

FORTINET INC
Form DEF 14A
April 27, 2012

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

**SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a)
OF THE
SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO.)**

Filed by the Registrant x
Filed by a Party other than the Registrant o
Check the appropriate box:

o Preliminary Proxy Statement
 o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
 x Definitive Proxy Statement
 o Definitive Additional Materials
 o Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-2

FORTINET, INC.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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NOTICE OF 2012 ANNUAL MEETING OF STOCKHOLDERS

Dear Fortinet Stockholder:

Notice is hereby given that the 2012 Annual Meeting of Stockholders (the 2012 Annual Meeting) of Fortinet, Inc., a Delaware corporation, will be held on Thursday, June 14, 2012, at 10:00 a.m., Pacific time, at Fortinet's principal executive offices located at 1090 Kifer Road, Sunnyvale, CA 94086, for the following purposes:

1. To elect the three Class III directors listed in the accompanying proxy statement to serve for a term of three years or until their respective successors have been duly elected and qualified.
2. To ratify the appointment of Deloitte & Touche LLP as Fortinet's independent registered public accounting firm for the fiscal year ending December 31, 2012.
3. To hold an advisory vote on executive compensation.
4. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

The preceding items of business are more fully described in the proxy statement accompanying this notice. Any action on the items of business described above may be considered at the 2012 Annual Meeting at the time and on the date specified above or at any time and date to which the 2012 Annual Meeting may be properly adjourned or postponed. Only stockholders of record at the close of business on April 20, 2012 are entitled to notice of and to vote at the 2012 Annual Meeting.

We have elected to provide access to our proxy materials over the Internet. Accordingly, stockholders of record at the close of business on April 20, 2012 will receive a Notice of Internet Availability of Proxy Materials and may vote at the 2012 Annual Meeting and any meetings pursuant to postponements or adjournments of the 2012 Annual Meeting.

We expect to mail the Notice of Internet Availability of Proxy Materials on or about April 27, 2012.

Your vote is very important. Whether or not you plan to attend the 2012 Annual Meeting, we encourage you to read the proxy statement and vote as instructed in the Notice of Internet Availability of Proxy Materials or vote on the Internet or by telephone as soon as possible. Alternatively, you may follow the procedures outlined in the Notice of Internet Availability of Proxy Materials to request a paper copy of the proxy materials, which include a proxy card to submit your vote by mail. For specific instructions on how to vote your shares, please refer to the section entitled Questions and Answers About the 2012 Annual Meeting and Procedural Matters and the instructions on the Notice of Internet Availability of Proxy Materials.

Thank you for your ongoing support of Fortinet.

By Order of the Board of Directors,

Ken Xie
President and Chief Executive Officer
Sunnyvale, California
April 27, 2012

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FOR 2012 ANNUAL MEETING OF STOCKHOLDERS**

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**FORTINET, INC.
1090 Kifer Road
Sunnyvale, CA 94086**

**PROXY STATEMENT
FOR 2012 ANNUAL MEETING OF STOCKHOLDERS
QUESTIONS AND ANSWERS ABOUT THE 2012
ANNUAL MEETING AND
PROCEDURAL MATTERS**

Q: Why am I receiving these materials?

A: The Board of Directors of Fortinet, Inc. is providing these proxy materials to you in connection with the solicitation of proxies for use at Fortinet's 2012 Annual Meeting of Stockholders (the "2012 Annual Meeting") to be held on Thursday, June 14, 2012 at 10:00 a.m., Pacific time, and at any adjournment or postponement thereof, for the purpose of considering and acting upon the matters set forth in this proxy statement. We expect to mail the Notice of Internet Availability of Proxy Materials (the "Notice") on or about April 27, 2012. Copies of our proxy materials and 2011 Annual Report are also available at <http://bnymellon.mobular.net/bnymellon/ftnt>. The 2012 Annual Meeting will be held at Fortinet's principal executive offices, located at 1090 Kifer Road, Sunnyvale, CA 94086. The telephone number at that location is (408) 235-7700.

As a stockholder, you are invited to attend the 2012 Annual Meeting and are requested to vote on the proposals described in this proxy statement.

Q: Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

A: Pursuant to rules adopted by the Securities and Exchange Commission (the "SEC"), we have elected to provide access to our proxy materials over the Internet. Accordingly, we are sending the Notice to our stockholders of record and beneficial owners. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or request a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice. In addition, stockholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis.

Q: How can I get electronic access to the proxy materials?
A: The Notice will provide you with instructions regarding how to:
View our proxy materials for the 2012 Annual Meeting on the Internet; and
Have future proxy materials sent to you electronically by email.

Choosing to receive future proxy materials by email will save us the cost of printing and mailing documents to you and will reduce the impact of our annual meetings on the environment. If you choose to receive future proxy materials

by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site.

Q: Can I attend the 2012 Annual Meeting?

You are invited to attend the 2012 Annual Meeting if you were a stockholder of record or a beneficial owner as of April 20, 2012 (the Record Date). You should bring proof of ownership and photo identification for entrance to the A: 2012 Annual Meeting. The meeting will begin promptly at 10:00 a.m., Pacific time and you should leave ample time for the check-in procedures. Stockholders may request directions to our principal executive offices in order to attend the 2012 Annual Meeting by calling (408) 235-7700.

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Q: Who is entitled to vote at the 2012 Annual Meeting?

A: You may vote your shares of Fortinet common stock if our records show that you owned your shares at the close of business on the Record Date. At the close of business on the Record Date, there were 157,223,790 shares of Fortinet common stock outstanding and entitled to vote at the 2012 Annual Meeting. You may cast one vote for each share of common stock held by you as of the Record Date on all matters presented.

Q: What is the difference between holding shares as a stockholder of record or as a beneficial owner?

A: If your shares are registered directly in your name with Fortinet's transfer agent, Computershare Investor Services, LLC, you are considered, with respect to those shares, the stockholder of record, and the Notice has been sent directly to you by Fortinet. As the stockholder of record, you have the right to grant your voting proxy directly to Fortinet or to a third party, or to vote in person at the 2012 Annual Meeting.

If your shares are held by a brokerage account or by another nominee, you are considered the beneficial owner of shares held in street name, and the Notice is being forwarded to you together with voting instructions on behalf of your broker, trustee or nominee. As the beneficial owner, you have the right to direct your broker, trustee or nominee how to vote, and you are also invited to attend the 2012 Annual Meeting. Your broker, trustee or nominee has enclosed or provided voting instructions for you to use in directing the broker, trustee or nominee how to vote your shares. Because a beneficial owner is not the stockholder of record, you may not vote these shares in person at the 2012 Annual Meeting unless you obtain a legal proxy from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the 2012 Annual Meeting.

If you hold your shares through a broker and do not provide your broker with specific voting instructions, under the rules that govern brokers in such circumstances, your broker will have the discretion to vote such shares on routine matters but not on non-routine matters. Even though we are a NASDAQ-listed company, the New York Stock Exchange (NYSE) rules govern how a broker licensed by the NYSE can vote shares it holds on behalf of stockholders of NASDAQ-listed companies. As a result:

Your broker will not have the authority to exercise discretion to vote your shares with respect to the election of directors and the advisory resolution on executive compensation because NYSE rules treat those matters as non-routine.

Your broker will have the authority to exercise discretion to vote your shares with respect to the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2012, because that matter is treated as routine under NYSE rules.

Because the proposals to be acted upon at the 2012 Annual Meeting include both routine and non-routine matters, if you do not give voting instructions to your broker, trustee or nominee, your broker, trustee or nominee may either (1) vote your shares on routine matters or (2) leave your shares unvoted.

Q: How can I vote my shares in person at the 2012 Annual Meeting?

A: Shares held in your name as the stockholder of record may be voted in person at the 2012 Annual Meeting. Shares held beneficially in street name may be voted in person at the 2012 Annual Meeting only if you obtain a legal proxy from the broker, trustee or nominee that holds your shares giving you the right to vote the shares. **Even if you plan to attend the 2012 Annual Meeting, we recommend that you also submit your vote as described in the Notice and as described below, so that your vote will be counted even if you later decide not to attend the meeting.**

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Q: How can I vote my shares without attending the 2012 Annual Meeting?

A: Whether you hold shares directly as the stockholder of record or beneficially in street name, you may direct how your shares are voted without attending the 2012 Annual Meeting. There are three ways to vote by proxy:

By mail If you are a stockholder of record, you may vote by submitting a proxy card please refer to the voting instructions in the Notice or below. If you hold shares beneficially in street name, you may vote by submitting voting instructions to your broker, trustee or nominee please refer to the voting instructions provided to you by your broker, trustee or nominee.

By Internet Stockholders of record of Fortinet common stock with Internet access may submit proxies by following the Vote by Internet instructions described in the Notice until 11:59 p.m., Eastern time, on June 13, 2012 or by following the instructions at www.proxyvoting.com/ftnt. Most Fortinet stockholders who hold shares beneficially in street name may vote by accessing the web site specified in the voting instructions provided by their brokers, trustees or nominees. Please check the voting instructions for Internet voting availability.

By telephone Depending on how your shares are held, you may be able to vote by telephone. If this option is available to you, you will have received information with the Notice or the voting instruction card provided by your broker, trustee or nominee explaining this procedure.

Q: How many shares must be present or represented to conduct business at the 2012 Annual Meeting?

The presence of the holders of a majority of the shares entitled to vote at the 2012 Annual Meeting is necessary to constitute a quorum at the 2012 Annual Meeting. Such stockholders are counted as present at the meeting if they (1) are present in person at the 2012 Annual Meeting or (2) represented by proxy.

Under the General Corporation Law of the State of Delaware, abstentions and broker non-votes are counted as present and entitled to vote and therefore, are included for the purposes of determining whether a quorum is present at the 2012 Annual Meeting.

A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received voting instructions from the beneficial owner.

Q: What proposals will be voted on at the 2012 Annual Meeting?

A: The proposals scheduled to be voted on at the 2012 Annual Meeting are:
The election of the three Class III directors set forth in Proposal One to serve for a term of three years or until their respective successors are duly elected and qualified;
The ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2012; and
Advisory vote on executive compensation.

Q: What is the voting requirement to approve each of the proposals?

A: A plurality of the shares of our common stock that is present or represented by proxy and entitled to vote is required for the election of directors (Proposal One).

The affirmative vote of a majority of the shares of our common stock that are present or represented by proxy and entitled to vote is required to ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm (Proposal Two) and approve the advisory resolution on executive compensation (Proposal Three).

Q: How are votes counted?

A: You may vote FOR or WITHHOLD on each of the nominees for election as director (Proposal One). The three nominees for director receiving the highest number of affirmative votes of the

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shares present or represented by proxy and entitled to vote will be elected as directors. Therefore, abstentions or broker non-votes will not affect the outcome of the election.

You may vote **FOR**, **AGAINST** or **ABSTAIN** on the proposals to ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm (Proposal Two) and approve an advisory resolution on executive compensation (Proposal Three). **Abstentions are deemed to be shares present or represented by proxy and entitled to vote and have the same effect as a vote against these proposals.** However, broker non-votes are not deemed to be shares entitled to vote and, therefore, are not included in the tabulation of the voting results on these proposals.

All shares entitled to vote and represented by properly submitted proxies received prior to the 2012 Annual Meeting (and not revoked) will be voted at the 2012 Annual Meeting in accordance with the instructions indicated by such proxy. If no instructions are indicated on such proxy, the shares represented by that proxy will be voted as recommended by the Board of Directors.

Q: How does the Board of Directors recommend that I vote?

A: The Board of Directors recommends that you vote your shares:

FOR the three nominees for election as Class III directors (Proposal One);

FOR the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2012 (Proposal Two); and