

SALESFORCE COM INC
Form DEF 14A
May 07, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

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

salesforce.com, inc.

(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):

- 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 the transaction applies:

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 - (4) Proposed maximum aggregate value of the transaction:

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 - (2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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salesforce.com, inc.

The Landmark @ One Market

Suite 300

San Francisco, California 94105

May 7, 2014

Dear Stockholder:

You are cordially invited to attend the 2014 Annual Meeting of Stockholders (the Annual Meeting) of salesforce.com, inc. on Monday, June 2, 2014 at 2:00 p.m., local time, at 50 Fremont Street, San Francisco, California 94105.

Details regarding admission to the Annual Meeting and the business to be conducted are described in the accompanying Notice of Annual Meeting and Proxy Statement. Included with the Proxy Statement is a copy of our 2014 Annual Report.

Your vote is important. Whether or not you plan to attend the Annual Meeting, please vote as soon as possible. You may vote by mailing a completed proxy card, by telephone, or over the Internet. Your vote by proxy will ensure your representation at the Annual Meeting regardless of whether or not you attend in person.

Thank you for your ongoing support of salesforce.com. We look forward to seeing you at our Annual Meeting.

Aloha,

Marc Benioff

Chairman of the Board of Directors and

Chief Executive Officer

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salesforce.com, inc.

The Landmark @ One Market

Suite 300

San Francisco, California 94105

NOTICE OF 2014 ANNUAL MEETING OF STOCKHOLDERS

To be held Monday, June 2, 2014

TO THE STOCKHOLDERS OF SALESFORCE.COM, INC.:

NOTICE IS HEREBY GIVEN that the 2014 Annual Meeting of Stockholders (the Annual Meeting) of salesforce.com, inc., a Delaware corporation, will be held on Monday, June 2, 2014 at 2:00 p.m., local time, at 50 Fremont Street, San Francisco, California 94105, for the following purposes:

1. To elect Marc Benioff, Keith Block, Craig Conway, Alan Hassenfeld, Colin Powell, John V. Roos, Lawrence Tomlinson and Robin Washington to serve as directors until the next Annual Meeting of Stockholders and until their successors are duly elected and qualified, subject to earlier resignation or removal;
2. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2015;
3. To approve, on an advisory basis, named executive officer compensation; and
4. To transact such other business as may properly come before the Annual Meeting.

The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice. We are not aware of any other business to come before the Annual Meeting.

Only stockholders of record at the close of business on April 8, 2014 and their proxies are entitled to attend and vote at the Annual Meeting and any and all adjournments, continuations or postponements thereof.

All stockholders are invited to attend the Annual Meeting in person. Any stockholder attending the Annual Meeting may vote in person even if such stockholder returned a proxy. You will need to bring the enclosed Admission Ticket or proof of ownership of salesforce.com stock as of the record date to enter the Annual Meeting.

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This Notice, the Proxy Statement and the 2014 Annual Report are first being mailed to stockholders on or about May 7, 2014.

By Order of the Board of Directors

Burke F. Norton

Chief Legal Officer and Secretary

San Francisco, California

May 7, 2014

ALL STOCKHOLDERS ARE INVITED TO ATTEND THE ANNUAL MEETING IN PERSON. WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY AS PROMPTLY AS POSSIBLE IN ORDER TO ENSURE YOUR REPRESENTATION AT THE ANNUAL MEETING. A RETURN ENVELOPE (WHICH IS POSTAGE PREPAID IF MAILED IN THE UNITED STATES) IS ENCLOSED FOR THE PURPOSE OF RETURNING YOUR PROXY CARD. YOU MAY ALSO VOTE BY TELEPHONE OR OVER THE INTERNET. EVEN IF YOU HAVE GIVEN YOUR PROXY, YOU MAY STILL VOTE IN PERSON IF YOU ATTEND THE ANNUAL MEETING. PLEASE NOTE, HOWEVER, THAT IF YOUR SHARES ARE HELD OF RECORD BY A BROKER, BANK OR OTHER NOMINEE AND YOU WISH TO VOTE AT THE ANNUAL MEETING, YOU MUST OBTAIN FROM THE RECORD HOLDER A PROXY ISSUED IN YOUR NAME.

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SALESFORCE.COM, INC.

PROXY STATEMENT

FOR

2014 ANNUAL MEETING OF STOCKHOLDERS

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ABOUT THE ANNUAL MEETING

Who is soliciting my vote?

The Board of Directors of salesforce.com, inc. (the Board) is soliciting your vote at the 2014 Annual Meeting of Stockholders (the Annual Meeting) of salesforce.com, inc.

When and where will the Annual Meeting take place?

The Annual Meeting will take place on Monday, June 2, 2014 at 2:00 p.m., local time, at 50 Fremont Street, San Francisco, California 94105.

What will I be voting on?

You will be voting on:

1. the election of Marc Benioff, Keith Block, Craig Conway, Alan Hassenfeld, Colin Powell, John V. Roos, Lawrence Tomlinson and Robin Washington to serve as directors until the next Annual Meeting of Stockholders and until their successors are duly elected and qualified, subject to earlier resignation or removal;
 2. the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2015;
 3. an advisory vote to approve named executive officer compensation; and
 4. any such other business as may properly come before the Annual Meeting.
- An agenda and rules of procedure will be distributed at the Annual Meeting.

What are the Board's voting recommendations?

The Board recommends that you vote your shares:

FOR each of Marc Benioff, Keith Block, Craig Conway, Alan Hassenfeld, Colin Powell, John V. Roos, Lawrence Tomlinson and Robin Washington;

FOR ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2015; and

FOR the proposal regarding an advisory vote to approve named executive officer compensation.

How many votes do I have?

You will have one vote for every share of salesforce.com common stock you owned as of April 8, 2014, our record date.

How do I vote?

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You can vote either in person at the Annual Meeting or by proxy whether or not you attend the Annual Meeting.

To vote by proxy, you must either:

fill out the enclosed proxy card, date and sign it, and return it in the enclosed postage-prepaid envelope;

vote by telephone (instructions are on the proxy card); or

vote over the Internet (instructions are on the proxy card).

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If you want to vote in person at the Annual Meeting, and you hold your salesforce.com stock through a brokerage firm, bank, broker-dealer, trust or other similar organization (that is, in street name), you must obtain a proxy from your broker and bring that proxy to the Annual Meeting.

Do I need a ticket to attend the Annual Meeting?

Yes, a stockholder must bring the enclosed Admission Ticket or other proof of ownership of salesforce.com stock as of the record date, as well as photo identification for entrance to the Annual Meeting.

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salesforce.com, inc.

The Landmark @ One Market

Suite 300

San Francisco, California 94105

PROXY STATEMENT FOR 2014 ANNUAL MEETING OF STOCKHOLDERS

PROCEDURAL MATTERS

General

The Board of Directors of salesforce.com, inc., a Delaware corporation (salesforce.com, the Company, we, us, or our), is soliciting your vote with this Proxy Statement and the enclosed proxy card for use at our 2014 Annual Meeting of Stockholders (the Annual Meeting), to be held on Monday, June 2, 2014 at 2:00 p.m., local time, and for any adjournment or postponement of the Annual Meeting. Our Annual Meeting will be held at 50 Fremont Street, San Francisco, California 94105. You will need to bring the enclosed Admission Ticket or other proof of ownership of salesforce.com stock as of the record date, as well as photo identification, to enter the Annual Meeting. Our Annual Report for the fiscal year ended January 31, 2014, or fiscal 2014, including our financial statements for fiscal 2014, is also enclosed. These proxy materials are first being mailed to stockholders on or about May 7, 2014.

Stockholders Entitled to Vote; Record Date

As of the close of business on April 8, 2014, the record date for determination of stockholders entitled to vote at the Annual Meeting, there were outstanding 613,806,986 shares of common stock of the Company, all of which are entitled to vote with respect to all matters to be acted upon at the Annual Meeting. Each stockholder of record is entitled to one vote for each share of common stock held by such stockholder.

All valid proxies received before the Annual Meeting will be voted according to the instructions thereon. Stockholders entitled to vote at the Annual Meeting may vote by completing, signing and dating the enclosed proxy card and returning it in the enclosed postage-prepaid envelope, or vote by telephone or over the Internet by following the instructions on the enclosed proxy card.

Quorum; Abstentions; Broker Non-Votes

The Company's Bylaws provide that a majority of all shares entitled to vote, whether present in person or by proxy, will constitute a quorum for the transaction of business at the Annual Meeting.

Shares that are voted abstain and broker non-votes (as defined below) are counted as present and entitled to vote and are, therefore, included for purposes of determining whether a quorum is present at the Annual Meeting.

In the election of directors, any vote you make that is an abstain for any nominee will not impact the election of that nominee. In tabulating the voting results for the election of directors, only for and against votes are counted.

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For the other proposals, an abstain vote is the same as voting against the proposal.

If you hold your common stock through a broker, the broker may be prevented from voting shares held in your brokerage account (a broker non-vote) unless you have given the broker voting instructions. Thus, if you hold your common stock through a broker, it is critical that you cast your vote if you want it to count. If you hold your common stock through a broker and you do not instruct your broker how to vote on Proposals 1 and 3, it will be considered a broker non-vote and no votes will be cast on your behalf with respect to such Proposal(s).

Your broker will have discretion to vote any uninstructed shares on Proposal 2, the ratification of the appointment of the Company's independent registered public accounting firm.

Voting; Revocability of Proxies

Voting by attending the meeting. Stockholders whose shares are registered in their own names may vote their shares in person at the Annual Meeting. Stockholders whose shares are held beneficially through a brokerage firm, bank, broker-dealer, trust or other similar organization (that is, in street name) may be voted in person at the Annual Meeting only if such stockholders obtain a legal proxy from the broker, bank, trustee or nominee that holds their shares giving the stockholders the right to vote the shares. Even if you plan to attend the Annual Meeting, we recommend that you also submit your proxy or voting instructions as described below so that your vote will be counted if you later decide not to attend the Annual Meeting. If a stockholder attends the Annual Meeting and validly submits his or her vote in person, any previous votes that were submitted by the stockholder will be superseded by the vote that such stockholder validly casts at the Annual Meeting. Your attendance at the Annual Meeting in and of itself will not revoke any prior votes you may have cast. For directions to attend the Annual Meeting, please contact Investor Relations by telephone at (415) 536-6250.

Voting of proxies; Discretionary Voting. Stockholders may vote (1) by returning a proxy card, (2) by telephone or (3) over the Internet. If you wish to vote by mail, please complete, sign and return the proxy card in the self-addressed, postage-prepaid envelope provided. All shares entitled to vote and represented by properly executed proxy cards received prior to the Annual Meeting, and not revoked, will be voted at the Annual Meeting in accordance with the instructions indicated on those proxy cards. If you wish to vote by telephone or over the Internet, please follow the specific instructions set forth on the enclosed proxy card. The telephone and Internet voting procedures are designed to authenticate the stockholder's identity and to allow stockholders to vote their shares and confirm that their voting instructions have been properly recorded. If you vote by telephone or over the Internet, you do not need to complete and mail your proxy card. If you do not provide specific voting instructions on a properly executed proxy card or when voting over the phone or Internet, your shares will be voted as recommended by the Board of Directors.

If any other matters are properly presented for consideration at the Annual Meeting, including, among other things, consideration of a motion to adjourn the Annual Meeting to another time or place (including, without limitation, for the purpose of soliciting additional proxies), the persons named in the enclosed proxy card and acting thereunder will have discretion to vote on those matters in accordance with their best judgment. The Company does not currently anticipate that any other matters will be raised at the Annual Meeting.

Effect of not casting your vote. If you hold your shares in street name it is critical that you cast your vote if you want it to count in the election of directors and the advisory vote to approve named executive officer compensation (Proposals 1 and 3 of this Proxy Statement). Your bank or broker will have discretion to vote any uninstructed shares on the ratification of the appointment of the Company's independent registered public accounting firm (Proposal 2 of this Proxy Statement).

If you are a stockholder of record, it is also critical that you cast your vote. If you do not cast your vote, no votes will be cast on your behalf on any of the items of business at the Annual Meeting.

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Revocability of proxy. You may revoke your proxy by (1) filing with the Secretary of the Company, at or before the taking of the vote at the Annual Meeting, a written notice of revocation or a duly executed proxy card, in either case dated later than the prior proxy card relating to the same shares, (2) attending the Annual Meeting and voting in person (although attendance at the Annual Meeting will not in and of itself revoke a proxy), or (3) entering a new vote by telephone or over the Internet. Any written notice of revocation or subsequent proxy card must be received by the Secretary of the Company 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 the Secretary of the Company or should be sent to the Company's principal executive offices, salesforce.com, inc., The Landmark @ One Market, Suite 300, San Francisco, California 94105, Attention: Corporate Secretary.

If a broker, bank or other nominee holds your shares, you must contact them in order to find out how to change your vote.

Expenses of Solicitation

The Company will bear the entire cost of solicitation, including the preparation, assembly, printing and mailing of this Proxy Statement, the proxy card and any additional solicitation materials furnished to stockholders. In addition, the Company may arrange with brokerage houses and other custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the stock held of record by such persons, and the Company will reimburse them for their reasonable out-of-pocket expenses. The Company may use the services of the Company's directors, officers, employees and others to solicit proxies, personally or by telephone, without additional compensation. The Company has retained Morrow & Co., LLC, 470 West Ave., Stamford, Connecticut, 06902, a proxy solicitation firm, for assistance in connection with the Annual Meeting at a cost of approximately \$12,500, plus reasonable out-of-pocket expenses.

Procedure for Submitting Stockholder Proposals

All proposals of stockholders intended to be presented at the next annual meeting of stockholders of the Company, regardless of whether such proposals are intended to be included in the Company's proxy statement for the next annual meeting of the stockholders of the Company, must satisfy the requirements set forth in the advance notice of stockholder business provision under the Company's Bylaws. As summarized below, such provision states that in order for stockholder business to be properly brought before a meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Company at salesforce.com, inc., The Landmark @ One Market, Suite 300, San Francisco, California 94105, Attention: Corporate Secretary (our principal executive offices).

To be timely, a stockholder proposal must be received at the Company's principal executive offices no later than the 45th day and no earlier than the 75th day before the one-year anniversary of the date the Company's proxy statement was released to stockholders in connection with the previous year's annual meeting. If the date of the annual meeting is advanced by more than 30 days prior to or delayed by more than 60 days after the one-year anniversary of the date of the previous year's annual meeting, then notice must be received no earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting, or the tenth day following the day on which public announcement of the date of such annual meeting is first made. Stockholder proposals to be presented at the next annual meeting of stockholders must be received by the Secretary of the Company at the Company's principal executive offices no earlier than February 21, 2015 and no later than March 23, 2015.

To be in proper written form, a stockholder's notice to the Secretary of the Company shall set forth as to each matter of business the stockholder intends to bring before the annual meeting (i) a brief description of the business intended to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and address of the stockholder(s) proposing such business, (iii) the class and number of shares of the Company which are held of record or are beneficially owned by the stockholder(s),

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(iv) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of such stockholder(s) with respect to any securities or the Company, and a description of any other similar agreement, arrangement or understanding, (v) any material interest of the stockholder(s) in such business and (vi) a statement whether such stockholder(s) will deliver a proxy statement and form of proxy to the Company's stockholders. In addition, to be in proper written form, a stockholder's notice to the Secretary of the Company must be supplemented not later than ten days following the record date to disclose the information contained in clauses (iii) and (iv) in this paragraph as of the record date.

In addition, any stockholder proposal intended to be included in the Company's proxy statement for the next annual meeting of stockholders of the Company must also satisfy Securities and Exchange Commission, or SEC, regulations under Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the Exchange Act), and be received not later than January 7, 2015. In the event the date of the annual meeting is moved by more than 30 days from the date contemplated at the time of the previous year's proxy statement, then notice must be received within a reasonable time before the Company begins to print and send its proxy materials. Upon such an occurrence, the Company will publicly announce the deadline for submitting a proposal by means of disclosure in a press release or in a document filed with the SEC.

The requirements for providing advance notice of stockholder business as summarized above are qualified in their entirety by our Bylaws, which we recommend that you read in order to comply with the requirements for bringing a proposal. You may contact the Company's Secretary at our principal executive offices for a copy of our current Bylaws, including the relevant provisions regarding the requirements for making stockholder proposals and nominating director candidates, or you may refer to the copy of our Bylaws filed with the SEC on June 11, 2013 as Exhibit 3.2 to a Current Report on Form 8-K, available at www.sec.gov.

Delivery of Proxy Materials

To receive current and future proxy materials in either paper or electronic form, please contact Investor Relations at (415) 536-6250 or investor@salesforce.com.

The SEC has adopted rules that permit companies and intermediaries such as brokers to satisfy delivery requirements for proxy statements with respect to two or more stockholders sharing the same address by delivering a single proxy statement addressed to those stockholders, unless the Company has received contrary instructions from one or more of the stockholders. This process, which is commonly referred to as householding, potentially provides extra convenience for stockholders and cost savings for companies. The Company and some brokers household proxy materials, delivering a single set of materials per household, even if more than one stockholder resides in that household. If your proxy statement is being householded and you would like to receive separate copies, or if you are receiving multiple copies and would like to receive a single copy, please contact Investor Relations at (415) 536-6250 or investor@salesforce.com, or write to salesforce.com, inc., The Landmark @ One Market, Suite 300, San Francisco, California 94105, Attention: Investor Relations.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 2, 2014

The Notice and Proxy Statement and Annual Report are available at www.edocumentview.com/CRM.

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Our Board of Directors is composed of eleven directors who, subject to the phase-out of the classified board structure, serve until the next Annual Meeting and until their successors are elected and qualified, subject to earlier resignation or removal.

On June 6, 2013, the stockholders of the Company approved an amendment and restatement of the Company's Certificate of Incorporation to eliminate the classified structure of the Company's Board of Directors. In eliminating the classified board structure, no director's existing term was shortened and directors become subject to annual election once their classified terms expire. The phase-out of the classified board structure will be completed at the 2015 Annual Meeting of Stockholders.

Please see Proposal 1 in this Proxy Statement for more information about the election of our directors.

The names and certain information about members of our Board of Directors as of March 27, 2014 are set forth below. There are no family relationships among any of our directors or executive officers.

| Name | Positions and Offices Held with the Company | Class and Year in Which Term | | Age |
|----------------------|---|------------------------------|----------------|-----|
| | | Director Since | Will Expire | |
| Marc Benioff | Chairman of the Board and Chief Executive Officer | 1999 | | 49 |
| Keith Block | President, Vice Chairman and Director | 2013 | | 53 |
| Craig Conway | Director | 2005 | | 59 |
| Alan Hassenfeld | Director | 2003 | | 65 |
| Colin Powell | Director | 2014 | | 76 |
| Craig Ramsey | Director | 2003 | Class II, 2015 | 67 |
| Sanford R. Robertson | Director | 2003 | Class II, 2015 | 82 |
| John V. Roos | Director | 2013 | | 59 |
| Lawrence Tomlinson | Director | 2003 | | 73 |
| Robin Washington | Director | 2013 | | 51 |
| Maynard Webb | Director | 2006 | Class II, 2015 | 58 |

Marc Benioff co-founded salesforce.com in February 1999 and has served as Chairman of the Board of Directors since inception. He has served as Chief Executive Officer since November 2001. From 1986 to 1999, Mr. Benioff was employed at Oracle Corporation, where he held a number of positions in sales, marketing and product development, lastly as a Senior Vice President. Mr. Benioff also serves as Chairman of the Board of Directors of The Salesforce.com Foundation and serves as a member of the Board of Directors of Cisco Systems, Inc. Mr. Benioff received a B.S. in Business Administration from the University of Southern California, where he is also on the Board of Trustees.

Mr. Benioff's status as one of our founders, as well as his tenure as our Chief Executive Officer and Chairman of the Board of Directors, brings unique and invaluable experience to the Board of Directors. Further, his experience in sales, marketing and product development at other technology companies supports our conclusion that Mr. Benioff has the necessary and desired skills, experience and perspective to serve on our Board of Directors.

Keith Block has served as President, Vice Chairman and as a Director since June 2013. Prior to joining the Company, Mr. Block was employed at Oracle Corporation from 1986 to June 2012 where he held a number of positions, most recently as Executive Vice President, North America. Mr. Block serves on the Board of Trustees at the Concord Museum, the Board of Advisors at Carnegie-Mellon University Heinz Graduate School and the President's Advisory Council for Carnegie-Mellon University. Mr. Block received both a B.S. in Information Systems and a M.S. in Management & Policy Analysis from Carnegie-Mellon University.

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Mr. Block's extensive background in the technology sector and in business management, including his experience as an executive officer of a technology company, supports our conclusion that Mr. Block has the necessary and desired skills, experience and perspective to serve on our Board of Directors.

Craig Conway has served as a Director since October 2005. From April 1999 to October 2004, Mr. Conway served as President and Chief Executive Officer of PeopleSoft, Inc., an enterprise application software company. Mr. Conway also served as President and Chief Executive Officer of One Touch Systems from November 1996 to February 1999 and TGV Software from September 1993 to March 1996. Prior to that, Mr. Conway held executive management positions at a variety of leading technology companies including Executive Vice President at Oracle Corporation. Mr. Conway currently serves as a director and chairman of Guidewire Software, Inc., a publicly traded company. During the past five years, Mr. Conway also served as a director of Advanced Micro Devices, Inc., eMeter Corporation, Pegasystems Inc., Unisys Corporation and Kazeon Systems. Mr. Conway received a B.S. in computer science and mathematics from the State University of New York at Brockport.

Mr. Conway's extensive and broad background in business management, including his experience as president and chief executive officer of three technology companies, as well as his service on the boards of other publicly-held companies, supports our conclusion that Mr. Conway has the necessary and desired skills, experience and perspective to serve on our Board of Directors.

Alan Hassenfeld has served as a Director since December 2003. Mr. Hassenfeld has been a Director of Hasbro, Inc., a provider of children's and family entertainment products, since 1989. He served as its Chairman from 1989 to February 2008, and also served as its Chairman and Chief Executive Officer from 1989 to May 2003. Mr. Hassenfeld is a trustee of the Hasbro Charitable Trust and Hasbro Children's Foundation. Mr. Hassenfeld also serves as a director of Global Cornerstone Holdings Limited, a publicly traded company. He also serves as a director of The Salesforce.com Foundation and other not-for-profit organizations. Mr. Hassenfeld received a B.A. from the University of Pennsylvania.

Mr. Hassenfeld has an extensive and broad background in business management, including his experience as a chief executive officer. This deep business knowledge, combined with the leadership roles he plays within many philanthropic organizations, supports our conclusion that Mr. Hassenfeld has the necessary and desired skills, experience and perspective to serve on our Board of Directors.

General Colin Powell has served as a Director since March 2014. General Powell is a retired four star general and served for 35 years in the United States Army. He has served as U.S. National Security Advisor, Commander of the U.S. Army Forces Command, Chairman of the Joint Chiefs of Staff and was the 65th Secretary of State of the United States. General Powell is a member of the Board of Directors of the Council on Foreign Relations, the Chair of the Board of Visitors of the Colin Powell School for Civic and Global Leadership at the City College of New York and the Founder and Chairman Emeritus of the America's Promise Alliance. Since July 2005, General Powell has served as a strategic limited partner at Kleiner Perkins Caufield & Byers, a venture capital firm. General Powell received a B.S. from the City College of New York and M.B.A. from the George Washington University.

General Powell has an extensive background in management and leadership. This extensive experience, combined with his leadership positions in various philanthropic organizations, supports our conclusion that General Powell has the necessary and desired skills, experience and perspective to serve on our Board of Directors.

Craig Ramsey has served as a Director since April 2003. From July 2003 to September 2004, Mr. Ramsey served as Chief Executive Officer of Solidus Networks, Inc., a biometrics payments company. From March 1996 to April 2000, Mr. Ramsey served as Senior Vice President, Worldwide Sales, of Siebel Systems, Inc., a provider of eBusiness applications. From March 1994 to March 1996, Mr. Ramsey served as Senior Vice President,

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Worldwide Sales, Marketing and Support for nCube, a maker of massively parallel computers. From 1968 to 1994, Mr. Ramsey held various positions with Oracle Corporation, Amdahl and IBM. Mr. Ramsey currently serves as a member of the Board of Directors of the Glide Memorial Foundation. During the past five years, Mr. Ramsey has also served as a director of Solidus Networks Inc., M-Factor, Inc., Verticals onDemand, Guidewire Software, Inc. and Fan Appz. Mr. Ramsey received a B.A. in Economics from Denison University.

Mr. Ramsey's tenure at various technology companies has provided him with a meaningful background in management, including experience as a chief executive officer, and leadership experience in sales and marketing. This critical experience, along with his service on the boards of other publicly-held companies, supports our conclusion that Mr. Ramsey has the necessary and desired skills, experience and perspective to serve on our Board of Directors.

Sanford R. Robertson has served as a Director since October 2003. He is a principal of Francisco Partners, a technology buyout fund. Prior to founding Francisco Partners in January 2000, Mr. Robertson was the founder and chairman of Robertson, Stephens & Company, a technology investment bank. Mr. Robertson has been an active technology investor and advisor to several technology companies. Mr. Robertson was also the founder of Robertson, Colman, Siebel & Weisel, later renamed Montgomery Securities, another prominent technology investment bank. Mr. Robertson currently serves as a director of three publicly traded companies, Dolby Laboratories, Inc., Pain Therapeutics, Inc. and RPX Corporation. During the past five years, Mr. Robertson has also served as a director of the Schwab Charitable Fund. Mr. Robertson received a B.B.A. and M.B.A. from the University of Michigan.

Mr. Robertson brings valuable financial expertise to our Board of Directors. His extensive experience in investment banking, private equity and capital markets transactions, as well as his service on the boards of other publicly-held companies, supports our conclusion that Mr. Robertson has the necessary and desired skills, experience and perspective to serve on our Board of Directors.

John V. Roos has served as a Director since September 2013. From August 2009 to August 2013, he served as the U.S. Ambassador to Japan. Ambassador Roos currently serves as CEO of The Roos Group, a strategic consulting firm facilitating relationships between U.S. and Japan businesses. Since April 2014 he also has served as Senior Advisor to Centerview Partners, an international investment banking advisory firm, and since October 2013 he has served on the global advisory board of Mitsubishi UFJ Financial Group, a Japanese banking and financial network. From 1985 to August 2009, Ambassador Roos practiced corporate and securities law at Wilson Sonsini Goodrich & Rosati, P.C., where he most recently served as Chief Executive Officer. Ambassador Roos received an A.B. in Political Science and J.D. from Stanford University.

Ambassador Roos has an extensive and broad background in management and leadership. This extensive experience supports our conclusion that Ambassador Roos has the necessary and desired skills, experience and perspective to serve on our Board of Directors.

Lawrence Tomlinson has served as a Director since May 2003. Mr. Tomlinson retired from Hewlett-Packard Co. in June 2003. Prior to retiring from Hewlett-Packard, from 1993 to June 2003 Mr. Tomlinson served as its Treasurer, from 1996 to 2002 he was also a Vice President and from 2002 to June 2003 he was also a Senior Vice President. Mr. Tomlinson currently serves as a director of Coherent, Inc., a publicly-held company. Mr. Tomlinson has also served as a director of Therma-Wave, Inc. Mr. Tomlinson received a B.S. from Rutgers University and an M.B.A. from Santa Clara University.

Mr. Tomlinson is an experienced financial leader with the skills necessary to serve as a director and to lead our Audit Committee. He has a deep understanding of accounting principles and financial reporting rules and regulations, including how internal controls are effectively managed within organizations. Additionally, our Board of Directors' determination that Mr. Tomlinson is the Audit Committee's financial expert, as well as Mr. Tomlinson's service on the boards and audit committees of other public companies, supports our conclusion that Mr. Tomlinson has the necessary and desired skills, experience and perspective to serve on our Board of Directors.

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Robin Washington has served as a Director since September 2013. Ms. Washington has served as Executive Vice President and Chief Financial Officer of Gilead Sciences, Inc., a research-based biopharmaceutical company, since February 2014. She joined Gilead as Senior Vice President and Chief Financial Officer in May 2008. From 2006 to 2007, Ms. Washington served as Chief Financial Officer of Hyperion Solutions, an enterprise software company that was acquired by Oracle Corporation in March 2007. Prior to Hyperion, Ms. Washington served in a number of executive positions with PeopleSoft, a provider of enterprise application software, most recently as Senior Vice President and Corporate Controller. Ms. Washington currently serves as a member of the Board of Directors of Honeywell International, Inc. and the Board of Visitors of Graziadio School of Business and Management at Pepperdine University. During the past five years, Ms. Washington has also served as a director of the San Jose Children's Discovery Museum. Ms. Washington is a certified public accountant and received a B.A. in Business Administration from the University of Michigan and M.B.A. from Pepperdine University.

Ms. Washington brings extensive experience in management, operations and accounting in the technology sector to our Board of Directors. Additionally, her financial expertise in tax, financial reporting, accounting and controls, corporate finance, mergers and acquisitions and capital markets, along with her service on the boards of other public companies, supports our conclusion that Ms. Washington has the necessary and desired skills, experience and perspective to serve on our Board of Directors.

Maynard Webb has served as a Director since September 2006. From December 2006 to July 2011, Mr. Webb served as Chief Executive Officer of LiveOps, Inc., a provider of on-demand call center solutions. From June 2002 to August 2006, Mr. Webb served as Chief Operating Officer of eBay Inc., an online global marketplace. From August 1999 to June 2002, Mr. Webb served as President of eBay Technologies. Prior to that Mr. Webb served as Senior Vice President and Chief Information Officer at Gateway, Inc., a computer manufacturer, and Vice President and Chief Information Officer at Bay Networks, Inc., a manufacturer of computer networking products. Mr. Webb currently serves as a director of two publicly-held companies, Yahoo! Inc. and Visa Inc. Mr. Webb formerly served as Chairman of the Board of Directors of LiveOps, Inc., a privately-held company. During the past five years, Mr. Webb has also served as a director of Gartner, Inc., Hyperion Solutions Corporation, AdMob, Inc. and Baynote, Inc. Mr. Webb received a B.A.A. from Florida Atlantic University.

Mr. Webb brings extensive experience in management, engineering and technical operations to our Board of Directors. Additionally, his tenure in management positions at various technology companies, along with his service on the boards of other companies, supports our conclusion that Mr. Webb has the necessary and desired skills, experience and perspective to serve on our Board of Directors.

Board Independence

The Board of Directors has determined that, except for Mr. Benioff, Mr. Block, and General Powell, each of the directors of the Company has no material relationship with the Company and is independent within the meaning of the standards established by the New York Stock Exchange, or NYSE, as currently in effect. In making that determination, the Board of Directors considered all relevant facts and circumstances, including the director's commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships. The Board of Directors also adopted and applied the following standards, which provide that a director will not be considered independent if he or she:

is currently an employee of the Company or has an immediate family member who is an executive officer of the Company;

has been an employee of the Company within the past three years or has an immediate family member who has been an executive officer of the Company within the past three years;

has, or has an immediate family member who has, received within the past three years more than \$120,000 during any twelve month period in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);

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is a current partner or employee of a firm that is the Company's internal or external auditor; has an immediate family member who is a current partner of such a firm; has an immediate family member who is a current employee of such firm and personally works on the Company's audit, or; was, or has an immediate family member who was within the last three years a partner or employee of such a firm and personally worked on the Company's audit within that time;

has, or has an immediate family member who has, been employed as an executive officer of another company where any of the Company's present executives serve on the other company's compensation committee during the past three years; or

is employed as an executive officer or employee, or has an immediate family member who is currently employed as an executive officer, of another company that makes payments to, or receives payments from, the Company for property or services in an amount which, in any single fiscal year, exceeds the greater of (a) \$1 million or (b) 2% of such other company's consolidated gross revenues.

Board Leadership Structure

Currently, the Company's Chief Executive Officer, Marc Benioff, also serves as Chairman of the Board. The Board of Directors believes that the current Board leadership structure, coupled with a strong emphasis on Board independence, provides effective independent oversight of management while allowing both the Board and management to benefit from Mr. Benioff's leadership and years of experience in the Company's business. Serving as both Chairman of the Board and Chief Executive Officer since 2001, Mr. Benioff has been the director most capable of effectively identifying strategic priorities, leading critical discussion and executing the Company's strategy and business plans. Mr. Benioff possesses detailed and in-depth knowledge of the issues, opportunities, and challenges facing the Company and its business. Independent directors and management sometimes have different perspectives and roles in strategy development. The Company's independent directors bring experience, oversight and expertise from outside the Company, while the Chief Executive Officer brings company-specific experience and expertise. The Board of Directors believes that Mr. Benioff's combined role enables decisive leadership, ensures clear accountability, and enhances the Company's ability to communicate its message and strategy clearly and consistently to its stockholders, employees and customers.

In June 2007, the Board of Directors approved the creation of the position of Lead Independent Director. Sanford R. Robertson has served as the Lead Independent Director since June 2007, and his current two-year term will expire in June 2015. The Lead Independent Director presides over the meetings of the independent directors, serves as a liaison between the independent directors and the Chairman of the Board of Directors and Chief Executive Officer, and has such other authority as generally held by a lead independent director and as the independent directors shall determine from time to time.

Board Meetings and Director Communications

During fiscal 2014, the Board of Directors held eight meetings. During fiscal 2014, each director attended at least 75% of the aggregate of the total number of meetings of the Board of Directors and the total number of meetings held by any of the committees of the Board of Directors on which such director served. Directors are also expected to attend annual meetings of the stockholders of the Company absent an unavoidable and irreconcilable conflict. All of the directors attended the Company's 2013 Annual Meeting of Stockholders.

The non-management members of the Board of Directors also meet in regularly scheduled executive sessions without management present. At these sessions, the Lead Independent Director acts as Presiding Director. In the absence of the Lead Independent Director at any such executive session, the chair of the Audit and Finance Committee will serve as Presiding Director.

Stockholders and other interested parties may communicate with the Lead Independent Director, or with any and all other members of the Board of Directors, by mail to the Company's principal executive offices addressed to the intended recipient and care of our Corporate Secretary or by email to CorporateSecretary@salesforce.com.

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The Corporate Secretary maintains a log of such communications and transmits them promptly to the identified recipient, unless safety or security concerns mitigate against further transmission. The intended recipient is advised of any communications withheld for safety or security reasons as soon as practicable.

Corporate Governance and Board Committees

The Company and its Board of Directors regularly review and evaluate the Company's corporate governance practices. The Board of Directors has adopted corporate governance principles that address the composition of and policies applicable to the Board of Directors as well as a Corporate Code of Conduct applicable to all directors, officers and employees of the Company, including our Chief Executive Officer and Chief Financial Officer. The Company's corporate governance principles, set forth as Corporate Governance Guidelines, and its Corporate Code of Conduct are available in the Corporate Governance section of the Company's website at www.salesforce.com/company/investor/governance/ or in print by contacting Investor Relations at our principal executive offices. Any substantive amendments to or waivers of the Corporate Code of Conduct relating to the executive officers or directors of the Company will be disclosed promptly on our website. The Company's corporate governance principles and philosophy related to executive compensation are described in the Compensation Discussion and Analysis Other Compensation Policies in this Proxy Statement.

The Board of Directors has also adopted a written charter for the Audit and Finance Committee (the Audit Committee), the Compensation Committee and the Nominating and Corporate Governance Committee. Each committee charter is available in the Corporate Governance section of the Company's website at www.salesforce.com/company/investor/governance/ or in print by contacting Investor Relations at our principal executive offices.

Audit Committee. The Audit Committee oversees our corporate accounting and financial reporting process. Among other matters, the Audit Committee: evaluates the independent registered public accountants' qualifications, independence and performance; determines the engagement of the independent registered public accounting firm; approves the retention of the independent registered public accounting firm to perform any proposed permissible non-audit services; considers the rotation of partners of the independent registered public accounting firm on the salesforce.com engagement team; reviews our consolidated financial statements; reviews our critical accounting policies and estimates; oversees our internal audit function; reviews with management and the Company's independent auditors and internal auditors the adequacy of internal financial controls; oversees the Company's financial and treasury policies, strategies and capital structure; annually reviews its charter and its performance; reviews and approves the scope of the annual audit and the audit fee; discusses guidelines and policies to govern the process by which risk assessment and management is undertaken and handled; and discusses with management and the independent registered public accounting firm the results of the annual audit and the review of our quarterly financial statements. The Audit Committee held eleven meetings in fiscal 2014. The report of the Audit Committee is included in this Proxy Statement.

The current members of the Audit Committee are Messrs. Tomlinson, who is the committee chair, Hassenfeld, Robertson and Webb. The Board of Directors has determined that all members of our Audit Committee meet the applicable tests for independence and the requirements for financial literacy under applicable rules and regulations of the NYSE and the SEC. The Board of Directors has further determined that Mr. Tomlinson is the Company's audit committee financial expert as defined by the SEC.

Compensation Committee. The Compensation Committee reviews and recommends policies relating to compensation and benefits of our executive officers, including: reviewing and approving corporate goals and objectives relevant to compensation of the Chief Executive Officer and other executive officers; evaluating the performance of these officers in light of those goals and objectives; and setting compensation of these officers based on such evaluations. The Compensation Committee may delegate its authority to one or more subcommittees or to one member of the Compensation Committee. The Compensation Committee also oversees our equity and incentive-based plans and administers the issuance of stock options and other awards under these stock plans. Although the Compensation Committee does not at present do so, it may delegate its authority to

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members of management to determine awards under the Company's incentive-based or equity-based compensation plans for non-executive officer employees of the Company. The Compensation Committee also reviews and evaluates the performance of the Compensation Committee and its members, including compliance of the Compensation Committee with its charter, and prepares any report required under SEC rules. The Compensation Committee held nine meetings in fiscal 2014. The report of the Compensation Committee is included in this Proxy Statement.

The Compensation Committee has the authority to engage independent advisors, such as compensation consultants, to assist it in carrying out its responsibilities. The Compensation Committee periodically engages an outside consultant to advise on compensation-related matters.

The current members of the Compensation Committee are Messrs. Ramsey, who is the committee chair, Conway and Roos. The Board of Directors has determined that all members of the Compensation Committee meet the applicable tests for independence under the applicable rules and regulations of the SEC, the NYSE and the Internal Revenue Service.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is responsible for: identifying individuals qualified to become members of the Board of Directors; recommending to the Board of Directors director nominees for each election of directors; developing and recommending to the Board of Directors criteria for selecting qualified director candidates; considering committee member qualifications, appointment and removal; recommending corporate governance principles applicable to the Company; and providing oversight in the evaluation of the Board of Directors and each committee. The Nominating and Corporate Governance Committee held five meetings in fiscal 2014.

The current members of the Nominating and Corporate Governance Committee are Messrs. Robertson, who is the committee chair, Hassenfeld and Tomlinson. The Board of Directors has determined that all members of the Nominating and Corporate Governance Committee meet the applicable tests for independence under the applicable rules and regulations of the NYSE.

The Nominating and Corporate Governance Committee uses a variety of methods for identifying and evaluating director nominees. The Nominating and Corporate Governance Committee regularly assesses the appropriate size, composition and needs of the Board of Directors and its respective committees and the qualifications of candidates in light of these needs. Candidates may come to the attention of the Nominating and Corporate Governance Committee through directors or management. If the Nominating and Corporate Governance Committee believes that the Board of Directors requires additional candidates for nomination, the Nominating and Corporate Governance Committee may engage, as appropriate, a third party search firm to assist in identifying qualified candidates. The evaluation of these candidates may be based solely upon information provided to the Nominating and Corporate Governance Committee or may also include discussions with persons familiar with the candidate, an interview of the candidate or other actions the Nominating and Corporate Governance Committee deems appropriate, including the use of third parties to review candidates.

The Nominating and Corporate Governance Committee will evaluate and recommend candidates for membership on the Board of Directors consistent with criteria established by the committee. Directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of our stockholders. They must have an inquisitive and objective perspective and mature judgment. They must also have experience in positions with a high degree of responsibility and be leaders in the companies or institutions with which they are affiliated. The Nominating and Corporate Governance Committee also focuses on issues of diversity, such as diversity of gender, race and national origin, education, professional experience and differences in viewpoints and skills. The Nominating and Corporate Governance Committee does not have a formal policy with respect to diversity; however, the Board and the Nominating and Corporate Governance Committee believe that it is essential that the Board members represent diverse viewpoints. Director candidates must have sufficient time available in the judgment of the Nominating and Corporate Governance Committee to perform all Board of Directors and committee responsibilities. Members of the Board of Directors

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are expected to prepare for, attend and participate in all Board of Directors and applicable committee meetings. Other than the foregoing, there are no stated minimum criteria for director nominees, although the Nominating and Corporate Governance Committee may also consider such other factors as it may deem, from time to time, are in the best interests of the Company and its stockholders. The Nominating and Corporate Governance Committee will also seek appropriate input from the Chief Executive Officer from time to time in assessing the needs of the Board of Directors for relevant background, experience, diversity and skills of its members.

Stockholders may propose director candidates for general consideration by the Nominating and Corporate Governance Committee by submitting in proper written form the individual's name, qualifications, and the other information set forth below in Procedure for Nominating Directors for Election at an Annual Meeting or a Special Meeting to the Secretary of the Company. The Nominating and Corporate Governance Committee will evaluate any candidates recommended by stockholders against the same criteria and pursuant to the same policies and procedures applicable to the evaluation of candidates proposed by directors or management.

Other Committees. Pursuant to the Company's Bylaws, the Board of Directors may designate other standing or ad hoc committees to serve at the pleasure of the Board of Directors from time to time.

Board's Role in Risk Oversight. The Board of Directors as a whole has responsibility for risk oversight. This oversight is conducted primarily through committees of the Board of Directors, as disclosed in the descriptions of each of the committees above and in the charters of each of the committees, but the full Board of Directors has retained responsibility for general oversight of risks. The Board of Directors satisfies this responsibility through full reports by each committee chair regarding the committee's considerations and actions. The Audit Committee oversees risks associated with our financial statements, financial reporting and accounting policies. Further, the Compensation Committee considers the risks associated with our compensation policies and practices, with respect to both executive compensation and employee compensation generally. The Board Committees receive regular reports directly from officers responsible for oversight of particular risks within the Company.

Procedure for Nominating Directors for Election at an Annual Meeting or a Special Meeting. Stockholders may nominate directors for election at an annual meeting or at a special meeting at which directors are to be elected, provided that the advance notice requirements for director nominations set forth in the Company's Bylaws have been met. As summarized below, this advance notice provision requires a stockholder to give timely notice of a director nomination in proper written form to the Secretary of the Company at salesforce.com, inc., The Landmark @ One Market, Suite 300, San Francisco, California 94105, Attention: Corporate Secretary.

In order for a stockholder to give timely notice of a director nomination for an annual meeting, the notice must be received by the Secretary at the Company's principal executive offices not later than the 45th day nor earlier than the 75th day before the one-year anniversary of the date the Company's proxy statement was released to stockholders in connection with the previous year's annual meeting. However, if no annual meeting was held in the previous year or if the date of the annual meeting is advanced by more than 30 days prior to or delayed by more than 60 days after the one-year anniversary of the date of the previous year's annual meeting, then notice must be received no earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting, or the tenth day following the day on which public announcement of the date of such annual meeting is first made. Director nominations to be made at the next annual meeting of stockholders must be received by the Secretary of the Company at the Company's principal executive offices no earlier than February 21, 2015 or later than March 23, 2015.

In order for a stockholder to give timely notice of a director nomination for a special meeting at which directors are to be elected, the notice must be received by the Secretary at the Company's principal executive offices not later than the later of the 90th day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting.

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To be in proper written form, a stockholder's notice to the Secretary of the Company must set forth:

as to each nominee whom the stockholder proposes to nominate for election or re-election as a director: (i) the name, age, business address and residence address of the nominee, (ii) the principal occupation or employment of the nominee, (iii) the class and number of shares of the Company that are held of record or are beneficially owned by the nominee and any derivative positions held or beneficially held by the nominee, (iv) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of the nominee with respect to any securities of the Company, and a description of any other similar agreement, arrangement or understanding, (v) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons pursuant to which the nominations are to be made by the stockholder, (vi) a written statement executed by the nominee acknowledging that as a director of the Company, the nominee will owe a fiduciary duty under Delaware law with respect to the Company and its stockholders, and (vii) any other information relating to the nominee that would be required to be disclosed about such nominee if proxies were being solicited for the election of the nominee as a director, or that is otherwise required (including without limitation the nominee's written consent to being named in the proxy statement, if any, as a nominee and to serving as a director if elected); and

as to such stockholder(s) giving notice of the director nomination, (i) the name and address of the stockholder(s) proposing the director nomination, (ii) the class and number of shares of the Company which are held of record or are beneficially owned by the stockholder(s), (iii) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of such stockholder(s) with respect to any securities of the Company, and a description of any other similar agreement, arrangement or understanding, (iv) any material interest of the stockholder(s) in such director nomination, and (v) a statement whether such stockholder(s) will deliver a proxy statement and form of proxy to the Company's stockholders. In addition, to be in proper written form, a stockholder's notice to the Secretary must be supplemented not later than ten days following the record date to disclose the information contained in clauses (ii) and (iii) of this paragraph as of the record date.

At the request of the Board of Directors, any person nominated by a stockholder for election as a director must furnish to the Secretary of the Company (1) that information required to be set forth in the stockholder's notice of nomination of such person as a director as of a date subsequent to the date on which the notice of such person's nomination was given and (2) such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee. In the absence of the furnishing of such information if requested, such stockholder's nomination will not be considered in proper form pursuant to these requirements.

The requirements for providing advance notice of a director nomination as summarized above are qualified in their entirety by our Bylaws, which we recommend you read in order to comply with the requirements for making a director nomination.

Compensation of Directors

Under our compensation arrangement for non-employee directors, each non-employee director receives a fee of \$12,500 per fiscal quarter. In addition, the chair of the Audit Committee receives an additional \$10,000 per quarter and the chair of each other Board committee receives an additional \$5,000 per quarter. During fiscal 2014, each non-employee director also received an additional \$1,250 for attendance at each special Board of Directors meeting and each regular or special committee meeting. During fiscal 2014, the Lead Independent Director received an additional fee of \$30,000 per year.

During fiscal 2014, each non-employee director received a quarterly grant of 3,200 fully-vested shares of Common Stock for service during the respective preceding quarter. All equity awards were made pursuant to our 2004 Outside Directors Stock Plan.

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We reimburse our non-employee directors for travel, lodging and other reasonable expenses incurred in connection with attending Board of Directors and committee meetings.

The Board of Directors periodically evaluates the compensation of our non-employee directors, including considering input from the Compensation Committee's compensation consultant, and recommendations of the Nominating and Corporate Governance Committee.

For fiscal year 2015, the Board changed its compensation arrangements in two respects. First, the Board eliminated the \$1,250 per meeting fee previously paid for attending special Board and regular and special committee meetings. Second, the Board modified the quarterly equity award to be a number of fully vested shares with a dollar value of \$125,000 (based on the average recent trading price over a period of time before grant date) rather than a fixed number of shares.

The Board of Directors' stock ownership policy provides that each non-employee director is required to attain, by the later of March 16, 2015 or the fifth anniversary of such director's initial election to the Board, a minimum share ownership position of the lesser of (i) 20,000 shares of Common Stock or (ii) such number of shares of Common Stock having an aggregate value of \$200,000.

The following table sets forth information concerning the compensation earned during fiscal 2014 by our Board of Directors. The table excludes Messrs. Benioff and Block who are named executive officers of the Company and did not receive separate compensation as directors for fiscal 2014, and General Powell, who did not serve as a director during fiscal 2014:

DIRECTOR COMPENSATION FOR FISCAL 2014

| Name | Fees Earned or Paid in Cash (\$) | Stock Awards (\$)(1) | Total (\$) |
|----------------------|--|----------------------------|------------|
| Craig Conway | 66,250 | 567,680(4) | 633,930 |
| Alan Hassenfeld | 76,250 | 567,680(4) | 643,930 |
| Craig Ramsey | 86,250 | 567,680(4) | 653,930 |
| Sanford Robertson | 126,250 | 567,680(4) | 693,930 |
| John V. Roos (2) | 16,250 | 167,360(5) | 183,610 |
| Stratton Sclavos (3) | 41,250 | 560,384(6) | 601,634 |
| Lawrence Tomlinson | 116,250 | 567,680(4) | 683,930 |
| Robin Washington (2) | 12,500 | 167,360(5) | 179,860 |
| Maynard Webb | 68,750 | 567,680(4) | 636,430 |
| Shirley Young (3) | 47,500 | 560,384(6) | 607,884 |

- (1) Stock awards consist solely of grants of fully-vested shares of Common Stock. The amounts reported are the aggregate grant date fair value, which is calculated by multiplying the number of shares subject to the stock grant by the closing price of one share of Common Stock on the date of grant.
- (2) Mr. Roos and Ms. Washington were appointed to the Board of Directors in September 2013.
- (3) Mr. Sclavos and Ms. Young resigned from the Board of Directors in September 2013.
- (4) During fiscal 2014, this director received a stock award of 3,200 fully-vested shares of Common Stock on February 26, 2013, May 28, 2013, August 27, 2013 and November 26, 2013 with grant fair values of \$130,688, \$133,760, \$135,872 and \$167,360, respectively. At the end of fiscal 2014, this director did not hold any outstanding unvested stock awards.
- (5) During fiscal 2014, this director received a stock award of 3,200 fully-vested shares of Common Stock on November 26, 2013 with a grant fair value of \$167,360, respectively. At the end of fiscal 2014, this director did not hold any outstanding unvested stock awards.
- (6) During fiscal 2014, this director received a stock award of 3,200 fully-vested shares of Common Stock on February 26, 2013, May 28, 2013, August 27, 2013 and September 10, 2013 with grant fair values of \$130,688, \$133,760, \$135,872 and \$160,064, respectively. At the end of fiscal 2014, this director did not hold any outstanding unvested stock awards.

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**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND
RELATED STOCKHOLDER MATTERS**

The following table sets forth certain information regarding beneficial ownership of our Common Stock as of March 27, 2014 by: (i) all those known by us to be beneficial owners of more than five percent of the outstanding shares of our Common Stock; (ii) each of our directors and director nominees; (iii) each executive officer named in the Summary Compensation Table below; and (iv) all current directors and executive officers as a group. This table is based on information provided to us or filed with the SEC by our directors, executive officers and principal stockholders. Unless otherwise indicated in the footnotes below, and subject to community property laws where applicable, each of the named persons has sole voting and investment power with respect to the shares shown as beneficially owned.

Except as set forth below, the address of each stockholder listed in the following table is salesforce.com, inc., The Landmark @ One Market, Suite 300, San Francisco, California 94105. Applicable percentage ownership in the following table is based on 613,491,493 shares of Common Stock outstanding as of March 27, 2014:

| Name and Address of Beneficial Owner | Number of Shares Beneficially Owned | Percent of Class |
|---|---|------------------------|
| Five Percent Stockholders | | |
| FMR LLC (1) 82 Devonshire Street, Boston, Massachusetts 02109 | 88,709,167 | 14.46% |
| Sands Capital Management, LLC (2) 1101 Wilson Blvd., Suite 2300, Arlington, Virginia 22209 | 38,966,253 | 6.35% |
| BlackRock, Inc. (3) 40 East 52 nd Street, New York, New York 10022 | 31,699,493 | 5.17% |
| T. Rowe Price Associates, Inc. (4) 100 E. Pratt Street, Baltimore, Maryland 21202 | 31,541,092 | 5.14% |
| Directors and Named Executive Officers | | |
| Marc Benioff (5) | 43,781,250 | 7.10% |
| Keith Block | | * |
| Craig Conway | 15,856 | * |
| Parker Harris (6) | 2,768,021 | * |
| Alan Hassenfeld (7) | 120,550 | * |
| George Hu (8) | 570,158 | * |
| Burke Norton (9) | 256,540 | * |
| Colin Powell | 25,275 | * |
| Craig Ramsey | 1,321,412 | * |
| Sanford R. Robertson | 176,000 | * |
| John V. Roos | 6,400 | * |
| Graham Smith (10) | 456,727 | * |
| Larry Tomlinson | 25,600 | * |
| Robin Washington | 6,400 | * |
| Maynard Webb (11) | 61,200 | * |
| All current directors and executive officers as a group (21 persons) (12) | 50,256,945 | 8.19% |

* Less than 1%.

- (1) Based solely upon a Schedule 13G/A filed with the SEC on February 14, 2014 by FMR LLC, on behalf of itself, Fidelity Management & Research Company (a wholly-owned subsidiary of FMR LLC), Edward C. Johnson 3d (Chairman of FMR LLC), Fidelity SelectCo, LLC (a wholly-owned subsidiary of FMR LLC), Fidelity Growth Company Fund (one of the investment companies to which Fidelity Management &

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Research Company acts as investment advisor), Fidelity Management Trust Company (a wholly-owned subsidiary of FMR LLC), Strategic Advisers, Inc. (a wholly-owned subsidiary of FMR LLC), Pyramis Global Advisors, LLC (an indirect wholly-owned subsidiary of FMR LLC), Pyramis Global Advisors Trust Company (an indirect wholly-owned subsidiary of FMR LLC) and Crosby Advisors LLC (a wholly-owned subsidiary of Crosby Company of New Hampshire LLC). According to the Schedule 13G/A, of 88,709,167 shares, as of December 31, 2013, 84,528,300 shares were held by Fidelity Management & Research Company and 2,712,835 shares were held by Fidelity SelectCo, LLC, 175,157 shares were held by Fidelity Management Trust Company, 9,688 shares were held by Strategic Advisers, Inc., 73,200 shares were held by Pyramis Global Advisors, LLC, 807,604 shares were held by Pyramis Global Advisors Trust Company and 402,383 shares were held by Crosby Advisors LLC. Edward C. Johnson 3d and FMR LLC, through its control of Fidelity Management & Research Company, Fidelity SelectCo, LLC, Fidelity Management Trust Company, Pyramis Global Advisors, LLC and Pyramis Global Advisors Trust Company, each has sole power to dispose of the 84,528,300 shares owned by Fidelity Management & Research Company, 2,712,835 shares owned by Fidelity SelectCo, LLC, 175,157 shares owned by Fidelity Management Trust Company, 73,200 shares owned by Pyramis Global Advisors, LLC and the 807,604 shares owned by Pyramis Global Advisors Trust Company, respectively. Of these 88,709,167 shares, 33,791,112 shares were held by Fidelity Growth Company Fund, 245 Summer Street, Boston, Massachusetts 02210.

- (2) Based solely upon a Schedule 13G/A filed with the SEC on February 12, 2014 by Sands Capital Management, LLC, reporting beneficial ownership as of December 31, 2013.
- (3) Based solely upon a Schedule 13G/A filed with the SEC on February 10, 2014 by BlackRock, Inc., reporting beneficial ownership as of December 31, 2013.
- (4) Based solely upon a Schedule 13G filed with the SEC on February 13, 2014 by T. Rowe Price Associates, Inc., reporting beneficial ownership as of December 31, 2013.
- (5) Includes 2,931,250 shares issuable upon the exercise of options that are vested and exercisable within 60 days of March 27, 2014. All other shares are held in the Marc R. Benioff Revocable Trust.
- (6) Includes 699,611 shares issuable upon the exercise of options that are vested and exercisable and upon the settlement of RSUs that are vested or vest within 60 days of March 27, 2014. Also includes 2,056,747 shares held in trusts.
- (7) Includes 1,350 shares held by a family member.
- (8) Includes 545,986 shares issuable upon the exercise of options that are vested and exercisable and upon the settlement of RSUs that are vested or vest within 60 days of March 27, 2014.
- (9) Includes 198,410 shares issuable upon the exercise of options that are vested and exercisable and upon the settlement of RSUs that are vested or vest within 60 days of March 27, 2014.
- (10) Includes 366,386 shares issuable upon the exercise of options that are vested and exercisable and upon the settlement of RSUs that are vested or vest within 60 days of March 27, 2014.
- (11) All shares held in a trust.
- (12) Includes 5,351,170 shares issuable upon the exercise of options that are vested and exercisable and upon the settlement of RSUs that are vested or vest within 60 days of March 27, 2014.

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We currently maintain three equity compensation plans that provide for the issuance of shares of Common Stock to our officers and other employees, directors and consultants. These include the 2004 Employee Stock Purchase Plan (the "ESPP") and the 2013 Equity Incentive Plan (the "2013 Equity Plan"), which have been approved by stockholders, and the 2006 Inducement Equity Incentive Plan (the "Inducement Plan"), which has not been approved by stockholders. We previously maintained the 1999 Stock Option Plan, as amended (the "1999 Stock Option Plan"), which expired by its terms in April 2009. The expiration of the 1999 Stock Option Plan did not affect awards outstanding under the plan, which continues to be governed by the terms and conditions of the 1999 Stock Option Plan. We also previously maintained the 2004 Equity Incentive Plan and the 2004 Outside Directors Stock Plan (collectively the "Prior Plans"), both of which had been approved by stockholders and both of which we replaced with the 2013 Equity Plan when that plan was established in June 2013. We no longer grant new awards out of the Prior Plans, but the Prior Plans continue to govern awards previously granted under the Prior Plans. We have also assumed certain plans in connection with acquisitions, which plans have not been approved by stockholders.

The following table sets forth information regarding outstanding stock options and restricted stock units as well as shares reserved for future issuance under the foregoing plans as of January 31, 2014:

| Plan category | Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) | Weighted-average exercise price of outstanding options, warrants and rights (b) (1) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) |
|--|--|--|--|
| Equity compensation plans approved by security holders | 46,762,580(2) | \$ 19.61 | 61,740,327(3) |
| Equity compensation plans not approved by security holders | 6,495,043(4) | \$ 9.74 | 226,374(5) |
| Total | 53,257,623 | \$ 18.40 | 61,966,701 |

- (1) The weighted average exercise price of outstanding options, warrants and rights includes the purchase price of \$0.001 per restricted stock unit.
- (2) Consists of options granted under the 1999 Stock Option Plan as well as options and restricted stock units granted under the 2004 Equity Plan and the 2013 Equity Plan.
- (3) Consists of the ESPP and the 2013 Equity Plan. In September 2011, the Board of Directors authorized the commencement of offerings under the ESPP. On February 1, 2013, the final annual automatic increase under the prior evergreen clause of the ESPP was 4.0 million shares. On February 1, 2013, the final annual automatic increase under the prior evergreen clause of the 2004 Equity Plan was 14.0 million shares. 48.0 million shares were originally reserved for issuance under the 2013 Equity Plan and, in addition, 21.9 million shares that had been previously available under the Prior Plans were reserved for issuance under the 2013 Equity Plan.
- (4) Consists of the 2006 Inducement Equity Incentive Plan and the following plans which have been assumed by us in connection with certain of our acquisition transactions solely with respect to outstanding securities at the time of the acquisition: the Radian6 Technologies Inc. Third Amended and Restated Stock Option Plan assumed by us with our acquisition of Radian6 Technologies, Inc. in May 2011; the Assistly, Inc. 2009 Stock Plan assumed by us with our acquisition of Assistly, Inc. in September 2011; the Model Metrics, Inc. 2008 Stock Plan assumed by us with our acquisition of Model Metrics, Inc. in December 2011; the 2Catalyze, Inc. Second Amended 2008 Stock Option Plan assumed by us with our acquisition of 2Catalyze, Inc. d/b/a Rypple in February 2012; the Buddy Media, Inc. 2007 Equity Incentive Plan assumed by us with our acquisition of Buddy Media, Inc. in August 2012; the Goinstant, Inc. Stock Option Plan assumed by us with our acquisition of Goinstant, Inc. in September 2012; the EdgeSpring, Inc. 2010 Equity Incentive Plan assumed by us with our acquisition of EdgeSpring, Inc. in June 2013; and the ExactTarget, Inc. 2004 Stock Option Plan and the ExactTarget, Inc. 2008 Equity Incentive Plan assumed by us with our acquisition of ExactTarget, Inc. in July 2013.

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(5) Consists of the 2006 Inducement Equity Incentive Plan. The material features of this plan are described below.

Material Features of the 2006 Inducement Equity Incentive Plan

In April 2006, the Board of Directors approved the 2006 Inducement Equity Incentive Plan (the Inducement Plan) and has granted awards under the Inducement Plan in accordance with New York Stock Exchange rules. A total of 1,600,000 shares of Common Stock were reserved solely for the granting of inducement stock options, restricted stock, restricted stock units and other awards. In each of March 2009 and January 2011, the Board of Directors approved an increase of 1,200,000 shares of Common Stock to the Inducement Plan. In each of September 2011 and June 2012, the Board of Directors approved an increase of 1,600,000 shares of Common Stock to the Inducement Plan. The Inducement Plan provides for the granting of stock options with exercise prices equal to the fair market value of our Common Stock on the date of grant. Options granted under the Inducement Plan generally have a five-year term and vest over four years, with 25% of the total shares granted vesting on the first anniversary of the date of grant and the balance vesting in equal monthly installments over the remaining 36 months, subject to continued service with the Company. Restricted stock unit awards granted under the Inducement Plan generally vest over four years, with 25% of the units vesting on the first anniversary of the date of grant and the balance vesting in equal quarterly installments over the remaining 36 months, subject to continued service with the Company. The Company has also granted restricted stock awards under the Inducement Plan. As of January 31, 2014, 226,374 shares of Common Stock remained available for issuance under the Inducement Plan.

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EXECUTIVE COMPENSATION AND OTHER MATTERS

Compensation Discussion and Analysis

This Compensation Discussion and Analysis provides information regarding the fiscal 2014 compensation program for our principal executive officer, our principal financial officer, and the four executive officers (other than our principal executive officer and principal financial officer) who were our next most highly-compensated executive officers in fiscal 2014. These individuals were:

Marc Benioff, our Chairman of the Board of Directors and Chief Executive Officer (our CEO);

Keith Block, our President and Vice Chairman of the Company;

Graham Smith, our Chief Financial Officer (our CFO);

Parker Harris, our Co-Founder;

George Hu, our Chief Operating Officer; and

Burke Norton, our Chief Legal Officer.

We refer to these executives as our Named Executive Officers for fiscal 2014. In this Compensation Discussion and Analysis, *salesforce.com, inc.* is referred to as *our*, *us*, *we* or *the Company*.

This Compensation Discussion and Analysis describes the material elements of our executive compensation program during fiscal 2014. It also provides an overview of our executive compensation philosophy, as well as our principal compensation policies and practices. Finally, it analyzes how and why the Compensation Committee of the Board of Directors (the Compensation Committee) arrived at the specific compensation decisions for our executives, including the Named Executive Officers, in fiscal 2014, and discusses the key factors that the Compensation Committee considered in determining their compensation.

Executive Summary

Fiscal 2014 Financial Highlights

We are a leading provider of enterprise cloud computing solutions. We provide a comprehensive collaboration and customer relationship management service to businesses of all sizes and industries worldwide, and we provide a technology platform for customers and developers to build and run business applications.

In 2014, we achieved significant financial results:

Generated record full fiscal year revenue of \$4.07 billion, an increase of 33% on a year-over-year basis;

Generated cash from operations of \$875 million, a 19% increase on a year-over-year basis; and

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Completed fiscal 2014 with a deferred revenue balance of \$2.52 billion, an increase of 35% on a year-over-year basis. Consequently, we continue to believe that we are well positioned to execute on our long-term strategic objectives over the next several years.

Fiscal 2014 Executive Compensation Actions

As reflected in our compensation philosophy, we set the target total direct compensation opportunities of our executives, including the Named Executive Officers, based on their ability to achieve annual operational results that further our long-term business objectives and to create sustainable long-term stockholder value in a cost-effective manner. Accordingly, our fiscal 2014 compensation actions and decisions were based on our executives' accomplishments in these areas, as well as our need to provide competitive packages in order to attract and retain top talent.

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For fiscal 2014, the Compensation Committee took the following actions with respect to the compensation of our Named Executive Officers:

awarded actual annual cash bonus payments at 93.7% of each executive's target bonus opportunity pursuant to the Company's bonus plan;

increased base salaries by between 15% and 25% of their fiscal 2013 levels, in order to increase our ability to retain our executives, remain competitive with our peers, and in consideration of the importance of internal parity with respect to similarly situated executives;

approved equity awards at levels that the Compensation Committee believes met competitive market conditions, satisfied our retention objectives and rewarded individual performance during fiscal 2014.

The Compensation Committee determined that the fiscal 2014 annual cash bonus payments for the Named Executive Officers under the Company's bonus plan should be paid at 93.7% of each executive's target bonus opportunity based on the Company's revenue, cash flow and profitability performance during the fiscal year. In making these determinations, the Compensation Committee noted that the Named Executive Officers' efforts had enabled us to drive the Company's financial performance during a challenging economic period while, at the same time, positioning the Company for sustained growth in the future. In addition, the Compensation Committee determined that each Named Executive Officer had individually performed at or above the expected level and was a significant contributor to our overall financial performance for the year.

In setting the amount of the fiscal 2014 equity awards, the Compensation Committee determined that the awards for the Named Executive Officers should be sufficient to maintain market competitiveness with the executives in comparable positions at the companies in our compensation peer group. In making these awards, the Compensation Committee also took into consideration the fact that, consistent with our compensation philosophy, equity awards increased the Named Executive Officers' stake in the Company, thereby reinforcing their incentive to manage our business as owners and subjecting a significant portion of their total compensation to fluctuations in the market price of our Common Stock.

Fiscal 2014 Corporate Governance Highlights

We endeavor to maintain good governance standards in our executive compensation policies and practices. The following policies and practices were in effect during fiscal 2014:

The Compensation Committee is comprised solely of independent directors who have established effective means for communicating with stockholders regarding their executive compensation ideas and concerns.

The Compensation Committee's compensation consultant is retained directly by the Compensation Committee and performs no other consulting or other services for us.

The Compensation Committee periodically reviews our compensation strategy, including our compensation-related risks, to ensure that our compensation-related risks are not reasonably likely to have a material adverse effect on the Company.

Our compensation philosophy and related governance standards are designed to align our executive compensation with long-term stockholder interests, including that we:

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do not provide pension arrangements or retirement plans other than our 401(k) plan to our executives, including our Named Executive Officers;

do not provide perquisites or other personal benefits to our executives, including the Named Executive Officers, except, in the case of our CEO, payments related to certain security services. Our executives participate in broad-based company-sponsored health and welfare benefits programs on the same basis as our other full-time, salaried U.S. employees.

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Impact of Stockholder Advisory Vote on Executive Compensation

In June 2013, at our 2013 Annual Meeting of Stockholders, we conducted a non-binding advisory vote on the compensation of the named executive officers for fiscal 2013, commonly referred to as a "say-on-pay" vote. Our stockholders voted in favor of our executive compensation program, with more than 82% of the votes cast in favor.

As the Compensation Committee evaluated our executive compensation policies and practices throughout fiscal 2014, it was mindful of the favorable results of the 2013 advisory stockholder vote approving the compensation of our named executive officers, as well as the other factors discussed in this Compensation Discussion and Analysis. Each of these factors informed the Compensation Committee's decisions regarding our executive compensation program, and the Compensation Committee did not implement any significant changes to the structure of our executive compensation program as a result of the shareholder advisory vote, instead retaining our general approach to executive compensation, with an emphasis on incentive compensation that rewards our most senior executives when they deliver value for our stockholders.

Consistent with the recommendation of the Board of Directors and the preference of our stockholders as reflected in the advisory vote on the frequency of future say-on-pay votes conducted at our 2011 Annual Meeting of Stockholders, the Board of Directors has adopted a policy providing for annual advisory votes on the compensation of the named executive officers. Accordingly, the next advisory vote on the compensation of the named executive officers will take place at the Annual Meeting of Stockholders to which this Proxy Statement relates, with the next say-on-pay vote after that to take place in 2015.

Compensation Objectives and Challenges

Our overall compensation objective is to compensate our executives and other employees in a manner that attracts and retains the caliber of individuals needed to manage and staff a high growth business operation in an innovative and competitive industry. For our executives, including the Named Executive Officers, we align our executive compensation program with the interests of our stockholders by tying a significant portion of their compensation to the performance of our Common Stock.

We face challenges in hiring and retaining executives due to a number of factors that contribute to a relatively small pool of available executive talent. These challenges are similar to those faced by many high growth companies. In our opinion, this makes recruiting and retaining key executives difficult, and our executive compensation program takes into account and seeks to address this difficulty. The challenges that we face include the following:

High Growth We are a high growth company that continues to experience rapid changes to our technology, personnel and business tactics. Our revenues have also grown rapidly, as has the geographic and technical scope of our operations. Not all executives desire or are suited to manage in a high growth environment, making the services of our current executives more valuable and recruiting new executives more difficult.

Highly Competitive Cloud Computing Industry The market for cloud computing enterprise business applications and development platforms is highly competitive, rapidly evolving, and fragmented, and is subject to changing technology, shifting customer needs and frequent introduction of new products and services. Our position as a pioneer in an innovative and highly competitive area of business makes us a more attractive employer to some executives but a less attractive employer to others. In addition, our success has made our employees and executives more attractive as candidates for employment with other companies. We believe that our executives frequently are offered employment opportunities with other companies in the technology industry, creating additional challenges for us to retain them.

Executive Background Typically, we hire experienced executives with specific skills in key functional areas who have worked in a high growth environment similar to the one in which we operate. Given our rapid growth rate, the number of executives with the most desirable experience is relatively low and

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these executives are more difficult to find. We have expanded our recruiting efforts both geographically and into other industries and sectors, which leads to increased complexity in recruiting efforts and has required us to be more flexible with our executive compensation packages.

Corporate Environment We are a demanding employer and our fast-moving, challenging culture is not always suited to the executives who comprise the talent pool from which we recruit. Like many high growth companies in very dynamic markets, we place extraordinary demands on executive time and attention, and this has resulted in both voluntary and involuntary executive departures. Further, we believe that we face the perception on the part of prospective executives that there is less opportunity to realize significant appreciation through equity compensation than there may be by joining a privately-held company. This perception means that often prospective executives are more focused on cash compensation, and the Compensation Committee has adjusted our compensation practices accordingly.

Replacement Cost When determining the compensation for a current executive who has been with us for a substantial period of time, the Compensation Committee takes into consideration what it may cost to hire that executive's replacement. The Compensation Committee believes that replacement cost is highly relevant to an executive's compensation because it is what we would have to pay if the executive left given the factors described above, and it likely approximates the executive's own perceived value in the competitive environment for executive talent.

Compensation-Setting Process

Role of the Compensation Committee

The Compensation Committee oversees and administers our executive compensation program in accordance with its Charter, which can be viewed at www.salesforce.com/company/investor/governance/. In addition to its responsibilities currently set forth under its Charter, the Compensation Committee also oversees and administers the Company's equity-based and incentive-based plans. Typically, the Compensation Committee meets near the beginning of each fiscal year to review the executive compensation program and establish Company-wide performance measures related to annual cash bonus opportunities for the commencing fiscal year. In setting target annual cash bonus opportunities, the Compensation Committee reviews the total compensation for our executives to ensure consistency with our compensation philosophy and considers developments in compensation practices outside of the Company.

In conjunction with this executive compensation review, the Compensation Committee is provided with specific analytic information, such as the competitive positioning data described below, to use in setting each individual compensation element and to make decisions on total executive compensation levels. During each of fiscal 2013 and 2014, the Compensation Committee reviewed a comprehensive competitive positioning analysis, as further described below. This analysis was prepared in connection with the annual compensation review, and consisted of current and historical pay data, including base salary and bonus payout history, equity holdings, current and future vested and unvested equity holdings and realized gains for each of our executives, including the Named Executive Officers.

Although the Compensation Committee typically receives and reviews competitive positioning data in the course of its annual compensation review, this data provides only a reference point for the Compensation Committee. Ultimately, the Compensation Committee applies its own business judgment and experience to determine the individual compensation elements and amount of each element for our executives, including the Named Executive Officers. Further, while the Compensation Committee may use this data to assess the competitiveness and appropriateness of our executive compensation program within our industry sector and the broader business community, it is not the Compensation Committee's sole reference point and is not used to set or target the compensation of our executives at specific levels or within specified percentile ranges. Depending upon Company and individual performance, the target total direct compensation of our executives, including the Named Executive Officers, as well as individual compensation elements, may be within, below, or above the market range for their positions.

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Role of Committee Advisors

The Compensation Committee has the authority to engage its own advisors to assist in carrying out its responsibilities. As in the past, the Compensation Committee continued to engage the services of Compensia, Inc., an independent, national compensation consulting firm (the compensation consultant) that provides the Compensation Committee and the Board of Directors with guidance regarding the amount and types of compensation that we provide to our executives, how these compare to peer company compensation practices and advice regarding other compensation-related matters. The compensation consultant also provides the Compensation Committee with guidance on the Company's equity plans and provides the Board of Directors with data regarding the compensation of our directors.

Representatives of the compensation consultant attend meetings of the Compensation Committee as requested and also communicate with the Compensation Committee outside of meetings. The compensation consultant reports to the Compensation Committee rather than to management, although representatives of the firm may meet with members of management, including our CEO and executives in our Employee Success department, for purposes of gathering information on proposals that management may make to the Compensation Committee. During fiscal 2013 and fiscal 2014, the compensation consultant met with various executives to collect data and obtain management's perspective on the fiscal 2014 compensation for our executives. The compensation consultant also provided services and advice, at the request of the Compensation Committee, in connection with our 2013 Equity Plan, which our stockholders approved in June 2013. The Compensation Committee may replace its compensation consultant or hire additional advisors at any time.

To assess the competitiveness of our executive compensation, obtain a general understanding of executive compensation practices in the marketplace and as a resource to use in its deliberations, the Compensation Committee is provided with information analyzing the compensation of our executives compared to the compensation of executives holding comparable positions at companies in our industry sector and with whom we may compete for executive talent in the broader market. The Compensation Committee does not use this information, however, with the goal of setting specific target compensation levels based upon the percentiles derived from such other companies' data.

Executive Compensation Review

The Compensation Committee regularly reviews the compensation peer group and other compensation data to ensure that it continues to be appropriate to use for comparative purposes. Comparative analysis of pay practices at peer group companies is only one of a number of factors considered by the Compensation Committee in making executive compensation decisions.

In connection with executive compensation reviews that took place during the second half of fiscal 2013, the compensation consultant provided the Compensation Committee with a comparative analysis of the Company's executive compensation program based on compensation information drawn from the pay practices of a group of peer companies. This compensation peer group (the 2014 Peer Group) was determined in fiscal 2013 on the basis of their similarity to us on various financial and other metrics, such as industry, revenue, market capitalization, number of employees and growth history and potential. Information regarding pay practices at the 2014 Peer Group, set forth below, was considered by the Compensation Committee in connection with decisions regarding fiscal 2014 cash compensation for executive officers:

Adobe Systems, Inc.
Akamai Technologies, Inc.
Altera Corporation
Autodesk, Inc.
BMC Software, Inc.
CA Technologies, Inc.
Cerner Corporation
Citrix Systems, Inc.
Electronic Arts, Inc.

Expedia Inc.
F5 Networks, Inc.
Intuit, Inc.
Juniper Networks, Inc.
LinkedIn Corporation
Netflix, Inc.
Priceline.com, Inc.
Red Hat, Inc.
VMware, Inc.

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In addition, the Compensation Committee reviewed aggregated survey data from other technology companies with similar revenue and market capitalization characteristics, in order to provide further context regarding current executive compensation practices in the marketplace. This data was drawn from the Radford 2012 Executive Compensation Survey.

In connection with executive compensation reviews that took place in the second half of fiscal 2014, the compensation consultant similarly provided the Compensation Committee with a comparative analysis of the Company’s executive compensation program based on compensation information drawn from the pay practices of a group of peer companies. This compensation peer group (the 2015 Peer Group) was determined in fiscal 2014 on the basis of their similarity to us on various financial and other metrics, such as industry, revenue, market capitalization, number of employees and growth history and potential. Information regarding pay practices at the 2015 Peer Group, set forth below, was considered by the Compensation Committee in connection with executive compensation decisions regarding equity awarded in the second half of fiscal 2014 and cash compensation for fiscal 2015:

| | |
|-----------------------|------------------------|
| Adobe Systems, Inc. | Juniper Networks, Inc. |
| Altera Corporation | LinkedIn Corporation |
| Autodesk, Inc. | Netflix, Inc. |
| CA Technologies, Inc. | Priceline.com, Inc. |
| Cerner Corporation | Red Hat, Inc. |
| Citrix Systems, Inc. | Symantec Corporation |
| Expedia, Inc. | VMware, Inc. |
| Facebook, Inc. | Yahoo! Inc. |
| Intuit, Inc. | |

In addition, the Compensation Committee reviewed aggregated survey data from other technology companies with similar revenue and market capitalization characteristics, in order to provide further context regarding current executive compensation practices in the marketplace. This data was drawn from the Radford 2013 Executive Compensation Survey.

Role of Executive Officers

Our CEO provides general guidance to the Compensation Committee with respect to the compensation for the executives who report directly to him, including the other Named Executive Officers, and reviews their performance annually or more frequently. Our CEO considers all relevant factors in his review, including each Named Executive Officer’s performance and accomplishments during the year, areas of strength and areas for development. Historically, our CEO has generally advocated minimal compensation differentiation among the executives who report to him to foster a spirit of teamwork and cooperation that he believes is a critical component of our success. The Compensation Committee has taken his general guidance into consideration when approving executive compensation. Our CEO may meet with the Compensation Committee or its compensation consultant if he chooses to do so.

Our Chief Legal Officer and our Senior Vice President of Employee Success provide general administrative support to the Compensation Committee throughout the year, including providing legal advice and overseeing the documentation of equity plans and awards as approved by the Compensation Committee, and attending Compensation Committee meetings, as requested.

Compensation for New Executive Officer

Mr. Block joined the Company in June 2013 as our President and Vice Chairman, to lead the Company’s customer-facing operations, including global sales, customer support and consulting services organizations, and Mr. Block also became a member of our board of directors. After negotiation of his employment terms, the Compensation Committee set his annual base salary at \$1,000,000 and set a target annual cash bonus opportunity for fiscal 2014 of 100% of his base salary.

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In addition, in June 2013, the Compensation Committee approved an option to purchase 1,250,000 shares of our Common Stock, subject to the Company's standard time-based vesting provisions. This award is described in more detail in the Summary Compensation Table and Grants of Plan-Based Awards Table elsewhere in this Proxy Statement.

To attract Mr. Block to join the Company, his offer letter also included certain severance protections in the event of qualifying terminations (as described further below). Also, the Company entered into a Change of Control and Retention Agreement with Mr. Block (which has identical terms as the agreements previously entered into with the other Named Executive Officers reporting to the CEO) pursuant to which he will be eligible to receive certain payments and benefits in the event that his employment is terminated without cause or he resigns for good reason within three months prior to, or 18 months after, a change of control of the Company. Please see *Employment Contracts and Certain Transactions – Change of Control*, elsewhere in this Proxy Statement for additional details regarding these severance payments and benefits.

These cash and equity award amounts and benefits were determined as part of the arm's-length negotiation of the terms of Mr. Block's employment, which were approved by the Compensation Committee. In approving Mr. Block's compensation package, the Compensation Committee considered his industry knowledge and experience as well as competitive market data.

Compensation Elements

We use cash compensation in the form of base salaries and annual cash bonuses and equity compensation in the form of stock options and restricted stock unit (RSU) awards to compensate our executives, including the Named Executive Officers. We believe that each of these compensation elements is necessary to attract and retain individuals in a competitive market for executive talent. Like our other employees, our executives, including the Named Executive Officers, participate in our employee benefit and welfare plans, including medical and dental care plans, a fitness reimbursement plan and a 401(k) plan. We do not provide our executives, including the Named Executive Officers, with any additional retirement benefits or pensions, nor any perquisites or other personal benefits, except, in the case of our CEO, payment during fiscal 2014 for security services as described below.

CEO Security Program

The Company has provided a security program for our CEO since fiscal 2012. The Compensation Committee established this program, and continues to believe that ensuring our CEO's personal safety is prudent and vital to our continued success. The CEO security program provides comprehensive physical and personal security services; accordingly, the program is not limited to providing security services only at business facilities or during business-related travel. The Compensation Committee believes amounts paid by the Company for this security program are reasonable and necessary and for the Company's benefit.

Because the security services provided to our CEO may be viewed as conveying a personal benefit to him, we have reported certain incremental costs to the Company of the program as *All Other Compensation* in the Summary Compensation Table that accompanies this Compensation Discussion and Analysis. The Compensation Committee periodically reviews amounts budgeted and spent for the CEO security program.

Base Salaries

We believe we must offer competitive base salaries to attract, motivate and retain all employees, including our executives. The Compensation Committee has generally set the base salaries for our executives, including the Named Executive Officers (other than our CEO), based on three factors:

a comparison to the base salaries paid by the companies in the compensation peer group;

the overall compensation that each executive may potentially receive during his or her employment with us; and

the base salaries of other executives who are peers in reporting structure and level of responsibility.

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Typically, the Compensation Committee sets the base salaries of our executives after consideration of the market for the executive talent for which we compete based on the competitive positioning information described above. However, because the Company continues to grow rapidly, the market in which we compete for executive talent, as well as the compensation levels for executives, are constantly changing. In fiscal 2013, the Compensation Committee conducted a review of our executive compensation program. In conducting this review, the Compensation Committee considered compensation data with respect to companies in the 2014 Peer Group as well as overall Company and individual performance and the roles and responsibilities of each of our executives.

For fiscal 2014, the Compensation Committee discussed with its compensation consultant the need to retain executive talent and the Compensation Committee determined that increases to Named Executive Officers' base salaries would act as a retention tool. The Compensation Committee also considered the importance of internal parity with respect to similarly situated executives, and determined it would be appropriate to create a simplified tiered approach for senior executive cash compensation, including base salary and cash bonuses, under which similarly situated executives would have similar targeted cash compensation, if the other considerations discussed above did not lead to cash compensation differentiations. Based on this review and discussions with its compensation consultant, the Compensation Committee adjusted the base salaries of certain of the Named Executive Officers to the base salaries included in the table below, with such adjustments effective on February 1, 2013. These base salaries represented increases from fiscal 2013 levels of 15% for Mr. Norton, 20% for Messrs. Benioff, Smith and Hu, and 25% for Mr. Harris. Mr. Block joined the Company in June 2013. Pursuant to the terms of his offer letter (as more fully described above), his fiscal 2014 base salary was \$1,000,000.

During fiscal 2014, the base salaries of the Named Executive Officers were:

| Named Executive Officer | Fiscal 2014 Base Salary |
|-------------------------|-------------------------|
| Mr. Benioff | \$ 1,200,000 |
| Mr. Smith | \$ 600,000 |
| Mr. Block (1) | \$ 1,000,000 |
| Mr. Harris | \$ 625,000 |
| Mr. Hu | \$ 600,000 |
| Mr. Norton | \$ 575,000 |

(1) Mr. Block joined the Company on June 1, 2013 and earned \$666,667 in base salary during fiscal 2014.

Cash Bonuses

Each Named Executive Officer participated in our Company-wide bonus plan (the Company bonus plan) during fiscal 2014 and was awarded a bonus under that plan with respect to fiscal 2014. In November 2012, based on its review of our executive compensation program as described above and the bonus target levels of companies in our 2014 Peer Group, the Compensation Committee approved the following target bonus opportunities of the Named Executive Officers (other than Mr. Block) for fiscal 2014 to be effective on February 1, 2013. The target bonus opportunity as a percentage of base salary remained unchanged from fiscal 2013 levels. However, the dollar value of the cash bonus opportunity increased as compared to fiscal 2013 due to the increases in base salary.

| Named Executive Officer | Fiscal 2014 Target Cash Bonus Opportunity (as a Percentage of Base Salary) | Fiscal 2014 Target Cash Bonus Opportunity |
|-------------------------|--|---|
| Mr. Benioff | 150% | \$ 1,800,000 |
| Mr. Smith | 100% | \$ 600,000 |
| Mr. Block (1) | 100% | \$ 666,667 |
| Mr. Harris | 100% | \$ 625,000 |
| Mr. Hu | 100% | \$ 600,000 |
| Mr. Norton | 100% | \$ 575,000 |

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(1) Mr. Block joined the Company on June 1, 2013 and earned \$666,667 in base salary during fiscal 2014.

Typically, the Compensation Committee obtains input from its compensation consultant and then establishes the target cash bonus opportunity and performance targets for each executive toward the beginning of each fiscal year. These target bonus opportunities are based upon the level and position of each executive, with consideration given to an executive's business objectives, achievements and responsibilities. An executive's actual cash bonus payment under the Company bonus plan may be increased or decreased as compared to his target bonus opportunity in the discretion of our CEO (except with respect to his own bonus), based on his reasonable assessment of the executive's performance, and subject to Compensation Committee approval. Our CEO's actual annual cash bonus payment may be increased or decreased as compared to his target bonus opportunity in the discretion of the Compensation Committee, based on its reasonable assessment of our CEO's performance.

The Compensation Committee also compares the size of each executive's target bonus opportunity to the target bonus opportunities of our other executives, and also takes into account individual performance considerations. While cash bonuses allow us to incentivize certain behavior, the Compensation Committee considers this compensation element to be a less significant tool for incentivizing long-term company performance at the executive level. However, variable cash compensation does play an important role in improving or changing executive performance in the short-term and is a necessary component of cash compensation to help attract, motivate and retain our executives.

The fiscal 2014 bonuses to our Named Executive Officers were payable under our Company bonus plan, called the Kokua Bonus Plan. Under the Company bonus plan, the Compensation Committee, in consultation with our CEO, established target bonus pools that were funded based on achievement of Company performance goals and, to the extent the bonus pools were funded, were used to pay bonuses under the plan to our executives, including the Named Executive Officers, and all other non-sales employees.

The Company bonus plan is funded by three separate pools, one for our executive officers, including the Named Executive Officers, another for non-executive officers at the Vice President level and above, and a third for employees at the level of Senior Director and below. This allows a funding formula for each of the three target bonus pools based on metrics that are appropriate for the specific group it covers. The metrics that were applied to the executive officer bonus pool are discussed below.

In any given fiscal year, if the actual bonus pool exceeds or falls short of the applicable target bonus pool, bonus amounts are increased or decreased accordingly. The Compensation Committee also has the discretion to increase or decrease the bonus pool funding levels and the bonus amounts actually paid to individual executives although the Compensation Committee did not choose to exercise this discretion with respect to the Named Executive Officers for fiscal 2014. For fiscal 2014, the Compensation Committee set a maximum funding level of 100% for the bonus pool for the executive officers, and set a maximum individual performance multiplier of 125% that could be applied in determining each executive officer's individual bonus under the Company bonus plan.

For fiscal 2014, the amount of the bonus pool for executive officers was based on the Company's performance during the fiscal year compared to pre-established target levels for three equally-weighted measures: revenue, operating cash flow and non-GAAP operating income. The Compensation Committee believes that basing the executive officer bonus pool under the Company bonus plan on these measures aligns executive incentives with stockholder interests. The target levels for fiscal 2014 were:

| Performance Measure (1) | Target Performance Level (in millions) | |
|--------------------------------|---|---------|
| Revenue | \$ | 3,935.8 |
| Operating Cash Flow | \$ | 918.0 |
| Non-GAAP Operating Income | \$ | 511.7 |

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(1) For these purposes, Revenue is our GAAP revenues, as adjusted for certain acquisitions and Non-GAAP Operating Income is defined as our non-GAAP income from operations (revenues less cost of revenues and operating expenses, excluding the impact of stock-based compensation expense and amortization of acquisition related intangibles), as adjusted for certain acquisitions. A reconciliation of the non-GAAP operating income to GAAP operating income can be found in our Form 10-K as filed with the SEC on March 5, 2014. Typically, cash bonuses under the Company bonus plan are paid twice each fiscal year to our executives, including the Named Executive Officers, and all other employees who are not part of our sales organization. After the first half of the fiscal year, we typically pay 25% of the full target bonus amount for which an executive is eligible. After the end of the fiscal year, we pay the remaining amount, which may be increased or decreased based on (i) the size of the actual applicable bonus pool and (ii) our CEO's assessment, or, with respect to our CEO, the Compensation Committee's assessment, of the executive's individual performance as described above.

For fiscal 2014, our performance against our Revenue performance measure (as defined above) was approximately \$3,877 million, our performance against our Operating Cash Flow performance measure was approximately \$945.5 million and our performance against our Non-GAAP Operating Income performance measure (as defined above) was approximately \$465.2 million. Based on its assessment of these combined results, the Compensation Committee determined that while the Company had exceeded our Operating Cash Flow performance measure, overall the Company had not met all of the pre-established target levels for these performance measures, which funded the bonus pool at levels lower than the target funding level established by the Compensation Committee earlier in the year and resulted in our executives, including the Named Executive Officers receiving fiscal 2014 bonuses short of their target bonus opportunities.

Accordingly, the Compensation Committee funded the portion of the bonus pool for the Named Executive Officers at 93.7% of the target level. Our CEO did not recommend that the Compensation Committee approve any adjustments to any Named Executive Officer's fiscal 2014 bonus payment and the Compensation Committee did not make any such adjustments. The cash bonuses paid to the Named Executive Officers for fiscal 2014 under the Company bonus plan were:

| Named Executive Officer | Fiscal 2014 Bonus Payment (1) |
|-------------------------|-------------------------------|
| Mr. Benioff | \$ 1,686,600 |
| Mr. Smith | \$ 562,200 |
| Mr. Block (1) | \$ 624,667 |
| Mr. Harris (2) | \$ 585,625 |
| Mr. Hu | \$ 562,200 |
| Mr. Norton | \$ 538,775 |

(1) Mr. Block's fiscal 2014 bonus was based on the actual amount of base salary earned by him during fiscal 2014. He joined the Company on June 1, 2013, and he earned \$666,667 in base salary during fiscal 2014.

(2) Excludes the one-time cash bonus described below.

In November 2013, Mr. Harris was awarded a one-time cash bonus of \$250,000 in recognition of his efforts leading a major product launch.

Equity Compensation

The Compensation Committee periodically reviews our equity compensation program from a market perspective as well as in the context of our overall compensation philosophy. The Compensation Committee also considers the advantages and disadvantages of various equity vehicles, such as stock options and RSU awards, as well as overall program costs (which include both stockholder dilution and compensation expense), when making

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equity award decisions. Further, in making equity awards to our executives, including the Named Executive Officers, the Compensation Committee considers the competitive positioning analysis described above, as well as each executive's individual performance, as described below.

Stock Options

We grant stock options to our executives when they join us, and periodically thereafter, to align their interests with those of our stockholders and as an incentive to remain with the Company. The Compensation Committee believes that options to purchase shares of our Common Stock, with an exercise price equal to the market price of the Common Stock on the date of grant, are the best tool to motivate executives to build stockholder value. Because these options are not transferable, they have no value unless the market price of our Common Stock increases during the period that the option is outstanding, which provides strong incentives to our executives to increase stockholder value. Further, because these options typically vest over a four-year period, they incentivize our executives to build value that can be sustained over time.

Restricted Stock Units

We grant RSU awards to our executives and other employees to help manage the dilutive effect of our equity compensation program. Because RSU awards have value to the recipient even in the absence of stock price appreciation, we are able to retain and incentivize employees while granting fewer shares of our Common Stock. To date, all RSU awards granted have been subject to a time-based vesting requirement. While our stock option plan permits us to grant performance-based RSU awards or other full-value awards, the Compensation Committee did not do so in fiscal 2014.

Equity Award Decisions

In June 2013, in connection with the hiring of Mr. Block, the Compensation Committee granted him an option to purchase 1,250,000 shares of our Common Stock. The stock option was granted with an exercise price of \$37.95 per share, and was subject to our standard four-year time-based vesting schedule. In November 2013, based on the review described below, the Compensation Committee granted equity awards to each of the Named Executive Officers other than Mr. Block, given how recently he had joined the Company, as follows:

| Named Executive Officer | Shares of our Common Stock- subject to Stock Options (1) | Shares of our Common Stock subject to Restricted Stock Unit Awards (1) |
|-------------------------|---|---|
| Mr. Benioff | 1,849,441 | |
| Mr. Smith | 217,014 | 17,362 |
| Mr. Block | | |
| Mr. Harris | 217,014 | 17,362 |
| Mr. Hu | 217,014 | 17,362 |
| Mr. Norton | 217,014 | 17,362 |

(1) Each of the options to purchase shares of our Common Stock was granted with an exercise price of \$52.30 per share and all equity awards were subject to our standard four-year time-based vesting schedule.

The Compensation Committee determined to grant these equity awards to the Named Executive Officers (other than Mr. Block) after considering the recommendations of our CEO (except with respect to his own equity award), its assessment of the performance and expected future contributions of each executive and its assessment of the competitive market. After determining which Named Executive Officers would receive equity awards, the Compensation Committee determined the size of each executive's equity award by applying a ratio of stock options to RSU awards that it believed was appropriate for our executives. The more senior the executive, the larger the stock option award he was granted and the smaller the size of his RSU award. Generally, each Named Executive Officer's RSU award comprised approximately 20% of the aggregate grant date fair value of that

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Named Executive Officer's equity awards (except in the case of our CEO, and Mr. Block, who received no RSU awards). This weighting reflected the greater impact that the Compensation Committee believes our senior executives should have on the Company and the creation of long-term stockholder value. As noted above, stock options do not have value unless the market price of our Common Stock increases during the period that the options are outstanding and the options vest over four years. Accordingly, the Compensation Committee believes that our executives have a greater incentive to increase the value of our Common Stock if their equity compensation awards are weighted more heavily towards option awards than RSU awards.

Equity Award Grant Policies

Generally, the Compensation Committee grants stock options on the fourth Tuesday of each month and RSU awards on the fourth Tuesday of the first month of each fiscal quarter. Stock option awards for new employees (including new executives) are granted on the fourth Tuesday of the month following their hire date and RSU awards are granted on the fourth Tuesday of the first month of each fiscal quarter following an employee's hire date, provided that the employee joins us by the deadline for soliciting approval from the Compensation Committee. If a new employee joins us after the deadline for soliciting the approval of the Compensation Committee, his or her awards are made in the following month or fiscal quarter, as applicable. Additional discretionary equity awards to our existing executives and other employees may also be made periodically in accordance with these policies. The majority of such awards are made in November, with a smaller number occurring throughout the fiscal year, depending upon our internal performance review cycle, individual performance, and other circumstances.

Decisions Regarding Fiscal 2015 Compensation

In November 2013, the Compensation Committee conducted a review of our executive compensation program for purposes of determining the base salaries and bonus opportunity for our executives for fiscal 2015. The Compensation Committee also considered overall Company and individual performance and the roles and responsibilities of each of our executives as well as considerations of internal parity with respect to similarly situated executives. For fiscal 2015, the Compensation Committee set base salaries for the Named Executive Officers, effective February 1, 2014, as follows:

| Named Executive Officer | Fiscal 2015 Base Salary |
|--------------------------------|--------------------------------|
| Mr. Benioff | \$ 1,440,000 |
| Mr. Smith | \$ 650,000 |
| Mr. Block | \$ 1,000,000 |
| Mr. Harris | \$ 650,000 |
| Mr. Hu | \$ 650,000 |
| Mr. Norton | \$ 650,000 |

These base salaries represented no change for Mr. Block and increases from fiscal 2014 levels of 4% for Mr. Harris, 8.3% for Messrs. Smith and Hu, 13% for Mr. Norton, and 20% for Mr. Benioff. The Committee set the CEO's fiscal 2015 target bonus opportunity at 200% of base salary and each other Named Executive Officer's target bonus opportunity for fiscal 2015 at 100% of base salary.

Other Compensation Policies*Stock Ownership Guidelines*

The Company has a stock ownership policy for its non-employee directors, as described earlier in Directors and Corporate Governance Compensation of Directors. With the recommendations of our Compensation and our Nominating and Corporate Governance Committees, in March 2013 the Board approved an amendment to our Corporate Governance Guidelines (the Guidelines) to include stock ownership guidelines for our

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Section 16 Officers, including our Named Executive Officers. The Guidelines now provide that our CEO must attain, by no later than March 14, 2018, the number of shares of our Common Stock equal to the lesser of 112,000 shares or the number of shares equivalent in value to four times his or her annual salary, and each other Section 16 Officer must attain, by no later than the later of March 14, 2018 or the fifth anniversary from the date he or she becomes a Section 16 Officer, the number of shares equivalent in value to one times his or her annual salary. Mr. Benioff currently meets his ownership requirements under these guidelines.

Performance-Based Compensation Recoupment Policy

With the recommendations of our Compensation and our Nominating and Corporate Governance Committees, in March 2013 the Board approved an amendment to the Guidelines to include a clawback provision. The Guidelines now provide that if we restate our reported financial results, the Board will review the performance-based awards made to our executive officers. If and to the extent required by the Dodd-Frank Wall Street Reform and Consumer Protection Act, other clawback provisions of applicable law, or New York Stock Exchange Listing Standards, we will seek to recover or cancel any such awards that were awarded as a result of achieving performance targets that would not have been met under the restated financial results. We will also continue to monitor rule-making actions of the SEC and the New York Stock Exchange related to clawback policies. In addition, if the Company is required as a result of misconduct to restate our financial results due to our material noncompliance with any financial reporting requirements under the federal securities laws, our CEO and CFO may be legally required to reimburse us for any bonus or other incentive-based or equity-based compensation they receive pursuant to the provisions of Section 304 of the Sarbanes-Oxley Act of 2002.

Hedging Transactions

Our insider trading policy prohibits, among other things, short sales, hedging of stock ownership positions and transactions involving derivative securities relating to our Common Stock.

Post-Employment Compensation

We recognize that it is possible that we may be involved in a transaction involving a change of control of the Company, and that this possibility could result in the departure or distraction of our executives to the detriment of our business. The Compensation Committee and the Board of Directors believe that the prospect of such a change of control transaction would likely result in our executives facing uncertainties about their future employment and distractions resulting from concern over how the potential transaction might personally affect them.

To allow our executives to focus solely on making decisions that are in the best interests of our stockholders in the event of a possible, threatened, or pending change of control transaction, and to encourage them to remain with us despite the possibility that the change of control might affect them adversely, we have entered into Change of Control and Retention Agreements with each of our executive officers, including each of the Named Executive Officers, that provide them with certain payments and benefits in the event of the termination of their employment within the three-month period prior to, or the 18 month period following, a change of control of the Company (referred to as the change of control period). Severance payments and benefits under these agreements are conditioned on the executive's signing a release of claims in favor of the Company. The Compensation Committee and the Board of Directors believe that these agreements serve as an important retention tool to ensure that personal uncertainties do not dilute our executives' complete focus on building stockholder value.

These agreements provide each of the Named Executive Officers (other than, as described below, our CEO) who has a qualifying termination during the change of control period with a lump-sum payment equal to 150% of his annual base salary and target cash bonus, Company-paid premiums for health care (medical, dental and vision) continuation coverage for a period of up to 18 months following termination of employment, and the full and immediate vesting of all outstanding and unvested equity awards.

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If our CEO has a qualifying termination during the change of control period, his Change of Control and Retention Agreement provides him with a lump-sum payment equal to 200% of his annual base salary and target cash bonus, Company-paid premiums for health care (medical, dental and vision) continuation coverage for a period of up to 24 months following termination of employment, and the full and immediate vesting of all outstanding and unvested equity awards.

In establishing the terms and conditions of these agreements, the Compensation Committee and the independent members of the Board of Directors considered competitive market data and governance best practices information provided by the compensation consultant. The Compensation Committee and independent directors also determined that full and immediate vesting of all outstanding and unvested equity awards in connection with a qualifying termination during the change of control period was appropriate because, depending on the structure of a change of control transaction, continuing such awards may hinder a potentially beneficial transaction and that it may not be possible to replace such awards with comparable awards of the acquiring company's stock.

The Compensation Committee and the independent members of the Board of Directors also evaluated the cost to us of these arrangements and the potential payout levels to each affected executive under various scenarios. In approving these agreements, they determined that their cost to us and our stockholders was reasonable and not excessive, given the benefit conferred to us. The Compensation Committee and the Board of Directors believes that these agreements will help to maintain the continued focus and dedication of our executives to their assigned duties without the distraction that could result from the possibility of a change of control of the Company.

In addition, in connection with the negotiation of Mr. Smith's employment terms when he first joined the Company in 2007, and Mr. Block's employment terms when he joined the Company in June 2013, each of these Named Executive Officers received offer letters that provided for eligibility for ongoing severance benefits in connection with involuntary terminations. After the end of fiscal 2014, Mr. Smith announced his intention to retire from his position as Chief Financial Officer of the Company on March 31, 2015, and, in order to provide for an orderly transition of his services to the Company, Mr. Smith and the Company entered into a transition agreement which superseded his offer letter's severance provisions. The transition agreement provides for certain severance payments and benefits if he is terminated without cause (or he resigns at the request of the Company and the request is not for cause) before his scheduled retirement date. Under Mr. Block's offer letter, if his employment is terminated without cause or he resigns for good reason, he will be entitled to payments equal to one year of his base salary and 100% of his annual target cash bonus, as well any bonus earned as of his termination but not yet paid, and unpaid reimbursement of expenses. Receipt of these severance benefits is conditioned on Mr. Block's signing a release of claims in favor of the Company. In addition, Mr. Block's offer letter provides him (or his estate) with certain severance benefits in the event his termination is due to death or disability.

For a summary of the material terms and conditions of agreements in effect during fiscal 2014, see "Employment Contracts and Certain Transactions - Change of Control," elsewhere in this Proxy Statement.

Tax and Accounting Considerations

Deductibility of Executive Compensation

Section 162(m) of the Internal Revenue Code imposes limitations on the deductibility for federal income tax purposes of remuneration in excess of \$1 million paid to the chief executive officer and each of the three next most highly compensated executive officers (other than its chief financial officer) of a public company. Generally, remuneration in excess of \$1 million may only be deducted if it is performance-based compensation within the meaning of the Internal Revenue Code.

We monitor the application of Section 162(m) and the associated Treasury regulations on an ongoing basis and the advisability of qualifying executive compensation for deductibility. The Compensation Committee

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considers whether to make efforts to qualify our executive compensation for deductibility under applicable tax laws to the extent practicable, balancing the desirability of having compensation qualify for deductibility with our need to maintain flexibility in compensating executive officers in a manner designed to promote our goals. The Compensation Committee has not adopted a policy that all compensation must be deductible. For example, compensation income realized upon the vesting of time-based RSU awards and fiscal 2014 bonuses paid to our executives are not designed to qualify as performance-based for purposes of Section 162(m) and so will not be deductible to the extent that they and the executive's other non-performance-based compensation for the taxable year totals in excess of \$1 million. This affords us flexibility in designing the bonus structure best suited to our goals, and allows us the ability to grant time-based RSUs with strong retention value.

Taxation of Parachute Payments and Deferred Compensation

Sections 280G and 4999 of the Internal Revenue Code provide that executive officers, directors who hold significant equity interests, and certain other service providers may be subject to significant additional taxes if they receive payments or benefits in connection with a change of control of the Company that exceeds certain prescribed limits, and that we (or our successor) may forfeit a deduction on the amounts subject to this additional tax. We did not provide any executive, including any Named Executive Officer, with a gross-up or other reimbursement payment for any tax liability that the executive might owe as a result of the application of Sections 280G or 4999 during fiscal 2014 and we have not agreed and are not otherwise obligated to provide any executive with such a gross-up or other reimbursement.

Section 409A of the Internal Revenue Code imposes significant additional taxes in the event that an executive officer, director, or service provider receives deferred compensation that does not satisfy the restrictive conditions of the provision. Although we do not maintain a traditional nonqualified deferred compensation plan, Section 409A applies to certain equity awards and severance arrangements. To assist our employees in avoiding additional taxes under Section 409A, we have structured our equity awards in a manner intended to comply with the applicable Section 409A conditions. In addition, the Change of Control and Retention Agreements that we have entered into with the Named Executive Officers have been drafted or modified in a manner intended to comply with Section 409A.

Accounting for Stock-Based Compensation

We follow Financial Accounting Standards Board's Accounting Standards Codification Topic 718 (ASC Topic 718) in connection with the financial reporting of our stock options and other stock-based awards. ASC Topic 718 requires companies to calculate the grant date fair value of their stock option grants using a variety of assumptions, as well as the grant date fair value of their other stock-based awards. This calculation is performed for accounting purposes and reported in the compensation tables below, even though our executives may never realize any value from their options or other stock-based awards. ASC Topic 718 also requires companies to recognize the compensation cost of their stock option grants and other stock-based awards in their income statements over the period that an executive is required to render service in exchange for the option or other award. When determining the types and amounts of equity compensation granted to the Named Executive Officers, the Compensation Committee considers the advantages and disadvantages of various equity vehicles, such as stock options and RSU awards. As part of this consideration, the Compensation Committee takes into account the overall program costs, which includes the associated compensation expense for financial reporting purposes.

Compensation Risk Assessment

As part of its review of the compensation to be paid to our executives, as well as the compensation programs generally available to the Company's employees, the Compensation Committee considers any potential risks arising from our compensation programs and the management of these risks, in light of the Company's overall business, strategy and objectives.

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As is the case with our employees generally, our Named Executive Officers' base salaries are fixed in amount and thus do not encourage risk-taking. Bonus amounts under the Company bonus plan are tied to overall corporate and individual performance, and the bonus pool for executive officers is based on the Company's performance during the fiscal year compared to pre-established target levels for three equally-weighted measures: revenue, operating cash flow and non-GAAP operating income. These three financial metrics counterbalance each other, decreasing the likelihood that our Named Executive Officers will pursue any one metric to the detriment of overall financial performance. Combined, these measures limit the ability of an executive to be rewarded for taking excessive risk on behalf of the Company by, for example, seeking revenue enhancing opportunities at the expense of profitability. A significant portion of compensation provided to our Named Executive Officers is in the form of long-term equity awards that help further align their interests with those of the Company's stockholders. The Compensation Committee believes that these awards do not encourage unnecessary or excessive risk-taking because the ultimate value of the awards is tied to the Company's stock price and because the awards are staggered and subject to long-term vesting schedules to help ensure that executives have significant value tied to long-term stock price performance. The Company has also implemented controls such as the Code of Conduct and periodic sub-certification process for its executives to mitigate the risks of unethical behavior.

Table of Contents**Summary Compensation Table**

The following table sets forth the compensation earned during fiscal 2014, fiscal 2013 and fiscal 2012 for services rendered in all capacities by our CEO and our CFO as of the end of fiscal 2014, and the four other most highly-compensated executive officers as of the end of fiscal 2014. We refer to these executive officers as the Named Executive Officers. Like our other employees, the Named Executive Officers participate in our employee benefit and welfare plans, including medical and dental care plans, life insurance coverage and a 401(k) plan. We do not provide our executives, including the Named Executive Officers, with any additional retirement benefits, perquisites or other personal benefits, except, in the case of our CEO, security services beginning in fiscal 2012, as described below.

SUMMARY COMPENSATION TABLE FOR FISCAL 2014

| Name and Principal Position | Fiscal Year | Salary (\$) | Bonus (\$) | Stock Awards (\$ (1)) | Option Awards (\$ (2)) | Non-Equity | All | Total (\$) |
|---|-------------|-------------|------------|-----------------------|------------------------|----------------------------------|-------------------------|------------|
| | | | | | | Incentive Plan Compensation (\$) | Other Compensation (\$) | |
| Marc Benioff Chief Executive Officer and Chairman of the Board | 2014 | 1,200,000 | | | 27,662,644 | 1,686,600 | 784,088(3) | 31,333,332 |
| | 2013 | 1,000,000 | | | 18,864,075 | 1,302,000 | 934,829 | 22,100,904 |
| | 2012 | 1,000,000 | | | 14,535,850 | 1,530,000 | 648,456 | 17,714,306 |
| Graham Smith Chief Financial Officer | 2014 | 600,000 | | 908,033 | 3,245,944 | 562,200 | | 5,316,177 |
| | 2013 | 500,000 | | 719,302 | 2,651,031 | 434,000 | | 4,304,333 |
| | 2012 | 480,000 | | 465,475 | 2,159,612 | 367,200 | | 3,472,287 |
| Keith Block President and Vice Chairman | 2014 | 666,667(4) | | | 12,792,250 | 624,667 | | 14,083,584 |
| Parker Harris Co-Founder | 2014 | 625,000 | 250,000(5) | 908,033 | 3,245,944 | 585,625 | | 5,614,602 |
| | 2013 | 500,000 | | 828,761 | 3,028,313 | 434,000 | | 4,791,074 |
| | 2012 | 450,000 | | 465,475 | 2,159,612 | 344,250 | | 3,419,337 |
| George Hu Chief Operating Officer | 2014 | 600,000 | | 908,033 | 3,245,944 | 562,200 | | 5,316,177 |
| | 2013 | 500,000 | | 719,302 | 2,651,031 | 434,000 | | 4,304,333 |
| | 2012 | 450,000 | | 465,475 | 2,159,612 | 344,250 | | 3,419,337 |
| Burke Norton Chief Legal Officer | 2014 | 575,000 | | 908,033 | 3,245,944 | 538,775 | | 5,267,752 |
| | 2013 | 500,000 | 200,000 | 719,302 | 2,651,031 | 434,000 | | 4,504,333 |
| | 2012 | 114,230(6) | 200,000 | 4,871,250 | 1,868,895 | 87,387 | | 7,141,762 |

- (1) Stock awards consist solely of restricted stock unit awards. Amounts reported do not reflect compensation actually received by the Named Executive Officer. The amounts reported are the aggregate grant date fair value, which is calculated by multiplying the number of shares subject to the award by the closing price of one share of Common Stock on the date of grant.
- (2) Option awards consist solely of stock options. Amounts reported do not reflect compensation actually received by the Named Executive Officer. Instead, the amounts reported are the grant date fair value in the period presented as determined pursuant to FASB ASC Topic 718, excluding estimated forfeitures. The assumptions used to calculate the value of option awards are set forth under Note 1 of the Notes to Consolidated Financial Statements included in the Company's annual report on Form 10-K for fiscal 2014 filed with the SEC on March 5, 2014.
- (3) This amount represents amounts paid by the Company for security arrangements for Mr. Benioff in addition to security arrangements provided at business facilities and for business travel. As further described in Compensation Discussion and Analysis Compensation Elements CEO Security Program, the personal safety and security of our CEO are of paramount importance to the Company. Although we view the security services provided to our CEO as a necessary and appropriate business expense, because they may be viewed as conveying a personal benefit to him, we have reported certain incremental costs to the Company of the program as All Other Compensation in the table.

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- (4) Mr. Block's fiscal 2014 base salary reported in the table represents his actual base salary earnings during the fiscal year. His annualized base salary for fiscal 2014 was \$1,000,000.
- (5) This amount represents a bonus awarded to Mr. Harris in recognition of his efforts leading a major product launch.
- (6) Mr. Norton's fiscal 2012 base salary reported in the table represents his actual base salary earnings during the fiscal year. His annualized base salary for fiscal 2012 was \$450,000.

Grants of Plan-Based Awards

The following table sets forth certain information with respect to all plan-based awards granted to the Named Executive Officers during fiscal 2014.

GRANTS OF PLAN-BASED AWARDS FOR FISCAL 2014

| Name | Grant Date | Threshold (\$) | Estimated Future Payouts Under Non-Equity Incentive Plan Awards | | All Other Stock Awards: Number of Shares or Units (#) (2) | All Other Awards: Number of Securities Underlying Options (#) (2) | Exercise or Base Price of Option Awards (\$) (3) | Grant Date Fair Value of Stock and Option Awards (\$) (4) |
|---------------|---------------------------------|----------------|---|------------------|---|---|--|---|
| | | | Target (\$ (1)) | Maximum (\$ (1)) | | | | |
| Marc Benioff | N/A 11/26/2013 | | 1,800,000 | 2,250,000 | | 1,849,441 | 52.30 | 27,662,644 |
| Graham Smith | N/A 11/26/2013 11/26/2013 | | 600,000 | 750,000 | 17,362 | 217,014 | 52.30 | 3,245,944 908,033 |
| Keith Block | N/A 06/05/2013 | | 666,667(5) | 833,334(6) | | 1,250,000 | 37.95 | 12,792,250 |
| Parker Harris | N/A 11/26/2013 11/26/2013 | | 625,000 | 781,250 | 17,362 | 217,014 | 52.30 | 3,245,944 908,033 |
| George Hu | N/A 11/26/2013 11/26/2013 | | 600,000 | 750,000 | 17,362 | 217,014 | 52.30 | 3,245,944 908,033 |
| Burke Norton | N/A 11/26/2013 11/26/2013 | | 575,000 | 718,750 | 17,362 | 217,014 | 52.30 | 3,245,944 908,033 |

- (1) The Company's non-equity incentive plan awards, and how they were determined, are based upon a formula that may include some discretion as to amounts paid, as discussed under Compensation Discussion and Analysis Compensation Elements Cash Bonuses.
- (2) All restricted stock units and stock options were granted pursuant to the 2004 Equity Plan and the 2013 Equity Plan.
- (3) The exercise price of the option awards is equal to the closing market price of the Company's Common Stock on the date of grant.
- (4) The value of a stock award or option award is based on the fair value as of the grant date of such award determined pursuant to FASB ASC Topic 718. Stock awards consist only of restricted stock unit awards. The exercise price for all options granted to the Named Executive Officers is 100% of the fair market value of the Company's Common Stock on the grant date. Regardless of the value placed on a stock option on the grant date, the actual value of the option will depend on the market value of the Company's Common Stock at such date in the future when the option is exercised. The proceeds to be paid to the Named Executive Officer following this exercise do not include the option exercise price.

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- (5) Mr. Block joined the Company on June 1, 2013. The amount reported in the table represents Mr. Block's fiscal 2014 target cash bonus opportunity based on his actual base salary earnings during fiscal 2014.
- (6) The amount reported in the table represents Mr. Block's fiscal 2014 maximum cash bonus opportunity based on his actual base salary earnings during fiscal 2014.

Option Exercises and Stock Vested

The following table sets forth certain information concerning option exercises and value realized upon exercise by the Named Executive Officers during fiscal 2014.

OPTION EXERCISES AND STOCK VESTED FOR FISCAL 2014

| Name | Option Awards | | Stock Awards | |
|---------------|---|-------------------------------------|--|------------------------------------|
| | Number of Shares Acquired on Exercise (#) | Value Realized on Exercise (\$) (1) | Number of Shares Acquired on Vesting (#) | Value Realized on Vesting (\$) (2) |
| Marc Benioff | | | | |
| Graham Smith | 85,268 | 2,425,587 | 19,568 | 937,651 |
| Keith Block | | | | |
| Parker Harris | 426,656 | 14,934,728 | 20,268 | 974,548 |
| George Hu | 62,668 | 2,299,644 | 18,900 | 906,884 |
| Burke Norton | | | 49,600 | 2,344,669 |

- (1) The value realized on exercise is calculated as the difference between the actual sales price of the shares of the Company's Common Stock underlying the options exercised and the applicable exercise price of those options.
- (2) The value realized on vesting is calculated as the number of vested restricted stock units multiplied by the closing price of the Company's Common Stock on the vesting date.

Table of Contents**Outstanding Equity Awards**

The following table sets forth information with respect to the value of all outstanding equity awards held by the Named Executive Officers at the end of fiscal 2014.

OUTSTANDING EQUITY AWARDS AT FISCAL 2014 YEAR-END

| Name | OPTION AWARDS | | | | STOCK AWARDS | |
|---------------|---|---|----------------------------|------------------------|---|--|
| | Number of Securities Underlying Unexercised Options (#) Exercisable (1) | Number of Securities Underlying Unexercised Options (#) Unexercisable (1) | Option Exercise Price (\$) | Option Expiration Date | Number of Shares or Units of Stock That Have Not Vested (#) (2) | Market Value of Shares or Units of Stock That Have Not Vested (\$) (3) |
| Marc Benioff | 300,000 | | 16.36 | 11/24/2014 | | |
| | 1,108,333 | 291,667 | 35.63 | 11/23/2015 | | |
| | 758,333 | 641,667 | 27.06 | 11/22/2016 | | |
| | 437,500 | 1,062,500 | 39.09 | 11/27/2017 | | |
| | | 1,849,441 | 52.30 | 11/26/2020 | | |
| Graham Smith | 25,400 | | 16.36 | 11/24/2014 | | |
| | 150,000 | 50,000 | 35.63 | 11/23/2015 | | |
| | 112,666 | 95,334 | 27.06 | 11/22/2016 | | |
| | 61,483 | 149,317 | 39.09 | 11/27/2017 | | |
| | | 217,014 | 52.30 | 11/26/2020 | | |
| | | | | 5,000 | 302,650 | |
| | | | | 8,600 | 520,558 | |
| | | | | 13,800 | 835,314 | |
| | | | | 17,362 | 1,050,922 | |
| Keith Block | | 1,250,000 | 37.95 | 6/5/2020 | | |
| Parker Harris | 272,000 | | 16.36 | 11/24/2014 | | |
| | 190,000 | 50,000 | 35.63 | 11/23/2015 | | |
| | 112,666 | 95,334 | 27.06 | 11/22/2016 | | |
| | 70,233 | 170,567 | 39.09 | 11/27/2017 | | |
| | | 217,014 | 52.30 | 11/26/2020 | | |
| | | | | 5,000 | 302,650 | |
| | | | | 8,600 | 520,558 | |
| | | | | 15,900 | 962,427 | |
| | | | | 17,362 | 1,050,922 | |
| George Hu | 129,000 | | 16.36 | 11/24/2014 | | |
| | 190,000 | 50,000 | 35.63 | 11/23/2015 | | |
| | 112,666 | 95,334 | 27.06 | 11/22/2016 | | |
| | 61,483 | 149,317 | 39.09 | 11/27/2017 | | |
| | | 217,014 | 52.30 | 11/26/2020 | | |
| | | | | 5,000 | 302,650 | |
| | | | | 8,600 | 520,558 | |
| | | | | 13,800 | 835,314 | |
| | | | | 17,362 | 1,050,922 | |
| Burke Norton | 97,500 | 82,500 | 27.06 | 11/22/2016 | | |
| | 61,483 | 149,317 | 39.09 | 11/27/2017 | | |
| | | 217,014 | 52.30 | 11/26/2020 | | |
| | | | | 90,000 | 5,447,700 | |

| | |
|--------|-----------|
| 13,800 | 835,314 |
| 17,362 | 1,050,922 |

- (1) Options shown in this table were granted under the 2004 Equity Plan and the 2013 Equity Plan. Options granted under the 2004 Equity Plan and the 2013 Equity Plan vest over four years, with 25% of the total shares granted vesting on the first anniversary of the date of grant and the balance vesting in equal monthly installments over the remaining 36 months.

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- (2) Restricted stock unit awards shown in this table were granted under the 2004 Equity Plan and the 2013 Equity Plan. Restricted stock unit awards granted under the 2004 Equity Plan and the 2013 Equity Plan vest over four years, with 25% of the units vesting on the first anniversary of the date of grant and the balance vesting in equal quarterly installments over the remaining 36 months.
- (3) The market value of unvested restricted stock units is based on the closing market price of the Company's Common Stock on January 31, 2014 of \$60.53.

Employment Contracts and Certain Transactions

Executive Officer Offer Letters and Agreements. Each of the Named Executive Officers is an at-will employee. Offer letters with our Named Executive Officers provide for one or more of the following: salary, annual bonus based on Company and individual performance, stock options and other equity-based awards, and participation in our Company-wide employee benefit plans. In addition, the offer letters we have entered into with Messrs. Block and Smith provide for severance benefits as described below.

Keith Block. Under Mr. Block's offer letter with the Company, dated June 6, 2013, in the event the Company terminates Mr. Block's employment without cause (as defined in his offer letter) or if Mr. Block voluntarily terminates his employment for good reason (as defined in his offer letter), he will be entitled to receive the following benefits (less applicable tax withholdings), subject to his execution of a release of claims in favor of the Company:

An amount equal to 100% of his annual base salary and target bonus to be payable in monthly installments for 12 months following the termination date, but ending early if he accepts employment with another party during the 12 months following his termination. For the fiscal year ended January 31, 2014, Mr. Block's annual base salary and target bonus amount were each \$1,000,000;

Payment equal to any performance or special incentive bonus earned as of the termination date but not yet paid; and

Any compensation and benefits to which he may be entitled under applicable plans, programs and agreements of the Company (but ending immediately if he accepts employment with another party during the 12 months following his termination), as well as any performance or special incentive bonus earned but not paid as of the date of his termination, and reimbursement of any expenses incurred but not yet reimbursed.

In the event Mr. Block's employment terminates due to his death or disability (as defined in his offer letter), he or his estate will be entitled to receive the following benefits (less applicable tax withholdings), in addition to any other compensation and benefits to which he (or his estate) may be entitled under applicable plans, programs and agreements of the Company:

In the case of death, an amount equal to 100% of his annual base salary payable in monthly installments for 12 months following his death. For the fiscal year ended January 31, 2014, Mr. Block's annual base salary was \$1,000,000;

In the case of disability, the disability benefit available under the Company's normal procedures and policies for its most senior executives;

Payment equal to his pro rata bonus(es) for the remainder of the year in which death or disability occurs. If Mr. Block's termination due to death or disability had occurred on January 31, 2014, his pro rata bonus payment would have been \$666,667, less applicable withholding taxes; and

Payment equal to any base salary and any performance or special incentive bonus earned but not yet paid as of the termination due to death or disability, and reimbursement of any expenses incurred but not yet reimbursed.

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Graham Smith. Mr. Smith’s offer letter with the Company, dated August 8, 2007, provided that if he were terminated without cause after his first 12 months of employment with the Company, he would receive 18 months of his annual base salary (less applicable tax withholdings). If Mr. Smith’s employment had terminated without cause on January 31, 2014, pursuant to his offer letter, he would have received severance payments of \$900,000 (less applicable tax withholdings). Mr. Smith’s offer letter was superseded by a Transition Services Agreement in February 2014 as described in greater detail below.

Change of Control. In December 2008, the Company entered into a Change of Control and Retention Agreement with Mr. Benioff. Pursuant to this agreement, in the event that Mr. Benioff is terminated without cause (as defined in the agreement) or resigns for good reason (as defined in the agreement) within three months prior to, or 18 months after, a change of control (as defined in the agreement) of the Company, he will be entitled to receive the following benefits:

A lump sum payment (less applicable tax withholdings) equal to 200% of his annual base salary and target bonus;

Company-paid premiums for health care (medical, dental and vision) continuation coverage for Mr. Benioff and his eligible dependents for a period of up to 24 months following termination; and

Full vesting acceleration of the unvested portion of all equity incentive awards held by him at the time of termination.

In January 2007, the Company entered into Change of Control and Retention Agreements with Messrs. Harris and Hu. These agreements were amended in November 2008 to implement certain technical amendments intended to comply with informal IRS guidance on Section 409A of the Internal Revenue Code of 1986, as amended. Also in November 2008, the Company entered into a Change of Control and Retention Agreement with Mr. Smith. In January 2012, the Company entered into a Change of Control and Retention Agreement with Mr. Norton and in June 2013, the Company entered into a Change of Control and Retention Agreement with Mr. Block. Pursuant to these agreements, in the event that any of these executives is terminated without cause or resigns for good reason within three months prior to, or 18 months after, a change of control of the Company, he will be entitled to receive the following benefits:

A lump sum payment (less applicable tax withholdings) equal to 150% of the executive’s annual base salary and target bonus;

Company-paid premiums for health care (medical, dental and vision) continuation coverage for executive and the executive’s eligible dependents for a period of up to 18 months following termination; and

Full vesting acceleration of the unvested portion of all equity incentive awards held by the executive at the time of termination.

Each Change of Control and Retention Agreement contains a “best of” provision that termination benefits will be either delivered in full or to such lesser extent as would result in no portion of such termination benefits being subject to the excise tax imposed by the golden parachute rules of Section 4999 of the Internal Revenue Code of 1986, as amended, whichever of the foregoing amounts, after taking into account all applicable taxes, results in the greatest amount of termination benefits to the executive on an after-tax basis. Receipt of benefits under each agreement is conditioned upon execution by the executive of a release of claims in favor of the Company, which release also requires continued compliance by the executive with confidentiality obligations.

Transition Services Agreement. The Company announced in February 2014 that Mr. Smith intends to retire from his position as Chief Financial Officer of the Company on March 31, 2015 (the Retirement Date). In February 27, 2014, in connection with Mr. Smith’s pending retirement, the Company and Mr. Smith entered into a Transition Services Agreement under which Mr. Smith has agreed to continue to serve as Chief Financial Officer until the earlier of the Retirement Date or the date on which the Company’s Board of Directors decides that Mr. Smith will no longer serve in such capacity. Mr. Smith has also agreed to assist with transitioning the

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position and duties of the chief financial officer. During the transition period from the date of the Agreement until the Retirement Date, Mr. Smith will continue to receive his salary, target bonus, other employee benefits and vesting of his equity awards at the same levels and eligibility as immediately prior to the Agreement. In addition, if prior to the Retirement Date, Mr. Smith is terminated by the Company for any reason other than cause (as defined in the transition agreement), or Mr. Smith resigns at the request of the Company if such request is not for cause, then Mr. Smith will receive (i) a lump sum payment of the remaining amount of his salary to the Retirement Date, (ii) if he is covered under the Company's group health plan as of his termination date, Company-paid group healthcare coverage for him and his eligible dependents through the Retirement Date (or a lump sum cash payment of the cost of the premiums, if continued healthcare coverage would violate certain non-discrimination requirements), (iii) payment of 100% of his target bonus for the 2015 fiscal year and (iv) acceleration of vesting of the portion of his outstanding equity awards that would have vested had he remained employed through the Retirement Date. The Transition Services Agreement supersedes and replaces any other compensatory or severance arrangements between the Company and Mr. Smith except for the terms of Mr. Smith's Change of Control and Retention Agreement, which will cease to be effective on Mr. Smith's termination date if no change of control of the Company has occurred prior to that date. If, during Mr. Smith's transition period, the Company completes a change of control and Mr. Smith becomes entitled to receive benefits under his Change of Control and Retention Agreement, he will receive benefits under that agreement instead of his transition agreement (except that if the benefits under his transition agreement would be greater in the aggregate than the benefits under his Change of Control and Retention Agreement, he would receive the applicable benefits under his transition agreement). The best of provision under Mr. Smith's Change of Control and Retention Agreement, as described above, also applies to payments under his transition agreement.

Assuming the above conditions were met and the employment of these officers were to be terminated on January 31, 2014 pursuant to a qualifying termination of employment in connection a change of control of the Company, the following individuals would be entitled to payments in the amounts set forth below:

| Name | Salary and Bonus (\$) (1) | Value of Continuation of Benefits (\$) | Value of Accelerated | Total (\$) (3) |
|---------------|---------------------------|---|---|----------------|
| | | | Stock Options and Restricted Stock Units (\$) (2) | |
| Marc Benioff | 6,000,000 | 37,966 | 66,737,200 | 72,775,166 |
| Graham Smith | 1,800,000 | 28,129 | 12,132,293 | 13,960,422 |
| Keith Block | 3,000,000 | 10,918 | 28,225,000 | 31,235,918 |
| Parker Harris | 1,875,000 | 28,197 | 12,714,953 | 14,618,150 |
| George Hu | 1,800,000 | 27,576 | 12,132,293 | 13,959,869 |
| Burke Norton | 1,725,000 | 28,173 | 15,082,013 | 16,835,186 |

- (1) Based on salary and bonus targets as of January 31, 2014. As described above in the Compensation Discussion and Analysis section, certain executive officers received salary and bonus target increases effective as of February 1, 2014.
- (2) Based on a common stock price of \$60.53, the closing market price of the Company's Common Stock on January 31, 2014, less the applicable exercise price for each option for which vesting would have been accelerated.
- (3) The amounts presented reflect the maximum severance benefits that could have been paid out without giving effect to any potential reduction as a result of the best of provision of the Change of Control and Retention Agreements described above.

Indemnification Agreements. The Company has entered into an indemnification agreement with each of our directors and executive officers. The indemnification agreements and our certificate of incorporation and bylaws require us to indemnify our directors and executive officers to the fullest extent permitted by Delaware law.

Policies and Procedures with Respect to Related Party Transactions. Our Board of Directors is committed to upholding the highest legal and ethical conduct in fulfilling its responsibilities and recognizes that

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related party transactions can present a heightened risk of potential or actual conflicts of interest. Our Audit Committee Charter requires that the Audit Committee review and approve any related party transactions, after reviewing each such transaction for potential conflicts of interests and other improprieties.

In July 2008, the Audit Committee approved the Company's Related Party Transaction Policies and Procedures (the "Related Party Transaction Policies"). Under the Related Party Transaction Policies, the Audit Committee reviews and approves or ratifies any related party transactions. Our directors and executive officers complete an annual questionnaire which requires them to identify any entities they are affiliated with which may enter into a transaction with us that would require disclosure as a related party transaction. In approving or rejecting the proposed transaction, our Audit Committee shall consider the relevant facts and circumstances available and deemed relevant to the Audit Committee, including, but not limited to, the costs and benefits to the Company, the nature of the related party's interest in the transaction, the availability and terms of other sources for comparable services or products, and, if applicable, the impact on a director's independence.

Related Party and Other Transactions. Except for the compensation of directors and executive officers described earlier and as set forth below, there were no transactions during fiscal 2014 in which the Company was a party, the amount involved in the transaction exceeds \$120,000 and in which any director, director nominee, executive officer, holder of more than 5% of our capital stock, or immediate family member of any of the foregoing individuals had or will have a direct or indirect material interest.

In January 1999, The Salesforce.com Foundation, a non-profit public charity, was chartered to build philanthropic programs that are focused on youth and technology. The Company's chairman is the chairman of the Foundation. The Company's chairman, two of the Company's employees and one of the Company's board members hold four of the Foundation's ten board seats. The Company does not control the Foundation's activities, and accordingly, the Company does not consolidate the Foundation's statement of activities with its financial results.

Since the Foundation's inception, the Company has provided at no charge certain resources to Foundation employees such as office space. The value of these items was approximately \$997,000 in fiscal 2014 and approximately \$300,000 for the three months ended April 30, 2014.

Additionally, the Company has donated subscriptions to the Company's service to other qualified non-profit organizations. The Company also allows an affiliate of the Foundation to resell the Company's service to non-profit organizations. The Company does not charge the affiliate for these subscriptions, so any revenue from subscriptions provided to non-profit organizations is retained by the Foundation to fund its charitable work. The value of the subscriptions was approximately \$15.1 million in fiscal 2014 and approximately \$7.0 million for the three months ended April 30, 2014.

Compensation Committee Interlocks and Insider Participation

During fiscal 2014, none of our executive officers served as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our Board of Directors or Compensation Committee.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Company's officers and directors and persons who beneficially own more than 10% of the Company's common stock (collectively, "Reporting Persons") to file reports of beneficial ownership and changes in beneficial ownership with the SEC. Reporting Persons are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file. Based solely on our review of such reports received or written representations from certain Reporting Persons relating to fiscal 2014 the Company believes that all Reporting Persons complied with all applicable reporting requirements in fiscal 2014.

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COMMITTEE REPORTS

The following reports by our Compensation Committee and Audit Committee shall not be deemed to be (i) soliciting material, (ii) filed with the SEC, (iii) subject to Regulations 14A or 14C of the Exchange Act, or (iv) subject to the liabilities of Section 18 of the Exchange Act. The reports shall not be deemed incorporated by reference into any of our other filings under the Exchange Act or the Securities Act of 1933, as amended, except to the extent the Company specifically incorporates the report by reference into such filing.

REPORT OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

We, the Compensation Committee of the Board of Directors of salesforce.com, have reviewed and discussed the Compensation Discussion and Analysis contained in this Proxy Statement with management. Based on such review and discussion, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and in salesforce.com's Annual Report on Form 10-K for the fiscal year ended January 31, 2014.

THE COMPENSATION COMMITTEE

Craig Ramsey (Chair)

Craig Conway

John V. Roos

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Role of the Audit Committee

The Audit Committee operates under a written charter and its functions are discussed above in Corporate Governance and Board Committees - Audit Committee.

The Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors. Management is responsible for the Company's internal controls, financial reporting process and compliance with laws and regulations and ethical business standards. Ernst & Young LLP is responsible for performing an independent audit of the Company's consolidated financial statements and an independent audit of the Company's internal controls over financial reporting, both in accordance with the standards of the Public Company Accounting Oversight Board (United States). The Audit Committee's responsibility is to monitor and oversee this process.

Review of Audited Financial Statements for Fiscal Year ended January 31, 2014

The Audit Committee reviewed and discussed our audited financial statements for the fiscal year ended January 31, 2014 with management. The Audit Committee discussed with Ernst & Young LLP the matters required to be discussed by the statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

The Audit Committee received the written disclosures and the letter from Ernst & Young LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence, and the Audit Committee has discussed the independence of Ernst & Young with that firm.

The Audit Committee also discussed with management and with Ernst & Young LLP the evaluation of the Company's internal controls and the effectiveness of the Company's internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act of 2002.

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The Audit Committee considered the fees paid to Ernst & Young LLP for the provision of non-audit related services and does not believe that these fees compromise Ernst & Young LLP's independence in performing the audit.

Based on the Audit Committee's review and discussions noted above, the Audit Committee recommended to the Board of Directors that the Company's audited consolidated financial statements be included in the Company's annual report on Form 10-K for the fiscal year ended January 31, 2014 for filing with the Securities and Exchange Commission.

In addition, the Audit Committee continued to monitor the Company's internal and disclosure control structure, including the scope and adequacy of the Company's internal auditing program.

Members of the Audit Committee rely without independent verification on the information provided to them and on the representations made by management and the independent auditor. Accordingly, Audit Committee oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit Committee's considerations and discussions referred to above do not assure that the audit of our financial statements has been carried out in accordance with the standards of the Public Company Accounting Oversight Board (United States), that the consolidated financial statements are presented in accordance with U.S. generally accepted accounting principles or that Ernst & Young LLP is in fact independent.

THE AUDIT COMMITTEE

Larry Tomlinson (Chair)

Alan Hassenfeld

Sanford R. Robertson

Maynard Webb

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PROPOSAL 1

ELECTION OF DIRECTORS

As recommended by the Nominating and Corporate Governance Committee, the Board of Directors nominees for election by the stockholders are the following current members of the Board of Directors: Marc Benioff, Keith Block, Craig Conway, Alan Hassenfeld, Colin Powell, John V. Roos, Lawrence Tomlinson and Robin Washington.

It is intended that the proxy in the form enclosed will be voted, unless otherwise indicated, for the election of the nominees for election as directors to the Board of Directors. If any of the nominees should for any reason be unable or unwilling to serve as of the Annual Meeting, the proxies will be voted for the election of such other person as the Board of Directors may designate, if any, in place of such nominee.

Vote Required and Board of Directors Recommendation

The Company's Amended and Restated Bylaws provides that each director nominee be elected to the Board of Directors if the votes cast for such nominee's election exceeds the votes cast against such nominee's election. The Board of Directors, after taking into consideration the recommendation of the Nominating and Corporate Governance Committee, will determine whether or not to accept the pre-tendered resignation of any nominee for director, in an uncontested election, who receives a greater number of votes against his or her election than votes for such election.

The Board of Directors Recommends a Vote For Each of the Nominees Listed Above.

Table of Contents**PROPOSAL 2****RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS**

The Audit Committee has appointed Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2015. The Board of Directors recommends that stockholders vote for ratification of such appointment. In the event of a negative vote on such ratification, the Board of Directors will reconsider its selection. Even if the appointment is ratified, the Audit Committee may, in its discretion, direct the appointment of a different independent registered accounting firm at any time during the year if the Audit Committee determines that such a change would be in our stockholders' best interests.

We expect representatives of Ernst & Young LLP to be present at the Annual Meeting and available to respond to appropriate questions. They will also have the opportunity to make a statement if they desire to do so.

Engagement Letter and Fee Disclosure

In connection with the audit of the fiscal 2014 financial statements, our Audit Committee entered into an engagement agreement with Ernst & Young LLP which sets forth the terms of Ernst & Young's audit engagement. Among other things, the agreement is subject to alternative dispute resolution procedures.

The following table sets forth fees billed for professional audit services and other services rendered to the Company by Ernst & Young LLP for the fiscal years ended January 31, 2014 and 2013.

| | Fiscal 2014 | Fiscal 2013 |
|------------------------|---------------------|---------------------|
| Audit Fees (1) | \$ 5,899,744 | \$ 4,693,527 |
| Audit-Related Fees (2) | 1,710,539 | 801,626 |
| Tax Fees (3) | 1,598,129 | 1,023,459 |
| All Other Fees | | |
| Total | \$ 9,208,412 | \$ 6,518,612 |

- (1) Audit Fees consist of fees incurred for professional services rendered for the audit of our annual consolidated financial statements, review of the quarterly consolidated financial statements and foreign statutory audits and services that are normally provided by Ernst & Young LLP in connection with statutory and regulatory filings or engagements. Audit Fees also consist of fees for the attestation of internal control and management's assessment of internal control as required by Section 404 of the Sarbanes-Oxley Act of 2002.
- (2) Audit-Related Fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's consolidated financial statements and are not reported under Audit Fees. These include fees for consultations on accounting issues and our compliance with Section 404 the Sarbanes-Oxley Act of 2002.
- (3) Tax Fees consist of fees billed for tax compliance, consultation and planning services.

Pre-Approval of Audit and Non-Audit Services

All audit and non-audit services provided by Ernst & Young LLP to the Company must be pre-approved by the Audit Committee. The Audit Committee uses the following procedures in pre-approving all audit and non-audit services provided by Ernst & Young LLP. At or before the first meeting of the Audit Committee each year, the Audit Committee is presented with a detailed listing of the individual audit and non-audit services and fees (separately describing audit-related services, tax services and other services) expected to be provided by Ernst & Young LLP during the year. Quarterly, the Audit Committee is presented with an update of any new audit and non-audit services to be provided by Ernst & Young LLP. The Audit Committee reviews the Company's update and approves the services outlined therein if such services are acceptable to the Audit Committee.

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To ensure prompt handling of unexpected matters, the Audit Committee delegates to the chair of the Audit Committee the authority to amend or modify the list of audit and non-audit services and fees. However, approval of such additional or amended services is not permitted if it would affect Ernst & Young LLP's independence under applicable SEC rules. The chair of the Audit Committee reports any such action taken to the Audit Committee at the next Audit Committee meeting.

All Ernst & Young LLP services and fees in fiscal 2014 were approved in advance by the Audit Committee.

Vote Required and Board of Directors Recommendation

The affirmative vote of a majority of the outstanding shares of common stock present in person or represented by proxy and entitled to vote at the Annual Meeting is required to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm.

***The Board of Directors Recommends a Vote For Ratification of the Appointment of Ernst & Young LLP
as our Independent Registered Public Accounting Firm.***

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PROPOSAL 3

ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION

We are asking our stockholders to cast an advisory vote to approve the compensation of the Named Executive Officers during fiscal 2014 as disclosed in this Proxy Statement. This Proposal gives our stockholders the opportunity to express their views on the design and effectiveness of our executive compensation program.

As described in detail under the heading Compensation Discussion and Analysis, our executive compensation program is designed to attract, motivate and retain the Named Executive Officers, who are critical to our success. Under this program, the Named Executive Officers are rewarded for the achievement of both corporate and individual performance goals, which are intended to result in increased stockholder value. Please read the Compensation Discussion and Analysis and the compensation tables and narrative disclosure that follow for additional details about our executive compensation program, including information about the fiscal 2014 compensation of the Named Executive Officers.

Fiscal Year 2014 Business Highlights

In fiscal 2014 we achieved several significant financial results and we believe the compensation program for the Named Executive Officers was instrumental in helping us achieve strong financial performance, including:

Generated record full fiscal year revenue of \$4.07 billion, an increase of 33% on a year-over-year basis;

Generated cash from operations of \$875 million, a 19% increase on a year-over-year basis; and

Completed fiscal 2014 with a deferred revenue balance of \$2.52 billion, an increase of 35% on a year-over-year basis.

Our overall compensation objective is to compensate our executives and other employees in a manner that attracts and retains the caliber of individuals needed to manage a high-growth business operation in an innovative and competitive industry. For our executives, including the Named Executive Officers, we align our executive compensation program with the interests of our stockholders by tying a significant portion of their compensation to the performance of our Common Stock.

The Compensation Committee regularly reviews our executive compensation program in an effort to ensure that our executive compensation structure aligns with our stockholders' interests. This includes establishing performance target levels based on financial measures believed to be important to our stockholders. The Company also monitors the compensation programs and pay levels of executives from companies of similar size and complexity, in an effort to ensure that our executive compensation program is competitive.

We believe that our executive compensation program has been effective at encouraging the achievement of Company performance, appropriately aligning pay and performance and enabling us to attract and retain executive talent.

Advisory Vote and Board of Directors Recommendation

We request stockholder approval of our fiscal 2014 compensation of the Named Executive Officers as disclosed in this Proxy Statement pursuant to the SEC's compensation disclosure rules (which disclosure includes the Compensation Discussion and Analysis, the compensation tables and the narrative disclosure that accompany the compensation tables within the Executive Compensation and Other Matters section of this Proxy Statement). This vote is not intended to address any specific element of compensation, but rather the overall compensation of the Named Executive Officers and the compensation philosophy, policies and practices described in this Proxy Statement.

Accordingly, we ask that you vote FOR the following resolution:

RESOLVED, that the stockholders of salesforce.com, inc. approve, on an advisory basis, the compensation of the Named Executive Officers, as disclosed in the Company's Proxy Statement for the 2014 Annual

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Meeting of Stockholders of the Company, pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, the Summary Compensation Table for Fiscal 2014 and the other compensation tables and narrative disclosure within the Executive Compensation and Other Matters section of such Proxy Statement.

Approval of the above resolution requires the affirmative vote of the holders of a majority of the votes cast in person or by proxy at the Annual Meeting.

As an advisory vote, the outcome of the vote on this Proposal is not binding. However, our Compensation Committee, which is responsible for designing and administering our executive compensation programs, values the opinions expressed by our stockholders and will consider the outcome of this vote when making future executive compensation decisions.

The Board of Directors Recommends a Vote For Approving on an Advisory Basis the Compensation of the

Named Executive Officers.

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TRANSACTION OF OTHER BUSINESS

The Board of Directors knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the Annual Meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

By Order of the Board of Directors

Burke F. Norton

Chief Legal Officer and Secretary

May 7, 2014

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IMPORTANT ANNUAL MEETING INFORMATION

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas.

x

Annual Meeting Proxy Card

q **PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.** q

A **Proposals** The Board recommends a vote FOR all nominees and FOR Proposals 2 and 3.

| 1. Election of Directors: | For | Against | Abstain | For | Against | Abstain | For | Against | Abstain | + | |
|---------------------------|-----|---------|---------|-----------------------|---------|---------|-----|-------------------|---------|----|----|
| 01 - Marc Benioff | .. | .. | .. | 02 - Keith Block | .. | .. | .. | 03 - Craig Conway | .. | .. | .. |
| 04 - Alan Hassenfeld | .. | .. | .. | 05 - Colin Powell | .. | .. | .. | 06 - John V. Roos | .. | .. | .. |
| 07 - Lawrence Tomlinson | .. | .. | .. | 08 - Robin Washington | .. | .. | .. | | | | |

2. Ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending on January 31, 2015.

For Against Abstain

“ ” “

3. Advisory vote to approve the resolution on the compensation of the named executive officers.

For Against Abstain

“ ” “

B Authorized Signatures This section must be completed for your vote to be counted. **Date and Sign Below**

NOTE: Please mark the proxy, sign exactly as your name appears herein, and return it promptly in the enclosed, addressed envelope. When shares are held by joint tenants, both parties should sign. When signing as an attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by the President or other authorized person. If a partnership, please sign in full partnership name by an authorized person

(dd/yyyy) Please print date below. Signature 1 Please keep signature within the box. Signature 2 Please keep signature within

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q **PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.** q

Proxy salesforce.com, inc.

Proxy for Annual Meeting of Stockholders Solicited by the Board of Directors

The undersigned hereby appoints Marc Benioff, Graham Smith and Burke Norton, or any of them, with full power of substitution, to represent the undersigned and to vote all the shares of common stock of salesforce.com, inc. (the Company) which the undersigned is entitled to vote at the Company s Annual Meeting of Stockholders (the Annual Meeting) to be held on Monday, June 2, 2014, at 2:00 p.m., local time, at 50 Fremont Street, San Francisco, California 94105 and at any adjournments or postponements thereof, on all matters properly coming before the Annual Meeting, including but not limited to the matters set forth on the reverse side. For directions to attend the Annual Meeting, please contact Investor Relations by telephone at (415) 536-6250.

This Proxy when properly signed will be voted in the manner directed on this Proxy by the undersigned. If no direction is made, this Proxy will be voted FOR Proposals 1, 2 and 3.

The undersigned hereby acknowledges receipt of the Notice of the Annual Meeting of Stockholders, Proxy Statement and the Company s 2014 Annual Report.

THIS PROXY WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS INDICATED, THE PROXY HOLDERS ARE AUTHORIZED TO VOTE AS RECOMMENDED BY THE BOARD OF DIRECTORS. THIS PROXY CONFERS DISCRETIONARY AUTHORITY ON THE PROXY HOLDERS TO VOTE AS TO ANY OTHER MATTER THAT IS PROPERLY BROUGHT BEFORE THE ANNUAL MEETING.

(Continued and to be dated and signed on the reverse side.)