

FORTINET INC
Form S-8
March 03, 2014

As filed with the Securities and Exchange Commission on March 3, 2014
Registration No. 333-

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

FORM S-8
REGISTRATION STATEMENT
Under
The Securities Act of 1933

FORTINET, INC.
(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
1090 Kifer Road
Sunnyvale, California 94086
(Address, including zip code, of principal executive offices)

77-0560389
(I.R.S. Employer
Identification Number)

2009 Equity Incentive Plan
(Full title of the plan)

John Whittle
Vice President and General Counsel
Fortinet, Inc.
1090 Kifer Road
Sunnyvale, California 94086
(Name and address of agent for service)
408-235-7700
(Telephone number, including area code, of agent for service)

Copy to:
Jeffrey R. Vetter
Shulamite S. White
Fenwick & West LLP
801 California Street
Mountain View, California 94041
650-988-8500

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

Large accelerated filer Accelerated filer
 Non-accelerated filer (Do not check if smaller reporting company) Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common stock, \$0.001 par value per share, to be issued under the 2009 Equity Incentive Plan	8,076,703 (2)	\$22.78 (3)	\$183,987,294.34	\$23,697.56

- Pursuant to Rule 416(a) of the Securities Act of 1933, as amended, this Registration Statement shall also cover any additional shares of the Registrant's common stock that become issuable under the 2009 Equity Incentive Plan by reason of any stock dividend, stock split, recapitalization or other similar transaction effected without receipt of consideration that increases the number of the Registrant's outstanding shares of common stock.
- (1) Reflects an automatic annual increase on January 1, 2014 to the number of shares of the Registrant's common stock reserved for issuance under the 2009 Equity Incentive Plan, which annual increase is provided for in the 2009 Equity Incentive Plan.
- (2) Estimated in accordance with Rules 457(h) solely for the purpose of calculating the registration fee. The proposed maximum offering price per share of \$22.78 was computed by averaging the high and low prices of a share of the Registrant's common stock as reported on The NASDAQ Global Select Market on February 24, 2014.
- (3)

FORTINET, INC.

REGISTRATION STATEMENT ON FORM S-8

PART I

INFORMATION REQUIRED IN THE PROSPECTUS

The documents containing the information specified in Item 1 and Item 2 of this Registration Statement on Form S-8 (the "Registration Statement") will be sent or given to employees, officers, directors or others as specified by Rule 428(b)(1) under the Securities Act of 1933, as amended (the "Securities Act"). In accordance with the rules and regulations of the Securities and Exchange Commission (the "Commission") and the instructions to the Registration Statement, such documents are not being filed with the Commission either as part of this Registration Statement or as prospectuses or prospectus supplements pursuant to Rule 424.

PART II

INFORMATION REQUIRED IN REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

There are hereby incorporated by reference in this Registration Statement the following documents and information heretofore filed by Fortinet, Inc. (the "Registrant") with the Commission:

(1) The Registrant's annual report on Form 10-K for the fiscal year ended December 31, 2013, filed with the Commission on March 3, 2014, pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and

(2) The description of the Registrant's common stock contained in the Registrant's Registration Statement on Form 8-A (File No. 001-34511) filed with the Commission on October 28, 2009, pursuant to Section 12(b) of the Exchange Act, including any amendment or report filed for the purpose of updating such description.

All documents filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act on or after the date of this Registration Statement and prior to the filing of a post-effective amendment to this Registration Statement that indicate that all securities offered have been sold or that deregisters all securities then remaining unsold shall be deemed to be incorporated by reference in this Registration Statement (other than Current Reports on Form 8-K or portions thereof containing Regulation FD disclosure furnished under Item 7.01 or Results of Operations and Financial Condition disclosure furnished under Item 2.02 and exhibits relating to such disclosures, unless otherwise specifically stated in such Current Report on Form 8-K) and to be part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained in any subsequently filed document which also is deemed to be incorporated by reference herein modifies or supersedes such statement.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law authorizes a corporation's board of directors to grant, and authorizes a court to award, indemnity to officers, directors and other corporate agents.

II-1

As permitted by Section 102(b)(7) of the Delaware General Corporation Law, or DGCL, the Registrant's certificate of incorporation includes provisions that eliminate the personal liability of its directors and officers for monetary damages for breach of their fiduciary duty as directors and officers.

In addition, as permitted by Section 145 of the DGCL, the bylaws of the Registrant provide that:

- The Registrant shall indemnify its directors and officers for serving the Registrant in those capacities or for serving other business enterprises at the Registrant's request, to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the registrant and, with respect to any criminal proceeding, had no reasonable cause to believe such person's conduct was unlawful.
- The Registrant may, in its discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law.
- The Registrant is required to advance expenses, as incurred, to its directors and officers in connection with defending a proceeding, except that such director or officer shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification.
- The Registrant will not be obligated pursuant to the bylaws to indemnify a person with respect to proceedings initiated by that person, except with respect to proceedings authorized by the Registrant's board of directors or brought to enforce a right to indemnification.
- The rights conferred in the bylaws are not exclusive, and the Registrant is authorized to enter into indemnification agreements with its directors, officers, employees and agents and to obtain insurance to indemnify such persons.
- The Registrant may not retroactively amend the bylaw provisions to reduce its indemnification obligations to directors, officers, employees and agents.

The Registrant's policy is to enter into separate indemnification agreements with each of its directors and officers that provide the maximum indemnity allowed to directors and executive officers by Section 145 of the DGCL and also provides for certain additional procedural protections. The Registrant also maintains directors and officers insurance to insure such persons against certain liabilities.

These indemnification provisions and the indemnification agreements entered into between the Registrant and its officers and directors may be sufficiently broad to permit indemnification of the Registrant's officers and directors for liabilities (including reimbursement of expenses incurred) arising under the Securities Act.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

Exhibit Description

- | | |
|-----|--|
| 4.1 | 2009 Equity Incentive Plan and forms of restricted stock unit award and restricted stock agreements thereunder (incorporated by reference to Exhibit 10.4 filed with the Registrant's Registration Statement on Form S-1/A (File No. 333-161190) on August 10, 2009) |
| 4.2 | Forms of stock option agreements under the 2009 Equity Incentive Plan (incorporated by reference to Exhibit 10.5 filed with the Registrant's annual report on Form 10-K (File No. 001-34511) on February 25, 2011) |
| 4.3 | Form of performance stock unit award agreement under the 2009 Equity Incentive Plan (incorporated by reference to Exhibit 99.1 filed with the Registrant's annual report on Form 10-K (File No. 001-34511) on August 6, 2013) |

- 5.1 Opinion of Fenwick & West LLP
- 23.1 Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm
- 23.2 Consent of Fenwick & West LLP (included in Exhibit 5.1)
- 24.1 Power of Attorney (See page II-4)

II-2

Item 9. Undertakings.

A. The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

Provided, however, that paragraphs (A)(1)(i) and (A)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

B. The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

C. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Sunnyvale, State of California, on this 3rd day of March, 2014.

FORTINET, INC.

By: /s/ Ken Xie
 Ken Xie
 Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Ken Xie and Andrew Del Matto, and each of them, as his true and lawful attorney in fact and agent with full power of substitution, for him in any and all capacities, to sign any and all amendments to this registration statement (including post effective amendments or any abbreviated registration statement and any amendments thereto filed pursuant to Rule 462(b) increasing the number of securities for which registration is sought), and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney in fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney in fact and agent, or his substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Ken Xie Ken Xie	Chief Executive Officer and Chairman (Principal Executive Officer)	March 3, 2014
/s/ Andrew Del Matto Andrew Del Matto	Chief Financial Officer (Principal Financial and Accounting Officer)	March 3, 2014
/s/ Michael Xie Michael Xie	President, Chief Technology Officer and Director	March 3, 2014
/s/ Ming Hsieh Ming Hsieh	Director	March 3, 2014
/s/ Chenming Hu Chenming Hu	Director	March 3, 2014
/s/ Hong Liang Lu Hong Liang Lu	Director	March 3, 2014
/s/ William H. Neukom William H. Neukom	Director	March 3, 2014
/s/ Christopher B. Paisley Christopher B. Paisley	Director	March 3, 2014

II-4

INDEX TO EXHIBITS

Exhibit Description

- | | |
|------|--|
| 4.1 | 2009 Equity Incentive Plan and forms of restricted stock unit award and restricted stock agreements thereunder (incorporated by reference to Exhibit 10.4 filed with the Registrant's Registration Statement on Form S-1/A (File No. 333-161190) on August 10, 2009) |
| 4.2 | Forms of stock option agreements under the 2009 Equity Incentive Plan (incorporated by reference to Exhibit 10.5 filed with the Registrant's annual report on Form 10-K (File No. 001-34511) on February 28, 2012) |
| 4.3 | Form of performance stock unit award agreement under the 2009 Equity Incentive Plan (incorporated by reference to Exhibit 99.1 filed with the Registrant's annual report on Form 10-K (File No. 001-34511) on August 6, 2013) |
| 5.1 | Opinion of Fenwick & West LLP |
| 23.1 | Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm |
| 23.2 | Consent of Fenwick & West LLP (included in Exhibit 5.1) |
| 24.1 | Power of Attorney (See page II-4) |