

EXTREME NETWORKS INC

Form 10-K/A

October 23, 2009

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Form 10-K/A
(Amendment No. 1)

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year ended June 28, 2009

OR

.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from to

Commission File Number 000-25711

Extreme Networks, Inc.

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(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	77-0430270 (IRS Employer Identification Number)
3585 Monroe Street Santa Clara, California (Address of principal executive offices including zip code)	(408) 579-2800 (Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class Common Stock, \$0.001 Par Value	Name of each exchange on which registered NASDAQ Global Select Market
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SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

None

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

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐

(Do not check if a smaller reporting
company)

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

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The aggregate market value of voting stock held by non-affiliates of the Registrant was approximately \$179.6 million as of December 26, 2008, the last business day of the Registrant's most recently completed second fiscal quarter. This calculation does not reflect a determination that certain persons are affiliates of the Registrant for any other purpose.

As of October 22, 2009, there were 89,084,657 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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EXTREME NETWORKS, INC.

FORM 10-K/A

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EXPLANATORY NOTE

We are filing this Amendment No. 1 on Form 10-K/A (this *Amendment*) to amend our Annual Report on Form 10-K for the fiscal year ended June 28, 2009, as filed with the Securities and Exchange Commission (*SEC*) on August 28, 2009 (the *Original Filing*). The purpose of this Amendment is to include in Part III the information that was to be incorporated by reference to the Proxy Statement for our 2009 Annual Meeting of Stockholders. This Amendment hereby amends Part III, Items 10 through 14. We are also including as exhibits the current certifications required under Section 302 of the Sarbanes-Oxley Act of 2002.

Except as otherwise expressly stated herein, this Amendment does not reflect events occurring after the date of the 10-K, nor does it modify or update the disclosures contained in the Original Filing in any way other than as required to reflect the amendments discussed above and reflected below. Accordingly, this Amendment should be read in conjunction with the 10-K and our other filings made with the SEC on or subsequent to June 28, 2009.

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Directors

The following table provides information concerning the age, tenure on our board of directors (also referred to as the Board) and class of our directors and nominees.

Name	Age	Director Since	Class
Gordon L. Stitt , <i>Chairman of the Board of Directors</i>	53	1996	I
Kenneth Levy , <i>Director</i>	66	2001	I
John H. Kispert , <i>Director</i>	46	2009	II
Edward B. Meyercord, III , <i>Director</i>	44	2009	II
Harry Silverglide , <i>Director</i>	63	2004	II
Charles Carinalli , <i>Director</i>	61	1996	III
John C. Shoemaker , <i>Director</i>	66	2007	III

Directors in Class I are serving a term expiring at the 2011 annual meeting of stockholders. Directors in Class II are serving a term expiring at the 2009 annual meeting of stockholders. Directors in Class III are serving a term expiring at the 2010 annual meeting of stockholders. There are no family relationships among any of our directors or executive officers.

Following are profiles for our directors.

Class I Directors Serving a Term Expiring at the 2011 Annual Meeting

Gordon L. Stitt. Mr. Stitt has served as the Chairman of our Board of Directors since October 2006 and as a member of our Board of Directors since our inception in May 1996. In July 2009, Mr. Stitt also became a part-time employee performing services as a market development consultant for us. Mr. Stitt is one of our co-founders, served as our President and Chief Executive Officer from our inception until August 2006 and remained employed by us until December 2006. In 1989, Mr. Stitt co-founded Network Peripherals, Inc., a designer and manufacturer of high-speed networking technology. He served as Vice President of Marketing, then as Vice President and General Manager of the OEM Business Unit until 1995. Mr. Stitt holds a Bachelors of Science in Electrical Engineering and Computer Science from Santa Clara University and a Masters in Business Administration from the Haas School of Business of the University of California, Berkeley.

Kenneth Levy. Mr. Levy has served as one of our directors since October 2001. Mr. Levy is a private investor and the Chairman Emeritus of KLA-Tencor Corporation, a supplier of process control and yield management solutions for the semiconductor industry. Mr. Levy co-founded KLA Instruments Corporation in 1975 and served as its Chief Executive Officer and Chairman of the Board from 1975 until a merger in 1997 after which the firm was named KLA-Tencor Corporation. He chaired the board of directors of KLA-Tencor from April 1997 to October 2006. He also served as the Chief Executive Officer of KLA-Tencor from July 1998 until June 1999. Mr. Levy holds a Bachelors of Science in Electrical Engineering from City College of New York and a Masters of Science in Electrical Engineering from Syracuse University. Mr. Levy is a member of the National Academy of Engineering.

Class II Directors Serving a Term Expiring, and Nominated for Re-Election, at the 2009 Annual Meeting

John H. Kispert. Mr. Kispert has served as one of our directors since May 2009. In February 2009, Mr. Kispert was hired to serve as President and Chief Executive Officer of Spanion, Inc., a publicly-traded manufacturer of flash memory products, to oversee that company's reorganization of its business. Beginning in

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1995 and continuing through February 2009, Mr. Kispert held various executive management positions at KLA-Tencor Corporation, including President and Chief Operating Officer, Executive Vice President and Chief Financial Officer and Vice President, Finance and Accounting. Previously, Mr. Kispert served in a number of positions with the IBM Corporation. Mr. Kispert received his bachelor's degree in Political Science from Grinnell College and his MBA from the University of California, Los Angeles.

Edward B. Meyercord, III has served as one of our directors since October 2009. Mr. Meyercord is currently the President and Managing Partner of Council Rock Advisors LLC, a private company that provides advisory, capital raising and management consulting services. From December 2006 until January 2009, Mr. Meyercord served as Chief Executive Officer, President and a member of the board of directors of Cavalier Telephone & TV, a privately held voice and data services provider based in Richmond, Virginia. From January 2004, until its sale to Cavalier Telephone & TV in December 2006, Mr. Meyercord served as Chief Executive Officer, President and a member of the board of directors of Talk America, Inc., a publicly traded company that provided phone and internet services to consumers and small businesses. He served as President and a director of Talk America from 2001 until 2003 and as its Chief Financial Officer and Chief Operating Officer from 2000 until 2001. Mr. Meyercord joined Talk America in September of 1996 as the Executive Vice President, Marketing and Corporate Development. Prior to joining Talk America, Mr. Meyercord was a Vice President in the Global Telecommunications Corporate Finance Group at Salomon Brothers, Inc., based in New York. Prior to Salomon Brothers, Mr. Meyercord worked in the corporate finance department at PaineWebber Incorporated. Mr. Meyercord also serves on the board of directors of Tollgrade Communications, Inc., a telecommunications company. Mr. Meyercord received his bachelor's degree in Economics from Trinity College in Hartford, CT and his MBA from New York University.

Harry Silverglide. Mr. Silverglide has served as one of our directors since June 2004. From January 1997 to July 2002, Mr. Silverglide served as our Vice President of Sales. From May 1995 to January 1997, he served as Vice President of Western Region Sales for Bay Networks. From July 1994 to May 1995, he served as Vice President of Sales for Centillion Networks, a provider of LAN switching products which was acquired by Bay Networks in 1995.

Class III Directors Serving a Term Expiring at the 2010 Annual Meeting

Charles Carinalli. Mr. Carinalli has served as one of our directors since October 1996 and is currently a Principal of Carinalli Ventures. From 1999 to May 2002, Mr. Carinalli was Chief Executive Officer and a director of Adaptive Silicon, Inc., a developer of semiconductors. From November 2000 to November 2001, Mr. Carinalli served as Chairman of Clearwater Communications, Inc., a privately held telecommunications company. From December 1996 to July 1999, Mr. Carinalli served as President, Chief Executive Officer and a director of Wavespan, Inc., a developer of wireless broadband access systems that was acquired by Proxim, Inc. From 1970 to 1996, Mr. Carinalli served in various positions for National Semiconductor, Inc., a publicly traded company developing analog-based semiconductor products, most recently as Senior Vice President and Chief Technical Officer. Mr. Carinalli also serves on the boards of directors of Fairchild Semiconductor, a semiconductor company and Atmel Corporation, a semiconductor company. Mr. Carinalli holds a Bachelors of Science in Electrical Engineering from the University of California, Berkeley and a Masters of Science in Electrical Engineering from Santa Clara University.

John C. Shoemaker. Mr. Shoemaker has served as one of our directors since October 2007. From 1990 to June 2004, Mr. Shoemaker held various executive management positions at Sun Microsystems, Inc., including as Executive Vice President, Worldwide Operations Organizations, and Executive Vice President and General Manager for its Computer Systems Division. Previously, Mr. Shoemaker served in a number of senior executive positions with the Xerox Corporation, a provider of document management technology and services. Mr. Shoemaker is a director of Altera Inc., a provider of programmable logic solutions, and chairs the board of directors of SonicWALL, Inc., a network security and remote access software firm. Mr. Shoemaker holds a Bachelor of Arts degree from Hanover College and a Masters in Business Administration from Indiana University.

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Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our executive officers, directors and persons who beneficially own more than 10% of our common stock to file initial reports of beneficial ownership and reports of changes in beneficial ownership with the SEC. These persons are required by SEC regulations to furnish us with copies of all Section 16(a) forms filed by such person. Based solely on our review of the forms furnished to us and written representations from certain reporting persons, we believe that all filing requirements applicable to our executive officers, directors and persons who beneficially own more than 10% of our common stock were complied with in the fiscal year ended June 28, 2009.

Code of Ethics and Corporate Governance Materials

The Board has adopted a charter for each of the committees described above which are available on our website at <http://www.extremenetworks.com/about-extreme/corp-governance.aspx>. The Board has also adopted a Code of Business Conduct and Ethics that applies to all of our employees, officers and directors. The Code of Business Conduct and Ethics can be found on our website at <http://www.extremenetworks.com/about-extreme/corp-governance.aspx>.

We believe that good corporate governance is essential to ensure that we are managed for the benefit of stockholders. The Board has adopted the Extreme Networks, Inc. Corporate Governance Guidelines to address key corporate governance issues. The Nominating and Corporate Governance Committee is responsible for reviewing the Corporate Governance Guidelines and recommending to the Board any changes to the Corporate Governance Guidelines. The Corporate Governance Guidelines can be found on our website at <http://www.extremenetworks.com/about-extreme/corp-governance.aspx>.

Corporate Governance

Our Board of Directors currently consists of seven directors. The directors are divided into three classes – Class I, Class II and Class III, with each class consisting of a minimum of two directors and each class having a three-year term. The Class I directors are Gordon L. Stitt and Kenneth Levy. The Class II directors are John H. Kispert, Edward B. Meyercord, III and Harry Silverglide. The Class III directors are Charles Carinalli and John C. Shoemaker.

The Board of Directors has determined that, other than Gordon L. Stitt, each member of the Board is an independent director for purposes of the NASDAQ Marketplace Rules.

The structure of the Board of Directors is staggered, so that Class I, Class II and Class III directors will serve until the annual meetings of stockholders to be held in 2011, 2009 and 2010, respectively, and until their respective successors are duly elected and qualified. At each annual meeting of stockholders, the successors to directors whose term will then expire will be elected to serve from the time of election and qualification until the third annual meeting following their election. The Board has a mandatory retirement age of seventy (70).

Charles Carinalli was elected in 2004 by the independent members of the Board of Directors as the lead independent director. The independent directors extended Mr. Carinalli's term by one year in October 2009. Mr. Carinalli's duties as lead independent director include:

chairing executive sessions of the independent directors;

serving as liaison between the Chairman of the Board of Directors and the independent directors, including, communicating to the Chairman and Chief Executive Officer, as appropriate, the results of executive sessions of the independent directors;

ensuring that independent directors have adequate opportunities to meet without management present;

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serving as designated contact for communication to independent directors, including being available for consultation and direct communication with major stockholders;

ensuring that the independent directors have an opportunity to provide input on the agenda for Board of Director meetings;

assuring that there is sufficient time for discussion of all agenda items; and

receiving, distributing to the Board and arranging responses to communications from stockholders, and being identified as the recipient of these communications in the annual meeting proxy statement.

The Board of Directors elects our President, Chief Financial Officer, Secretary and all executive officers. All executive officers serve at the discretion of the Board of Directors. Each of our officers devotes his full time to our affairs. Our non-employee directors devote time to our affairs as is necessary to discharge their duties. In addition, our Board of Directors has the authority to retain its own advisers to assist it in the discharge of its duties. There are no family relationships among any of our directors, officers or key employees.

Meetings of the Board of Directors

The Board of Directors held 10 meetings during the fiscal year ended June 28, 2009. No director serving on the Board of Directors in fiscal year 2009 attended fewer than 75% of the aggregate of the meetings of the Board of Directors and the meetings of the committees on which he serves.

Committees of the Board of Directors

The Board of Directors has a separately-designated standing Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. Each of these Committees has a written charter that has been approved by the Board of Directors.

Committee Membership During Our Fiscal Year Ended June 28, 2009.

Name	Audit	Compensation Committee	Nominating and Corporate Governance Committee
	Committee		
Charles Carinalli	Member	Chairman	Member
Bob L. Corey ⁽¹⁾	Chairman	Member	Member
John H. Kispert	Member ⁽²⁾		
Kenneth Levy			Chairman
Harry Silverglide	Member	Member ⁽³⁾	
John C. Shoemaker	Member	Member ⁽⁴⁾	

(1) Effective July 20, 2009, Mr. Corey resigned as a director of the company and as a member of all Board committees. Mr. Corey was appointed as our Senior Vice President and Chief Financial Officer, effective July 21, 2009 and was appointed our Acting President and Chief Executive Officer, effective October 21, 2009.

(2) Mr. Kispert was appointed to the Audit Committee on May 7, 2009 and was appointed Chairman of the Audit Committee, effective July 21, 2009.

(3) Mr. Silverglide resigned from the Compensation Committee, effective July 29, 2008.

(4) Mr. Shoemaker was appointed to the Compensation Committee, effective July 29, 2008.

Edward B. Meyercord, III was appointed to our Board of Directors in October 2009. Mr. Meyercord also was appointed to the Compensation Committee, effective January 1, 2010.

Audit Committee. The members of the Audit Committee during our fiscal year ended June 28, 2009 were Messrs. Carinalli, Corey, Kispert, Silverglide and Shoemaker. Mr. Corey resigned as a director and as Chairman

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of the Audit Committee, effective July 20, 2009, and Mr. Kispert was appointed Chairman of the Audit Committee effective July 21, 2009. All members of the Audit Committee during fiscal year 2009 were independent for purposes of the NASDAQ Marketplace Rules and the rules of the SEC as these rules apply to audit committee members. The Board has determined that Mr. Corey and Mr. Kispert are both audit committee financial experts, as defined in the rules of the SEC. The Audit Committee retains our independent auditors, reviews and approves the planned scope, proposed fee arrangements and terms of engagement of the independent auditors, reviews the results of the annual audit of our financial statements and the interim reviews of our unaudited financial statements, evaluates the adequacy of accounting and financial controls, reviews the independence of our auditors, and oversees our financial reporting on behalf of the Board of Directors. The Audit Committee is also responsible for establishing procedures for the receipt, retention and treatment of complaints received by us regarding questionable accounting or auditing matters, including the anonymous submission by our employees of concerns regarding accounting or auditing matters. In addition, the Audit Committee reviews with our independent auditors the scope and timing of their audit services and any other services they are asked to perform, the independent auditor's report on our consolidated financial statements following completion of their audit, and our critical accounting policies and procedures and policies with respect to our internal accounting and financial controls. The Audit Committee held nine meetings during the fiscal year ended June 28, 2009. For more information about the Audit Committee, see *Report of the Audit Committee* below in this Annual Report on Form 10-K/A.

Compensation Committee. The members of the Compensation Committee during the fiscal year ended June 28, 2009 were Messrs. Carinalli, Corey, Shoemaker and Silverglide. Effective July 29, 2008, Mr. Silverglide resigned from the Compensation Committee, and Mr. Shoemaker was appointed to serve in his place. Mr. Corey resigned as a director and as a member of the Compensation Committee, effective July 20, 2009. Each member of the Compensation Committee during fiscal year 2009 was determined by the Board to be independent for purposes of the NASDAQ Marketplace Rules as they apply to compensation committee members. Pursuant to its charter, the Compensation Committee has responsibility for, among other things, discharging the Board's responsibilities relating to compensation and benefits of our officers, including responsibility for evaluating and reporting to the Board on matters concerning management performance, officer compensation and benefits plans and programs. In carrying out these responsibilities, the Compensation Committee is required to review all components of executive officer compensation for consistency with our compensation philosophy. The charter of the Compensation Committee provides that the Compensation Committee may delegate duties or responsibilities to subcommittees or to one member of the Compensation Committee from time to time, as appropriate; however, historically the Compensation Committee has delegated duties or responsibilities only under limited circumstances. Our President and Chief Executive Officer (our *CEO*) and our Head of Human Resources assist the Compensation Committee in its deliberations with respect to the compensation of our executive officers, except that our CEO does not play a role in the Compensation Committee's deliberations regarding his own compensation determination, other than discussing his performance objectives with the Compensation Committee. The other executive officers do not play a role in the Compensation Committee's deliberations regarding their own compensation determination, except that each executive officer discusses his or her individual performance objectives with our CEO, and our General Counsel may be present for deliberations and may provide advice to the Compensation Committee regarding legal issues associated with compensation plans and decisions. Our CEO does not have the ability to call Compensation Committee meetings, but he can attend meetings to the extent that there is no discussion of his own compensation determination. The Compensation Committee held thirteen meetings during the fiscal year ended June 28, 2009. For more information about the Compensation Committee, see *Executive Compensation* below in this Annual Report on Form 10-K/A.

Nominating and Corporate Governance Committee. The members of the Nominating and Corporate Governance Committee during fiscal year 2009 were Messrs. Corey, Levy and Carinalli. Mr. Corey resigned as a director and as a member of the Nominating and Corporate Governance Committee, effective July 20, 2009. Each member of the Nominating and Corporate Governance Committee during fiscal year 2009 was determined by the Board to be independent for purposes of the NASDAQ Marketplace Rules as they apply to nominating

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committee members. The Nominating and Corporate Governance Committee identifies, reviews, evaluates and nominates candidates to serve on our Board of Directors, is responsible for recommending corporate governance principles, codes of conduct and compliance mechanisms applicable to us, and assists the Board of Directors in its annual reviews of the performance of the Board, each committee and management. The Nominating and Corporate Governance Committee held five meetings during the fiscal year ended June 28, 2009.

Compensation Committee Interlocks and Insider Participation

During fiscal year 2009, no member of the Compensation Committee was a current or former officer or employee of the company or any of the company's subsidiaries, except for Mr. Silverglide who was a member of the Compensation Committee until July 28, 2008 and served as our Vice President of Sales from January 1997 to July 2002. None of our executive officers has served on the board of directors or compensation committee of any other entity that has, or has had, one or more executive officers who served as a member of our Board or Compensation Committee during the 2009 fiscal year.

Director Nominations

Director Qualifications. In fulfilling its responsibilities, the Nominating and Corporate Governance Committee considers the following factors in reviewing possible candidates for nomination as director:

the appropriate size of our Board of Directors and its Committees;

the perceived needs of the Board for particular skills, background and business experience;

the skills, background, reputation, and business experience of nominees and the skills, background, reputation, and business experience already possessed by other members of the Board;

nominees' independence from management;

nominees' experience with accounting rules and practices;

nominees' background with regard to executive compensation;

applicable regulatory and listing requirements, including independence requirements and legal considerations, such as antitrust compliance;

the benefits of a constructive working relationship among directors; and

the desire to balance the considerable benefit of continuity with the periodic injection of the fresh perspective provided by new members.

The Nominating and Corporate Governance Committee's goal is to assemble a Board of Directors that brings to us a variety of perspectives and skills derived from high quality business and professional experience. Directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the best interests of our stockholders. They must also have an inquisitive and objective perspective and mature judgment. Director candidates must have sufficient time available in the judgment of the Nominating and Corporate Governance Committee to perform all Board and committee responsibilities. Board members are expected to prepare for, attend, and participate

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in all Board and applicable committee meetings.

Other than the foregoing there are no stated minimum criteria for director nominees, although the Nominating and Corporate Governance Committee may also consider other factors as it may deem, from time to time, are in the best interests of us and our stockholders. The Nominating and Corporate Governance Committee believes that it is preferable that at least one member of the Board should meet the criteria for an audit committee financial expert as defined by SEC rules. Under applicable listing requirements, at least a majority of the members of the Board must meet the definition of independent director. The Nominating and Corporate Governance Committee also believes it appropriate for one or more key members of management to participate as members of the Board.

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Identifying and Evaluating Candidates for Nomination as Director. The Nominating and Corporate Governance Committee annually evaluates the current members of the Board of Directors whose terms are expiring and who are willing to continue in service against the criteria set forth above in determining whether to recommend these directors for election. The Nominating and Corporate Governance Committee regularly assesses the optimum size of the Board and its committees and the needs of the Board for various skills, background and business experience in determining if the Board requires additional candidates for nomination.

Candidates for nomination as director come to the attention of the Nominating and Corporate Governance Committee from time to time through incumbent directors, management, stockholders or third parties. These candidates may be considered at meetings of the Nominating and Corporate Governance Committee at any point during the year. Candidates are evaluated against the criteria set forth above. If the Nominating and Corporate Governance Committee believes at any time that the Board requires additional candidates for nomination, the Nominating and Corporate Governance Committee may poll directors and management for suggestions or conduct research to identify possible candidates and may engage, if the Nominating and Corporate Governance Committee believes it is appropriate, a third party search firm to assist in identifying qualified candidates.

The Nominating and Corporate Governance Committee will evaluate any recommendation for director nominee proposed by a stockholder. In order to be evaluated in connection with the Nominating and Corporate Governance Committee's established procedures for evaluating potential director nominees, any recommendation for director nominee submitted by a stockholder must be sent in writing to the Corporate Secretary, 3585 Monroe Street, Santa Clara, CA 95051, 120 days prior to the anniversary of the date proxy statements were mailed to stockholders in connection with the prior year's annual meeting of stockholders, except that under our bylaws, if no annual meeting was held in the previous year or the date of the annual meeting has been changed by more than 30 calendar days from the date contemplated at the time of the previous year's proxy statement, notice by the stockholders to be timely must be received not later than the close of business on the tenth day following the day on which public announcement of the date of the meeting is first made. For purposes of the foregoing, public announcement shall mean disclosure in a broadly disseminated press release or in a document publicly filed by us with the Securities and Exchange Commission. The recommendation for director nominee submitted by a stockholder must contain the following information:

the candidate's name, age, contact information and present principal occupation or employment;

a description of the candidate's qualifications, skills, background, and business experience during, at a minimum, the last five years, including his/her principal occupation and employment and the name and principal business of any corporation or other organization in which the candidate was employed or served as a director; and

a statement signed by the candidate that the candidate is willing to be considered and willing to serve as a director if nominated and elected.

In addition, our bylaws permit stockholders to nominate directors for consideration at an annual meeting.

All directors and director nominees must submit a completed form of directors' and officers' questionnaire as part of the nominating process. The evaluation process may also include interviews and additional background and reference checks for non-incumbent nominees, at the discretion of the Nominating and Corporate Governance Committee.

The Nominating and Corporate Governance Committee will evaluate incumbent directors, as well as candidates for director nominee submitted by directors, management and stockholders consistently using the criteria stated in this policy and will select the nominees that in the Nominating and Corporate Governance Committee's judgment best suit the needs of the Board at that time.

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Communications with Directors

Charles Carinalli has been selected by our independent directors as our Lead Director and, as such, is responsible for receiving, distributing and arranging responses to communications from our stockholders to our Board of Directors. Stockholders may communicate with our Board of Directors by transmitting correspondence by mail, facsimile or email, addressed as follows:

Lead Director (or individually named director(s))

Extreme Networks, Inc.

3585 Monroe Street

Santa Clara, CA 95051

The Lead Director will maintain a log of communications and transmit each communication as soon as practicable to the identified director addressee(s), unless (i) there are safety or security concerns that mitigate against further transmission of the communication; or (ii) the communication contains commercial matters not related to the stockholder's stock ownership, as determined by the Lead Director in consultation with outside legal counsel. The Board of Directors or individual directors will be advised of any communication withheld for safety, security or other reasons as soon as practicable.

Director Attendance at Annual Meetings

We use reasonable efforts to schedule our annual meeting of stockholders at a time and date to maximize attendance by directors, taking into account the directors' schedules. In cases where management, in its reasonable business judgment, believes that stockholder attendance at our annual meeting is significant, we encourage director attendance at the annual meeting. Directors make every effort to attend our annual meeting of stockholders when meaningful stockholder attendance at the meeting is anticipated. Messrs. Stitt and Carinalli attended our 2008 annual meeting of stockholders.

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REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee of the Board of Directors has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of the Securities and Exchange Commission's Regulation S-K with management. Based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in our Annual Report on Form 10-K for the fiscal year ended June 28, 2009, as amended. The material in this report shall not be deemed to be soliciting material or filed with the Securities and Exchange Commission, will be deemed furnished in our Annual Report on Form 10-K for the fiscal year ended June 28, 2009, as amended, and will not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, as a result of furnishing the disclosure in this manner.

COMPENSATION COMMITTEE

Charles Carinalli, Chairman

John C. Shoemaker

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REPORT OF THE AUDIT COMMITTEE

The Audit Committee oversees the quality of our financial statements and our financial reporting on behalf of the Board of Directors. Management has the primary responsibility for the financial statements, maintaining appropriate accounting and financial reporting principles and policies and the reporting process, including internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Ernst & Young LLP, our independent registered public accounting firm, is responsible for expressing opinions on our annual financial statements and our internal control over financial reporting as of the end of the fiscal year. It is not the duty or responsibility of the Audit Committee or its members to conduct any type of auditing or accounting review or procedure, and each member of the Audit Committee relies on the integrity of those persons and organizations within and outside Extreme Networks from whom it receives information and the accuracy of the financial and other information provided to the Audit Committee.

The members of the Audit Committee during the fiscal year ended June 28, 2009 were Messrs. Charles Carinalli, Bob L. Corey, John H. Kispert, Harry Silverglide and John C. Shoemaker. Mr. Corey resigned as a director and as Chairman of the Audit Committee, effective July 20, 2009, and Mr. Kispert was appointed Chairman of the Audit Committee effective July 21, 2009. At all times the Audit Committee has consisted of at least three directors each of whom, in the judgment of the Board, is an independent director as defined in the listing standards for The NASDAQ Stock Market. The Board has determined that Mr. Kispert and Mr. Corey are audit committee financial experts as such term is defined in the rules of the SEC.

The Audit Committee has discussed and reviewed with the independent auditors all matters required to be discussed under Statement on Auditing Standards No. 61, *Communication with Audit Committees*, SEC rules and other professional standards. The Audit Committee has received from the independent auditors a formal written statement describing all relationships between the auditors and Extreme Networks that might bear on the auditors' independence consistent with rule 3526 of the Public Company Accounting Oversight Board Communications with Audit Committee concerning independence, discussed with the independent auditors any relationships that may impact their objectivity and independence, and satisfied itself as to the independent auditors' independence.

The Audit Committee discussed with our independent auditors the overall scope and plans for their respective audits. The Audit Committee meets with the independent auditors, with and without management present, to discuss the results of their audit of our financial statements and our internal control over financial reporting as of the end of the fiscal year, our internal audits and the overall quality of our financial reporting. Additionally, the Audit Committee has discussed and reviewed with management the audited financial statements and management's report on internal control over financial reporting as of the end of the fiscal year.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Annual Report on Form 10-K for the year ended June 28, 2009 for filing with the SEC. The Audit Committee and the Board of Directors have also recommended ratification of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending June 27, 2010.

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The aggregate fees billed for professional services rendered for the audit of our annual financial statements and our internal control over financial reporting as of the end of the fiscal year by Ernst & Young LLP for fiscal year 2009 and for their review of the unaudited interim financial statements included in our Quarterly Reports on Forms 10-Q for fiscal year 2009, including accounting consultations on matters addressed during the annual audit and interim reviews were \$1,438,000. The aggregate fees billed for professional services rendered by Ernst & Young LLP, other than the audit and audit-related fees, were \$175,000. These fees were for professional services including domestic and foreign tax-planning, consultation, special projects and tax return preparation, and procedures related to the filing of corporate documents.

AUDIT COMMITTEE

John H. Kispert, Chairman

Charles Carinalli

John C. Shoemaker

Harry Silverglide

The foregoing Audit Committee Report shall not be deemed to be incorporated by reference into any filing of Extreme Networks under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that Extreme Networks specifically incorporates such information by reference.

Table of Contents**Item 11. *Executive Compensation***
Compensation Discussion and Analysis***Compensation Philosophy and Objectives***

Our executive compensation philosophy and objectives are to attract high quality candidates for senior leadership positions, to retain these employees and to establish a total compensation program which motivates and rewards individual and team performance in alignment with our goals, principal among which is the creation of stockholder value.

We establish market competitive target levels of total compensation, focusing on both current pay and the opportunity for long term and future compensation. Annual compensation for a given executive is determined with reference to competitive market data, experience, knowledge, skills, education, performance and importance to the business.

What Our Compensation Program Is Designed to Reward

Our compensation program is designed to motivate individual and team accountability for our absolute and relative competitive performance.

Named Executive Officers

This *Executive Compensation* section of our Annual Report on Form 10-K/A presents compensation earned by our named executive officers (as defined by SEC rules). For the fiscal year ended June 28, 2009, our named executive officers and their respective titles were as follows:

Name	Title	Date of Employment
Helmut Wilke	<i>Senior Vice President, Worldwide Sales</i>	April 2, 2007
Mark A. Canepa	<i>Former President, Chief Executive Officer and Director</i>	August 30, 2006
Karen M. Rogge	<i>Former Senior Vice President and Chief Financial Officer</i>	April 2, 2007
Robert S. Schlossman	<i>Former Senior Vice President and General Counsel</i>	May 19, 2008

Biographies for our named executive officers are included in our Annual Report on Form 10-K, filed with the SEC on August 28, 2009.

Subsequent to the filing of the Annual Report on Form 10-K, Mr. Canepa resigned as our President and Chief Executive Officer on October 20, 2009. Bob L. Corey was appointed as our Acting President and Chief Executive Officer, in addition to retaining Mr. Corey's duties as Senior Vice President, Finance and Chief Financial Officer. Mr. Canepa also concurrently resigned as a member of our Board of Directors.

Ms. Rogge resigned as our Senior Vice President and Chief Financial Officer in July 2009 and Bob L. Corey was appointed as her successor effective July 21, 2009. In connection with his appointment as Chief Financial Officer, Mr. Corey resigned as a member of our Board of Directors.

As part of a restructuring plan approved by the Board on October 20, 2009, Robert S. Schlossman's position as Senior Vice President and General Counsel was eliminated. Diane C. Honda, a Vice President and formerly an Associate General Counsel, became General Counsel on the same day.

Compensation information regarding Mr. Corey in his role as a member of our Board of Directors is provided in *Directors' Compensation* section of this Annual Report on Form 10-K/A. Compensation information regarding Mr. Corey in his roles as Acting President and Chief Executive Officer and Senior Vice President,

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Finance and Chief Financial Officer is generally not included in this *Executive Compensation and Other Matters* section of this Annual Report on Form 10K-A as he was not a named executive officer during the fiscal year ended June 28, 2009. However, a summary of our employment agreement with Mr. Corey in his role as Acting President and Chief Executive Officer and Senior Vice President, Finance and Chief Financial Officer is provided in the *Summary of Employment and Other Agreements* section of this Annual Report on Form 10K-A.

Compensation Process

Compensation Process

Under its charter, the Compensation Committee has responsibility for, among other things, discharging the Board's responsibilities relating to compensation and benefits of our officers, including responsibility for evaluating and reporting to the Board on matters concerning management performance, officer compensation and benefits plans and programs. In carrying out these responsibilities, the Compensation Committee is required to review all components of executive officer compensation for consistency with our compensation philosophy.

Our CEO and our Vice President of Human Resources assist the Compensation Committee in its deliberations with respect to the compensation of the named executive officers, except that our CEO does not participate in the Compensation Committee's deliberations regarding his own compensation determination, other than discussing his performance objectives with the Compensation Committee. The other named executive officers do not participate in the Compensation Committee's deliberations regarding their own compensation determination, other than discussing individual performance objectives with our CEO, and our General Counsel may be present for deliberations and may provide advice to the Compensation Committee regarding legal issues associated with compensation plans and decisions. Our CEO does not have the ability to call Compensation Committee meetings, but he may attend meetings as requested by the Committee to the extent that there is no discussion of his own compensation while he is participating in the meeting. The Committee maintains the sole discretion to engage third-parties to provide support in executing the Committee's duties under the Committee's charter.

The Compensation Committee Chair working with the Vice President of Human Resources has established a schedule of meetings and topics to be addressed to support the committee in fulfilling their fiduciary responsibility to stockholders. At the end of the fiscal year, our CEO conducts a quantitative assessment of each named executive officer's performance for the past fiscal year based upon the officer's individual and team business goals and objectives. The assessment typically considers performance against the pre-defined and approved goals in addition to each named executive officer's technical and vocational competence, on-time delivery of programs, recruitment, retention and team development expected of all named executive officers. Our CEO and our Vice President of Human Resources also review the competitive benchmarking assessments of similarly situated executives in comparable companies in our industry, the competitive position of us relative to comparable companies in our industry, and the available salary and equity merit increase budget for the company. Our CEO then makes specific recommendations to the Compensation Committee for any changes to base salary, target bonus opportunities, other cash incentives and equity awards, if appropriate. The Compensation Committee considers these proposals and makes any final approvals required in executing their duties. In addition, the Compensation Committee similarly assesses the performance of our CEO, based on the achievement of the approved financial goals, performance metrics, and strategic objectives identified to improve the company's operating performance. Our CEO is not present at the time the Compensation Committee reviews his performance and discusses his compensation. The Compensation Committee retains an independent compensation consultant to complete the assessment by providing third-party review of plans and to provide guidance to the CEO, Vice President of Human Resources and the Committee in making compensation decisions.

Our CEO also develops our overall business plan, corporate goals and strategic objectives in consultation with the Board of Directors and translates these corporate goals into specific corporate performance metrics and performance targets for the named executive officers in coordination with the Compensation Committee. The Committee similarly establishes the specific goals and metrics for our CEO against the business plan. Based on

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these goals and metrics, the Committee approves annual incentive bonus plans for our executives, including the named executive officers.

Peer Group Selection and Benchmarking;

We believe it is essential to attract and retain experienced and proven performers. Accordingly, the Compensation Committee seeks to set the base salary and total compensation of our executives, including the named executive officers, at the 50th percentile of the compensation of similarly-situated executives in comparable companies in our industry with whom we directly compete in our hiring and retention of executives. However, the Compensation Committee has the authority to approve position specific compensation packages that are above or below this level based on the executive's specific experience, knowledge, skills, education, performance and importance to the business. In addition to these factors, the Committee also considers the information provided by their advisors and the comparative compensation of our other officers when determining an individual's actual pay level.

For our fiscal year ended June 28, 2009, the Compensation Committee engaged Radford, an Aon Consulting Company, as an independent advisor to provide competitive market data regarding the components of our executive compensation. Radford reports directly to the Compensation Committee, and works with management to gain access to compensation information. We paid the fees charged by Radford for its engagement by the Compensation Committee with respect to its services related to fiscal year 2009 compensation.

For the fiscal year ended June 28, 2009, the Committee requested that Radford independently determine the appropriate comparative framework and use the same peer group selected for the fiscal year ended June 29, 2008 to assess the pay levels and structure of our executive compensation plan. Radford gained input from our CEO, Vice President of Human Resources and members of the Compensation Committee. Radford gathered pay levels and pay design information from the Radford Executive Benchmark Survey, focused on networking and technology companies in the \$200 million – \$500 million revenue range. Where the survey provided insufficient information, Radford used various data sources, including general survey data to benchmark the compensation of our executives against other public high technology companies with revenue between \$200 million and \$500 million. Radford presented the results of their assessment to the Vice President of Human Resources and our CEO. The assessment was then used by our CEO to recommend and the Committee to evaluate changes to executive compensation for the fiscal year ended June 28, 2009.

For the Compensation Committee's deliberations of fiscal year 2009 executive compensation, the Compensation Committee reviewed a Radford Executive Benchmark Survey which includes many of the following companies which make up our peer group :

3Com Corporation

Adaptec, Inc.

ADTRAN, Inc.

Avocent Corporation

Brocade Communications Systems, Inc.

Ciena Corporation

Emulex Corporation

F5 Networks, Inc.

Foundry Networks, Inc. (acquired by Brocade)

Harmonic Inc.

MRV Communications Inc

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NETGEAR, Inc.

Novatel Wireless, Inc.

Packeteer, Inc.

QLogic Corporation

Quantum Corporation

Rackable Systems, Inc.

RadiSys Corporation

STEC Inc.

Westell Technologies, Inc.

The Radford assessment examined a range of pay levels including the 25th, 50th and 75th percentile of the applicable benchmark group to reflect a range of pay to be considered when determining individual pay elements. The Committee used this approach to understand the range of pay levels and practices to ensure pay was fair and reasonable from both an executive and stockholder perspective. Radford's assessment and the Committee's review covers all aspects of compensation including salary, incentives, long-term compensation, total remuneration, retention value of current equity holdings and underwater holdings.

Mr. Wilke, our Senior Vice President, Worldwide Sales, has a base salary that is within our benchmark target, but his target bonus increases his aggregate cash compensation such that it exceeds our benchmark target. His equity ownership position also exceeds our benchmark target. The Compensation Committee intended for the higher-than-benchmark aggregate cash compensation package to incentivize Mr. Wilke to achieve the company's near-term revenue targets. In addition, the Compensation Committee wished to emphasize long term performance and a sustainable business growth plan through Mr. Wilke's equity ownership position. Mr. Canepa, our former President and CEO, had a base salary and aggregate cash compensation (inclusive of bonus) that was within our benchmark target. However, his equity ownership position was somewhat higher than our benchmark target because our Compensation Committee wished to emphasize long term performance for our CEO. Ms. Rogge, our former Senior Vice President and Chief Financial Officer, had a base salary and aggregate cash compensation which was higher than our benchmark target because this level of compensation was necessary to recruit a Chief Financial Officer with the necessary experience and skills for the position and to provide a sufficient incentive for Ms. Rogge to accept the position. Mr. Schlossman, our former Senior Vice President and General Counsel, had a base salary and aggregate cash compensation which was within our benchmark target. We further explain the various components of each of these executive's compensation programs below.

Compensation Program Elements and How Each Element is Chosen

Hiring, developing and retaining our human capital are essential to executing our corporate strategy and meeting our milestones and objectives. The objective of our compensation program is to attract high quality candidates for senior leadership positions, to retain these employees, and to establish a total compensation program which motivates and rewards individual and team performance in alignment with our goals and the creation of stockholder value. To achieve this objective, the Compensation Committee believes that the named executive officers must be offered competitive: