	75,000	225,008	300,008
Frederic V. Salerno (9)	95,000	245,005	340,005
Steven Scopellite (10)	75,000		75,000
Naomi O. Seligman (11)	75,000	225,008	300,008
Bernardus Verwaayen (12)	80,000	245,005	325,005

(1) Consists of DSUs granted to directors on May 16, 2017. The amount reflects the grant date fair value, calculated in accordance with Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, Topic 718.

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(2) At December 31, 2017, Mr. Conrades held 5,158 unvested DSUs.
(3) At December 31, 2017, Ms. Craig held 5,158 unvested DSUs and stock options to purchase 26,333 shares of our common stock.
(4) At December 31, 2017, Mr. Ford held 4,737 unvested DSUs and stock options to purchase 24,721 shares of our common stock.
(5) At December 31, 2017, Ms. Greenthal held 4,842 unvested DSUs.
(6) At December 31, 2017, Mr. Hesse held 5,127 unvested RSUs and 4,737 unvested DSUs.
(7) At December 31, 2017, Mr. Miller held 1,833 unvested RSUs and 4,737 unvested DSUs.
(8) At December 31, 2017, Mr. Sagan held 4,737 unvested DSUs and stock options to purchase 117,292 shares of our common stock.
(9) At December 31, 2017, Mr. Salerno held 5,158 unvested DSUs.
(10) Mr. Scopellite was a director from January 1, 2017 until May 17, 2017. He did not hold any equity awards at December 31, 2017.
(11) At December 31, 2017, Ms. Seligman held 4,737 unvested DSUs.
(12) At December 31, 2017, Mr. Verwaayen held 5,158 unvested DSUs and stock options to purchase 25,062 shares of our common stock.

Mr. Killalea was elected to the Board of Directors in March 2018 and, therefore, did not receive any director compensation in 2017. Mr. Wagner was elected to the Board in April 2018 and likewise did not receive any director compensation in 2017.

Under our non-employee director compensation plan, non-employee directors are entitled to receive annual compensation of $300,000, of which $75,000 is paid in cash and $225,000 is paid in DSUs representing the right to receive shares of Akamai common stock. This compensation is generally paid or, in the case of DSUs, granted, on the date of our annual meeting of stockholders, and the number of DSUs issued is based on the fair market value of our common stock on that date. For so long as the person remains a director, DSUs will vest in full on the first anniversary of the grant date, but a director may defer distribution of his or her shares for up to ten years. If a director has completed one year of service on our Board, vesting of 100% of the DSUs held by such director will accelerate at the time of his or her departure from the Board.

In addition, our Chairman of the Board and Lead Director are entitled to $40,000 of additional annual compensation, of which $20,000 is paid in cash and $20,000 is paid in DSUs. Chairs of the Audit Committee and the Compensation Committee are

entitled to $25,000 of additional compensation, of which $5,000 is paid in cash and $20,000 is paid in DSUs. The Chair of the N&G Committee is entitled to $10,000 of additional compensation, of which $5,000 is paid in cash and $5,000 is paid in DSUs. Each non-employee director is eligible to receive RSUs with a fair value at the time of grant of $400,000 when he or she joins the Board. Such RSUs vest over a three-year period, with one-third vesting on each of the first, second and third anniversaries of the date of grant. We also reimburse directors for reasonable out-of-pocket expenses incurred in attending meetings of the Board.

Stock Ownership Guidelines

We have minimum stock ownership requirements for our senior management team and Board of Directors. Pursuant to the guidelines, each member of Akamai s senior

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management team is required to own a number of shares of our common stock having at least the value calculated by applying the following multiples: for the Chief Executive Officer, six times his base salary; for Named Executive Officers, two times his or her base salary; and for other executives, one times his or her base salary. In addition, each non-employee director is required to own a number of shares of our common stock having a value equal to five times his or her then-current base cash retainer. If a director s base cash retainer or an executive s base salary is increased, the minimum ownership requirement shall be re-calculated at the end of the year in which the increase occurred, taking into account our stock price at that time. If a non-employee director or executive fails to meet the ownership guidelines as of a test date that occurs after the period of time for attainment of the ownership level, he or she will not be permitted to sell any shares of our common stock until such time as he or she has exceeded the required ownership level. A more detailed description of these guidelines, including the timeline for compliance, is set forth in our Corporate Governance Guidelines, which are posted on our website at www.akamai.com/html/investor/corporate_governance.html. All directors are currently in compliance with the ownership guidelines.

N&G Committee s Process for Reviewing and Considering Director Candidates

The N&G Committee assists the Board of Directors in identifying and attracting individuals qualified to become members of our Board. In executing its mission to solicit qualified candidates to become directors of Akamai, the N&G Committee seeks to attract intelligent potential candidates from varied backgrounds who have a strong desire to understand and provide insight about Akamai s business and corporate goals; to understand and contribute to the role of the Board in representing the interests of stockholders; and to promote good corporate governance and ethical behavior by the members of the Board and our employees.

Criteria Used to Consider Nominees to the Board of Directors

In assessing whether an individual has these characteristics and whether to recommend any particular candidate for inclusion in the Board of Directors slate of recommended director nominees, the N&G Committee will apply the criteria attached to its charter. These criteria include:

🌑 Integrity, honesty and adherence to high ethical standards

🌑 Business and financial acumen

🌑 Knowledge of Akamai s business and industry

🌑 Experience in business, government, or other fields relevant to our business

🌑 Diversity

🌑 Avoidance of potential conflicts of interest with various constituencies of Akamai

🌑 Commitment to dedicate the necessary time and attention to Akamai

🌑 Ability to act in the interests of all stockholders

The Board particularly values demonstrated leadership experience and skills and reputation for high standards of honesty, ethics and integrity. Although the N&G Committee does not assign specific weights to particular criteria, we believe that it is essential that all potential Board members have integrity and honesty, adhere to high ethical standards and possess a commitment to dedicate the necessary time and attention to Akamai and an ability to act in the interests of all stockholders without any potential personal conflict of interest. The N&G Committee and the Board believe that the backgrounds and qualifications of its directors, considered as a group, should provide a composite mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities.

With respect to considering whether to re-nominate our incumbent directors, the N&G Committee and the full Board apply the criteria discussed above. The Board may also take into account information available to it about directors professional status and performance on other boards of directors. In addition, each of our directors annually undergoes an evaluation by the other directors, which measures, among other things, the director s contributions to the Board including his or her knowledge, experience and judgment. In addition, if there is a change in a director s professional status, under our Corporate Governance Guidelines, that director must offer to resign from the Board and in considering whether to accept the resignation, the Board considers whether the director s new status continues to complement the Board s skills and qualities.

Importance of Diversity

Since adoption in 2003, the Criteria for Nomination as a director appended to Akamai s N&G Committee charter have always emphasized the importance of diversity in determining the appropriate composition of our Board of Directors. The Criteria specifically state, The [N&G] Committee shall actively consider nominees who can contribute to the diversity of the Board in terms of gender, race, ethnicity, professional background. Nominees shall not be discriminated against on the basis of race, religion, national origin, sex, sexual orientation, disability or any other basis proscribed by law.

Following the 2018 Annual Meeting, female and/or minority directors will make up one-third of the total Board as proposed. To help us maintain the broad diversity we have already achieved and to continually assess the effectiveness of this diversity policy, the Board conducts an annual self-evaluation and survey. The survey questions include an assessment of whether the composition of the Board is appropriately diverse and reflects the skills, experience and other characteristics consistent with achieving our corporate goals now and in the coming years.

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Process for Identifying Candidates to Serve as Directors

To identify and evaluate attractive candidates, the members of the N&G Committee actively and regularly solicit recommendations for highly-qualified director candidates, including from other members of Akamai s Board of Directors and other professional contacts. As potential candidates emerge, the N&G Committee meets from time to time to evaluate biographical information and background material relating to potential candidates; discusses those individuals with other members of the Board; and reviews the results of personal interviews and meetings conducted by members of the Board, senior management and our outside advisors.

At the Annual Meeting, stockholders will be asked to consider the elections of Messrs. Hesse and Wagner, each of whom has been nominated for election as a director for the first time. Mr. Hesse was appointed to the Board in 2016. He was initially recommended by a non-management director. Mr. Wagner was appointed to the Board in April 2018. He was initially recommended by Elliott Management Corporation, an Akamai stockholder, with which we entered into a Cooperation Agreement in March 2018 related to, among other things, appointment of additional directors to our Board. A copy of the Cooperation Agreement was filed as an exhibit to our Current Report on Form 8-K filed with the Commission on March 9, 2018. The Board determined to include Messrs. Hesse and Wagner among its nominees.

Stockholders may recommend individuals to the N&G Committee for consideration as potential director candidates by submitting their names, together with appropriate biographical information and background materials and a statement as to whether the stockholder or group of stockholders making the recommendation has beneficially owned more than 5% of our common stock for at least a year as of the date such recommendation is made, to Nominating and Corporate Governance Committee, c/o Corporate Secretary, Akamai Technologies, Inc., 150 Broadway, Cambridge, Massachusetts 02142. Assuming that appropriate biographical and background material has been provided on a timely basis, the N&G Committee will evaluate stockholder-recommended candidates by following substantially the same process, and applying substantially the same criteria, as it follows for candidates submitted by others.

Stockholders also have the right under Akamai s bylaws to directly nominate director candidates, without any action or recommendation on the part of the N&G Committee or the Board, by following the procedures set forth in our bylaws and described under Deadline for Submission of Stockholder Proposals for the 2019 Annual Meeting below.

The Board will give appropriate attention to written communications that are submitted by stockholders and will respond if and as appropriate. The Chairman of the Board, with the assistance of our General Counsel, is primarily responsible for monitoring communications from stockholders and for providing copies or summaries to the other directors as he or she considers appropriate. Communications are forwarded to all directors if they relate to important substantive matters and include suggestions or comments that the Lead Director considers to be important for the Board to know.

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Stockholders who wish to send communications on any topic to the Board should address such communications to Board of Directors, c/o Corporate Secretary, Akamai Technologies, Inc., 150 Broadway, Cambridge, Massachusetts 02142.

Compensation Committee Interlocks and Insider Participation

Ms. Craig and Messrs. Ford, Hesse, Miller and Verwaayen were members of the Compensation Committee throughout 2017. Mr. Scopellite was a member of the Compensation Committee from January 1, 2017 until May 17, 2017. No member of the Compensation Committee was at any time during 2017, or formerly, an officer or employee of Akamai or of any of our subsidiaries, and no member of the Compensation Committee had any relationship with us requiring disclosure under Item 404 of Regulation S-K under the Exchange Act. No member of the Compensation Committee receives compensation, directly or indirectly, from Akamai in any capacity other than as a director.

None of our executive officers served as a director or member of the compensation committee (or other committee serving an equivalent function) of any other entity where an executive officer of that entity also served as a director or member of our Compensation Committee at any time during 2017.

Report of the Audit Committee

The Audit Committee of our Board of Directors has furnished the following report on the Audit Committee s review of our audited financial statements:

The Audit Committee of Akamai s Board of Directors is responsible for, among other things:

- 🌑 Monitoring the integrity of Akamai s consolidated financial statements
- 🌑 Oversight of Akamai s compliance with legal and regulatory requirements
- 🌑 Oversight of Akamai s system of internal controls (including oversight of our internal audit function, which reports directly to the Audit Committee)
- 🌑 Appointment, oversight and evaluation of the qualifications, independence and performance of our internal and independent auditors with the authority to replace Akamai s independent auditors
- 🌑 Review and oversight of handling of ethical issues brought to the attention of management and the Board
- 🌑 Review of management s enterprise risk assessments

The Audit Committee acts under a written charter that is available on our website at www.akamai.com/html/investor/corporate_governance.html. The members of the Audit Committee are independent directors as defined by the Audit Committee charter and the Nasdaq Rules.

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Akamai s management is responsible for the financial reporting process, including Akamai s system of internal controls, and for the preparation of consolidated financial statements in accordance with GAAP. PricewaterhouseCoopers LLP, or PwC, Akamai s independent auditors, is responsible for auditing those financial statements and expressing an opinion as to their conformity with GAAP. The Audit Committee s responsibility is to oversee and review these processes. The members of the Audit Committee are not, however, professionally engaged in the practice of accounting or auditing and do not provide any expert or other special assurance as to the financial statements concerning compliance with laws, regulations or GAAP or as to auditor independence.

Our Director of Internal Audit reports directly to the Audit Committee. The Internal Audit function annually conducts a series of audits to test Akamai s internal financial and IT controls. This annual internal audit plan is reviewed and approved by the Audit Committee. Individual audit reports are reviewed at each Audit Committee meeting and any deficiencies are reviewed with management.

We reviewed Akamai s audited consolidated financial statements that were included in Akamai s Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as filed with the Commission, which we refer to herein as the Financial Statements. We reviewed and discussed the Financial Statements with Akamai s management and PwC. PwC has represented to the Audit Committee that, in its opinion, Akamai s Financial Statements were prepared in accordance with GAAP. We discussed with PwC the matters required to be discussed by AS 1301: Communications with Audit Committees, as adopted by the Public Company Accounting Oversight Board.

We also discussed with PwC its independence from Akamai and considered whether PwC s rendering of certain services to Akamai, other than services rendered in connection with the audit or review of the Financial Statements, is compatible with maintaining PwC s independence. See Ratification of Selection of Independent Auditors included elsewhere in this Proxy Statement. In connection with these matters, Akamai received the written disclosures and letter from PwC required by the applicable requirements of the Public Company Accounting Oversight Board regarding PwC s communications with the Audit Committee concerning independence.

Based on our review of the Financial Statements and reports to us and our participation in the meetings and discussions described above, and subject to the limitations on our role and responsibilities referred to above and in the Audit Committee charter, we recommended to the Board of Directors that the Financial Statements be included in Akamai s Annual Report on Form 10-K for the fiscal year ended December 31, 2017 as filed with the Commission.

We have also appointed PwC to act as Akamai s independent auditors for 2018.

Audit Committee

Pamela Craig Chair	Jill Greenthal
Frederic Salerno	Naomi Seligman

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Certain Relationships and Related Party Transactions; Code of Ethics; Interest in Annual Meeting Matters

Akamai did not enter into any transactions of the type required to be disclosed under Item 404 of Regulation S-K under the Exchange Act. Under our written Code of Ethics, our employees and members of our Board of Directors are prohibited from entering into any business, financial, or other relationship with our existing or potential customers, competitors, or suppliers that might impair, or appear to impair, the exercise of his or her judgment for Akamai. Our Code of Ethics also prohibits situations involving Akamai entering into a business transaction with an executive officer or director, a family member of an executive officer or director, or a business in which such a person has any significant role or interest if such a transaction could give rise to a conflict of interest. Our executive officers and directors are obligated under the Code of Ethics to disclose to our Legal Department any existing or proposed transaction or relationship that reasonably could be expected to give rise to a conflict of interest. Under the procedures reflected in our Code of Ethics and Audit Committee Charter, proposed related party transactions are subject to review to determine if they are in our best interests and, if such transaction is entered into, the conditions under which it may proceed. Proposed transactions involving executive officers, other than the General Counsel, are reviewed and subject to approval by the General Counsel after notifying the Audit Committee and the Lead Director. Proposed transactions involving the General Counsel or a director are reviewed and subject to approval by disinterested members of the Audit Committee after notifying the Lead Director.

No person who served as a director or executive officer of Akamai during the year ended December 31, 2017 has a substantial interest, direct or indirect, in any matter to be acted upon at the Annual Meeting. Each executive officer serves at the discretion of the Board and holds office until his or her successor is elected and qualified or until his or her earlier resignation or removal. There are no family relationships among any of our directors or executive officers.

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Part Two Executive Compensation Matters

Compensation Discussion and Analysis (CD&A)

The following discussion and analysis of Akamai s executive compensation objectives, policies and practices is designed to provide an overview of the material elements of our compensation structure. This discussion is focused on the following persons who served as Akamai executive officers in 2017:

Name	Title	Date Appointed to Current Role	Year of Hire
F. Thomson Leighton	Chief Executive Officer	January 2013	1998
James Benson	Chief Financial Officer	February 2012	2009
Robert Blumofe	EVP, Platform and GM of Enterprise Division	April 2016	1999
Rick McConnell	President and GM Web Division	January 2013	2011
William Wheaton	Chief Strategy Officer	March 2017	2000

We refer to these individuals as our Named Executive Officers or our NEOs. Please refer to the Summary Compensation Table and the additional tables that follow for detailed information on compensation paid to our NEOs.

Executive Summary

In this Executive Summary, we describe our guiding principles on executive compensation, how those principles have aligned with our executive pay outcomes and how we establish our compensation levels and performance targets. We also discuss key compensation policies and practices.

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Our Compensation Principles

We use the following guiding principles to design our compensation programs:

Aligning Executive Compensation with our Performance

Akamai seeks to align executive compensation with performance by:

- 🌑 Tying annual incentive bonuses to performance against specific financial measures
- 🌑 Utilizing performance-based vesting restricted stock units, or PRSUs, that require achievement of financial targets to vest
- 🌑 Granting restricted stock units that require us to meet relative total shareholder return, or TSR, targets in order to vest, which we refer to as TSR-Based RSUs

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We believe that a significant portion of executive pay should be variable and at risk. Specifically, the amount earned by the executive should primarily be tied to our financial performance and the performance of our stock price. The charts below show the percentage of at risk compensation for our CEO and other NEOs. We consider compensation to be at risk if vesting is subject to achievement of performance targets and/or the value received is dependent on our stock price.

Overview of Compensation Components

We structure the compensation opportunities for our executive officers using three principal components: base salary, annual incentive bonuses and long-term equity-related incentives. Within our long-term equity program, we grant three types of awards: PRSUs, time-vesting RSUs and TSR-Based RSUs.

We generally align our pay mix strategy with the practices of our peer group when possible and to the extent consistent with our business model. In addition, our pay mix decisions for individual members of management and employees reflect our view of internal pay equity and the ability of a given employee to contribute to our results. In making decisions about how to balance different compensation components, we strive to advance our overarching compensation principles outlined above.

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In the graphic below, we provide an overview of each material component of our 2017 executive compensation program and describe how each component is tied to our compensation objectives.

Setting Compensation Levels for our Executives

Each year we establish the base salary, target annual incentive bonus opportunity and long-term equity incentives for each NEO based on review and assessment of the following factors:

🌑 Each individual s overall performance

🌑 Company performance

🌑 Success in executing against corporate and functional goals

🌑 Importance and scope of role

🌑 Future potential contributions

🌑 Prior background, training and experience

🌑 Internal pay equity considerations

🌑 Retention concerns

🌑 Practices of companies in our compensation benchmarking and design peer groups

We also consider the effect of market or competitive forces, changes in strategy or priorities that may bear upon an individual s performance, and any other specific challenges faced or overcome by each person or the function or unit that they led during the prior fiscal year.

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The Compensation Committee does not assign relative weights or rankings to such factors. Rather, the Compensation Committee relies upon the CEO s recommendations (for NEOs other than the CEO) and the directors knowledge and judgment in assessing the various qualitative and quantitative inputs it receives as to each individual and makes compensation decisions accordingly.

If our results do not meet our expectations, our NEOs will receive compensation that is below target opportunity levels and may be below market in comparison. Similarly, when superior results are achieved, our NEOs may receive compensation that is above our target opportunity level. As an example, the chart below demonstrates how our annual bonus plan payouts have closely reflected our financial performance over the past three years:

Setting Financial Performance Targets

Revenue and profitability performance targets are used in our annual bonus plan. We engage in a rigorous and deliberate process in setting those targets, which are directly linked to our annual operating plan and 3-year strategic plan and are set early in the year. The performance targets for 2017 are also consistent with the financial guidance we gave to investors on our public earnings call in February 2017. As a result, we believe that the performance targets reflect our goals and expectations for the business, are common performance indicators in our industry and are meaningful to our stockholders. The performance goals are rigorous but achievable without encouraging inappropriate risk taking.

Revenue goals are set based on trends in sales of our solutions in prior quarters and reflect our understanding of how markets for our offerings may be evolving, information we learn about customer plans, expectations associated with new product introductions, predictions about macro-economic conditions, changes we have witnessed in the competitive landscape and other factors. Profitability goals are set based on our revenue expectations, plans for capital expenditures and hiring, expected growth in operating expenses as well as efforts to curtail spending growth and other factors. Our performance targets are also adjusted during the year to give effect to acquisitions that occur and to eliminate the impact of foreign currency exchange rate fluctuations.

We also carefully set our minimum and maximum target opportunities. Because we primarily derive income from sales of services to customers executing contracts with terms of one year or longer, we have a relatively consistent base level of revenue growth from year to year. In setting annual performance targets and associated payout levels, the Compensation Committee takes this into account. A 5%-10% or greater improvement over target revenue or operating income targets represents excellent performance and is reflected in cash bonus payments; a 5%-10% or greater shortfall against such targets leads to much lower payouts. For example, bonuses are not payable under our annual incentive plan unless revenue achievement is at least 90% of target.

The Compensation Committee has considered using different metrics for the annual incentive and equity incentive programs but has concluded that using both revenue and profitability targets is appropriate because they are fundamental metrics used by investors to assess our performance. In particular, these performance targets represent key metrics by which we are evaluated by investors. We believe they also provide an appropriate and effective balance of performance incentives to focus and motivate executive officers to maximize value for our stockholders without excessive risk-taking, as evidenced by our revenue growth and strong GAAP gross margins and operating margins.

Once the Compensation Committee has approved performance targets, we set a range of payouts that can be earned by the NEOs based on achieved results against those targets. For each performance-based component, there is a threshold level of performance below which no cash, PRSUs or TSR-Based RSUs, as applicable, will be earned and a maximum level where achievement at or above that level would lead to a payout of 200% of target.

The Compensation Committee approves the performance targets and applicable ranges only after the full Board of Directors has met to review, discuss and approve the short- and long-term financial plans for the company.

CEO Compensation

Dr. Leighton became our CEO in January 2013, having previously served as our Chief Scientist since co-founding Akamai. In establishing his salary as CEO, the Compensation Committee considered Dr. Leighton s past compensation history, his significant equity holdings, peer group practices and the desire to include performance-based compensation as the majority of his pay package. This approach conforms to our philosophy of aligning his compensation with the interests of our long-term investors. In 2013, when Dr. Leighton became CEO, his salary was established at $1. In 2017, in order to align Dr. Leighton with his leadership team, the Compensation Committee established an annual target bonus opportunity for him of $1 million, with the remainder of his annual compensation to be market competitive and consisting of equity-based components. The Compensation

Committee and Dr. Leighton agreed that his earned 2017 annual incentive bonus would be paid to him in shares of our common stock in lieu of cash to reinforce further the alignment of his compensation with stockholder interests. Ultimately, nearly 100% of Dr. Leighton s compensation is at risk.

Compensation Policies and Practices Highlights

Every year, the Compensation Committee assesses the effectiveness of the performance of our compensation plans and practices. We evaluate the financial metrics we use and how our programs compare with those used by our peer group companies. We also consider whether our goal of aligning awards with performance is being realized and if programs appear to have led to any unintended consequences. In recent years, we have continuously taken steps to strengthen and improve our executive compensation policies and practices. Highlights of our current policies and practices include:

What we do and don t do

We align executive compensation with the interests of our stockholders by designing our executive compensation to avoid excessive risk and foster sustainable growth	Focus on Performance-Based Pay Include a Relative Market-Based Performance Metric (TSR) in Executive Compensation Mitigate Undue Risk in Compensation Programs Include Double-Trigger Change in Control Provisions for All Equity Awards Issued to NEOs After 2015 Utilize Objective Performance Metrics Review Tally Sheets when Making Executive Compensation Decisions Provide Modest Perquisites Enforce Stock Ownership Guidelines for Officers and Directors Bonus and PRSU Awards Have Maximum Payout Caps
We adhere to executive compensation best practices	Prohibit Hedging Transactions and Short Sales by Executive Officers or Directors Prohibit Pledging of Company Stock Maintain a Clawback Policy Mitigate Potential Dilutive Effect of Equity Awards Through Robust Share Repurchase Program Utilize an Independent Compensation Consulting Firm that Provides No Other Services to Akamai Provide Reasonable Post-Employment/Change in Control Provisions No Employment Contracts (unless required by law) No Repricing Underwater Stock Options No Excise Tax Gross-Ups Upon Change in Control

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2017 Executive Compensation Program and Results

In this section, we describe our 2017 NEO compensation program including the impact of our 2017 financial performance on overall achievement.

Base Salary

Base salary is used to provide NEOs with a fixed amount of annual cash compensation. The Compensation Committee views base salary as a way to attract and retain talent by providing a reliable source of income while also motivating strong business performance without encouraging excessive risk taking. Base salaries represent a relatively small percentage of our overall compensation in order to ensure that our programs provide significant alignment with our stockholders interests.

Each year, the Compensation Committee evaluates each NEO s base salary and the other components of his or her compensation to ensure that total compensation is in line with our overall compensation philosophy. Data from our benchmarking peer group indicated that the 2017 base salaries for our NEOs as a group (other than the CEO) were, on average, slightly below market median. The Committee addressed some of these gaps with the increases reflected in the table below.

2017 Base Salaries for Named Executive Officers

Name	2017 Base Salary	Percentage Increase from 2016
Dr. Leighton	$1	0%
Mr. Benson	$480,000	6.7%
Dr. Blumofe	$475,000	10.5%
Mr. McConnell	$550,000	3.8%
Mr. Wheaton	$420,000	0%

Annual Incentive Bonuses

Annual incentive bonuses are performance-based awards that are intended to drive the achievement of key business results while rewarding NEOs based upon their contributions to Akamai s success. Each year, the Compensation Committee sets a target annual incentive bonus award opportunity for each NEO, or Target Annual Bonus Opportunity, expressed as a percentage of base salary, based upon each executive s role and responsibilities, internal equity considerations and peer group data. The Compensation Committee believes that the Target Annual Bonus Opportunity should make up a more significant portion of an NEO s total target cash compensation as the executive s level of responsibility increases.

Each NEO has the opportunity to earn between 0% and 200% of his or her Target Annual Bonus Opportunity based on performance against objective financial targets. The

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Compensation Committee believes that these goals and objectives encourage a balanced focus on revenue growth and profitability. Data from our benchmarking peer group indicated that, on average, our NEOs Target Annual Bonus Opportunity was slightly below market median.

The table below reflects the structure of the annual incentive program as well as 2017 performance against target. The overall payout percentage against the Target Annual Bonus Opportunity was 101%.

2017 Annual Incentive Bonus Plan Targets and Results

Metric	% Weighting	Why We Use This Metric	2017 Target	2017 Actual	Achievement % Against Target	Payout % Against Target
Revenue (adjusted for foreign currency)*	50%	Revenue is a fundamental measure of our success at selling our solutions, innovating and competing in the marketplace.	$2,558.9 million	$2,520.2 million	98.5%	84.8%
Non-GAAP Operating Income*	50%	Non-GAAP operating income is an indicator of profitability that eliminates the effects of events that either are not part of our core operations or are non-cash as well as the impact of income taxes; we use it as a component of the bonus targets to align our executives interests with those of our investors.	$613.5 million	$624.0 million	101.7%	117.2%
Overall Payout as a % Against Target						101%

* Refer to Financial Metrics Definitions below for an explanation of the calculation of this measure.

The table below shows each NEO s payout against the Target Annual Bonus Opportunity for 2017:

Name	Target Annual Bonus Opportunity	2017 Actual Payout (101% Achievement)
Dr. Leighton	$ 1,000,000	$ 1,009,782
Mr. Benson	$ 401,625	$ 405,554

Dr. Blumofe	$	371,000	$	374,629
Mr. McConnell	$	545,000	$	550,331
Mr. Wheaton	$	336,000	$	339,287

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The Compensation Committee and Dr. Leighton agreed that his earned 2017 annual incentive bonus would be paid to him in shares of our common stock in lieu of cash.

Long-Term Equity Incentives

We believe that long-term equity-based compensation grants motivate and reward strong corporate performance, provide incentives for our NEOs to align executive and stockholder interests and enhance stockholder value. In addition, these awards assist in attracting and retaining our NEOs. In 2017, we issued three types of RSUs to our NEOs: PRSUs that vest based upon our performance against absolute financial metrics; Time-Vesting RSUs that vest based on continued employment with us; and relative TSR-Based RSUs that vest based on how our stock performs relative to an established peer group over a three-year period. The chart below explains why we granted each award type to our NEOs in 2017.

Type of RSU	Why We use This Type of RSU	Vesting Schedule	Weighting
PRSUs	By tying vesting to achievement against absolute revenue and non-GAAP earnings per share* financial goals, we align our executives compensation with core financial metrics that we believe are meaningful indicators of our corporate performance.	3-year cliff	40%
Time-Vesting RSUs	RSUs that vest over the passage of time provide compensation certainty that helps retain our NEOs and incent them to enhance stockholder value.	1/3 annually over 3 years	40%
Relative TSR-Based RSUs	TSR-Based RSUs directly align our executives compensation with how our stock price has performed relative to our peer group, enhancing the alignment of management and investor interests.	3-year cliff	20%

* Refer to Financial Metrics Definitions below for an explanation of the calculation of this measure.

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The Compensation Committee sets each NEO s target equity award value based on market data, future expected contributions and performance, job responsibilities and duties. Data from our benchmarking peer group indicated that, on average, our NEOs 2017 target equity grant values were slightly above market median. The grant-date target 2017 long-term equity incentive values for our NEOs were:

Name	Target Value for PRSUs	Target Value for Time-Vesting RSUs	Target Value for TSR-Based RSUs	Total
Dr. Leighton	$ 3,400,000	$ 3,400,000	$ 1,700,000	$ 8,500,000
Mr. Benson	$ 1,080,000	$ 1,080,000	$ 540,000	$ 2,700,000
Dr. Blumofe	$ 1,080,000	$ 1,080,000	$ 540,000	$ 2,700,000
Mr. McConnell	$ 1,500,000	$ 1,500,000	$ 750,000	$ 3,750,000
Mr. Wheaton	$ 920,000	$ 920,000	$ 460,000	$ 2,300,000

PRSUs. Each NEO has the opportunity to earn between 0% and 200% of his or her target PRSUs based on achievement against annual revenue and non-GAAP earnings per share performance targets for each of 2017, 2018 and 2019. One-third of an NEO s 2017 PRSUs may be earned over each one-year period. At the beginning of each year, the Compensation Committee sets the performance targets for the year. After the conclusion of the year and the Compensation Committee s certification of achieved performance, however, vesting of PRSUs earned only occurs on the date of the Compensation Committee s certification of our financial results for 2019.

In structuring our PRSUs, we sought to achieve a balance between the desire to incorporate specific performance-based components in the long-term incentive compensation for NEOs with an acknowledgment of the difficulties inherent in establishing long-term performance goals in our industry where traffic and other trends are outside of our control and consistently unpredictable. Although we carefully considered the implications of using one-year performance periods as opposed to a single three-year period, we ultimately determined that any drawbacks were outweighed by the desire to avoid any unintended consequences of motivating the wrong behavior or limiting Akamai s flexibility as a result of outdated or inapplicable long-term goals. The Committee also took into consideration that use of one-year performance periods is a common practice within our benchmarking and design peer groups and industry.

We use revenue as a target metric for our PRSUs, as well as our annual bonus plan, because it is a fundamental metric used by investors to assess our performance. Revenue growth is also key to both our short- and long-term strategic plans.

Because the PRSUs are dependent upon annual financial goals, the values reported in the Summary Compensation Table below are different than the target values set forth in the tables above. Financial Accounting Standards Board ASC Topic 718 requires that the value of the PRSUs reported in the Summary Compensation Table include only that portion of the

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value of the PRSUs for which annual financial performance metrics were established during fiscal 2017 based on probable achievement of such metrics. As a result, for the 2017 PRSUs, the Summary Compensation Table does not include the value of the PRSUs based on the annual financial metrics for fiscal 2018 or fiscal 2019. Such amounts will be included as equity compensation in the Summary Compensation Table for fiscal 2018 and fiscal 2019, respectively, when the financial metrics are established.

The chart below shows the applicable 2017 performance metrics and our achievement against them:

2017 PRSU Targets and Results

Metric	% Weighting	Why We Use This Metric	2017 Target	2017 Actual	Achievement % Against Target	% of PRSUs Earned Against Target
Revenue (adjusted for foreign currency)*	50%	Revenue is a fundamental measure of our performance against our long-term growth strategy.	$2,558.9 million	$2,520.2 million	98.5%	84.8%
Non-GAAP Earnings per Share*	50%	Non-GAAP earnings per share is an indicator of profitability that eliminates the effects of events that either are not part of our core operations or are non-cash as well as the impact of income taxes; we use it as a performance target to align our executives interests with those of our investors.	$2.55/per share	$2.68/per share	105.1%	150.8%
Overall Payout as a % Against Target						117.8%

* Refer to Financial Metrics Definitions below for an explanation of the calculation of this measure.

Relative TSR-Based RSUs. Each NEO has the opportunity to earn between 0% and 200% of his or her target TSR-Based RSU award based on the three-year performance of our stock price relative to that of companies in the S&P 500 Information Technology Index (or any successor index) as of January 1, 2017. The number of TSR-Based RSUs earned and vested is based upon the percentile ranking of our TSR within the Index Group at the conclusion of the three-year performance period ending on December 31, 2019. TSR is calculated on a per share basis as the quotient of (i) (Ending Price *plus* Dividends per Share Paid *minus* Beginning Price), *divided by* (ii) the Beginning Price, where Ending Price means the average closing stock price of one share of our common stock over the 90 trading days immediately preceding January 1, 2020; Dividends per Share Paid means cumulative dividends per share

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of common stock paid by us between January 1, 2017 through December 31, 2019; and Beginning Price means the average closing stock price of one share of our common stock over the 90 trading days immediately preceding January 1, 2017. TSR-Based RSUs, to the extent earned, will vest following the Compensation Committee s certification of our financial results for 2019.

* * *

How We Select and Use Peer Groups

The Compensation Committee works closely with Meridian Compensation Partners, LLC, or Meridian, our independent compensation consultant, to establish the peer groups we use in reviewing and setting executive compensation for the upcoming year. Meridian provides research data, and the Compensation Committee also considers input from Akamai executives and members of the Board on the competitive landscape in our industry and adjacent ones. We adhere to the following key principles to establish our peer groups:

🌑 *Consistency.* Peer group composition should remain relatively stable year over year.

🌑 *Competitors.* Peer group companies should reflect Akamai s competitors for executive talent as well as in business (including investment capital).

🌑 *Similarity in Size.* Benchmarking peer group companies should be of a similar size; we generally consider revenue and market capitalization.

🌑 *Statistical Validity*. Peer group should include enough data points to develop statistically valid data. We generally expect to include approximately 20 companies in our peer group.

As we considered companies to include in our peer group, we identified a number of companies with which we compete for executive talent that are larger than Akamai. Failing to consider the practices of these companies would not allow us to structure our compensation programs effectively. To address this, the Compensation Committee approved and adopted two peer groups for use in connection with setting 2017 compensation, one for benchmarking and one for additional design considerations.

Benchmarking Peer Group

The benchmarking peer group is comprised of companies of similar size and industry as Akamai. The Compensation Committee reviewed compensation data for executives with comparable positions at these benchmarking peer group companies to gauge the reasonableness and competitiveness of each of our NEO s total compensation as well as to inform the design of our programs. Our benchmarking peer group consisted of the following companies:

Adobe Systems	Autodesk	Brocade Communications
CA	Ciena	Citrix Systems
Equinix	F5 Networks	IAC/Interactive Group

Juniper Networks	LinkedIn	Nuance Communications
PTC	Rackspace Hosting	Red Hat
Salesforce.com	Twitter	VeriSign
VMWare	Yahoo!	

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The Compensation Committee established this benchmarking peer group in mid-2016 for use in setting 2017 compensation. Akamai s revenue for 2017 was $2.52 billion, and our market capitalization at the end of that year was $11.1 billion. The median 2017 revenue for our benchmarking peer group was approximately $2.57 billion, and the median market capitalization for the group at the end of that year was $12.3 billion.

Design Reference Peer Group

In addition to the benchmarking peer group, the Compensation Committee approved a supplemental design reference peer group to provide it with further information on competitive market design practices. The companies in the design reference peer group consistently provide the greatest challenges for Akamai in competing for talent even though they are considerably larger than us and are therefore not included in the benchmarking peer group at this time. The Compensation Committee used data derived from the design reference peer group to inform our incentive plan design, pay mix, long-term incentive vehicles and other practices. The Compensation Committee believes that understanding design reference peer group data helps us to successfully attract and retain experienced and talented individuals who are critical to our long-term success.

Our 2017 design reference peer group consisted of the following companies:

Amazon.com	Apple	Cisco Systems
EBay	EMC	Facebook
Google	Microsoft	Netflix