

MITEL NETWORKS CORP  
Form DEFA14A  
April 26, 2018

**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**

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

**MITEL NETWORKS CORPORATION**

**(Name of Registrant as Specified In Its Charter)**

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

Payment of Filing Fee (Check the appropriate box):



(3) Filing Party:

(4) Date Filed:

### **Additional Information and Where to Find It**

This communication may be deemed to be solicitation in respect of the arrangement. In connection with the arrangement, Mitel intends to file relevant materials with the SEC and Canadian securities regulatory authorities, including Mitel's proxy statement on Schedule 14A and proxy circular. **MITEL SHAREHOLDERS ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC AND CANADIAN SECURITIES REGULATORY AUTHORITIES, INCLUDING MITEL'S PROXY STATEMENT AND PROXY CIRCULAR, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE ARRANGEMENT.** Investors and security holders will be able to obtain the documents free of charge at the SEC's website at [www.sec.gov](http://www.sec.gov) and the Canadian Securities Administrators' website at [www.sedar.com](http://www.sedar.com), and Mitel shareholders will receive information at an appropriate time on how to obtain documents free of charge from Mitel, which are not currently available.

Mitel and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the holders of Mitel common shares in respect of the arrangement. Information about Mitel's directors and executive officers is set forth in the proxy statement and proxy circular for Mitel's 2018 Annual General Meeting of Shareholders, which was filed with the SEC and Canadian securities regulatory authorities on March 29, 2018. Investors may obtain additional information regarding the interest of such participants by reading the proxy statement and proxy circular regarding the arrangement when it becomes available.

### **Forward Looking Statements**

Some of the statements in this communication are forward-looking statements (or forward-looking information) within the meaning of applicable U.S. and Canadian securities laws. These include statements using the words believe, target, outlook, may, will, should, could, estimate, continue, expect, intend, plan, predict, potential, project and anticipate, and similar statements which do not describe the present or provide information about the past. There is no guarantee that the expected events or expected results will actually occur. Such statements reflect the current views of management of Mitel and are subject to a number of risks and uncertainties. These statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, operational and other factors. Any changes in these assumptions or other factors could cause actual results to differ materially from current expectations. All forward-looking statements attributable to Mitel, or persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements set forth in this paragraph. Undue reliance should not be placed on such statements. In addition, material risks that could cause actual results to differ from forward-looking statements include: the ability to obtain required regulatory, shareholder and court approvals for the arrangement, the timing of obtaining such approvals and the risk that such approvals may not be obtained in a timely manner or at all, and the risk that such approvals may be obtained on conditions that are not anticipated; the risk that the conditions to the arrangement are not satisfied on a timely basis or at all and the failure of the transaction to close for any other reason; the ability to achieve the expected benefits of the transaction; the inherent uncertainty associated with financial or other projections; the integration of Mitel and ShoreTel, Inc. ( "ShoreTel" ) and the ability to recognize the anticipated benefits from the acquisition of ShoreTel; the anticipated size of the markets and continued demand for Mitel's products and services; the impact of competitive products and pricing and disruption to the combined business that could result from the acquisition of ShoreTel; access to available financing on a timely basis and on reasonable terms; risks associated with the non-cash consideration received by Mitel in connection with the divestment of Mitel's mobile business unit; Mitel's ability to achieve or sustain profitability in the future; fluctuations in quarterly and annual revenues and operating results; fluctuations in foreign exchange rates; current and ongoing global economic instability, political unrest and related sanctions; intense competition; reliance on channel partners for a significant component of sales; dependence upon a small number of outside contract manufacturers to manufacture products; and, Mitel's ability to successfully implement and achieve its business strategies, including its growth of the company through acquisitions and the integration of recently acquired businesses and realization of synergies, including the acquisition of ShoreTel. Additional risks are described under the heading "Risk Factors" in Mitel's Annual Report on Form 10-K for the year ended December 31, 2017 filed with the SEC and Canadian securities regulatory authorities

on February 28, 2018. Forward-looking statements speak only as of the date they are made. Except as required by law, Mitel has no intention or obligation to update or to publicly announce the results of any revisions to any of the forward-looking statements to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements.

This filing consists of Mitel Employee FAQs.

## Mitel Employee FAQs

### Mitel Enters Into Definitive Agreement to be Acquired by Affiliates of Searchlight Capital Partners for US \$2.0 Billion

[see April 24, 2018 Mitel press release]

**IMPORTANT** Between now and the close of this proposed agreement which is expected to close in the second half of 2018 it is important to carefully manage communication with employees, customers, partners, investors, analysts, user group members, media, and others.

Everything we can share with you at this point is in the employee announcement, the press release and this FAQ document.

This proposed transaction primarily involves a change of ownership. For all of us in the company, and for our partners, customers, and suppliers, it is business as usual. The most important thing employees can do is stay focused and continue to deliver on our commitments to our customers and to each other.

Do not share this FAQ document or talk about this proposed transaction externally, except for what has already been publicly disclosed. When in doubt, the approach should be to not comment.

**NO SOCIAL: DO NOT comment, post, or retweet at all.**

If you are contacted by partners, customers, or suppliers and are in doubt about how to answer their questions, direct them to:

Customers: [Todd.Abbott@mitel.com](mailto:Todd.Abbott@mitel.com) [Jeremy.Butt@mitel.com](mailto:Jeremy.Butt@mitel.com) or [Don.Schleicher@mitel.com](mailto:Don.Schleicher@mitel.com)

Partners: [Michael.Conlon@mitel.com](mailto:Michael.Conlon@mitel.com) or [Richard.Roberts@mitel.com](mailto:Richard.Roberts@mitel.com)

Suppliers: [Michael.Weier@mitel.com](mailto:Michael.Weier@mitel.com)

If you are contacted by anyone else outside the company for comment, please direct them to: Amy MacLeod, VP Corporate Communications, at [amy.macleod@mitel.com](mailto:amy.macleod@mitel.com)

Employees should watch their email and InsideMitel, and talk to their managers if they have any further questions or concerns. Employees can also send questions to [whatisthedea@mitel.com](mailto:whatisthedea@mitel.com)

Mitel Proprietary Information

For Internal Use



## **1. What did Mitel announce?**

Mitel has announced that it has entered into a definitive agreement to be acquired by an investor group led by affiliates of Searchlight Capital Partners for US \$2.0 billion.

The purchase price represents a 24% premium over the 90-calendar-day volume-weighted average price of Mitel common shares through April 23, 2018, and provides immediate and certain cash value to Mitel shareholders.

Upon the closing of the transaction, expected to take place during the second half (2H) of this year, Mitel shareholders will receive \$11.15 in cash for each common share of Mitel held.

Upon completion of the transaction, which remains subject to customary closing conditions, Mitel will become a privately held company, which means we will no longer be traded on the Nasdaq or TSX exchanges.

## **2. Why is Mitel being acquired?**

Mitel believes that the transaction will be a smart, strategic move for our business as we focus on driving the next phase of growth for our customers, partners, and employees.

As a private company, and with the strategic and capital support of the Searchlight funds, Mitel will have additional flexibility to manage the transition in our market and accelerate our move-to-the-cloud strategy.

This move represents an exciting next step in Mitel's transformation as a leader in the largest markets in the world.

## **3. Who is Searchlight Capital Partners?**

Searchlight is a leading, global private investment firm operating across Europe and North America.

The Searchlight funds invest in businesses where its long-term capital and strategic support can accelerate the creation of value.

## **4. How do the Searchlight funds benefit from acquiring Mitel?**

The Searchlight funds recognize Mitel as having world-class management, a talented workforce, a culture of innovation and a clear strategy to build significant business value in a market that is in the early stages of migrating to cloud communications.

Searchlight shares Mitel's vision for our company and is committed to advancing our longer-term strategic plan.

The acquisition by Searchlight is a strong affirmation of Mitel's value and industry leadership.

**5. What does the going private process involve? What changes can we expect when Mitel becomes a private company?**

Once the transaction closes, expected during the second half of 2018, the company ownership will change from publicly held to privately held by an investor group led by affiliates of Searchlight Capital Partners.

Mitel will be delisted from the Nasdaq and the TSE and our stock will cease trading. We will continue to do business as usual but as a privately held company.

The Mitel Board of Directors will be restructured to reflect new ownership.

No other changes. For employees, customers, partners, suppliers, it is business as usual. Same team. Same strategy. Same portfolio. Same objectives.

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**6. What is the 45-day go-shop process?**

The arrangement agreement includes a 45-day go-shop period, which permits Mitel's Board of Directors and advisors to actively solicit, evaluate and potentially enter into negotiations with parties that make alternative acquisition proposals through such period. There can be no assurance that this process will result in a superior offer

**7. I see that Mitel has been put on review by the Rating Agencies and that there is potential for a downgrade from the existing debt rating. What does that mean?**

It is standard practice for Ratings Agencies to put a Company on review for possible downgrade upon announcement of a pending deal to take the Company private, based on the expectation that the debt portion of a Company's financing typically increases with a move to a private structure. There is no impact whatsoever on Mitel's compliance with its existing credit facilities from Rating Agency actions. In addition, it is important to note that as publicly disclosed, the proposed transaction is not subject to a financing condition and the financing is committed.

**8. Will there be changes to the management team? Company name? Brand?**

It is business as usual.

**9. Is this announcement good news for employees, customers, the business, partners?**

We believe that the announcement is good news for all stakeholders in Mitel.

The proposed transaction is simply a change in company ownership. At the same time, it is a strong show of confidence by a leading global investor that Mitel has a strong vision and strategy along with a talented team able to execute so we can take advantage of the significant market opportunity ahead.

We expect minimal business impact or operational changes for Mitel customers, partners and employees.

The single biggest change will be our ability to accelerate our move-to-the-cloud strategy, because as a private company we will have new flexibility to execute quickly and focus on growing our business over the longer term. In fact, the additional flexibility we will gain will enable us to:

- o speed our ability to innovate and introduce new products and features;

- o expand services in existing Mitel markets;
- o increase our focus on customer experience;
- o improve our pre- and post-sales go-to-market capabilities; and
- o make longer-term portfolio and services investments.

**10. Will there be staff layoffs or staffing changes at Mitel related to taking the company private? Will any functions or activities no longer be required once we become a privately held company?**

The move to take the company private is not about cutting staff. Rather, it is about gaining greater operational flexibility to execute our strategy quickly and focus on growing the business over the longer term.

In addition, as a private company we will no longer be required to invest significant resources – time and money – on the regulatory and reporting requirements associated with being a public company, which will free up that time and money to invest in the business and focus on long-term goals.

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**11. Will I still be an employee of Mitel? Or will I become an employee of Searchlight?**

No change. You will continue to be an employee of Mitel.

**12. What will this news mean for my job?**

Until the closing, your job, employment status, compensation, vacation entitlement, benefits, incentive programs, and sales commission if applicable will not be affected.

Other than this proposed change to company ownership, it is business as usual across the board.

**Same team. Same strategy. Same portfolio.**

We expect the proposed transaction to close during the second half of 2018.

We all must stay focused on meeting our deadlines, customer commitments and targets.

If you have any questions, please ask your manager. Employees can also reach out to the integration team with any question related to this proposed transaction, by sending an email to [whatisthedeal@mitel.com](mailto:whatisthedeal@mitel.com)

**13. How will going private affect our profit share plan and overall profit share target?**

No change to the profit share plan.

Our 2018 profit share target remains unchanged.

**14. What happens to existing Mitel equity incentives?**

Every effort is being made to keep employees equity whole. The treatment of employee equity is dependent on individual terms of the equity incentive allocated to employees. Specifics details related to treatment or transfer of employee equity incentives will be formally communicated by Mitel's Transfer Agent upon closing. The following should be viewed as general guidelines only.

Until the transaction closes, any unvested Mitel options or RSUs will continue to vest as per the regular vesting schedule, and will continue to be subject to regular black-out trading restrictions.

Any vested RSUs in your account will clear at the \$11.15 deal price upon closing, expected in the second half of 2018. Those funds are expected to be paid through payroll after closing.

Any unvested RSUs will continue to vest after closing and on the regular vesting schedule a cash payment at the deal price will be made.

All vested and unvested options with a strike price less than \$11.15 will be cashed out and the employee will receive the difference between the strike price and the deal price. Those funds are expected to be paid through payroll after closing.

All vested and unvested stock options with a strike price higher than \$11.15 will be cancelled.

**15. When Mitel becomes private and no longer has to file quarterly earnings reports, how will employees know how well the business is doing?**

Our objectives are still our objectives. Our revenue targets remain in place. Achieving our targets and deliverables are what our new owner will be expecting. We will still report our progress as a business, but instead of reporting our numbers publicly, we will report them to our new owner.

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**16. How will working for private company Mitel be different than working for public company Mitel? Will there be the same career advancement opportunities? Same pay structures and bonus / incentive programs? Same ability to attract top talent?**

Mitel prides itself on being a company that attracts the best people and is a place where employees want to work. Mitel remains committed to continuing to enhance our work environment, listening to employees and meeting their needs, and ensuring employees' success here at Mitel, regardless of whether we are a public or private company,

Many of the world's best companies to work for are private companies. In fact, private companies routinely make the Fortune and Forbes lists of the best places to work.

**17. How will going private change our current company culture?**

The ownership status of Mitel is not seen as having an impact on our culture, or the way we work and collaborate within and across our teams.

Mitel has a rich heritage in the industry and is committed to providing customers with innovative, best-in-class products, support and services. This dedication continues to drive our company's culture, whether we are privately owned or publicly held.

**18. What happens next?**

It is business as usual. Everyone should stay focused on doing their jobs, executing to plan, and meeting objectives. It is critical that we work to deliver the quarter and drive our current business.

The management team and our Integration Management Office (IMO) will prepare for the anticipated close, expected during the second half of 2018.

**19. How do I deal with questions from my partners, customers, suppliers or other contacts?**

It remains business as usual for customers, partners, suppliers, employees. There are no changes to programs or activities as a result of Mitel's announcement about this proposed change of ownership.

If any questions, please refer them to:

- o Customers: [Todd.Abbott@mitel.com](mailto:Todd.Abbott@mitel.com) [Jeremy.Butt@mitel.com](mailto:Jeremy.Butt@mitel.com) or [Don.Schleicher@mitel.com](mailto:Don.Schleicher@mitel.com)
  
- o Partners: [Michael.Conlon@mitel.com](mailto:Michael.Conlon@mitel.com) or [Richard.Roberts@mitel.com](mailto:Richard.Roberts@mitel.com)
  
- o Suppliers: [Michael.Wei@mitel.com](mailto:Michael.Wei@mitel.com)

Proper communication of this announcement outside the company, including to press, customers, investors, partners and others, is critical. Announcements such as this can be misinterpreted, and competitors will try to spin this to create uncertainty among customers.

It is imperative that all employees refrain from commenting on the transaction to anyone outside the company. No one other than approved external spokespeople should respond or comment to people outside Mitel.

In the period between now and the closing of the proposed transaction, you can use only the information that is in the public domain, such as the announcement press release. You can also refer to and be informed by these FAQs, but do not share them.

If you are unsure about how to deal with a question, please escalate any queries to your immediate manager or team leader, or to the approved external spokespeople identified at the top of this document.



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