

INFINERA Corp
Form DEF 14A
April 10, 2019
Table of Contents

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

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 §240.14a-12

INFINERA CORPORATION

(Name of registrant as specified in its charter)

(Name of person(s) filing proxy statement, if other than the registrant)

Payment of Filing Fee (Check the appropriate box):

Table of Contents

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:

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(3) Filing Party:

(4) Date Filed:

Table of Contents

Infinera Corporation

140 Caspian Court

Sunnyvale, California 94089

NOTICE OF 2019 ANNUAL MEETING OF STOCKHOLDERS

To Be Held on May 23, 2019

10:00 a.m. Pacific Time

Dear Stockholder:

You are cordially invited to attend the 2019 Annual Meeting of Stockholders (the Annual Meeting) of Infinera Corporation, a Delaware corporation. Notice is hereby given that the meeting will be held on Thursday, May 23, 2019, at 140 Caspian Court, Sunnyvale, California 94089 at 10:00 a.m. Pacific Time, for the following purposes:

1. To elect to the Board of Directors the two nominees for Class III directors named in the Proxy Statement;
2. To approve an amendment of the Infinera Corporation 2016 Equity Incentive Plan to increase the number of shares authorized for issuance thereunder by 7,300,000 shares;
3. To approve an amendment of the Infinera Corporation 2007 Employee Stock Purchase Plan to increase the number of shares authorized for issuance thereunder by 10,500,000 shares;
4. To approve, on an advisory basis, the compensation of Infinera's named executive officers, as described in the Proxy Statement;
5. To ratify the appointment of Ernst & Young LLP as Infinera's independent registered public accounting firm for the fiscal year ending December 28, 2019; and
6. To transact such other business as may properly come before the meeting or any postponement or adjournment thereof.

These items of business are more fully described in the Proxy Statement accompanying this Notice.

The record date for the Annual Meeting is April 2, 2019. Only stockholders of record at the close of business on that date may vote at the Annual Meeting or any postponement or adjournment thereof. A list of our stockholders will be maintained and open for examination by any of our stockholders, for any purpose germane to the Annual Meeting, during regular business hours at the address listed above for ten days prior to the meeting.

We are pleased to inform you that we will again be utilizing the U.S. Securities and Exchange Commission rules that allow issuers to furnish proxy materials to their stockholders via the Internet. We believe that these rules allow us to provide our stockholders with the information they need more quickly and conveniently, while lowering the cost of delivery and reducing the environmental impact of the Annual Meeting.

As a stockholder, your vote is important. Whether or not you expect to attend the Annual Meeting in person, it is important that you vote as soon as possible so that your shares are represented. To vote your shares, please follow the instructions in the Notice of Internet Availability of Proxy Materials, which is being mailed to you on or about April 11, 2019.

On behalf of the Board of Directors, thank you for your participation in this important annual process.

By Order of the Board,
/s/ BRAD D. FELLER
Brad D. Feller
Chief Financial Officer

Sunnyvale, California
April 10, 2019

Table of Contents

TABLE OF CONTENTS

<u>PROXY STATEMENT SUMMARY</u>	1
<u>2019 Annual Meeting of Stockholders</u>	1
<u>Meeting Agenda and Voting Matters</u>	1
<u>Board Nominees</u>	1
<u>Board and Governance Highlights</u>	2
<u>Executive Compensation Program Highlights</u>	2
<u>QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND VOTING PROCEDURAL MATTERS</u>	5
<u>Annual Meeting</u>	5
<u>Stock Ownership</u>	7
<u>Quorum and Voting</u>	7
<u>Additional Information</u>	9
<u>PROPOSAL 1 ELECTION OF DIRECTORS</u>	11
<u>General</u>	11
<u>Director Qualifications</u>	11
<u>Information Regarding Nominees and Continuing Directors</u>	11
<u>CORPORATE GOVERNANCE AND THE BOARD OF DIRECTORS</u>	17
<u>Independence of the Board</u>	17
<u>Stockholder Communications with the Board</u>	17
<u>Board Leadership Structure</u>	17
<u>Board Oversight of Risk</u>	17
<u>Code of Business Conduct and Ethics</u>	18
<u>Corporate Governance Guidelines</u>	18
<u>Stock Ownership Policy</u>	18
<u>Corporate Social Responsibility</u>	18
<u>Information Regarding the Board and its Committees</u>	19
<u>Compensation Committee Interlocks and Insider Participation</u>	22
<u>COMPENSATION OF DIRECTORS</u>	23
<u>Director Fees</u>	23
<u>Director Equity Awards</u>	23
<u>Fiscal 2018 Director Compensation</u>	24
<u>Additional Information with Respect to Director Equity Awards</u>	24
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	25
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	27
<u>Executive Summary</u>	27
<u>Overview of our Executive Compensation Program Philosophy and Process</u>	33
<u>Fiscal 2018 Compensation</u>	37
<u>Additional Information Regarding Our Compensation Practices</u>	43
<u>COMPENSATION COMMITTEE REPORT</u>	46
<u>EXECUTIVE COMPENSATION TABLES</u>	47
<u>Fiscal 2018 Summary Compensation Table</u>	47
<u>Fiscal 2018 Grants of Plan-Based Awards Table</u>	48
<u>Fiscal 2018 Outstanding Equity Awards at Fiscal Year-End Table</u>	49
<u>Fiscal 2018 Option Exercises and Stock Vested Table</u>	51

<u>2018 CEO Pay Ratio</u>	51
<u>Estimated Payments and Benefits upon Termination, Change of Control or Death/Disability</u>	52
<u>Fiscal 2018 Estimated Payments and Benefits Table</u>	54
<u>RISK ASSESSMENT OF COMPENSATION PRACTICES</u>	56
<u>PROPOSAL 2 APPROVAL OF AMENDMENT OF THE INFINERA CORPORATION 2016 EQUITY INCENTIVE PLAN</u>	57
<u>PROPOSAL 3 APPROVAL OF AMENDMENT OF THE INFINERA CORPORATION 2007 EMPLOYEE STOCK PURCHASE PLAN</u>	66
<u>PROPOSAL 4 ADVISORY APPROVAL OF NAMED EXECUTIVE OFFICER COMPENSATION</u>	72
<u>PROPOSAL 5 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	73
<u>Independent Registered Public Accounting Firm's Fees</u>	73
<u>Pre-Approval Policies and Procedures</u>	74
<u>REPORT OF THE AUDIT COMMITTEE</u>	75
<u>CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS</u>	76
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	76
<u>EQUITY COMPENSATION PLAN INFORMATION</u>	77
<u>STOCKHOLDER PROPOSALS FOR 2020 ANNUAL MEETING</u>	77
<u>DELIVERY OF DOCUMENTS TO STOCKHOLDERS SHARING THE SAME LAST NAME AND ADDRESS</u>	78
<u>OTHER MATTERS</u>	79
<u>APPENDIX A UNAUDITED RECONCILIATIONS FROM GAAP TO NON-GAAP</u>	A-1
<u>APPENDIX B INFINERA CORPORATION 2016 EQUITY INCENTIVE PLAN</u>	B-1
<u>APPENDIX C INFINERA CORPORATION 2007 EMPLOYEE STOCK PURCHASE PLAN</u>	C-1

Table of Contents**INFINERA CORPORATION****PROXY STATEMENT SUMMARY**

This summary highlights selected information contained elsewhere in this Proxy Statement. The summary does not contain all of the information that you should consider, and you should read and consider carefully the complete Proxy Statement before voting. Infinera Corporation is referred to herein as Infinera, we, us and our.

2019 Annual Meeting of Stockholders

Time and Date: 10:00 a.m. Pacific Time, on Thursday, May 23, 2019
 Place: Infinera Corporation, 140 Caspian Court, Sunnyvale, California 94089
 Record Date: April 2, 2019
 Voting: Stockholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the other proposals to be voted on.

Meeting Agenda and Voting Matters

Agenda Items	Board Vote Recommendation	Page Reference (for more detail)
1. To elect to the Board of Directors the two nominees for Class III directors named in the Proxy Statement.	FOR EACH	11
	DIRECTOR NOMINEE	
2. To approve an amendment of the Infinera Corporation 2016 Equity Incentive Plan to increase the number of shares authorized for issuance thereunder by 7,300,000 shares.	FOR	57
3. To approve an amendment of the Infinera Corporation 2007 Employee Stock Purchase Plan to increase the number of shares authorized for issuance thereunder by 10,500,000 shares.	FOR	66
4. To approve, on an advisory basis, the compensation of Infinera's named executive officers, as described in the Proxy Statement.	FOR	72
5. To ratify the appointment of Ernst & Young LLP as Infinera's independent registered public accounting firm for the fiscal year ending December 28, 2019.	FOR	73
6. To transact such other business that may properly come before the meeting or any postponement or adjournment thereof.		

Board Nominees

Name	Age	Director Since Independent⁽¹⁾	Committee Memberships			
			AC	CC	NGC	TAC

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Marcel Gani	66	2014	X	M	C		
Mark A. Wegleitner	68	2011	X			M	C

AC = Audit Committee; CC = Compensation Committee; NGC = Nominating and Governance Committee;

TAC = Technology and Acquisition Committee; C = Chairman; M = Member

⁽¹⁾ Under the rules and regulations of the U.S. Securities and Exchange Commission (the SEC) and the listing standards of The Nasdaq Stock Market (Nasdaq).

Table of Contents

Board and Governance Highlights

Board Independence. Seven out of nine of our directors are independent.

Board Composition. The size of the Board of Directors (the Board) of Infinera is currently fixed at nine directors and is divided into three classes. The Board annually assesses its performance through a board self-evaluation. After the Annual Meeting, with the departure of John P. Daane, the size of the Board will be fixed at eight directors.

Board Tenure. The average tenure of our current Board members is 6.0 years. We have appointed three new directors in the last four years.

Board Diversity. The Board consists of a diverse group of professionals who bring significant leadership and distinct qualities and skill sets to Infinera. We believe the current composition of the Board is culturally and ethnically diverse, which provides a diverse range of perspectives and experience to engage each other and management to effectively represent our stockholders. To accomplish this, the Nominating and Governance Committee will continue to require that search firms engaged by us include a robust selection of women and ethnically diverse candidates in all prospective director candidate pools.

Board Committees. We have four standing committees of the Board Audit, Compensation, Nominating and Governance and Technology and Acquisition. With the exception of the Technology and Acquisition Committee (David F. Welch, Ph.D., our Chief Innovation Officer, serves on this committee), all other committees are composed entirely of independent directors. In October 2018, we formed an Integration Oversight Committee for a term of one year to assist management with the integration of Coriant.

Leadership Structure. We have separated the positions of Chairman and Chief Executive Officer (CEO).

Director Stock Ownership. Each non-employee director is required to own shares of Infinera common stock having a value of at least four times the annual cash retainer.

Risk Oversight. Members of our senior management team are responsible for implementation of our day-to-day risk management processes, while the Board, as a whole and through its committees, has responsibility for the oversight of overall risk management.

Executive Compensation Program Highlights

The design of our executive compensation program for fiscal 2018 reflects our ongoing commitment to pay-for-performance and the continued strong alignment of the interests of our named executive officers (NEOs) with those of our stockholders. At the beginning of fiscal 2018, when a majority of executive compensation decisions were made, the Compensation Committee considered the performance of our company as we exited fiscal 2017 and the expectation of a challenging fiscal 2018. The decisions made were a proactive effort to maintain a strong pay-for-performance profile and support accountability of our leadership team for our financial performance. Highlights of our executive compensation program for fiscal 2018 included:

There were no increases in target cash compensation for our NEOs.

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During the Compensation Committee's annual review in February 2018, the Compensation Committee approved no increases in base salary or annual incentive targets for our NEOs in fiscal 2018. This decision was based on an analysis of competitive market data provided by the Compensation Committee's independent consultant, with consideration given to the challenging business environment expected during fiscal 2018.

Table of Contents

The majority of our CEO's fiscal 2018 target total direct compensation was in the form of equity.

74% of our CEO's target total direct compensation (the sum of base salary, target cash incentive opportunity and target equity incentive compensation) was in the form of equity awards, which closely links our CEO's compensation directly to the value of our common stock. In fiscal 2018, our CEO was granted a time-based restricted stock unit (RSU) and a performance stock unit (PSU) award with vesting tied to our relative total stockholder return performance (TSR). For the purpose of this discussion and in the chart below, the grant date value of PSUs reflects the face value of the target number of shares awarded on the grant date, which differs from the accounting value presented in the Summary Compensation Table below.

Our long-term incentive program continues to emphasize performance-based awards. For our CEO, 60% of the target value of equity granted in fiscal 2018 was in the form of PSUs that will vest based upon our TSR performance relative to a networking sector benchmark (the 2018 TSR Award). TSR performance is measured relative to the TSR of each of the companies (the Index Companies) listed in the Standard & Poor's North American Technology Multimedia Networking Index (S&P Networking Index). To support our pay-for-performance philosophy and further emphasize the importance of creating long-term stockholder value, the 2018 TSR Award contained several features we consider best practices.

Stretch goal for maximum performance. To earn the maximum number of shares under the 2018 TSR Award, which is 200% of the target number of shares, our TSR must exceed the 85th percentile of the companies included in the S&P Networking Index. In addition, to earn the maximum number of shares, our TSR must sustain at least 85th percentile performance for each of the one-, two- and three-year measurement periods (coinciding with the end of our fiscal 2018, 2019 and 2020).

Payment cap. Regardless of our performance versus the Index Companies in the S&P Networking Index, the number of shares that may be earned under the 2018 TSR Award is capped at 100% of target for any period in which our TSR is negative. Therefore, even if we significantly outperform the Index Companies in challenging market conditions, this award only provides rewards above the target performance level if incremental stockholder value is created.

Our fiscal 2018 payouts reflect our pay-for-performance philosophy. Our fiscal 2018 payouts reflect the alignment of our executive compensation program to the performance of Infinera. As indicated above, a significant portion of our executive compensation program is designed to align the compensation outcomes for our NEOs with performance against measurable objectives. This resulted in no payout to our NEOs under our 2018 Bonus Plan (the 2018 Bonus Plan), as we did not meet the minimum threshold established by the Compensation Committee for the financial objectives under the 2018 Bonus Plan. Further, during fiscal 2018, there were portions of three PSU awards for which payout was based

Table of Contents

entirely or in part on our performance during the year, which included the 2018 TSR Award. We underperformed as compared to the S&P Networking Index for the 2016 PSU award, which resulted in no payout for the performance period that concluded at the end of fiscal 2018. In addition, we underperformed relative to the Index Companies in the S&P Networking Index, which resulted in no payouts under the 2017 PSU award and the 2018 TSR Award.

We continue to maintain sound corporate governance policies and practices. We seek to maintain sound corporate governance standards. During fiscal 2018, the following policies and practices continued to be in effect:

No Guaranteed Bonuses for our NEOs	Majority Voting for the Election of Directors
Executive Clawback Policy	Double-Trigger Change-of-Control Agreements
Anti-Hedging Policy	Annual Compensation Risk Assessment
No Pledging of our Common Stock by NEOs	No Executive Perquisites
Fully Independent Compensation Committee	Independent Compensation Consultant Reporting Directly to Compensation Committee
Stock Ownership Policy	No Tax Gross-Ups

Table of Contents

PROXY STATEMENT
2019 ANNUAL MEETING OF STOCKHOLDERS
QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS
AND VOTING PROCEDURAL MATTERS

Annual Meeting

Q: Why am I being provided access to these proxy materials?

A: The Board of Infinera is providing you access to these proxy materials in connection with the solicitation of proxies by the Board for use at the 2019 Annual Meeting of Stockholders (the Annual Meeting) to be held on Thursday, May 23, 2019 at 10:00 a.m. Pacific Time, and at any adjournment or postponement thereof, for the purpose of considering and acting upon the matters described herein. These materials were first sent or given to stockholders on or about April 11, 2019.

Q: What is the Notice of Internet Availability of Proxy Materials?

A: In accordance with rules and regulations adopted by the SEC, instead of mailing a printed copy of our proxy materials to all stockholders entitled to vote at the Annual Meeting, Infinera is furnishing the proxy materials to its stockholders via the Internet. If you received a Notice of Internet Availability of Proxy Materials (the Notice) by mail, you will not receive a printed copy of the proxy materials. Instead, the Notice will instruct you as to how you may access and review the proxy materials and submit your vote via the Internet. If you received a Notice by mail and would like to receive a printed copy of the proxy materials, please follow the instructions for requesting such materials included in the Notice.

Choosing to receive the Notice by email will save us the cost of printing and mailing the documents to you and will reduce the impact of the Annual Meeting on the environment. If you choose to receive the Notice by email, you will receive an email next year with instructions containing a link to the proxy materials and a link to the proxy voting site. Your election to receive the Notice by email will remain in effect until you terminate it.

On the date of mailing of the Notice, all stockholders of record and beneficial owners will have the ability to access all of our proxy materials on a website referred to in the Notice. These proxy materials will be available free of charge.

Q: Where is the Annual Meeting?

A: The Annual Meeting will be held at our principal executive offices, located at 140 Caspian Court, Sunnyvale, California 94089.

Q: Can I attend the Annual Meeting?

A: You are invited to attend the Annual Meeting if you were a stockholder of record or a beneficial owner as of the close of business on April 2, 2019 (the **Record Date**). If you are a stockholder of record, please bring a form of personal identification to be admitted to the meeting. If your shares are held in the name of your broker, trustee or other nominee, you must obtain a legal proxy issued in your name from the broker, trustee or other nominee that holds your shares, together with a form of personal identification, to be admitted to the meeting. The Annual Meeting will begin promptly at 10:00 a.m. Pacific Time.

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

A: At the Annual Meeting, stockholders will be asked to vote on:

The election of two Class III directors to serve until the 2022 Annual Meeting of Stockholders or until their successors have been duly elected and qualified;

The approval of an amendment of the Infinera Corporation 2016 Equity Incentive Plan (the **2016 Plan**) to increase the number of shares authorized for issuance thereunder by 7,300,000 shares;

Table of Contents

The approval of an amendment of the Infinera Corporation 2007 Employee Stock Purchase Plan (the 2007 ESPP) to increase the number of shares authorized for issuance thereunder by 10,500,000 shares;

The approval, on an advisory basis, of the compensation of Infinera's NEOs, as described in the Proxy Statement; and

The ratification of the appointment of Ernst & Young LLP as Infinera's independent registered public accounting firm for the fiscal year ending December 28, 2019.

We are not currently aware of any other business to be acted upon at the Annual Meeting. If any other matters are properly submitted for consideration at the Annual Meeting, including any proposal to adjourn the Annual Meeting, the persons named as proxies will vote the shares represented thereby at their discretion. Adjournments of the Annual Meeting may be made for the purpose of, among other things, soliciting additional proxies. Any adjournment may be made from time to time by approval of the holders of common stock representing a majority of the votes present in person or by proxy at the Annual Meeting, whether or not a quorum exists, without further notice other than by an announcement at the Annual Meeting.

Q: What is the voting requirement to approve each of the proposals and how does the Board recommend that I vote?

A: *Proposal 1* Directors are elected by a majority vote, which requires the affirmative vote of a majority of the total votes cast by holders of shares present in person, or represented by proxy, and entitled to vote for each nominee at the Annual Meeting. You may vote FOR, AGAINST or ABSTAIN on this proposal. Abstentions are deemed to be votes cast and have the same effect as a vote AGAINST this proposal. Broker non-votes are not deemed to be votes cast and, therefore, are not included in the tabulation of the voting results on this proposal and will not affect the outcome of the vote. **The Board unanimously recommends that you vote your shares FOR the nominees listed in Proposal 1.**

Proposal 2 The approval of an amendment of the 2016 Plan to increase the number of shares authorized for issuance thereunder by 7,300,000 shares, requires the affirmative vote of a majority of the total votes cast by holders of shares present in person, or represented by proxy, and entitled to vote on this proposal at the Annual Meeting. You may vote FOR, AGAINST or ABSTAIN on this proposal. Abstentions are deemed to be votes cast and have the same effect as a vote AGAINST this proposal. Broker non-votes are not deemed to be votes cast and, therefore, are not included in the tabulation of the voting results on this proposal and will not affect the outcome of the vote. **The Board unanimously recommends that you vote your shares FOR Proposal 2.**

Proposal 3 The approval of an amendment of the 2007 ESPP to increase the number of shares authorized for issuance thereunder by 10,500,000 shares, requires the affirmative vote of a majority of the total votes cast by holders of shares present in person, or represented by proxy, and entitled to vote on this proposal at the Annual Meeting. You may vote FOR, AGAINST or ABSTAIN on this proposal. Abstentions are deemed to be votes cast and have the same effect as a vote AGAINST this proposal. Broker non-votes are not deemed to be votes cast and, therefore, are not included in the tabulation of the voting results on this proposal and will not affect the outcome of the vote. **The Board unanimously recommends that you vote your shares FOR Proposal 3.**

Proposal 4 The approval, on an advisory basis, of the compensation of Infinera's NEOs requires the affirmative vote of a majority of the total votes cast by holders of shares present in person, or represented by proxy, and entitled to vote on this proposal at the Annual Meeting. You may vote FOR, AGAINST or ABSTAIN on this proposal. Abstentions are deemed to be votes cast and have the same effect as a vote AGAINST this proposal. Broker non-votes are not deemed to be votes cast and, therefore, are not included in the tabulation of the voting results on this proposal and will not affect the outcome of the vote. **The Board unanimously recommends that you vote your shares FOR Proposal 4.**

Proposal 5 The ratification of the appointment of Ernst & Young LLP as Infinera's independent registered public accounting firm for the fiscal year ending December 28, 2019, requires the affirmative vote of a majority of the total votes cast by holders of shares present in person, or represented by proxy, and entitled to vote on this proposal at the Annual Meeting. You may vote FOR, AGAINST or ABSTAIN on this proposal. Abstentions are deemed to be votes cast and have the same effect as a vote AGAINST this proposal.

Table of Contents

Broker non-votes, if any, are not deemed to be votes cast and, therefore, are not included in the tabulation of the voting results on this proposal and will not affect the outcome of the vote. **The Board unanimously recommends that you vote your shares FOR Proposal 5.**

Stock Ownership

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

A: Stockholders of Record If your shares are registered directly in your name with our transfer agent, Computershare, Inc., you are the stockholder of record with respect to those shares, and the Notice has been sent directly to you. *Beneficial Owners* Many stockholders hold their shares through a broker, trustee or other nominee, rather than directly in their own name. If your shares are held in a brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name. The Notice has been forwarded to you by your broker, trustee or other nominee who is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your broker, trustee or other nominee on how to vote your shares. For directions on how to vote shares beneficially held in street name, please refer to the voting instruction card provided by your broker, trustee or other nominee. Because a beneficial owner is not the stockholder of record, you may not vote these shares in person at the Annual Meeting unless you obtain a legal proxy issued in your name from the broker, trustee or other nominee that holds your shares, giving you the right to vote the shares at the Annual Meeting.

Quorum and Voting

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

A: Stockholders of record of our common stock at the close of business on the Record Date are entitled to receive notice of and to vote their shares at the Annual Meeting. Such stockholders are entitled to cast one vote for each share of common stock held as of the Record Date. As of the close of business on the Record Date, there were 177,415,495 shares of common stock outstanding and entitled to vote at the Annual Meeting. Shares held as of the Record Date include shares that are held directly in your name as the stockholder of record and those shares held for you as a beneficial owner through a broker, trustee or other nominee.

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

A: The presence of the holders of a majority of the shares of our common stock entitled to vote at the Annual Meeting is necessary to constitute a quorum at the Annual Meeting. Such stockholders are counted as present at the meeting if they (i) are present in person at the Annual Meeting or (ii) have properly submitted a proxy. Under the General Corporation Law of the State of Delaware, as amended, abstentions and broker non-votes are counted as present and entitled to vote and are included for purposes of determining whether a quorum is present at the Annual Meeting.

Q: What is a broker non-vote and how are they counted at the Annual Meeting?

A: A broker non-vote occurs when the broker holding shares for a beneficial owner does not vote on a particular proposal because the broker does not exercise available discretionary voting power with respect to that proposal or, in the absence of discretionary voting power, has not received instructions from the beneficial owner on how to vote the shares. Broker non-votes will be counted towards the presence of a quorum, but will not be counted towards the vote total for any proposal.

Q: Which proposals are considered routine or non-routine?

A: The election of directors (Proposal 1), the amendment of the 2016 Plan (Proposal 2), the amendment of the 2007 ESPP (Proposal 3) and the non-binding advisory vote on Infinera's NEO compensation (Proposal 4) are

Table of Contents

non-routine matters for which discretionary voting power does not exist under applicable rules. A broker, trustee or other nominee cannot vote without instructions on non-routine matters, and therefore, broker non-votes may exist in connection with Proposals 1 through 4. Thus, if you hold your shares beneficially in street name and you do not instruct your broker, trustee or other nominee how to vote with respect to Proposals 1 through 4, no votes will be cast on your behalf.

The ratification of Ernst & Young LLP as our independent registered public accounting firm (Proposal 5) is considered a routine matter for which discretionary voting power exists under applicable rules. A broker, trustee or other nominee may generally vote on routine matters, and therefore no broker non-votes are expected to exist in connection with Proposal 5.

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

A: Stockholders of Record Shares held in your name as the stockholder of record may be voted in person at the Annual Meeting, even if previously voted by another method. To vote in person, please bring a form of personal identification to be admitted to the meeting.

Beneficial Owners Shares held beneficially in street name may be voted in person at the Annual Meeting only if you obtain a legal proxy issued in your name from the broker, trustee or other nominee that holds your shares, giving you the right to vote the shares at the Annual Meeting. Otherwise, you will not be permitted to vote at the Annual Meeting.

Even if you plan to attend the Annual Meeting, we recommend that you submit your vote as described in the Notice and below, so that your vote will be counted if you later decide not to attend the Annual Meeting.

Q: How can I vote my shares without attending the 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 Annual Meeting. If you are a stockholder of record, you may vote by submitting a proxy (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 other nominee (please refer to the voting instructions provided to you by your broker, trustee or other nominee).

Internet Stockholders of record with Internet access may submit proxies by following the instructions on the Notice. Most of our stockholders who hold shares beneficially in street name may vote by accessing the website specified in the voting instructions provided by their brokers, trustees or other nominees.

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 receive information explaining this procedure.

Mail If you are a stockholder of record and have not already received one, you may request a proxy card from Infinera, and indicate your vote by completing, signing and dating the card where indicated and returning it in the prepaid envelope that will be included with the proxy card.

Q: How will my shares be voted if I submit a proxy via the Internet, by telephone or by mail and do not make specific choices?

A: If you are a stockholder of record or have obtained a proxy voting form from your broker, trustee or other nominee that holds your shares giving you the right to vote the shares, and you submit a proxy via the Internet, by telephone or by mail and do not make voting selections, the shares represented by that proxy will be voted **FOR** the nominees listed in Proposal 1 and **FOR** Proposals 2, 3 and 4. If you are a beneficial owner of shares and your broker, trustee or other nominee does not receive instructions from you about how your shares are to be voted, the shares represented by that proxy will not be voted with respect to Proposals 1 through 4 and will be counted as broker non-votes, and with respect to Proposal 5 may be voted at the discretion of your broker, trustee or other nominee.

Q: Can I change or revoke my vote?

A: Subject to any rules your broker, trustee or other nominee may have, you may change your proxy instructions at any time before your proxy is voted at the Annual Meeting.

Table of Contents

Stockholders of Record If you are a stockholder of record, you may change your vote by (1) filing with our Corporate Secretary, prior to your shares being voted at the Annual Meeting, a written notice of revocation or a duly executed proxy card, in either case dated later than the prior proxy relating to the same shares, or (2) attending the Annual Meeting and voting in person (although attendance at the Annual Meeting will not, by itself, revoke a proxy). Any written notice of revocation or subsequent proxy card must be received by our Corporate Secretary prior to the taking of the vote at the Annual Meeting. Such written notice of revocation or subsequent proxy card should be hand delivered to our Corporate Secretary or should be sent to our principal executive offices, Attn: Corporate Secretary. A stockholder of record who has voted via the Internet or by telephone may also change his or her vote by making a timely and valid Internet or telephone vote at a later time but prior to 11:59 p.m. Eastern Time, on the day prior to the Annual Meeting.

Beneficial Owners If you are a beneficial owner of shares held in street name, you may change your vote by (1) submitting new voting instructions by any of the applicable voting methods allowed to your broker, trustee or other nominee, or (2) attending the Annual Meeting and voting in person if you have obtained a proxy voting form from the broker, trustee or other nominee that holds your shares giving you the right to vote the shares.

Q: Who will bear the cost of soliciting votes for the Annual Meeting?

A: We will bear all expenses of soliciting proxies for the Annual Meeting. We may reimburse brokerage firms, custodians, nominees, fiduciaries and other persons representing beneficial owners of common stock for their reasonable expenses in forwarding solicitation materials to such beneficial owners. Directors, officers and employees of Infinera may also solicit proxies in person or by other means of communication. Such directors, officers and employees will not be additionally compensated, but may be reimbursed for reasonable out-of-pocket expenses in connection with such solicitation. We have engaged the services of Morrow Sodali LLC, 470 West Avenue, Stamford, Connecticut 06902, as our proxy solicitor to aid in the solicitation of proxies from certain brokers, bank nominees and other institutional owners. Morrow's fees for this service are estimated to be \$9,500 plus expenses.

Q: Where can I find the voting results of the Annual Meeting?

A: We intend to announce preliminary voting results at the Annual Meeting and will publish final results on a Current Report on Form 8-K filed with the SEC.

Q: Are votes confidential? Who counts the votes?

A: Proxy instructions, ballots, and voting tabulations that identify individual stockholders are handled in a manner that protects your voting privacy. We will not disclose the proxy instructions or ballots of individual stockholders, except:

as necessary to meet applicable legal requirements and to assert or defend claims for or against Infinera;

to facilitate a successful proxy solicitation;

if a stockholder makes a written comment on the proxy card or otherwise communicates his or her vote to management; or

to allow the independent inspector of election to certify the results of the vote.
A representative from Broadridge will serve as the inspector of election.

Additional Information

Q: What should I do if I receive more than one Notice or set of proxy materials?

A: If you receive more than one Notice or set of proxy materials, your shares are likely registered in more than one name or brokerage account. Please follow the voting instructions on each Notice or voting instruction card that you receive to ensure that all of your shares are voted.

Table of Contents

Q: Can I access Infinera's proxy materials and Annual Report on Form 10-K via the Internet?

A: Our proxy materials will be available on our website at www.infinera.com/annual_meeting, and all stockholders of record and beneficial owners will have the ability to vote free of charge online with their control number referred to in the Notice at www.proxyvote.com. Our Annual Report on Form 10-K for the fiscal year ended December 29, 2018 (the 2018 Annual Report) is also available on the Internet as indicated in the Notice. In addition, you can access this Proxy Statement and the 2018 Annual Report by going to Infinera's website at www.infinera.com/annual_meeting. The 2018 Annual Report is not incorporated into this Proxy Statement and is not considered proxy soliciting material.

Q: What information from this proxy statement is incorporated by reference into certain Company SEC filings?

A: We have made previous filings under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended (the Exchange Act) that incorporate future filings, including this proxy statement, in whole or in part. However, the Compensation Committee Report and the Report of the Audit Committee shall not be incorporated by reference into any such filings.

Q: How can I view or request copies of Infinera's corporate documents and SEC filings?

A: Our website contains our Amended and Restated Bylaws (Bylaws), Corporate Governance Guidelines, Board committee charters, Code of Business Conduct and Ethics, and SEC filings. To view these documents, please go to www.infinera.com, click on Investor Relations under the Company heading and then click on Committee Charters & Governance Documents under the Corporate Governance heading. To view our SEC filings and Forms 3, 4 and 5 filed by our directors and executive officers, please go to www.infinera.com, click on Investor Relations under the Company heading and then click on SEC Filings under the Financials heading.

We will promptly deliver free of charge, upon request, a copy of our Corporate Governance Guidelines, Board committee charters or Code of Business Conduct and Ethics to any stockholder requesting a copy. Requests should be directed to Infinera Corporation, c/o Corporate Secretary, 140 Caspian Court, Sunnyvale, California 94089.

We will promptly deliver free of charge, upon request, a copy of the 2018 Annual Report and this Proxy Statement to any stockholder requesting a copy. Requests should be directed to Infinera Corporation, c/o Corporate Secretary, 140 Caspian Court, Sunnyvale, California 94089.

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

General

The Board currently consists of nine directors and is divided into three classes. Each class of the Board serves a staggered three-year term. Our Class III directors, whose terms expire at the Annual Meeting, are Marcel Gani and Mark A. Wegleitner. On January 24, 2019, John P. Daane informed the Board that he will be resigning from the Board effective immediately prior to the Annual Meeting and will not be standing for re-election. After the Annual Meeting, the Board will consist of eight members.

There are two nominees for election to Class III of the Board this year, Messrs. Gani and Wegleitner. The nomination of these directors to stand for election at the Annual Meeting has been recommended by the Nominating and Governance Committee and has been approved by the Board. Each of the nominees for our Class III directors, if elected, will serve for a three-year term expiring at the 2022 Annual Meeting of Stockholders, or until his successor is duly elected and qualified, or until his earlier death, resignation or removal from the Board.

Our Bylaws provide that, in an election of directors where the number of nominees does not exceed the number of directors to be elected, each director nominee must receive a majority of votes cast with respect to that director nominee. Should one of the nominees up for election not receive a majority of votes cast, the Board, after taking into consideration the recommendation of the Nominating and Governance Committee, will determine whether or not to accept the pre-tendered resignation of such nominee. The Board will publicly disclose its decision and its rationale within 90 days of the certification of the election results. The director whose resignation is under consideration shall abstain from participating in any decision regarding that resignation.

We believe the current Board consists of a diverse group of professionals, including former CEOs, CFOs and industry leaders, who bring significant leadership and distinct qualities and skill sets to Infinera. This group provides a diverse range of perspectives and experience to engage each other and management to effectively represent our stockholders.

Director Qualifications

The Nominating and Governance Committee reviews candidates for service on the Board and recommends nominees for election to fill vacancies on the Board, including nomination for re-election of directors whose terms are due to expire. In discharging its responsibilities to nominate candidates for election to the Board, the Nominating and Governance Committee endeavors to identify, recruit and nominate candidates characterized by wisdom, maturity, sound judgment, excellent business skills and high integrity. The Nominating and Governance Committee seeks to assure that the Board is composed of individuals of diverse backgrounds who have a variety of complementary experience, training and relationships relevant to our business. This diversity of background and experience includes ensuring that the Board includes individuals with experience and skills sufficient to meet the requirements of the various rules and regulations of the SEC and Nasdaq, such as the requirements to have a majority of independent directors and an Audit Committee Financial Expert. In nominating candidates to fill vacancies created by the expiration of the term of a director, the Nominating and Governance Committee determines whether the incumbent director is willing to stand for re-election. The Nominating and Governance Committee evaluates each director's performance to determine suitability for re-election, taking into consideration, among other things, each director's willingness to fully participate and contribute to the Board and its committees, ability to work constructively with the rest of the members of the Board, personal and professional integrity and familiarity with our business, operations and markets.

Each of the nominees to fill positions as Class III directors have consented to serve if elected. However, if any of the persons nominated by the Board subsequently declines to accept election, or is otherwise unavailable for election prior to the Annual Meeting, proxies solicited by the Board will be voted by the proxy holders for the election of any other person or persons as the Board may recommend, at its option, or may decide to further reduce the number of directors that constitute the entire Board.

Information Regarding Nominees and Continuing Directors

Set forth below is information regarding each person nominated for election as a Class III director at the Annual Meeting, as well as for each director continuing to serve on the Board, including their ages as of the

Table of Contents

Record Date, the periods during which they have served as a director, certain information as to their principal occupations, directorships they hold in corporations whose shares are publicly registered and qualifications for serving as a member of the Board, including the skills, qualities, attributes and experiences that led the Board to determine it is appropriate to nominate these directors.

Nominees for Election as Class III Directors whose terms expire at the 2019 Annual Meeting of Stockholders. If re-elected, the Class III Directors terms would expire at the 2022 Annual Meeting of Stockholders.

Marcel Gani

Director since 2014

Age 66

Marcel Gani has been a member of the Board since June 2014. Mr. Gani has been working as an independent consultant since 2009. His previous experience includes Lecturer in Accounting and Finance at the Leavey School of Business at Santa Clara University, and multiple roles at Juniper Networks, Inc., including Chief of Staff from January 2005 to March 2006 and Executive Vice President and Chief Financial Officer (CFO) from February 1997 to December 2004. Prior to Juniper, Mr. Gani served as Vice President and CFO of NVIDIA Corporation from February 1996 to February 1997. Mr. Gani also served as CFO of Grand Junction Networks, Primary Access Corporation and NeXT Computer, Inc. Mr. Gani currently serves on the board of directors of SolarEdge Technologies, Inc., a power optimizer solutions company. Mr. Gani previously served on the board of directors of Envivio, Inc., a video technology company, from May 2011 through October 2015.

Mr. Gani's executive management experience as a former CFO for various public and private companies in the technology industry provides the Board with broad experience in finance, including accounting and financial reporting. In addition, the Board also benefits from Mr. Gani's service as Chairman of the Compensation Committee and as a member of the Audit Committee, as well as being an Audit Committee Financial Expert.

Mark A. Wegleitner

Director since 2011

Age 68

Mark A. Wegleitner has been a member of the Board since May 2011. Since April 2011, Mr. Wegleitner has served as President of Wegleitner Consulting, LLC, a privately-owned telecommunications consulting company. From September 2007 until his retirement in July 2010, Mr. Wegleitner served as the Senior Vice President, Technology, for Verizon Communications Inc., a telecommunications company, where his responsibilities included technology assessment, network architecture, platform development and laboratory testing for wireline and wireless communications networks. From July 2000 to September 2007, he served as Chief Technology Officer (CTO) for Verizon, with responsibility for wireline communications technologies. Prior to the creation of Verizon, Mr. Wegleitner held various positions in the Network Services division of Bell Atlantic, a telecommunications company, including CTO from January 1999 to July 2000. Prior to joining Bell Atlantic, he worked at Bell

Laboratories and AT&T General Departments.

Mr. Wegleitner's extensive experience in the telecommunications industry provides the Board with a high level of expertise and experience. The Board also benefits from Mr. Wegleitner's service as Chairman of the Technology and Acquisition Committee and as a member of the Nominating and Governance Committee.

Table of Contents

Incumbent Class I Directors whose terms expire at the 2020 Annual Meeting of Stockholders.

Thomas J. Fallon

Director since 2009

Age 57

Thomas J. Fallon has served as our CEO since January 2010 and as a member of the Board since July 2009. From January 2010 to June 2013, Mr. Fallon also served as our President. Mr. Fallon served as our Chief Operating Officer (COO) from October 2006 to December 2009, and as our Vice President of Engineering and Operations from April 2004 to September 2006. From August 2003 to March 2004, Mr. Fallon served as Vice President, Corporate Quality and Development Operations at Cisco Systems Inc., a networking and telecommunications company. From March 1991 to August 2003, Mr. Fallon served in a variety of functions at Cisco Systems, including General Manager of the Optical Transport Business Unit and Vice President of Service Provider Manufacturing. Prior to joining Cisco Systems, Mr. Fallon served in various manufacturing roles at Sun Microsystems and Hewlett Packard. Mr. Fallon currently serves on one other public company board, Hercules Capital, Inc., a specialty finance company. Mr. Fallon also serves on the Engineering Advisory Board of the Cockrell School at the University of Texas.

As the CEO of Infinera, Mr. Fallon provides significant institutional knowledge of Infinera and industry knowledge, as well as key insight and advice in the Board's consideration and oversight of corporate strategy and management development. Mr. Fallon's leadership skills and executive management experience, along with his operational management experience and technical expertise, enable Mr. Fallon to make significant contributions to the Board.

Kambiz Y. Hooshmand

Director since 2009

Age 57

Kambiz Y. Hooshmand has been a member of the Board since December 2009 and has served as Chairman of the Board since October 2010. From March 2005 to May 2009, Mr. Hooshmand served as President and CEO of Applied Micro Circuits Corporation (AMCC), a communications solutions company. From February 2002 to March 2005, Mr. Hooshmand served as Group Vice President and General Manager of Cisco Systems. From March 2000 to February 2002, Mr. Hooshmand served as Vice President and Division General Manager of the DSL Business Unit at Cisco Systems. From June 1997 to February 2000, Mr. Hooshmand served as Cisco Systems Vice President of Engineering. From January 1992 to June 1997, Mr. Hooshmand served as Director of Engineering of StrataCom, Inc., a networking solutions company, which was acquired by Cisco Systems.

As the Chairman of the Board of Infinera, Mr. Hooshmand brings his leadership skills, industry experience and comprehensive knowledge of our

business, financial position and operations to the Board's deliberations. Mr. Hooshmand brings significant executive management and technical experience in the networking industry as a result of his executive positions at AMCC, Cisco Systems and StrataCom. The Board also benefits from Mr. Hooshmand's service as a member of the Audit Committee, Nominating and Governance Committee and Technology and Acquisition Committee.

Table of Contents

Rajal M. Patel

Director since 2015

Age 50

Rajal M. Patel has been a member of the Board since September 2015. Mr. Patel brings more than 20 years of experience in scaling cloud infrastructure and applications for consumer Internet, SaaS and other service providers globally. Since April 2016, Mr. Patel has served as the Vice President, Cloud Platform Engineering at Symantec Corporation. From March 2014 to April 2016, Mr. Patel served as the Head of Cloud Engineering at Pinterest. Prior to Pinterest, Mr. Patel served as Senior Vice President for Technical Operations at Salesforce.com from July 2013 to December 2013. Mr. Patel was Vice President for Cloud Services Engineering at Cisco Systems from April 2010 to July 2013 for the Webex collaboration portfolio, and held various engineering and management roles at Yahoo! Inc. from 2004 to early 2010. Prior to joining Yahoo!, Mr. Patel worked at Exodus Communications, which was shortly thereafter acquired by Cable and Wireless. While at Cable and Wireless, Mr. Patel served as Vice President of Network Services and facilitated the integration of Exodus technology assets into Cable and Wireless. Mr. Patel began his career at Pacific Bell, which is now AT&T, and over a 10-year span was last the GM of the Advanced Technologies Group.

With over 20 years of experience in technology management and engineering over several transformations of infrastructure and networking technologies ranging from traditional service providers to the most modern webscale networks at the advent of consumer internet providers, Mr. Patel's leadership and know-how are additive to Infinera as it pursues these markets. The Board also benefits from Mr. Patel's service as a member of the Nominating and Governance Committee and Technology and Acquisition Committee.

Table of Contents

Incumbent Class II Directors whose terms expire at the 2021 Annual Meeting of Stockholders.

Gregory P. Dougherty

Director since 2019

Age 59

Gregory P. Dougherty has been a member of the Board since January 2019. Mr. Dougherty served as CEO of Oclaro, Inc. from June 2013 until its acquisition by Lumentum Holdings Inc. in December 2018. Mr. Dougherty also served as a director of Oclaro from April 2009 until December 2018. Prior to Oclaro, Mr. Dougherty served as a director of Avanex Corporation, a leading global provider of intelligent photonic solutions, from April 2005 to April 2009, when Avanex and Bookham merged to become Oclaro. Mr. Dougherty also served as a director of Picarro, Inc., a manufacturer of ultra-sensitive gas spectroscopy equipment using laser-based technology, from October 2002 to August 2013, and as its Interim CEO from January 2003 to April 2004. He also served as a Board member of the Ronald McDonald House at Stanford from January 2004 to December 2009, and the Bay Area Make-A-Wish Foundation. Earlier in his career, Mr. Dougherty served as the COO at SDL from 1997 to 2001, when the company was acquired by JDS Uniphase Corporation, where he continued in the role until 2002. From 1989 to 1997, Mr. Dougherty was the Director of Product Management and Marketing at Lucent Technologies Microelectronics in the Optoelectronics Strategic Business Unit. Mr. Dougherty currently serves on the board of directors of IPG Photonics Corporation, a fiber laser manufacturer, and Fabrinet, an optical, electro-mechanical and electronic manufacturing services company.

In addition to bringing public company CEO experience to the Board, Mr. Dougherty has extensive experience on compensation committees (Avanex and Oclaro from 2004 to 2013, as chairperson), audit committees (Avanex and Oclaro from 2004 to 2013) and has served as the Lead Independent Director at Avanex. His knowledge of the fiber optic component and transceiver markets will help to provide assistance in the strategic direction for the company. Mr. Dougherty also has been involved in several restructuring and integration programs over his career. The Board also benefits from Mr. Dougherty's service as a member of the Compensation Committee.

Paul J. Milbury

Director since 2010

Age 70

Paul J. Milbury has been a member of the Board since July 2010. Mr. Milbury served as Vice President of Operations and CFO of Starent Networks, Corp., a provider of mobile network solutions, from January 2007 until its acquisition by Cisco Systems in December 2009. From December 2009 to July 2010, Mr. Milbury played a key role in integrating Starent Networks into Cisco Systems to create the Mobile Internet Technology Group. From December 2000 to March 2007, Mr. Milbury served as Vice President and CFO of Avid Technology, Inc., a digital media creation, management and distribution solutions company. Mr. Milbury previously

served on the board of directors of Gigamon, Inc., a provider of network traffic visibility solutions, from January 2014 through its acquisition in December 2017.

Having been a CFO for a number of technology companies, Mr. Milbury provides the Board with a strong understanding and high level of experience in the areas of finance, accounting and operations and serves as the Chairman of the Audit Committee and as an Audit Committee Financial Expert. The Board also benefits from Mr. Milbury's service as a member of the Compensation Committee through his executive management experience at Starent Networks, Cisco Systems and Avid Technology, and his experience as a director at various public and private companies.

Table of Contents

David F. Welch, Ph.D.

Director since 2010

Age 58

David F. Welch, Ph.D. co-founded Infinera and has been a member of the Board since October 2010, and also served as a member of the Board from May 2001 to November 2006. In October 2018, Dr. Welch transitioned to the role of Chief Innovation Officer. From November 2017 to October 2018, Dr. Welch served as our Chief Strategy and Technology Officer. From June 2013 to November 2017, Dr. Welch served as our President and from May 2004 to June 2013, he served as our Executive Vice President and Chief Strategy Officer. From May 2001 to May 2004, he served as our Chief Development Officer/CTO. From February 2001 to April 2001, he served as CTO of the Transmission Division of JDS Uniphase Corporation, an optical component company. From January 1985 to February 2001, he served in various executive roles, including Chief Technology Officer and Vice President of Corporate Development of SDL, an optical component company. Dr. Welch currently serves on the board of directors of CytoDyn Inc., a biopharmaceutical company. Dr. Welch holds over 130 patents, and has been awarded the Optical Society of America's (OSA) Adolph Lomb Medal, Joseph Fraunhofer Award, the John Tyndall Award and the IET JJ Thompson Medal for Achievement in Electronics, in recognition of his technical contributions to the optical industry. He is a Fellow of OSA and the Institute of Electrical and Electronics Engineers. Dr. Welch holds a B.S. in Electrical Engineering from the University of Delaware and a Ph.D. in Electrical Engineering from Cornell University.

As co-founder and Chief Innovation Officer of Infinera, Dr. Welch has strong institutional knowledge of Infinera, coupled with a deep technical understanding of the optical networking industry. Dr. Welch's leadership skills, industry experience and comprehensive technical knowledge provide the Board with an important perspective into our product development, marketing and selling strategies. The Board also benefits from Dr. Welch's service as a member of the Technology and Acquisition Committee.

Vote Required

Directors are elected by a majority vote, which means that each of the two director nominees requires the affirmative vote of a majority of the votes cast in order to be elected. Abstentions will have the same effect as an **AGAINST** vote. Broker non-votes are not deemed to be votes cast and, therefore, are not included in the tabulation of the voting results on this proposal and will not affect the outcome of the vote.

Proposal 1 Recommendation of the Board

The Board unanimously recommends a vote **FOR** the election of each of the two Class III nominees listed above.

Table of Contents

CORPORATE GOVERNANCE AND THE BOARD OF DIRECTORS

We have adopted a number of policies and practices, some of which are described below, that highlight our commitment to sound corporate governance principles. We also maintain a Corporate Governance section on the Investor Relations page on our website, which can be found at www.infinera.com.

Independence of the Board

On an annual basis, in accordance with the current listing standards of Nasdaq, the Board affirmatively determines the independence of each director or nominee for election as a director. The Board has determined that, with the exception of Mr. Fallon and Dr. Welch, both of whom are employees of Infinera, all of its members are independent directors, using the definition of that term in the listing standards of Nasdaq. Also, all members of the Audit Committee, Compensation Committee and Nominating and Governance Committee, as more fully described below, are independent directors.

Stockholder Communications with the Board

Stockholders may communicate with the Board by writing to the following address:

Board of Directors

c/o Corporate Secretary

Infinera Corporation

140 Caspian Court

Sunnyvale, California 94089

Communications are distributed to the Board or to any individual director, as appropriate, depending on the facts and circumstances outlined in the communication. At the direction of the Board, all mail received may be opened and screened for security purposes. Communications that are unduly hostile, threatening, illegal or similarly unsuitable will be excluded with the provision that any communication that is filtered out will be made available to any independent or non-employee director upon request.

Board Leadership Structure

The Board believes its current leadership structure best serves the objectives of the Board's oversight of management, the Board's ability to carry out its roles and responsibilities on behalf of our stockholders, and our overall corporate governance. Separating the positions of Chairman of the Board and CEO allows our CEO to focus on our day-to-day business, while allowing the Chairman of the Board to lead the Board in its fundamental role of providing advice to and independent oversight of management. While our Bylaws do not require that our Chairman of the Board and CEO positions be separate, the Board believes that having separate positions is the appropriate leadership structure for Infinera at this time and demonstrates our commitment to good corporate governance practices. The Board has assigned the Chairman of the Board responsibility for presiding over meetings of the Board, developing meeting agendas, facilitating communication between management and the Board, representing director views to management and improving meeting effectiveness, among other things. Mr. Hooshmand has served as Chairman of the Board since October 2010.

The Board also believes that the combination of an independent chairman, three of our four standing committees being comprised entirely of independent directors and the regular use of executive sessions of the independent directors enables the Board to maintain independent oversight of our strategies and activities.

Board Oversight of Risk

Risk is inherent with every business and the Board is responsible for overseeing our risk management function, including a regular review of our strategic plans and business objectives. Members of our senior management team are responsible for implementation of our day-to-day risk management processes, while the Board, as a whole and through its committees, has responsibility for the oversight of overall risk management. In addition, each of the committees of the Board considers any risks that may be within its area of responsibilities and

Table of Contents

Board members, or Board committee members, periodically engage in discussions with members of our senior management team as appropriate. Specifically, the Audit Committee assists the Board in fulfilling its oversight responsibilities with respect to risk management in the areas of financial reporting, internal controls, key accounting and reporting policies, and cybersecurity, as well as meeting with the Head of Internal Audit and our external independent auditors. The Compensation Committee assists the Board in fulfilling its oversight responsibilities with respect to the management of risks arising from our compensation policies and programs. The Nominating and Governance Committee assists the Board in fulfilling its oversight 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. The Technology and Acquisition Committee assists the Board in fulfilling its oversight responsibilities with respect to managing the risks associated with technology development and smaller acquisitions and investments. Each of the committee chairs reports to the full Board at regular meetings concerning the activities of the committee, the significant issues it has discussed and the actions taken by the committee.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics, which applies to all of our employees, officers (including our principal executive officer, principal financial officer, and principal accounting officer or controller, or persons performing similar functions) and our directors. The Code of Business Conduct and Ethics reflects our policy of dealing with all persons, including our customers, employees, investors and suppliers, with honesty and integrity. The Code of Business Conduct and Ethics was last amended on March 1, 2019. All employees are required to complete training on our Code of Business Conduct and Ethics. A copy of our Code of Business Conduct and Ethics is posted on our website at www.infinera.com in the Corporate Governance section on our Investor Relations page. You may also obtain a copy of our Code of Business Conduct and Ethics without charge by writing to: Infinera Corporation, c/o Corporate Secretary, 140 Caspian Court, Sunnyvale, California 94089. We intend to disclose future amendments to certain provisions of our Code of Business Conduct and Ethics, or waivers of such provisions, applicable to any principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions and our directors on our website identified above or on a Current Report on Form 8-K if required by the applicable listing standards.

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines which govern, among other things, Board composition, Board responsibilities, committee composition, management succession and stockholder communications. You can access these Corporate Governance Guidelines, along with other materials such as Board committee charters, on our website at www.infinera.com in the Corporate Governance section on our Investor Relations page.

Stock Ownership Policy

The Board believes that it is important to link the interests of our directors and management to those of our stockholders. Accordingly, the Board has adopted a Stock Ownership Policy for our directors and executive officers who are designated as reporting officers under Section 16 of the Exchange Act (**Section 16 Officers**). For additional information regarding our Stock Ownership Policy, please see the section entitled **Compensation Discussion and Analysis** **Additional Information Regarding Our Compensation Practices** **Stock Ownership Policy**.

Corporate Social Responsibility

We aim to create a corporation that strategically considers all choices in light of our role in the global community. As an established player in transport networking, we recognize that we have some level of influence in the communities where we operate and in the marketplace. We view this influence as a privilege that inspires us to lead with bold and intentional socially responsible practices. Whenever possible, our hope is to use that influence to drive new best practices and a sense of obligation to the world around us. Each year we summarize our sustainability program and activities in a report, the Infinera Sustainability Report.

Table of Contents

In addition, we expect all suppliers to comply with our Supplier Code of Conduct, which addresses the rights of workers to safe and healthy working conditions, environmental responsibility, and compliance with applicable laws. Copies of the Supplier Code of Conduct as well as other related policies related information can be found on the Corporate Social Responsibility page of our website at www.infinera.com.

Information Regarding the Board and its Committees

The Board met eleven times during fiscal 2018. The Board acted by written consent three times during fiscal 2018. During fiscal 2018, each director then in office attended 75% or more of the meetings of the Board and the committees on which he served during the period for which he was a director, committee chairman or committee member, as applicable. Our independent directors meet in executive sessions, without management present, during most regular meetings of the Board. Directors are encouraged, but not required, to attend our annual meetings of stockholders. Two members of the Board attended our 2018 Annual Meeting of Stockholders.

Currently, the Board is pursuing the addition of a new Board member with a particular focus on women candidates to increase Board diversity.

The Board has four standing committees: an Audit Committee, a Compensation Committee, a Nominating and Governance Committee, and a Technology and Acquisition Committee. The Board also established an Integration Oversight Committee with a one-year term in October 2018 (as described in more detail below). Mr. Fallon does not serve on any committees of the Board. The following table provides membership and meeting information for the Board and each of its standing committees of the Board as of the end of fiscal 2018:

Name	Board	Audit	Compensation	Nominating and Governance	Technology and Acquisition
John P. Daane ⁽¹⁾	M		M ⁽²⁾	C	
Thomas J. Fallon	M				
Marcel Gani	M	M	C		
Kambiz Y. Hooshmand	C	M		M	M
Paul J. Milbury	M	C	M		
Rajal M. Patel	M			M	M
Mark A. Wegleitner	M			M	C
David F. Welch, Ph.D.	M				M
Total Meetings in Fiscal 2018	11	9	8	4	3

C = Chairman; M = Member

⁽¹⁾ On January 24, 2019, Mr. Daane informed the Board that he will be resigning from the Board effective immediately prior to the Annual Meeting and will not be standing for re-election.

⁽²⁾ Effective as of January 29, 2019, Mr. Dougherty joined the Board and replaced Mr. Daane on the Compensation Committee.

Below is a description of each standing committee of the Board as well as the current composition of each committee.

Audit Committee

The Audit Committee reviews and monitors our financial statements, financial reporting process and our external audits, including, among other things, our internal controls and audit functions, the results and scope of the annual audit and other services provided by our independent registered public accounting firm as well as our compliance with legal matters that have a significant impact on our financial statements. The Audit Committee also consults with our management and our independent registered public accounting firm prior to the presentation of financial statements to stockholders and, as appropriate, initiates inquiries into aspects of our financial affairs. The Audit Committee is responsible for establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, and for the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters. In addition, the Audit Committee is directly responsible for the appointment, retention, compensation and oversight of the work of our independent registered public accounting firm, including approving services and fee arrangements. Any related

Table of Contents

party transactions are subject to approval by the Audit Committee. A more detailed description of the Audit Committee's functions can be found in our Audit Committee charter. In addition, the Audit Committee meets in executive sessions, without management present and with the independent registered public accounting firm, during most regular meetings of the Audit Committee. A copy of the Audit Committee charter is available on our website at www.infinera.com in the Corporate Governance section on our Investor Relations page.

The current members of the Audit Committee are Messrs. Gani, Hooshmand and Milbury. Mr. Milbury chairs the Audit Committee. Each current member of the Audit Committee served the entire fiscal year. The Audit Committee met nine times during fiscal 2018. The Audit Committee did not act by written consent during fiscal 2018. Each member of the Audit Committee is independent for Audit Committee purposes under the rules and regulations of the SEC and the listing standards of Nasdaq. In addition to qualifying as independent under the Nasdaq rules, each member of the Audit Committee can read and understand fundamental financial statements in accordance with Nasdaq Audit Committee requirements. The Board has determined that Messrs. Gani and Milbury are each an Audit Committee Financial Expert as defined in Item 407(d)(5)(ii) of Regulation S-K. The designation does not impose on Messrs. Gani and Milbury any duties, obligations or liabilities that are greater than are generally imposed on them as members of the Audit Committee and the Board.

Compensation Committee

The Compensation Committee has the responsibility, authority and oversight relating to the development of our overall compensation strategy and compensation policies and programs. The Compensation Committee establishes our compensation philosophy and policies, administers all of our compensation plans for executive officers, and recommends the compensation for the non-employee directors of the Board. The Compensation Committee seeks to assure that our compensation policies and practices promote stockholder interests and support our compensation objectives and philosophy as described in more detail in the Compensation Discussion and Analysis section of this Proxy Statement.

The Compensation Committee also oversees, reviews and administers all of our material employee benefit plans, including our 401(k) plan, and reviews and approves various other compensation policies and matters. The Compensation Committee may form and delegate authority to one or more subcommittees as appropriate. A more detailed description of the Compensation Committee's functions can be found in our Compensation Committee charter. A copy of the Compensation Committee charter is available on our website at www.infinera.com in the Corporate Governance section on our Investor Relations page.

The current members of the Compensation Committee are Messrs. Dougherty, Gani and Milbury. Mr. Gani chairs the Compensation Committee. In addition, Mr. Dougherty replaced Mr. Daane on the Compensation Committee effective as of January 29, 2019. Other than Mr. Dougherty, each current member of the Compensation Committee served the entire fiscal year. The Compensation Committee met eight times during fiscal 2018. The Compensation Committee acted by written consent once during fiscal 2018. Each member of the Compensation Committee is a non-employee director, as defined in Rule 16b-3 promulgated under the Exchange Act, an outside director, as defined pursuant to Section 162(m) (Section 162(m)) of the Internal Revenue Code, as amended (the Code) and satisfies the director and compensation committee independence requirements under the listing standards of Nasdaq.

Non-Executive Equity Award Subcommittee

The guidelines for the size of new hire, promotional and annual retention equity awards for Section 16 Officers are reviewed and approved by the Compensation Committee. The Compensation Committee has delegated to the Non-Executive Equity Award Subcommittee (the Subcommittee) the authority to formally approve new hire,

promotional and annual retention equity awards to certain employees pursuant to guidelines pre-approved by the Compensation Committee. The delegation to the Subcommittee does not include the authority to grant equity awards to new employees who are or are reasonably expected to become Section 16 Officers or to current Section 16 Officers. The delegation of authority to the Subcommittee is not exclusive and the Board and Compensation Committee have retained the right to approve any equity awards at their discretion. The Subcommittee acted by written consent 12 times during fiscal 2018. This Subcommittee is typically comprised of our CEO, SVP of Human Resources and General Counsel.

Table of Contents

Nominating and Governance Committee

The Nominating and Governance Committee reviews and recommends changes to corporate governance policies and practices applicable to Infinera. In addition, the Nominating and Governance Committee is responsible for identifying, evaluating and making recommendations of nominees to the Board and evaluating the performance of the Board and individual directors, including those eligible for re-election at the annual meeting of stockholders. The Nominating and Governance Committee also oversees an annual board evaluation process to determine whether the Board is functioning effectively. The Nominating and Governance Committee is also responsible for reviewing developments in corporate governance practices, and evaluating and making recommendations to the Board concerning corporate governance matters. In addition, the Nominating and Governance Committee oversees our succession planning process. A more detailed description of the Nominating and Governance Committee's functions can be found in our Nominating and Governance Committee charter. A copy of the Nominating and Governance Committee charter is available on our website at www.infinera.com in the Corporate Governance section on our Investor Relations page.

The current members of the Nominating and Governance Committee are Messrs. Daane, Hooshmand, Patel and Wegleitner. Mr. Daane chairs the Nominating and Governance Committee. Each current member of the Nominating and Governance Committee served the entire fiscal year. On January 24, 2019, Mr. Daane informed the Board that he will be resigning from the Board and Nominating and Governance Committee effective immediately prior to the Annual Meeting and will not be standing for re-election. Hence, Mr. Patel will assume the position of Chairman of the Nominating and Governance Committee effective as of May 23, 2019. The Nominating and Governance Committee met four times during fiscal 2018. The Nominating and Governance Committee did not act by written consent during fiscal 2018. Each member of the Nominating and Governance Committee satisfies the independence requirements under the listing standards of Nasdaq.

Board Nominees and Diversity

The Nominating and Governance Committee reviews and reports to the Board on a periodic basis with regard to matters of corporate governance, and reviews, assesses and makes recommendations on the effectiveness of our corporate governance policies. In addition, the Nominating and Governance Committee reviews and makes recommendations to the Board regarding the size and composition of the Board and the appropriate skills and characteristics required of our directors in the context of the then-current composition of the Board. This includes an assessment of each candidate's independence, personal and professional integrity, financial literacy or other professional or business experience relevant to an understanding of our business, ability to think and act independently and with sound judgment, and ability to serve our stockholders' long-term interests. The Board and the Nominating and Governance Committee follow a process that we consider best practices when reviewing the overall composition of the Board and considering the slate of nominees for annual election to the Board and the appointment of individual directors to the Board. The Board and Nominating and Governance Committee have created a map of key skill sets needed to provide the right level of guidance and oversight to the management team. Within the context of appropriately addressing this map of key skills needed on the Board, the Nominating and Governance Committee also considers diversity of background, including gender, ethnicity, specialized expertise and a range of insight gathered from relevant industries. These factors, and others considered useful by the Nominating and Governance Committee, are reviewed in the context of an assessment of the perceived needs of the Board at a particular point in time. As a result, the priorities and emphasis of the Nominating and Governance Committee and of the Board may change from time to time to take into account changes in business and other trends, as well as the portfolio of skills and experience of current and prospective directors.

The Nominating and Governance Committee leads the search for, selects and recommends candidates for election to the Board. Consideration of new director candidates typically involves a series of committee discussions, review of

information concerning candidates and interviews with selected candidates. From time to time, the Nominating and Governance Committee may engage the services of a third-party search firm to identify director candidates. Any search firms retained to assist the Nominating and Governance Committee will be specifically advised to seek to include qualified, diverse candidates from traditional and nontraditional environments, including women and ethnically diverse minorities. The Nominating and Governance Committee will also consider candidates proposed in writing by stockholders, provided such proposal meets the eligibility requirements for submitting stockholder proposals for inclusion in our next proxy statement and is accompanied by the required information about the candidate specified in Section 2.4 of our Bylaws. Candidates proposed by

Table of Contents

stockholders are evaluated by the Nominating and Governance Committee using the same criteria as for all other candidates.

If a stockholder wishes to recommend a director candidate for consideration by the Nominating and Governance Committee, pursuant to our Corporate Governance Guidelines, the stockholder must have held at least 1,000 shares of our common stock for at least six months and must notify the Nominating and Governance Committee by writing to our Corporate Secretary at our principal executive offices, and must include the following information:

To the extent reasonably available, information relating to such director candidate that would be required to be disclosed in a proxy statement pursuant to Regulation 14A under the Exchange Act, in which such individual would be a nominee for election to the Board;

The director candidate's written consent to (a) if selected, be named in our proxy statement and proxy, and (b) if elected, to serve on the Board;

The other information set forth in the applicable sections of Section 2.4 of our Bylaws; and

Any other information that such stockholder believes is relevant in considering the director candidate.

Technology and Acquisition Committee

The Technology and Acquisition Committee reviews with management, makes recommendations to the Board on and, when expressly authorized by the Board, approves acquisitions, investments, joint ventures and other strategic transactions in which we may engage from time to time. The Technology and Acquisition Committee serves to enhance the Board's understanding of our technology and product development to allow for better input and direction regarding our strategy, progress and risks. In addition, the Technology and Acquisition Committee also evaluates the execution, financial results and integration of any such potential transactions. A more detailed description of the Technology and Acquisition Committee's functions can be found in our Technology and Acquisition Committee charter. A copy of the Technology and Acquisition Committee charter is available on our website at www.infinera.com in the Corporate Governance section on our Investor Relations page.

The current members of the Technology and Acquisition Committee are Messrs. Hooshmand, Patel and Wegleitner and Dr. Welch. Mr. Wegleitner chairs the Technology and Acquisition Committee. Each current member of the Technology and Acquisition Committee served the entire fiscal year. The Technology and Acquisition Committee met three times during fiscal 2018. The Technology and Acquisition Committee did not act by written consent during fiscal 2018.

Integration Oversight Committee

In October 2018, the Board formed the Integration Oversight Committee to provide guidance to the management of the Company in its integration of the business, personnel and infrastructure of Coriant with Infinera, and assist the Board in its oversight of the integration. The Integration Oversight Committee reviews and exercises general oversight of all activities related to the integration, oversees the formulation and implementation of a plan for the integration and oversees the execution, performance and results of the integration. This committee has a one-year term.

The current members of the Integration Oversight Committee are Messrs. Dougherty, Hooshmand and Milbury. Mr. Dougherty replaced Mr. Daane as a member of the Integration Oversight Committee effective as of March 1, 2019. The Integration Oversight Committee met twice during fiscal 2018. The Integration Oversight Committee did not act by written consent during fiscal 2018.

Compensation Committee Interlocks and Insider Participation

During fiscal 2018, Messrs. Daane, Gani and Milbury served on the Compensation Committee. None of these individuals was at any time during fiscal 2018, or at any other time, an executive officer or employee of Infinera. No member of the Compensation Committee had any relationship with Infinera during fiscal 2018 requiring disclosure under Item 404 of Regulation S-K under the Exchange Act. None of our executive officers has ever served as a member of the board or compensation committee of any other entity that has or has had one or more executive officers serving as a member of the Board or Compensation Committee.

Table of Contents**COMPENSATION OF DIRECTORS**

Our compensation program for our non-employee directors is designed to attract and retain highly-qualified, independent directors to represent stockholders on the Board and to act in their best interests. The Compensation Committee, which consists solely of independent directors, has the primary responsibility for reviewing and recommending any changes to our director compensation program, with compensation changes approved or ratified by the full Board. During fiscal 2018, the Compensation Committee engaged an outside advisor to provide relevant market data regarding our director compensation program in order to review the program. The Compensation Committee and Board determined that a mix of cash compensation and equity awards should continue to be used in our compensation program for our non-employee directors. Directors who are also employees of Infinera do not participate in our director compensation program, nor do they receive any additional compensation for their service as directors. The full Board last approved changes to the director cash compensation program in December 2015 that took effect beginning in fiscal 2018. The Compensation Committee did not recommend any changes to our director compensation program after its review during fiscal 2018, except in connection with the formation of the Integration Oversight Committee in late September 2018.

Director Fees

During fiscal 2018, our cash compensation program for our non-employee directors was as follows:

Position	Annual Retainer Fee (\$)
Non-Employee Director	50,000
Chairman of the Board	50,000
Audit Committee Chairman	30,000
Audit Committee Member	12,500
Compensation Committee Chairman	20,000
Compensation Committee Member	10,000
Nominating and Governance Committee Chairman	11,000
Nominating and Governance Committee Member	6,000
Technology and Acquisition Committee Chairman	10,000
Technology and Acquisition Committee Member	5,000
Integration Oversight Committee Member	15,000 ⁽¹⁾

⁽¹⁾ Beginning at the end of the third quarter of fiscal 2018, the annual retainer for non-employee directors serving as a member of the Integration Oversight Committee was set at \$15,000 annually.

We do not pay meeting fees for the Board or any of the committees of the Board. We pay the retainer fees set forth above in quarterly installments. Retainer fees are paid in arrears. In addition, we have a policy of reimbursing our non-employee directors for reasonable travel, lodging and other expenses incurred in connection with their attendance at Board and committee meetings.

Director Equity Awards

Non-employee directors are eligible to receive equity awards as follows:

Initial RSU Award. Each individual who commences service as a non-employee director upon his or her appointment to the Board or election at an annual meeting of stockholders will receive an RSU award covering a number of shares with an aggregate fair market value as reported on Nasdaq on the day prior to the grant date equal to approximately \$165,000. The Initial RSU Award vests in annual installments over three years, provided that the non-employee director remains a service provider of Infinera through each applicable vesting date.

Annual RSU Award. On the date of each annual meeting of stockholders, each individual who continues to serve as a non-employee director after that annual meeting will be eligible to receive an RSU award covering a number of shares with an aggregate fair market value as reported on Nasdaq on the day prior to the grant date equal to approximately \$165,000. The Annual RSU Award will vest as to 100% of the

Table of Contents

underlying shares on the earlier of the date of the next annual meeting of stockholders or the one-year anniversary of the date of grant, provided that the non-employee director remains a service provider of Infinera on the applicable vesting date.

Assuming a non-employee director is appointed to the Board at least six months prior to the next annual meeting of stockholders, such non-employee director will also be eligible for an RSU award covering a number of shares with an aggregate fair market value as reported on Nasdaq on the day prior to the grant date equal to approximately \$165,000. The number of shares covering this RSU award will be prorated for the number of months remaining until the next scheduled annual meeting of stockholders.

For the Annual RSU Award in connection with the 2018 Annual Meeting of Stockholders, we granted RSU awards covering 18,292 shares of Infinera common stock to each non-employee director then in office. These RSU awards vest in full on May 23, 2019, subject to each non-employee director's continued service to Infinera on the applicable vesting date.

Fiscal 2018 Director Compensation

The following table sets forth all of the compensation awarded to or earned by the non-employee members of the Board in fiscal 2018.

Name	Fees Earned or Paid in Cash (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	Option Awards (\$)	Total (\$)
John P. Daane ⁽³⁾	74,874	169,567		244,441
Marcel Gani	82,500	169,567		252,067
Kambiz Y. Hooshmand	127,374	169,567		296,941
Paul J. Milbury	93,874	169,567		263,441
Rajal M. Patel	61,000	169,567		230,567
Mark A. Wegleitner	66,000	169,567		235,567

(1) For a description of the annual non-employee director retainer fees and retainer fees for chair positions and for service as Chairman of the Board, see the disclosure above under "Director Fees."

(2) The amounts reported in this column represent the aggregate grant date fair value of the RSU awards granted in fiscal 2018 computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, "Compensation - Stock Compensation (ASC 718)" and without any adjustment for estimated forfeitures. These amounts reflect our accounting expense for these awards and do not correspond to the actual value that will be recognized by the non-employee directors with respect to these awards at the time the shares of Infinera common stock underlying the RSU awards are vested and/or sold. There can be no assurance that the actual value realized by a non-employee director will be at or near the grant date fair value of the RSU awards granted.

(3) Mr. Daane has decided not to stand for re-election and will no longer serve as a director after the Annual Meeting.

Additional Information with Respect to Director Equity Awards

Name

	Shares Subject to Stock Awards Outstanding at Fiscal Year-End (#)⁽¹⁾	Shares Subject to Option Awards Outstanding at Fiscal Year-End (#)
John P. Daane ⁽²⁾	21,801	
Marcel Gani	18,292	
Kambiz Y. Hooshmand	18,292	
Paul J. Milbury	18,292	7,600
Rajal M. Patel	18,292	
Mark A. Wegleitner	18,292	40,000

⁽¹⁾ Includes unvested RSU awards.

⁽²⁾ Mr. Daane has decided not to stand for re-election and will no longer serve as a director after the Annual Meeting.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information known to us regarding beneficial ownership of our common stock as of the Record Date by:

Each person known by us to be the beneficial owner of more than 5% of any class of our voting securities;

Our NEOs;

Each of our directors; and

All current executive officers and directors as a group.

The information provided in this table is based on our records, information filed with the SEC and information provided to Infinera, except where otherwise noted. To our knowledge and unless as otherwise indicated, each stockholder possesses sole voting and investment power over the shares listed, except for shares owned jointly with such person's spouse. Percentage beneficially owned is based on 177,415,495 shares of common stock outstanding on the Record Date. Unless otherwise indicated, the principal address of each of the stockholders below is c/o Infinera Corporation, 140 Caspian Court, Sunnyvale, California 94089.

Name of Beneficial Owner	Common Shares Currently Held	Common Shares That May Be Acquired Within 60 Days of the Record Date⁽¹⁾	Total Beneficial Ownership	Percent Beneficially Owned
<i>5% or More Stockholders</i>				
FMR LLC ⁽²⁾	26,204,780		26,204,780	14.8%
Oaktree Optical Holdings, L.P. ⁽³⁾	20,975,384		20,975,384	11.8%
The Vanguard Group ⁽⁴⁾	16,216,790		16,216,790	9.1%
BlackRock, Inc. ⁽⁵⁾	13,943,456		13,943,456	7.9%
<i>Named Executive Officers and Directors</i>				
Thomas J. Fallon ⁽⁶⁾	1,377,075	434,306	1,811,381	1.0%
Brad D. Feller	236,106	61,317	297,423	*
David F. Welch, Ph.D. ⁽⁷⁾	1,574,767	379,608	1,954,375	1.1%
David W. Heard	44,532	17,188	61,720	*
Robert J. Jandro	179,061	31,621	210,682	*
John P. Daane	51,337	18,292	69,629	*
Gregory P. Dougherty				*
Marcel Gani	122,281	18,292	140,573	*
Kambiz Y. Hooshmand ⁽⁸⁾	104,297	18,292	122,589	*

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Paul J. Milbury	54,063	25,892	79,955	*
Rajal M. Patel ⁽⁹⁾	41,921	18,292	60,213	*
Mark A. Wegleitner	67,197	58,292	125,489	*
<i>All Current Executive Officers and Directors as a Group (12 Persons)</i>				
	3,852,637	1,081,392	4,934,029	2.8%

* Less than 1% of the outstanding shares of common stock.

- (1) Includes shares represented by vested, unexercised stock options as of the Record Date and stock options, RSUs or other rights that are expected to vest within 60 days of the Record Date. These shares are deemed to be outstanding for the purpose of computing the percentage ownership of the person holding the stock options or RSUs, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.
- (2) According to a Schedule 13G/A filed with the SEC on February 13, 2019 by FMR LLC (FMR), Abigail P. Johnson (FMR's Director, Chairman and CEO) and Fidelity Growth Company Fund (Fidelity). Such amendment states that FMR is deemed to be the beneficial owner of 26,204,780 shares by virtue of its control over Fidelity, which is deemed to be the beneficial owner of 12,894,773 shares as a result of its acting as investment advisor to various investment companies registered under Section 8 of the Investment Company Act of 1940. Such amendment further states that (a) FMR has sole voting power over 9,468,356 shares, shared voting power over no shares, sole dispositive power over 26,204,780 shares, and shared

Table of Contents

dispositive power over no shares; (b) Ms. Johnson has neither sole nor shared voting power over any shares, sole dispositive power over 26,204,780 shares, and shared dispositive power over no shares and (c) Fidelity has sole voting power over 12,894,773 shares, shared voting power over no shares, sole dispositive power over no shares, and shared dispositive power over no shares. The address of FMR is 245 Summer Street, Boston, Massachusetts 02210.

- (3) According to a Schedule 13D filed with the SEC on October 11, 2018 jointly, pursuant to a joint filing agreement, by (i) Oaktree Optical Holdings, L.P., a Delaware limited partnership (Optical), whose principal business is to invest in securities; (ii) Oaktree Fund GP, LLC, a Delaware limited liability company (GP LLC), whose principal business is to serve as and perform the functions of the general partner of certain investment funds including Optical; (iii) Oaktree Fund GP I, L.P., a Delaware limited partnership (GP I), whose principal business is (A) serve as, and perform the functions of, the general partner of certain investment funds or to serve as, and perform the functions of, the managing member of the general partner of certain investment funds or (B) to act as the sole shareholder of certain controlling entities of certain investment funds; (iv) Oaktree Capital I, L.P., a Delaware limited partnership (Capital I), whose principal business is to serve as, and perform the functions of, the general partner of GP I; (v) OCM Holdings I, LLC, a Delaware limited liability company (Holdings I), whose principal business is to serve as, and perform the functions of, the general partner of Capital I and to hold limited partnership interests in Capital I; (vi) Oaktree Holdings, LLC, a Delaware limited liability company (Holdings), whose principal business is to serve as, and perform the functions of, the managing member of Holdings I; (vii) Oaktree Capital Group, LLC, a Delaware limited liability company (OCG), whose principal business is to act as the holding company and controlling entity of each of the general partner and investment adviser of certain investment funds and separately managed accounts; and (viii) Oaktree Capital Group Holdings GP, LLC, a Delaware limited liability company (OCGH GP) and together with Optical, GP I, Capital I, Holdings I, Holdings, OCG and GP LLC, collectively, the Reporting Persons), whose principal business is to serve as, and perform the functions of, the manager of OCG. The principal business address of each of the Reporting Persons is c/o Oaktree Capital Group Holdings GP, LLC, 333 South Grand Avenue, 28th Floor, Los Angeles, California 90071.
- (4) According to a Schedule 13G/A filed with the SEC on February 12, 2019 by The Vanguard Group (Vanguard). Vanguard is the beneficial owner of 16,216,790 shares and has sole voting power over 147,204 shares, shared voting power over 29,846 shares, sole dispositive power over 16,054,694 shares and shared dispositive power over 162,096 shares. The address of Vanguard is 100 Vanguard Boulevard, Malvern, Pennsylvania 19355.
- (5) According to a Schedule 13G/A filed with the SEC on February 11, 2019 by BlackRock, Inc. (BlackRock). BlackRock is the beneficial owner of 13,943,456 shares and has sole voting power over 13,008,791 shares and sole dispositive power over 13,943,456 shares. The address of BlackRock is 55 East 52nd Street, New York, New York 10055.
- (6) Shares held by The Fallon Family Revocable Trust dated 9/7/1994.
- (7) Consists of (i) 1,454,974 shares held by The Welch Family Trust U/A DTD 4/3/1996; (ii) 117,293 shares held by LRFA, LLC, a limited liability company of which Dr. Welch is the sole managing member; and (iii) 2,500 shares held by Dr. Welch as trustee for his children. Dr. Welch disclaims beneficial ownership of the shares held in trust for his children.
- (8) Consists of (i) 64,042 shares held by Mr. Hooshmand; and (ii) 40,255 shares held by 2002 Hooshmand Family Trust UA 03/01/2002.
- (9) Shares held by The Rajal & Brinda Patel Trust U/A DTD 9/6/2016.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis provides information related to the fiscal 2018 compensation program and related decisions for our NEOs identified below. For fiscal 2018, these individuals included the following:

Thomas J. Fallon, our CEO;

Brad D. Feller, our CFO;

David F. Welch, Ph.D., our Chief Innovation Officer;

David W. Heard, our COO; and

Robert J. Jandro, our Senior Vice President, Worldwide Sales.

Fiscal 2018 Management Changes. In February 2018, when the Compensation Committee established fiscal 2018 target compensation for our NEOs, Dr. Welch's title was Chief Strategy and Technology Officer and Mr. Heard's title was General Manager, Products and Solutions. In connection with the acquisition of Coriant on October 1, 2018, Dr. Welch transitioned to the role of Chief Innovation Officer and Mr. Heard transitioned to the role of COO. In addition, for fiscal 2019, Dr. Welch is no longer considered an executive officer for reporting purposes.

Executive Summary

Fiscal 2018 Business Summary

We are a global supplier of networking solutions comprised of networking equipment, software and services. Our portfolio of solutions includes optical transport platforms, converged packet-optical transport platforms, optical line systems and disaggregated router platforms, as well as software-defined networking, network management and routing software. Our end-user services and applications include, but are not limited to, high-speed internet access, business Ethernet services, 4G/5G mobile broadband, cable high-speed Internet distribution, cloud-based services, high-definition video streaming services, virtual and augmented reality and the Internet of Things.

Our systems are highly scalable, flexible and designed with open networking principles for ease of deployment.

Our portfolio includes systems that leverage our innovative optical engine technology comprised of large-scale photonic integrated circuits (PICs) and digital signal processors (DSPs). We optimize the manufacturing process by using indium phosphide to build our PICs, which enables the integration of hundreds of optical functions onto a set of semiconductor chips.

This large-scale integration of our PICs and advanced DSPs allows us to deliver high-performance transport networking platforms with features that customers care about the most, including cost per bit, low power consumption and space savings.

We design our optical engines to increase the capacity and reach performance of our products by leveraging coherent optical transmission.

Our overall fiscal 2018 performance fell short of the expectations we established at the beginning of the year to measure pay-for-performance. We did not achieve the non-GAAP operating margin requirement for short-term incentives to be paid out to our NEOs under our 2018 Bonus Plan and none of the PSU awards for which the performance period ended in 2018 resulted in any portion of the PSUs becoming eligible to vest. Despite these results for the last fiscal year, we believe our acquisition of Coriant, which occurred in October 2018, positions us as one of the largest vertically integrated optical network equipment providers in the world and represents a critical opportunity to build long-term stockholder value. The acquisition is expected to significantly increase revenue while expanding our customer base and the combination positions us to deliver a powerful suite of innovative, end-to-end packet optical network solutions for communications service providers and internet content providers.

The following fiscal 2018 financial information included the fourth quarter results of the Coriant business that we acquired on October 1, 2018. Historical comparison may not be meaningful.

GAAP Revenue was \$943.4 million, compared to \$740.7 million in fiscal 2017 and \$870.1 million in fiscal 2016.

Table of Contents

GAAP gross margin was 34.0%, compared to 32.9% in fiscal 2017 and 45.2% in fiscal 2016.

Non-GAAP gross margin⁽¹⁾ was 38.4%, compared to 39.3% in fiscal 2017 and 48.3% in fiscal 2016.

GAAP operating margin for the year was (19.7)%, compared to (24.7)% in fiscal 2017 and (3.0)% in fiscal 2016.

Non-GAAP operating margin for the year was (5.1)%, compared to (10.1)% in fiscal 2017 and 6.2% in fiscal 2016.

GAAP net loss was \$(1.36) per share, compared to a GAAP net loss of \$(1.32) per share in fiscal 2017 and a GAAP net loss of \$(0.17) per share in fiscal 2016.

Our overall increase in revenue during fiscal 2018 was benefited by the addition of Coriant, whose results were included in the fourth quarter of fiscal 2018. Prior to the fourth quarter of 2018, our revenue through the first three quarters of fiscal 2018 was \$611.3 million, up by 12.2%, compared to \$544.9 million in the same period of fiscal 2017. This increase was primarily due to the strength of our next-generation ICE4 products and strong first half spending from our largest cable customer. Gross margin improved to 34.0% in fiscal 2018 from 32.9% in fiscal 2017. This improvement was primarily attributable to benefits of our vertically integrated operating model, driven by higher revenue spread across our largely fixed cost structure. Additionally, in fiscal 2018 compared to fiscal 2017, we incurred substantially less costs related to bridging customers to our new ICE4 technology and initially higher costs of early production units of our new ICE4 products. The increased gross margin in 2018 was offset by lower margins from the Coriant business and increased amortization of intangible assets. Operating expenses in fiscal 2018 grew by 19% to \$506.8 million from \$427.1 million in 2017 as the impacts of our restructuring efforts over the course of the first nine months of 2018 were more than offset by the inclusion of Coriant's operating expenses subsequent to the closing of the acquisition along with significant costs related to integration, restructuring, and other acquisition-related costs incurred in the fourth quarter of 2018 to begin to transform the business. While we made important strides in our overall performance, the final results did not meet the rigorous standards of our pay for performance objectives in fiscal 2018.

The following table illustrates our GAAP revenue and non-GAAP operating margin over the last three fiscal years:

⁽¹⁾ For a reconciliation of GAAP to non-GAAP revenue, gross profit, gross margin, operating income (loss) and operating margin for fiscal 2018, 2017 and 2016, please see [Appendix A](#) to this Proxy Statement.

Table of Contents

The following graph shows our 1-, 3- and 5-year TSR as compared to the S&P Networking Index.

Fiscal 2018 Executive Compensation Program Design Highlights

The design of our executive compensation program for fiscal 2018 reflects our ongoing commitment to pay-for-performance and the continued strong alignment of the interests of our NEOs with those of our stockholders. At the beginning of fiscal 2018, when a majority of executive compensation decisions were made, the Compensation Committee considered the performance of our company as we exited fiscal 2017 and the expectation of a challenging fiscal 2018. The decisions made reflected a continuing effort to maintain a strong pay-for-performance profile and support accountability of our leadership team for our financial performance. The key elements of our executive compensation program include base salary, a cash bonus plan and long-term incentives in the form of RSUs and PSUs. Highlights of our executive compensation program for fiscal 2018 included the following:

There were no increases in target cash compensation for our NEOs.

During the Compensation Committee's annual review in February 2018, the Compensation Committee approved no increases in base salary or annual incentive targets for our NEOs in fiscal 2018. This decision was based on an analysis of competitive market data provided by the Compensation Committee's independent consultant, with consideration given to the challenging business environment expected during fiscal 2018.

Table of Contents

The majority of our CEO's fiscal 2018 target total direct compensation was in the form of equity.

74% of our CEO's target total direct compensation (the sum of base salary, target cash incentive opportunity and target equity incentive compensation) was in the form of equity awards, which closely links our CEO's compensation directly to the value of our common stock. In fiscal 2018, our CEO was granted time-based RSUs and the 2018 TSR Award. For the purpose of this discussion and in the chart below, the grant date value of PSUs reflects the face value of the target number of shares awarded on the grant date, which differs from the accounting value presented in the Summary Compensation Table below.

Our long-term incentive program continues to emphasize performance-based awards. For our CEO, 60% of the target value of equity granted in fiscal 2018 was in the form of PSUs that will vest based upon our TSR performance relative to a networking sector benchmark. To support our pay-for-performance philosophy and further emphasize the importance of creating long-term stockholder value, the 2018 TSR Award contained several features we consider best practices.

Stretch goal for maximum performance. To earn the maximum number of shares under the 2018 TSR Award, which is 200% of the target number of shares, our TSR must exceed the 85th percentile of the companies included in the S&P Networking Index. In addition, to earn the maximum number of shares, our TSR must sustain at least 85th percentile performance for each of the one-, two- and three-year measurement periods (coinciding with the end of our fiscal 2018, 2019 and 2020).

Payment cap. Regardless of our performance versus the Index Companies in the S&P Networking Index, the number of shares that may be earned under the 2018 TSR Award is capped at 100% of target for any period in which our TSR is negative. Therefore, even if we significantly outperform the Index Companies in challenging market conditions, this award only provides rewards above the target performance level if incremental stockholder value is created.

Our 2018 Bonus Plan Included a Challenging Financial Goal for Payment. For the 2018 Bonus Plan, payout to our NEOs was based 100% on non-GAAP operating margin goals. In order for the 2018 Bonus Plan to be funded, the financial performance objective required us to achieve a non-GAAP operating margin equal to or greater than 2% for the third and fourth quarters of fiscal 2018 (combined) (the Operating Margin Gate). In the event that the Operating Margin Gate was achieved, the bonus for our NEOs would be determined based on the level of improvement in non-GAAP operating margin between the last fiscal quarter of 2017 and the last fiscal quarter of 2018. Our acquisition of Coriant at the beginning of the fourth quarter of fiscal 2018 was not taken into account in determining the financial objectives under the 2018 Bonus Plan.

Relative to our bonus plan in 2017, this approach eliminated a 20% weighting on strategic goals that focused on key quality and product development objectives. Given the challenges facing us beginning in late 2017 and the impact this had on our stockholder return, the Compensation Committee considered an

Table of Contents

increased emphasis on improved operating margin as an important feature supporting alignment of the interests of our executive officers with that of our stockholders.

Pay-for-Performance Outcome in Fiscal 2018

Our emphasis on performance-based incentives is evidenced in the chart below, which illustrates our CEO's target total compensation versus his actual realized compensation during the most recent three fiscal years. Target total compensation is defined as the sum of the base salary rate approved for each fiscal year, the bonus target for the year, and the grant date target value of equity. The target value of equity reflects the grant date share price of PSUs, which differs from the value reported in the Summary Compensation Table below. Actual realized compensation includes the base salary and cash annual incentive earned during the year plus the sum of any RSUs and PSUs that vested during the year, valued using the share price on the vesting date.

First, the Compensation Committee approved a 20% reduction in our CEO's base salary as of December 2017. This reduced his target cash compensation for 2018 by 20%. In addition, target equity awards in 2018 were equal to the value of target grants in 2017, which resulted in a decrease of his target total compensation by approximately 5% from 2017 to 2018. The Compensation Committee approved this reduction in cash compensation in connection with the continued challenges facing our business in 2017 and in the context of our emphasis on returning to a positive non-GAAP operating margin in 2018.

In addition, our CEO's realized compensation is aligned with our stockholder return in 2018 and was significantly below target in 2018. This relationship between realized pay and our total stockholder return continues a pattern from 2017 and demonstrates the alignment of pay and performance inherent in the design of our executive compensation programs. As the chart below illustrates, realized compensation for our CEO was approximately 70% below target in both 2017 and 2018. The \$1.3 million realized compensation of our CEO in 2018 also represented a 74% decrease from realized compensation in 2016.

Fiscal 2018 Executive Compensation Program Payout Highlights

Our fiscal 2018 payouts reflect the alignment of our executive compensation program to the performance of Infinera. As indicated above, a significant portion of our executive compensation program was designed to align the compensation outcomes for our participating NEOs with performance against measurable objectives.

Bonuses under the 2018 Bonus Plan for participating NEOs were determined based on our performance against the achievement of financial targets. The financial performance objective for our participating NEOs under the 2018 Bonus Plan were tied to the Operating Margin Gate and improvement in non-GAAP operating margin by 13.3 points. As the required improvement in non-GAAP operating margin did not hit the target set out in the 2018 Bonus Plan, this resulted in no payout to NEOs under the 2018 Bonus Plan.

Table of Contents

During fiscal 2018, there were portions of three PSU awards for which payout was based entirely or in part on our performance during the year. One of the awards (the fiscal 2016 award) measured our TSR against the TSR of the S&P Networking Index. The 2017 and 2018 PSU awards measure our TSR against the TSR of each of the Index Companies in the S&P Networking Index. Features of the 2018 TSR Awards are more fully described in the section below, entitled *Fiscal 2018 Compensation Long-Term Incentive Compensation*.

As summarized in the table below, we failed to outperform the TSR of the S&P Networking Index for either of the applicable periods, which resulted in no payouts for each of the performance periods that concluded at the end of fiscal 2018.

Year of Grant	Applicable Measurement Period⁽¹⁾	% of Target Award Tied to Period	Result	Payout as a % of Target⁽²⁾
2018	1 year	33%	% Rank = 13 th percentile	0%
2017	2 years	33%	% Rank = 5 th percentile	0%
2016	3 years	33%	Relative TSR = -115.04 points	0%

⁽¹⁾ One-third of each award is tied to the end of the first, second and third fiscal years after the grant date.

⁽²⁾ For the 2017 and 2018 TSR Awards, there is no payout for performance below the 25th percentile. For the 2016 TSR Award, there is no payout for relative TSR (i.e., INFN TSR minus the TSR of the benchmark) below -33 points.

Governance of Executive Compensation

Our executive compensation program includes the following executive compensation governance policies and practices:

No Guaranteed Bonuses. We did not provide any guaranteed bonuses in fiscal 2018 for any of our NEOs with the exception of sign on bonuses, if any, that may be negotiated as part of an executive officer new hire package.

Executive Clawback Policy. We maintain an executive clawback policy that applies to our Section 16 Officers and provides for recovery of both cash and equity incentive compensation under specified circumstances.

Anti-Hedging Policy. Our Insider Trading Policy prohibits all employees, including our NEOs, and Board members, from hedging their Infinera common stock.

Anti-Pledging Policy. Our Insider Trading Policy prohibits our NEOs and Board members from pledging Infinera common stock as collateral for a loan.

Fully Independent Compensation Committee. Our executive compensation program is administered annually by the Compensation Committee, which consists solely of independent directors.

Stock Ownership Policy. Our Section 16 Officers and the non-employee members of the Board are subject to minimum stock ownership requirements.

No Tax Gross-Ups. We do not have any arrangements providing for tax gross-ups of any compensation elements with any of our executive officers.

Double-trigger Change of Control Arrangements. Our change of control agreements contain double-trigger arrangements that require a termination of employment without cause or a constructive termination of employment following a change of control of Infinera before payments and benefits are triggered.

Annual Compensation Risk Assessment. The Compensation Committee annually conducts a compensation risk assessment to determine whether our compensation arrangements, or components thereof, create risks that are reasonably likely to have a material adverse effect on Infinera.

No Executive Perquisites. Our executive officers are only eligible to receive the same benefits and perquisites as our other U.S. salaried employees.

Independent Compensation Consultant Reporting Directly to Compensation Committee. The Compensation Committee utilizes input from an independent compensation consultant that is retained

Table of Contents

directly by the Compensation Committee and performed no services for Infinera during fiscal 2018 other than services for the Compensation Committee.

Advisory Vote on Fiscal 2017 Named Executive Officer Compensation Say-on-Pay Vote

In calendar 2018, stockholders were provided with the opportunity to cast an advisory (non-binding) vote (a say-on-pay proposal) on the compensation of our NEOs for fiscal 2017. Our stockholders approved this say-on-pay proposal, with over 96% of votes cast voting in favor of our executive compensation program. Noting the results of this vote, the Compensation Committee considered this when making compensation decisions for fiscal 2018.

In light of the 2018 say-on-pay vote, the Compensation Committee maintained a consistent general approach to our executive officer compensation program. This included a continued emphasis on pay-for-performance through the use of PSUs that reward executive officers only if they deliver value for our stockholders. For fiscal 2018, and as noted above, the Compensation Committee also approved no increases to the base salaries or target annual incentives of our NEOs when compensation decision were made in February 2018. The 2018 Bonus Plan applicable to our NEOs was modified so that payout to our NEOs would only be made if the financial performance objectives were met.

The Compensation Committee will continue to consider input from our stockholders as reflected in the outcome of our annual say-on-pay vote when making executive compensation program decisions.

Overview of our Executive Compensation Program Philosophy and Process

Compensation Objectives and Philosophy

Our executive compensation program is designed to attract, retain, and reward talented executive officers and to motivate them to pursue our corporate objectives, while fostering the creation of long-term value for our stockholders. To achieve this mission, we take a pay-for-performance approach that forms the foundation for the design of our executive compensation program. The Compensation Committee also designs the various components of our executive compensation program to support our company culture (i.e., increasing levels of accountability through the use of at risk pay for more senior level employees), the internal company environment relative to industry conditions, current business priorities, strategy and product development cycles, and current market practices of our peer group.

Compensation-Setting Process

Role and Authority of Compensation Committee. The Compensation Committee is responsible for our executive compensation program and all related policies and practices. The Compensation Committee has the responsibility to establish and approve the compensation of each of our executive officers, including our NEOs. In addition, the Compensation Committee reviews and administers our equity and employee benefit plans and programs, which are generally available to our employees, including our NEOs. The Compensation Committee also has the authority to engage its own advisors to assist it in carrying out its responsibilities, and the reasonable compensation for such advisor services is paid by Infinera.

Role of Compensation Consultant. During fiscal 2018, the Compensation Committee engaged the services of Compensia, Inc. (Compensia), a national compensation consulting firm. Compensia provided the Compensation Committee with an analysis of industry sector competitive market data regarding NEO compensation, information on compensation trends, peer group and general market data, as well as assistance with the parameters used to determine the peer group, base salary, incentive plan design and the structure of our executive compensation program. During fiscal 2018, Compensia also provided general observations about our compensation programs.

Compensia reports directly to the Compensation Committee. Compensia interacted with management at the direction of the Compensation Committee but did not provide any other services for Infinera or its management team in fiscal 2018. Compensia's fees were paid by Infinera. The Compensation Committee annually reviews the independence of its compensation consultant and during fiscal 2018 determined that there were no conflicts of interest in connection with Compensia's work.

Table of Contents

Determination of CEO Compensation. Our compensation consultant provides market data and considerations for the Compensation Committee regarding the amount and form of our CEO's compensation. As part of this process, the Compensation Committee considers input from the Board and feedback from the Chairman of the Board, in particular with respect to the performance of our CEO. After considering the feedback and recommendations received, all decisions regarding our CEO's compensation are made by the Compensation Committee, based on its own judgment and after considering the interests of our stockholders, in executive sessions excluding our CEO.

Determination of non-CEO Compensation. As a result of his close working relationship with each of the other NEOs, our CEO is asked to provide his assessment of their performance to the Compensation Committee, including considerations regarding retention and importance of their contributions to Infinera. Our CEO is assisted by our Senior Vice President of Human Resources in making these assessments. Our CEO then presents his performance assessment of the other NEOs and makes formal recommendations to the Compensation Committee regarding adjustments to base salary, annual cash incentive award opportunities and equity awards for our NEOs (other than himself). While the Compensation Committee considers the recommendations of our CEO in determining compensation for our other NEOs, ultimately its decisions are based on its own judgment and the interests of our stockholders. None of our NEOs makes any recommendations regarding his own compensation and none of our NEOs are present at meetings in which their compensation is determined. The Compensation Committee finalized compensation decisions for the CEO in executive session without management present.

Executive Compensation Elements

We provide base salaries to attract, retain and motivate our executive officers for their day-to-day contributions, annual incentive cash compensation to link payments to the achievement of our annual financial and/or operational objectives, and long-term incentive compensation delivered in the form of equity awards to align the interests of our executive officers with those of our stockholders and provide significant motivational and retention value to our executive officers. These are the key elements of our executive compensation program. We believe each is necessary to attract, retain and motivate our executive officers, on whom our success largely depends. In addition, we also provide employee benefits that are generally available to all our employees including our NEOs, and certain severance and "double-trigger" change of control payments and benefits as part of our executive compensation program as described further below.

Allocation of Compensation across Pay Elements

In determining how to allocate an NEO's target total direct compensation opportunity among these various elements, the Compensation Committee seeks to take into account market competitive practices for companies of a similar size and with a comparable business focus. Individual retention considerations specific to the individual are also factored in the Compensation Committee's final determination of target total direct compensation. Equity awards, which for fiscal 2018 consisted of awards of time-based RSUs and PSUs, represented the largest component of our NEOs' target total direct compensation opportunity. This approach was designed to encourage sustained, long-term performance and to ensure alignment of the interests of our NEOs with those of our stockholders. Consistent with our "pay-for-performance" philosophy, a significant portion of our NEOs' fiscal 2018 target total direct compensation opportunity was completely "at risk," including 59% of our CEO's target total direct compensation opportunity. We define "at risk" compensation as opportunities for which vesting as well as the level of achievement is contingent upon achievement of specified performance conditions. In fiscal 2018, this included the 2018 Bonus Plan and PSU awards, where the value of PSUs is included based on the grant date target value of shares awarded.

Table of Contents

The following charts show the target total direct compensation mix for fiscal 2018 for our CEO and our other NEOs as a group (value of equity awards is determined using grant date fair value):

The foregoing chart for our other NEOs as a group does not take into account the promotion of Mr. Heard to COO in October 2018. Mr. Heard's fiscal 2018 annual base salary increased from \$500,000 to \$520,000 effective October 1, 2018 and he was granted an additional time-based RSU award of 70,000 shares in connection with his new role as COO.

Competitive Positioning

In making compensation decisions for our executive officers, the Compensation Committee reviews and analyzes competitive market practices using data drawn from a group of peer companies and the Radford Global Technology survey.

In June 2017, the Compensation Committee reviewed the peer group used for executive compensation decision-making and selected a new group based on updated financial criteria. Although this change in the selection criteria resulted in significant changes in the composition of the peer group, the Compensation Committee as well as members of management involved in making compensation decisions felt that this was an appropriate change based on our decreased revenue and market capitalization profile relative to the last changes made in May 2017. The target selection criteria for the peer group identified in May 2017 and used for fiscal 2018 compensation decisions were:

Industry: companies in the communications equipment or related industry segments;

Annual Revenue: \$290 million to \$2.6 billion; and

Market Capitalization: \$365 million to \$3.6 billion.

Based on this recalibration, the new peer group now consists of the following 16 companies:

Acacia Communications*	InterDigital, Inc.
ADTRAN, Inc.	NETGEAR
Barracuda Networks*	Oclaro, Inc.*
Ciena Corporation	Plantronics, Inc.
Extreme Networks*	ShoreTel*
Finisar Corporation	Silicon Laboratories
Harmonic Inc.*	ViaSat, Inc.
Integrated Device Technology	Viavi Solutions

*

Indicates an addition to the recalibrated peer group for fiscal 2018. Companies removed from the fiscal 2018 peer group included ACI Worldwide, Brocade Communications, Coherent, FEI, OPC Photonics Corporation, Mentor Graphics, Microsemi, MicroStrategy, QLogic and Ubiquiti Networks.

Table of Contents

Given that not all of the peer companies report data for a position comparable to each of our NEOs, the Compensation Committee also reviewed market data derived from the Radford Global Technology survey. In this discussion, where we refer to market levels of pay and the market data, we are referring to the combined compensation peer group and survey data described above that were then in effect and applicable to our NEOs.

Use of Market Data

For its fiscal 2018 compensation decisions, the Compensation Committee continued to maintain a holistic and flexible approach in its use of market data. The Compensation Committee's goal is generally to set all elements of compensation within a competitive range, using a balanced approach that does not use rigid percentiles to target pay levels for each compensation element, but instead makes its compensation decisions based on a variety of relevant factors, including those listed below. While the Compensation Committee continues to review and reference market data, the data generally is used to inform the Compensation Committee of market practices to ensure that our executive compensation program remains within a generally competitive range of our peers. In addition to the market data, several other factors are taken into account in setting the amount of each NEO's target total direct compensation opportunity. These factors include:

Recruitment, retention and historical factors. The Compensation Committee reviews existing NEO compensation and retention levels relative to estimated replacement cost with respect to the scope, responsibilities and skills required of the particular position.

Lack of directly comparable data for some of our key roles. Compensation data for some of our key positions (i.e., Chief Strategy Officer) are often not explicitly reported by companies in our compensation peer group or survey data. This results in limited sample sizes and/or inconclusive data that can be misleading if targeting a specific percentile for market positioning.

Market positioning may be distorted by the source of the data. Certain elements of compensation reported from one source can be consistently higher or lower than the data collected from another, given differences in methods and samples used by each source to collect market data. Given this variability and volatility within the market data, the Compensation Committee has determined that targeting pay levels at specific percentiles of this data could result in outcomes that do not align with the internal value and strategic importance of various roles at Infinera.

Desire to account for other factors not captured in the market data. As discussed below, the Compensation Committee also considers several qualitative factors.

Relevant Qualitative Factors

In addition to our uses of competitive market data as described above, the Compensation Committee considers a range of subjective and qualitative factors when making compensation decisions for our NEOs, including:

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The role the executive officer plays and the importance of such individual's contributions to our ability to execute on our business strategy and to achieve our strategic objectives;

Each executive officer's tenure, skills and experience;

The responsibilities and particular nature of the functions performed or managed by the executive officer;

Our CEO's recommendations and his assessment of each executive officer's performance (other than his own performance), and with respect to the CEO's performance, assessment by the Board;

The value of unvested equity awards held by each executive officer and in comparison to other members of our executive management team and senior employees;

Internal pay equity across the executive management team;

The impact of our compensation decisions on key financial and other measures such as our equity award burn rate ;

Our overall performance as compared to internal plans and external benchmarks;

Table of Contents

The potential impact on stockholder dilution of our compensation decisions relative to peers and historical practices; and

Competitive labor market pressures and the likely cost, difficulty and impact on our business and strategic objectives that would be encountered in recruiting a replacement for the role filled by each of our NEOs.

The Compensation Committee does not assign relative weights or rankings to any of these factors and does not solely use any quantitative formula, target percentile or multiple for establishing compensation among the executive officers or in relation to the market data. Instead, the Compensation Committee relies upon its members' knowledge and judgment in assessing the various qualitative and quantitative inputs it receives regarding each individual and makes compensation decisions accordingly.

Fiscal 2018 Compensation***Base Salaries***

For fiscal 2018, the Compensation Committee reviewed the base salaries in February 2018 for each of our NEOs and approved no changes to the base salaries of our NEOs after taking into consideration the market data provided by its independent compensation consultant and the weaker financial performance over the prior fiscal year as well as the challenging year that was expected in fiscal 2018. Our CEO's base salary of \$520,000 was established in December 2017 and represents a 20% decrease from the salary rate in effect at the beginning of our fiscal 2017. As described above, the Compensation Committee approved this reduction in connection with the challenges facing our business beginning in late 2017 and in the context of our goal of returning to a positive non-GAAP operating margin in 2018.

The following table shows the annual base salary for each of our NEOs for fiscal 2017 and fiscal 2018:

Name	Fiscal 2017 Annual Base Salary	Fiscal 2018 Annual Base Salary
Thomas J. Fallon	\$ 520,000 ⁽¹⁾	\$ 520,000
Brad D. Feller	\$ 400,000	\$ 400,000
David F. Welch, Ph.D.	\$ 450,000 ⁽²⁾	\$ 450,000
David W. Heard	\$ 500,000	\$ 520,000 ⁽³⁾
Robert J. Jandro	\$ 365,000	\$ 365,000

⁽¹⁾ As part of the restructuring announced in November 2017, Mr. Fallon had his current annual base salary at the time reduced. Mr. Fallon's current base salary was decreased from \$650,000 to \$520,000.

⁽²⁾ As part of the restructuring announced in November 2017, Dr. Welch had his current annual base salary at the time reduced. Dr. Welch's current base salary was decreased from \$500,000 to \$450,000.

⁽³⁾ Mr. Heard's fiscal 2018 annual base salary increased from \$500,000 to \$520,000 effective October 1, 2018 in connection with his appointment to his new role of COO.

Performance-Based Incentive Cash Compensation (2018 Bonus Plan)

Target Bonus Opportunities. In February 2018, the Compensation Committee reviewed the target bonus opportunities (which are expressed as a percentage of base salary) for fiscal 2018 for each of our NEOs, and determined that they all would remain the same as the prior fiscal year. The following table shows the target bonus opportunities for each of

our NEOs for fiscal 2017 and fiscal 2018:

Name	Fiscal 2017 Target Bonus (as a percentage of base salary)	Fiscal 2018 Target Bonus (as a percentage of base salary)
Thomas J. Fallon	125%	125%
Brad D. Feller	75%	75%
David F. Welch, Ph.D.	90%	90%
David W. Heard	75%	90% ⁽¹⁾
Robert J. Jandro	100%	100%

Table of Contents

(1) Mr. Heard's fiscal 2018 target bonus opportunity (which is expressed as a percentage of base salary) was changed from 75% to 90% effective October 1, 2018 in connection with his appointment to the new role of COO. In considering the increased target bonus opportunity for Mr. Heard, the Compensation Committee considered the scope of Mr. Heard's new role as well as the competitive market data provided by Compensia.

Bonus Plan Design. Our NEOs were eligible to earn incentive compensation under the 2018 Bonus Plan based 100% on the achievement of a non-GAAP operating margin goal for fiscal year 2018. Relative to our bonus plan in 2017, this approach eliminated a 20% weighting on strategic goals that focused on key quality and product development objectives. Given the continued challenges facing us in fiscal 2017 and the impact this had on our stockholder return, the Compensation Committee considered an increased emphasis on improved operating margin as an important feature supporting alignment of the interests of our executive officers with that of our stockholders.

In addition, if our non-GAAP operating margin performance exceeded the threshold required for payment, the bonus earned by our NEOs could be modified by an individual performance component that could be used to adjust the bonus payouts by a factor between 75% and 125% of the funded amount. In the event that our financial performance provided for a bonus, our CEO would be responsible for reviewing the performance of each NEO (other than himself) and recommending an individual performance factor for each NEO. The individual performance factor was based on a qualitative assessment of the NEOs contributions during 2018 and did not include specific, pre-established, individual performance targets. The Compensation Committee then had sole discretion to determine any individual performance adjustments for each NEO (including the CEO) and the final bonus payout for fiscal 2018.

The financial performance metric for the 2018 Bonus Plan was tied to improvement year over year of non-GAAP operating margin. The Compensation Committee determined to focus on non-GAAP operating margin to emphasize the importance of driving increases in revenue while at the same time maintaining or improving profitability. The Compensation Committee believes that non-GAAP operating margin would be a key metric for our stockholders that supports a balanced approach to long-term growth.

For purposes of the 2018 Bonus Plan, non-GAAP operating margin was calculated excluding restructuring and other related costs, non-cash stock-based compensation expenses, amortization of debt discount on our convertible senior notes, impairment charge and gain on the sale related to non-marketable equity investments, accretion of financing lease obligation, amortization and impairment of acquired intangible assets, acquisition and integration costs, and certain purchase accounting adjustments related to our acquisitions of Coriant and Transmode AB, along with related tax effects. For a reconciliation of GAAP to non-GAAP operating margin for fiscal 2018, please see [Appendix A](#) to this Proxy Statement.

In order for the 2018 Bonus Plan to be funded, the financial performance objective required us to achieve an Operating Margin Gate. In the event that the Operating Margin Gate was achieved, the bonus for our NEOs would be determined based on the level of improvement in non-GAAP operating margin between the last fiscal quarter of 2017 and the last fiscal quarter of 2018. To earn the target bonus at 100%, in addition to achieving the Operating Margin Gate, our non-GAAP operating margin had to increase by 13.3 points. The CEO would only be paid out if the financial objectives are reached at target and he would receive no additional payout for overachievement. For the NEOs (other than the CEO), payout could be earned if we hit a minimum threshold of 70% of target. Any payouts at threshold would be paid on a sliding scale between 20% and 100% with no additional payout for overachievement.

Bonus Plan Results. Upon review of our actual financial performance for fiscal 2018 as compared to the pre-established target levels, the Compensation Committee did not approve a bonus payout to our NEOs participating in the 2018 Bonus Plan based on failure to achieve the Operating Margin Gate and the required improvement in

non-GAAP operating margin year-over-year. Our acquisition of Coriant at the beginning of the fourth quarter of fiscal 2018 was not taken into account in determining the financial objectives under the 2018 Bonus Plan.

Table of Contents***Long-Term Incentive Compensation***

Our long-term incentive compensation opportunities are delivered in the form of equity awards. Annual equity awards for NEOs are generally approved by the Compensation Committee during the first open trading window of each new calendar year.

Equity Compensation Design. Under the 2016 Plan, the Compensation Committee grants equity awards to eligible employees, including our NEOs. The Compensation Committee actively monitors our annual aggregate equity utilization as measured by our burn rate.

The Compensation Committee believes that it is in the best interests of Infinera and our stockholders to grant a combination of time-based and performance-based equity awards to senior level employees, including our NEOs. It also believes that our performance-based equity awards foster a pay-for-performance culture and multi-year vesting schedules create longer-term incentives that maintain alignment of the interests of our NEOs with those of our stockholders. Our NEOs benefit from these equity awards based on our sustained performance over time and the ability of our NEOs to create the results that drive stockholder value.

In determining the appropriate mix of such equity awards, the Compensation Committee considered how each equity vehicle supports our compensation strategy as follows:

Type of Award	Description	Why It Is Used
RSU Award	Provides the opportunity to earn a specified number of shares of Infinera common stock subject to the participant's continued employment for a specified period.	Supports retention and succession planning.
	Typically has a three-year or four-year vesting period to encourage a long-term perspective and to encourage key employees to remain at Infinera.	Provides a direct incentive for future performance.
PSU Award	Provides the opportunity to earn shares of Infinera common stock upon the achievement of pre-established performance objectives.	Useful in recruiting new executives.
	If the threshold performance level is not achieved, the entire portion of the award tied to such performance objective is forfeited.	Supports pay-for-performance philosophy and retention efforts.
		Links compensation directly to Infinera's stock performance in areas identified as important by the Compensation Committee.

Increases alignment with interests of stockholders.

In February 2018, the Compensation Committee granted annual equity awards for fiscal 2018 in the form of a time-based RSU award and a PSU award to each of our NEOs. The Compensation Committee continued to believe that TSR remains an important metric for driving performance and promoting the alignment of the interests of our NEOs with those of our stockholders.

In determining the size of these annual equity awards, the Compensation Committee considered the factors described above in the sections entitled *Use of Market Data* and *Relevant Qualitative Factors*, with particular attention to market data, internal equity considerations, the potential dilutive impact of the equity awards and the amount and value of unvested equity awards held by each of our NEOs. The Compensation Committee believed a combination of time-based and performance-based equity awards promote close alignment of the interests of our NEOs with those of our stockholders.

The Compensation Committee first determined the target value of long-term incentive compensation for each executive. The number of RSUs and PSUs granted to each executive was then determined based on the closing price of our stock on the grant date and assuming a 60% allocation of target value into PSUs for Mr. Fallon, and a

Table of Contents

50% allocation into PSUs for other NEOs. Because the Compensation Committee relied upon the closing price of our stock on the grant date (rather than the accounting value) to determine the number of PSUs, the target value approved by the Compensation Committee differs from the Summary Compensation Table reported value of equity below. The following table sets forth the equity awards granted to our NEOs in February 2018.

Name	Number of Shares Subject to RSU Awards	2018 TSR Awards Maximum Number of Shares (200% of Target)	
		Target Number of Shares	
Thomas J. Fallon	135,416	203,125	406,250
Brad D. Feller	68,750	45,833	91,666
David F. Welch, Ph.D.	68,750	45,833	91,666
David W. Heard	68,750 ⁽¹⁾	45,833	91,666
Robert J. Jandro	53,125	35,416	70,832

⁽¹⁾ Mr. Heard was granted an additional time-based RSU award of 70,000 shares in connection with his appointment to the new role of COO.

The RSU awards in the table above vest in annual installments with one-fourth of the underlying shares of Infinera common stock vesting on May 5th of each of 2019, 2020, 2021 and 2022, subject to the NEO's continued service with Infinera through each applicable vesting date.

In October 2018, in connection with his promotion to COO, Mr. Heard was granted an additional time-based RSU award of 70,000 shares. These shares vest in annual installments with one-fourth of the underlying shares of Infinera common stock vesting on October 5th of each of 2019, 2020, 2021 and 2022. In finalizing the terms of this grant, the Compensation Committee considered the scope of Mr. Heard's new role with the Company as well as competitive market data provided by Compensia.

Under the terms of the 2018 TSR Award, for which the design generally remained the same as that of the annual PSUs granted to our NEOs in fiscal 2017, the Compensation Committee established three performance periods for the performance-based awards in which our relative TSR is measured against the S&P Networking Index, with one-third (1/3) of the target number of performance-based awards eligible to vest based on our one-year TSR relative to the TSR of each of the Index Companies listed in the S&P Networking Index, one-third (1/3) based on the two-year comparison to the TSR of the Index Companies, and one-third (1/3) based on the three-year comparison to the TSR of the Index Companies. For purposes of calculating TSR performance for Infinera and each of the Index Companies, the performance periods are as follows:

- (i) For the first performance period, the starting price is the 60-day average (of our closing stock price or the index, as applicable) leading up to and inclusive of December 30, 2017 (the last day of fiscal 2017), and the ending price is the 60-day average leading up to and inclusive of December 29, 2018 (the last day of fiscal 2018);

- (ii) For the second performance period, the starting price is the 60-day average leading up to and inclusive of December 30, 2017 (the last day of fiscal 2017), and the ending price is the 60-day average leading up to and inclusive of December 28, 2019 (the last day of fiscal 2019); and
- (iii) For the third performance period, the starting price is the 60-day average leading up to and inclusive of December 30, 2017 (the last day of fiscal 2017), and the ending price is the 60-day average leading up to and inclusive of December 27, 2020 (the last day of fiscal 2020).

An Index Company refers to each company that was listed in the S&P Networking Index as of the last day of fiscal year 2017 and generally remains publicly traded (in other words, its stock is actively traded on an established stock exchange or national market system) through the last day of the applicable performance period. The performance-based awards shall only vest upon the determination by the Compensation Committee of the achievement of the performance metrics and are subject to each NEO's continued service to Infinera through each applicable vesting date. Any eligible shares (that is, eligible to vest as a result of performance achievement, as described below) with respect to the first performance period shall vest on May 5, 2019, any eligible shares with respect to the second performance period shall vest on May 5, 2020, and any eligible shares with respect to the third and final performance period shall vest on May 5, 2021.

Table of Contents

The table below summarizes the performance criteria used to determine the percentage of the eligible shares subject to the 2018 TSR Award. For each applicable performance period, the number of shares that will become eligible shares (if any) based on our TSR percentile ranking relative to the TSRs of the Index Companies is achieved as follows:

INFN TSR Percentile Rank Among Index Companies	Percentage of the Target Allocated Shares that Become Eligible Shares for the Performance Period
Less than 25 th Percentile	0%
25 th Percentile	50%
50 th Percentile	100%
85 th Percentile or Greater	200%

No shares will become eligible shares if the percentile rank is less than the 25th percentile. If our percentile rank is between the 25th and 50th percentiles, then the number of shares that will become eligible shares will be determined by linear interpolation between 50% and 100% of the number of shares. If our percentile rank is between the 50th and 85th percentiles, then the number of shares that will become eligible shares will be determined by linear interpolation between 100% and 200% of the number of shares. In addition, if our TSR during any performance period is negative (as a result of a decline in the stock price during such period), then the maximum number of shares that can vest is 100% of the target number of shares allocated to that performance period. In the event that our TSR is negative during any of the one-year or two-year performance periods, then any shares that would have vested above 100% of the target number of shares for that performance period, but for the maximum cap described above, would be rolled over once and subject to an additional vesting requirement in the next performance period, and will vest only in the event that both our relative TSR performance is equal to or greater than 50% of the Index Companies in the subsequent performance period and our TSR for that subsequent performance period is positive. If the TSR during the three-year performance period is negative, then the maximum number of shares that can vest is capped at 100% of the target number of shares.

PSU Results. For the initial performance period ended December 29, 2018 under the 2018 TSR Award, our TSR performance finished 21 out of 24 Index Companies (13th percentile). As a result, 0% of the target number of shares of our common stock allocated to the initial performance period became eligible to vest, as shown in the table below.

Name	2018 TSR Award Summary for Initial Performance Period	
	Target Number of PSUs Granted	Actual Number of PSUs Vested
Thomas J. Fallon	203,125	0
Brad D. Feller	45,833	0
David F. Welch, Ph.D.	45,833	0
David W. Heard	45,833	0
Robert J. Jandro	35,416	0

Table of Contents

Outstanding PSU Awards Granted in Prior Fiscal Years. The following table provides information regarding outstanding PSU awards granted prior to fiscal 2018 that were eligible to be earned in fiscal 2018 by our NEOs based on the achievement of performance with respect to relative TSR, including the performance requirements and number of shares of Infinera common stock earned through fiscal 2018.

Name	Fiscal Year of Grant	Total Number of PSUs Remaining at Target (#)	Target Number of Shares that Could Vest for Fiscal 2018 Performance Period (#)	Maximum Number of Shares that Could Vest for Fiscal 2018 Performance Period (#)	Actual Number of Shares Vested for Fiscal 2018 Performance Period (#)
Thomas J. Fallon	2017 ⁽¹⁾	172,247	57,416	114,832	0
	2016 ⁽²⁾	135,990	45,330	90,660	0
Brad D. Feller	2017 ⁽¹⁾	44,247	14,749	29,498	0
	2016 ⁽²⁾	33,690	11,230	22,460	0
David F. Welch, Ph.D.	2017 ⁽¹⁾	172,247	57,416	114,832	0
	2016 ⁽²⁾	135,990	45,330	90,660	0
David W. Heard	2017 ⁽¹⁾	50,000	16,667	33,334	0
Robert J. Jandro	2017 ⁽¹⁾	42,035	14,012	28,024	0
	2016 ⁽²⁾	32,700	10,900	21,800	0

(1) In fiscal 2017, the Compensation Committee granted to the then-current NEOs a PSU award that measures our TSR against the TSR of the of the Index Companies. This PSU award is subject to a payout of between 0% and 200% of the target number of shares based on our relative performance against the Index Companies for that period, with 100% of the target number of shares allocated to the performance. Our TSR performance for the second performance period finished 21 out of 22 Index Companies (5th percentile). As a result, 0% of the target number of shares of our common stock allocated to the second performance period became eligible to vest. For the two-year performance period ended December 29, 2018, the start price was the 60-day average (of our closing stock price or the index value, as applicable) leading up to and inclusive of December 28, 2016 and the end price was the 60-day average (of our closing stock price or the index value, as applicable) leading up to and inclusive of the last day of fiscal 2018.

(2) In fiscal 2016, the Compensation Committee granted to the then-current NEOs a PSU award that measures our TSR against the TSR of the S&P Networking Index. This PSU award pays out at 200% if our TSR outperforms the S&P Networking Index by 50 points or more and 0% if our TSR underperforms the S&P Networking Index by 33 points or more. Our TSR performance underperformed the TSR performance of this index by approximately 115.04 points for the performance period measured, which resulted in no payout for this performance period. For the three-year performance period ended December 29, 2018, the start price was the 60-day average (of our closing stock price or the index value, as applicable) leading up to and inclusive of December 26, 2015 and the end price was the 60-day average (of our closing stock price or the index value, as applicable) leading up to and inclusive of the last day of fiscal 2018.

Employee Benefits and Perquisites

Our NEOs are only eligible to receive the same benefits as our U.S. salaried employees except with respect to accrued paid time off (PTO) as explained below. Infinera and the Compensation Committee believe this approach is reasonable and consistent with the overall compensation objectives to attract and retain employees. These benefits include medical, dental, vision and disability benefits, a Section 401(k) plan, and other plans and programs, including the 2007 ESPP, made available to other eligible employees in the applicable country of residence. In fiscal 2018, we began to provide a matching contribution under the Section 401(k) plan that is applicable to all eligible participants, including our NEOs. Employee benefits and perquisites are reviewed periodically to ensure that benefit levels remain competitive, but are not included in the Compensation Committee's annual determination of the total compensation for each of our NEOs.

All exempt U.S. employees, at any U.S. work location, participate in our As Needed FTO Program (Flexible Time Off). Under this program, these employees may schedule FTO as they see fit and as business necessity allows, although they must continue to meet all job expectations and remain responsible for ensuring appropriate coverage for the time they will be out of the office. Under this program, FTO does not accrue for these employees.

Table of Contents

Additional Information Regarding Our Compensation Practices

Change of Control Payments and Benefits

The Compensation Committee considers maintaining a stable and effective management team to be essential to protecting the best interests of Infinera and its stockholders. Accordingly, Infinera has entered into Change of Control Agreements (the "COC Agreements") with each of our NEOs to encourage their continued attention, dedication and continuity with respect to their roles and responsibilities without the distraction that may arise from the possibility or occurrence of a change of control of Infinera. The current terms of these COC Agreements are included below.

An NEO will receive payments and benefits under the COC Agreement only if his or her employment is terminated without cause, or by him or her as a result of a constructive termination (as more fully described in the section entitled "Estimated Payments and Benefits upon Termination, Change of Control or Death/Disability" below), beginning on the date three (3) months prior to the first change of control to occur following the effective date of the COC Agreement and ending on the date eighteen (18) months following a change of control of Infinera. The Compensation Committee believes that this "double-trigger" structure provides an appropriate balance between the corporate objectives described above and the potential compensation payable to each NEO upon a change of control. The Compensation Committee also believes that should Infinera engage in any discussions or negotiations relating to a change of control that the Board believes is in the best interests of our stockholders, these COC Agreements will help to ensure that our NEOs remain focused on the consummation of such potential transaction, without significant distraction or concern regarding their personal circumstances, such as continued employment.

The following terms apply with respect to each of the NEOs if Infinera undergoes a change of control and the NEO's employment is terminated without cause or as a result of a constructive termination during the Change of Control Period, subject to such individual entering into and not revoking a release of claims in our favor within 60 days of the termination date:

100% of all outstanding equity awards will vest (awards based on the achievement of performance criteria will vest as to 100% of the amount of the award assuming the performance criteria have been achieved at target levels);

Our CEO will be paid a lump sum severance payment (less applicable tax withholdings) equal to two times his annual base salary and our other NEOs will be paid a lump sum severance payment (less applicable tax withholdings) equal to one and one-half times their annual base salary;

Our CEO will be paid a lump sum severance payment (less applicable tax withholdings) equal to two times his annual target incentive bonus amount and our other NEOs will be paid a lump sum severance payment (less applicable tax withholdings) equal to one and one-half times their annual target incentive bonus amount; and

Our CEO will be reimbursed for premiums under COBRA for a period of 24 months and our other NEOs will be reimbursed for premiums under COBRA for a period of 18 months.

Each COC Agreement will have an initial term of three years commencing on the effective date of such COC Agreement. On the third anniversary of the effective date, such COC Agreement will renew automatically for an additional, one-year term unless either party provides the other party with written notice of nonrenewal at least one year prior to the date of automatic renewal.

Executive Severance Policy

In addition to the change of control-related payments and benefits discussed above, the Compensation Committee has taken appropriate steps to provide competitive post-employment compensation arrangements that promote the continued attention, dedication and continuity of the members of our senior management team, including our NEOs, and enable us to continue to recruit talented senior executive officers. Accordingly, the Compensation Committee has adopted an executive severance policy, under which the following severance payments and benefits will become payable if the employment of one of our NEOs is terminated by us without

Table of Contents

cause (as defined in the policy) subject to such individual entering into and not revoking a release of claims in our favor:

Our CEO will be paid a lump sum severance payment equal to one and one-half times his annual base salary and our other NEOs will be paid a lump sum severance payment equal to their annual base salary; and

Our CEO will be reimbursed for premiums under COBRA for a period of 18 months and our other NEOs will be reimbursed for premiums under COBRA for a period of 12 months.

If an NEO's employment with Infinera is less than one year, the amount of severance payable to such individual will be equal to the lesser of (x) the base salary paid to such individual during his or her period of employment, or (y) the severance amount set forth above.

Acceleration of Equity Awards upon Death or Disability. In addition, all awards granted under our equity incentive plans permit accelerated vesting in the event of an employee's death or terminal illness (with exceptions in certain circumstances). Because we do not have any policy with respect to severance payments or benefits in the event of an employee's death or disability other than certain disability and life insurance benefits generally available to our employees, the Compensation Committee believes that in the event of an employee's death or terminal illness, it would be appropriate to provide the accelerated vesting of his or her RSU awards, PSU awards and stock options.

The estimated payments and benefits that would be received by each NEO in connection with a qualifying termination of employment are presented in the section entitled "Estimated Payments and Benefits upon Termination, Change of Control or Death/Disability" below.

Equity Grant Policy

Under our Equity Grant Policy, a Subcommittee of the Compensation Committee has been delegated the authority to grant new hire, promotional and annual retention equity awards to non-executive employees pursuant to certain pre-approved guidelines. This Subcommittee is typically comprised of our CEO, SVP of Human Resources and General Counsel.

The Subcommittee generally meets on the second Monday of each month to approve new hire and promotional equity awards. Annual retention equity awards for such non-executive employees are also scheduled to occur as part of the monthly meetings of the Subcommittee. The delegation to the Subcommittee does not include the authority to grant equity awards to new employees who are or are reasonably expected to become Section 16 Officers or to current Section 16 Officers.

Executive Clawback Policy

We maintain an Executive Clawback Policy that applies to our Section 16 Officers (which includes each of our NEOs) and directors. Pursuant to this policy, the Compensation Committee has the authority to seek:

Repayment of any cash incentive payment;

Cancellation of unvested, unexercised or unreleased equity awards; and

Repayment of any compensation earned on previously exercised or released equity awards, where such payments, equity awards and/or compensation earned on previously exercised or released cash incentive payments and equity awards was predicated on financial results that were augmented by fraud, embezzlement, gross negligence or deliberate disregard of applicable rules resulting in significant monetary loss, damage or injury to Infinera (the Excess Compensation), whether or not such activity resulted in a financial restatement. The Compensation Committee shall have sole discretion under this policy, consistent with any applicable statutory requirements, to seek reimbursement for any Excess Compensation paid or received by a Section 16 Officer or director for up to a 12-month period prior to the date of the Compensation Committee action to require reimbursement of the Excess Compensation. Further, following a restatement of our financial statements, we will recover any compensation received by our CEO and CFO that is required to be recovered by Section 304 of the Sarbanes-Oxley Act of 2002.

Table of Contents

For purposes of this policy, Excess Compensation will be measured as the positive difference, if any, between the compensation earned by a Section 16 Officer or director and the compensation that would have been earned by a Section 16 Officer or director had the fraud, embezzlement, gross negligence or deliberate disregard of applicable rules resulting in significant monetary loss, damage or injury to Infinera not occurred.

Stock Ownership Policy

The Board believes that it is important to link the interests of our NEOs to those of our stockholders. Our Stock Ownership Policy requires our non-employee directors and Section 16 Officers (which includes each of our NEOs) to accumulate and hold a minimum number of shares of Infinera common stock within three years of the later of (i) the effective date of the policy or (ii) the date of appointment of the director or appointment/promotion of the Section 16 Officer. As of the Record Date, each of our Section 16 Officers and the non-employee members of the Board has either satisfied these ownership guidelines or had time remaining to do so. The specific Infinera stock ownership requirements for our Section 16 Officers and non-employee directors are as follows:

CEO:	4x annual base salary
CFO:	2x annual base salary
Other NEOs:	1x annual base salary
Non-employee directors:	4x annual cash retainer for annual Board service

Shares of Infinera common stock that count towards satisfaction of this policy include: (i) shares owned outright by the Section 16 Officer or non-employee director or his or her immediate family members residing in the same household; (ii) shares held in trust for the benefit of the Section 16 Officer or non-employee director or his or her family; and (iii) shares subject to vested, unexercised, in-the-money stock options (the spread or intrinsic value of options). The value of a share of Infinera common stock is measured on the last day of the fiscal year as the greater of (i) the closing price on the date of calculation or (ii) the purchase price actually paid by the person for such share of Infinera common stock (for the avoidance of doubt, the purchase price for shares of Infinera common stock subject to RSU awards, PSU awards and other similar full value awards is zero).

Anti-hedging Policy

Under our Insider Trading Policy, we prohibit our employees, including our NEOs, and Board members, from hedging the risk associated with ownership of shares of Infinera common stock and other securities.

Anti-pledging Policy

Under our Insider Trading Policy, we prohibit our NEOs and directors from pledging any Infinera securities as collateral for a loan.

Tax and Accounting Treatment of Compensation

Prior to 2018, Section 162(m) of the Code generally limited the tax deductibility of compensation paid to the CEO and each of the next three most highly compensated executive officers (excluding the CFO) that exceeded \$1 million in any taxable year unless the compensation over \$1 million qualified as performance-based within the meaning of Section 162(m).

The ability to rely on the performance-based compensation exception under Section 162(m) was eliminated in 2017 and the \$1 million limitation on deductibility generally was expanded to include any individuals serving as the CEO or CFO during the tax year, the next three most highly compensated executive officers during the tax year and any other individual who was considered a covered employee for any prior tax year beginning after 2016. Thus, we generally will not be able to take a deduction for any compensation paid to our NEOs in excess of \$1 million unless the compensation qualifies for transition relief applicable to certain arrangements in place on November 2, 2017. We cannot guarantee that any compensation payable to our NEOs will qualify for the transition relief or that the compensation will ultimately be deductible. Historically, the Compensation Committee had not adopted a formal policy regarding tax deductibility of compensation paid to our CEO and other senior executive officers. Nonetheless, the Compensation Committee intends to maintain an approach to executive compensation that strongly links pay to performance.

Table of Contents

We account for the equity compensation awarded to our executive officers and other employees under ASC 718, which requires us to estimate and record an expense for each award of equity compensation over the service period of the award. Accounting rules also require us to record cash compensation as an expense at the time the obligation is incurred.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on its review and discussions with management, the Compensation Committee has recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

Compensation Committee

Marcel Gani (Chair)

Gregory P. Dougherty (appointed as of January 29, 2019)

Paul J. Milbury

John P. Daane (replaced by Mr. Dougherty as of January 29, 2019)

Table of Contents**EXECUTIVE COMPENSATION TABLES**

The following tabular information and accompanying narratives and footnotes provide all of the compensation awarded to, earned by, or paid to the individuals who served as our principal executive officer, principal financial officer and our three other highest paid executive officers during fiscal 2018. As previously noted, we refer to these executive officers as our NEOs.

Fiscal 2018 Summary Compensation Table

Name and Principal		Non-Equity Incentive All						
		Salary	Bonus	Stock Awards	Option Awards	Plan Compensation	Other Compensation	Total
Position	Year	(\$)	(\$)	(\$) ⁽¹⁾	(\$)	(\$) ⁽²⁾	(\$) ⁽³⁾	(\$)
Thomas J. Fallon	2018	520,000		4,362,442			468	4,882,910
Chief Executive Officer	2017	630,000		4,250,478			312	4,880,790
	2016	648,308		3,300,134		134,062 ⁽⁴⁾	312	4,082,816
Brad D. Feller	2018	400,000		1,351,009			468	1,751,477
Chief Financial Officer	2017	400,000		1,258,532			312	1,658,844
	2016	399,385		981,030		49,500 ⁽⁴⁾	312	1,430,227
David F. Welch, Ph.D. ⁽⁵⁾	2018	450,000		1,351,009			468	1,801,477
Chief Innovation Officer	2017	492,308		4,250,478			312	4,743,098
	2016	499,231		3,300,134		74,250 ⁽⁴⁾	312	3,873,927
David W. Heard ⁽⁶⁾	2018	503,077		1,783,609			468	2,287,154
Chief Operating Officer	2017	278,846	215,750 ⁽⁷⁾	2,526,000			312	3,020,908
Robert J. Jandro	2018	365,000		1,043,955			468	1,409,423
Senior Vice President,	2017	365,000		1,195,615			285	1,560,900
Worldwide Sales	2016	364,769		952,176		60,225 ⁽⁴⁾	285	1,377,455

(1) The amounts reported in this column represent the aggregate grant date fair value of the listed equity awards, computed in accordance with ASC 718. See Notes 2 and 15 of the notes to our consolidated financial statements contained in our 2018 Annual Report on Form 10-K filed on March 14, 2019 for a discussion of all assumptions made by us in determining the ASC 718 values of equity awards.

(2) The amounts reported in this column represent payouts under our annual cash incentive plan.

(3) The amounts reported in this column represent payments of life insurance premiums.

(4) The amounts reported represent the annual incentive cash awards earned under our bonus plan for fiscal 2016.

(5) Dr. Welch transitioned from serving as our Chief Strategy and Technology Officer to our Chief Innovation Officer, as of October 1, 2018.

(6) Mr. Heard transitioned from serving as our General Manager, Products and Solutions to our COO, as of October 1, 2018.

(7) Mr. Heard was not eligible to participate in the 2017 Bonus Plan; however, in connection with his new hire package, he received a one-time bonus in the amount of \$215,750, which was paid out at the same time as the 2017 bonus for all Infinera employees in April 2018.

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

The following table sets forth information regarding fiscal 2018 annual cash incentive compensation and equity awards granted to our NEOs during fiscal 2018.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Awards: Number of Shares or Units of Stock Underlying Options or	Exercise or All Other Plan-Based Awards: Number of Securities Underlying Options or	Grant Date	Fair Value of Stock and Option Awards (\$) ⁽¹⁾
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
Thomas J. Fallon	2/15/2018		650,000 ⁽²⁾	975,000							
	2/15/2018							135,416 ⁽³⁾			1,299,994
	2/15/2018					203,125 ⁽⁴⁾	406,250 ⁽⁴⁾				3,062,448
Brad D. Feller	2/15/2018		500,000 ⁽²⁾	750,000							
	2/15/2018							68,750 ⁽³⁾			660,000
	2/15/2018	&nb									