

AEROHIVE NETWORKS, INC
Form DEF 14A
April 15, 2015
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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

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-11(c) or §240.14a-2

AEROHIVE NETWORKS, INC.

(Name of Registrant as Specified In Its Charter)

Not applicable

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

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 - (1) Amount Previously Paid:

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 - (4) Date Filed:

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AEROHIVE NETWORKS, INC.

330 Gibraltar Drive

Sunnyvale, California 94089

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held at 10:00 a.m. Pacific Time on Wednesday, May 27, 2015

Dear Stockholder:

We cordially invite you to attend the 2015 Annual Meeting of Stockholders of Aerohive Networks, Inc. We will hold the meeting on **Wednesday, May 27, 2015, at 10:00 a.m. Pacific Time**, at 1213 Innsbruck Drive, Sunnyvale, California 94089, to propose the following:

1. To elect three Class I directors to serve until the 2018 Annual Meeting of Stockholders, or until their successors are duly elected and qualified;
2. To amend our 2014 Employee Stock Purchase Plan to increase the share reserve, modify the evergreen provision, and shorten its term, as described in the proxy statement accompanying this notice;
3. To amend and restate our 2014 Equity Incentive Plan to modify certain terms relating to the granting of performance-based awards and to increase the share reserve, as described in the proxy statement accompanying this notice;
4. To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015; and
5. To transact any other business as may properly come before the meeting or any postponement or adjournment of the meeting.

We discuss these items in more detail on the following pages, which are made part of this Notice. Stockholders who owned our common stock at the close of business on Friday, April 3, 2015, are entitled to notice of and to vote at the Annual Meeting.

On or about April 15, 2015, we expect to mail to our stockholders a Notice of Internet Availability of Proxy Materials (the **Notice**) containing instructions to access our proxy statement for our Annual Meeting and our 2014 annual report to our stockholders. This Notice provides instructions to vote online or by telephone and includes instructions to receive a paper copy of proxy materials by mail. You can access this proxy statement and our 2014 annual report directly at the following Internet address: <http://www.proxyvote.com>. All you have to do is enter the control number located on your proxy card.

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Your vote is important. Whether you plan to attend the Annual Meeting, please cast your vote as promptly as possible via the Internet, as instructed in the Notice of Internet Availability of Proxy Materials. We encourage you to vote via the Internet. It is convenient, is more environmentally friendly and saves us significant postage and processing costs. If you prefer to submit your vote by mail or by telephone you may request instead a printed set of the proxy materials.

By order of the Board of Directors,

Steve Debenham

Vice President, General Counsel & Secretary

Sunnyvale, California

April 15, 2015

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AEROHIVE NETWORKS, INC.

PROXY STATEMENT

FOR 2015 ANNUAL MEETING OF STOCKHOLDERS

To Be Held at 10:00 a.m. Pacific Time on Wednesday, May 27, 2015

INFORMATION CONCERNING SOLICITATION AND VOTING

General

Our Board of Directors is soliciting proxies for the 2015 Annual Meeting of Stockholders to be held at our executive offices at 1213 Innsbruck Drive, Sunnyvale, California 94089 on Wednesday, May 27, 2015, at 10:00 a.m., Pacific Time. Our telephone number at this address is 408-510-6100. This proxy statement contains important information for you to consider when deciding how to vote on the matters set forth in the attached Notice of Annual Meeting. Please read it carefully.

Beginning on April 15, 2015, we sent copies of this proxy statement or made them available to persons who were stockholders at the close of business on April 3, 2015, the record date for the Annual Meeting.

Notice of Internet Availability of Proxy Materials

Pursuant to rules adopted by the Securities and Exchange Commission (the **SEC**), we have chosen to provide access to our proxy materials over the Internet. We are sending a Notice of Internet Availability of Proxy Materials (the **Notice**) to our stockholders and beneficial owners of our stock as of the record date. All stockholders will have the option to access the proxy materials on a website referred to in the Notice or to request a printed set of the proxy materials. We have included in this Notice instructions how to access the proxy materials over the Internet or to request a printed copy of the proxy materials. You may also request to receive proxy materials in printed form by mail or electronically by e-mail on an ongoing basis.

The Notice will provide you with instructions how to:

View on the Internet our proxy materials for our Annual Meeting;

Instruct us to send our future proxy materials to you electronically by e-mail; or

Instruct us to send our proxy materials to you by mail, as well as on an ongoing basis.

Electronic Access to Proxy Materials

Choosing to receive future proxy materials by e-mail will save us the cost of printing and mailing the proxy materials to you and, by avoiding such printing and mailing, will reduce the environmental impact of our Annual Meeting. If you choose to receive future proxy materials by e-mail, you will receive an e-mail in connection with the 2016 Annual Meeting next year with instructions including a link to the proxy materials and a link to the proxy voting site. Your

election to receive proxy materials by e-mail will remain in effect until you terminate it by following the instructions contained in the proxy materials.

Costs of Solicitation

Aerohive will pay the costs of soliciting proxies from stockholders. In addition, we may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses to forward solicitation material to such beneficial owners, including fees associated with:

Forwarding the Notice to beneficial owners;

Forwarding printed proxy materials by mail to beneficial owners who specifically request them; and

Obtaining beneficial owners' voting instructions.

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Certain of our directors, officers and employees may solicit proxies on our behalf, without additional compensation, personally or by written communication, telephone, facsimile or other electronic means.

Record Date and Shares Outstanding

Only stockholders of record at the close of business on April 3, 2015, are entitled to attend and vote at the Annual Meeting. On the record date, 46,619,721 shares of our common stock were outstanding and held of record.

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QUESTIONS AND ANSWERS REGARDING OUR ANNUAL MEETING

Although we encourage you to read this proxy statement in its entirety, we include this question and answer section to provide some background information and brief answers to several questions you may have about the Annual Meeting or this proxy statement.

Q: Why am I receiving these proxy materials?

A: Our Board of Directors is providing these proxy materials to you in connection with our Annual Meeting of Stockholders on May 27, 2015. We invite stockholders to attend the Annual Meeting and to vote on the proposals described in this proxy statement.

Q: What is the Notice of Internet Availability?

A: In accordance with rules and regulations adopted by the SEC, instead of mailing a printed copy of our proxy materials to all stockholders entitled to vote at the Annual Meeting, we are furnishing the proxy materials to our stockholders over the Internet. If you received a Notice by mail, you will not receive a printed copy of the proxy materials. Instead, the Notice will instruct you how to access and review the proxy materials and submit your vote via the Internet. If you received a Notice by mail and would like to receive, instead, a printed copy of the proxy materials, please follow the instructions included in the Notice to request such materials.

We mailed the Notice on or about April 15, 2015, to all stockholders entitled to vote at the Annual Meeting. As of the date of mailing of the Notice, all stockholders and beneficial owners will have the ability to access all of our proxy materials on a website referred to in the Notice. These proxy materials will be available free of charge.

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

A: There are four proposals scheduled to be voted on at the Annual Meeting:

To elect the three Class I nominees for director set forth in this proxy statement;

To amend the 2014 Employee Stock Purchase Plan to increase the share reserve, modify the evergreen provision and shorten its term;

To amend and restate the 2014 Equity Incentive Plan to modify certain terms relating to the granting of performance-based awards and to increase the share reserve; and

To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015.

Q: What is Aerohive's voting recommendation?

A: Our Board of Directors unanimously recommends that you vote your shares **FOR** election of the three Class I nominees to our Board of Directors, **FOR** the proposed amendment of our 2014 Employee Stock Purchase Plan (the

ESPP), **FOR** the proposed amendment and restatement of our 2014 Equity Incentive Plan (the **Equity Plan**), and **FOR** the proposed ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm.

Q: What happens if additional proposals are presented at the Annual Meeting?

A: Other than the four proposals described in this proxy statement, Aerohive does not expect additional matters to be presented for a vote at the Annual Meeting. When you sign and return the proxy card you are granting, as stockholder of record, a proxy to the named proxy holders, Gordon Brooks and Steve Debenham.

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The named proxy holders will have the discretion to vote your shares on the above proposals as well as any additional matters properly presented for a vote at the Annual Meeting. If for any unforeseen reason any of Aerohive's Class I nominees is not available as a candidate for director, the named proxy holders will vote your proxy for such other candidate or candidates as our Board of Directors may nominate.

Q: Who can vote at the Annual Meeting?

A: Our Board of Directors has set April 3, 2015 as the record date for the Annual Meeting. All stockholders who owned Aerohive common stock at the close of business on April 3, 2015 may attend and vote at the Annual Meeting. For each share of common stock held as of the record date the stockholder is entitled to one vote on each proposal to be voted on. Stockholders do not have the right to cumulate votes. On April 3, 2015, 46,619,721 shares of our common stock were outstanding. Shares held as of the record date include shares that you hold directly in your name as the stockholder of record and those shares held by a broker, bank or other nominee for you as a beneficial owner.

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

A: Most Aerohive stockholders hold their shares through a broker, bank or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Stockholders of Record If your shares are registered directly in your name with Aerohive's transfer agent, Computershare, you are considered the stockholder of record with respect to those shares and we have sent the Notice directly to you. As the stockholder of record, you have the right to grant your voting proxy directly to Aerohive or to vote in person at the Annual Meeting.

Beneficial Owners If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name. In such instances, your broker, bank or other nominee is considered, with respect to those shares, the stockholder of record and they will have forwarded the Notice to you. As the beneficial owner, you have the right to direct your broker, bank or other nominee how to vote and you are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote these shares in person at the Annual Meeting unless you request and receive in advance of the Annual Meeting a legal proxy from the broker, bank or other nominee who holds your shares, giving you the right to vote the shares at the Annual Meeting.

Q: How many votes does Aerohive need to hold the Annual Meeting?

A: 23,309,862 shares, which is a majority of Aerohive's outstanding shares as of the record date, must be present in person or represented at the Annual Meeting by proxy in order for Aerohive to hold the meeting and to conduct business. This is called a quorum. Both abstentions and broker non-votes are counted as present for the purpose of determining the presence of a quorum. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner.

Shares are counted also as present at the meeting if you:

are present and vote in person at the meeting; or

have properly submitted a proxy card or voting instruction form, or voted via the Internet or by telephone.

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Q: What is the voting requirement to approve each of the proposals?

A: Proposal One The election of directors requires a plurality vote of the shares of common stock voted at the meeting. **Plurality** means that the individuals who receive the largest number of votes cast **FOR** are elected as directors. As a result, any shares not voted **FOR** a particular nominee (whether as a result of a stockholder abstention or a broker non-vote) will not be counted in such nominee's favor and will have no effect on the outcome of the election. You may vote either **FOR** or **WITHHOLD** on each of the three Class I nominees for election as director.

Proposal Two The amendment to the ESPP to increase the share reserve, modify the evergreen provision and shorten the term requires the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote. You may vote **FOR**, **AGAINST** or **ABSTAIN** on Proposal Two. Abstentions are deemed to be votes cast and have the same effect as a vote against the proposal. However, broker non-votes are not deemed to be votes cast and, therefore, are not included in the tabulation of the voting results on the proposal.

Proposal Three The amendment and restatement of our 2014 Equity Incentive Plan to modify certain terms relating to the granting of performance-based awards and to increase the share reserve requires the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote. You may vote **FOR**, **AGAINST** or **ABSTAIN** on Proposal Three. Abstentions are deemed to be votes cast and have the same effect as a vote against the proposal. However, broker non-votes are not deemed to be votes cast and, therefore, are not included in the tabulation of the voting results on the proposal.

Proposal Four We require the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote to ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm. You may vote **FOR**, **AGAINST** or **ABSTAIN** on Proposal Four. Abstentions are deemed to be votes cast and have the same effect as a vote against the proposal. However, broker non-votes are not deemed to be votes cast and, therefore, are not included in the tabulation of the voting results on the proposal.

Q: Who counts the votes?

A: Votes cast by proxy or in person at the Annual Meeting will be tabulated and certified by the inspector of elections who will also determine whether a quorum is present. An Aerohive representative will serve as the inspector of elections.

Q: What happens if I do not cast a vote?

A: Stockholders of record If you are a stockholder of record and you do not cast your vote, no votes will be cast on your behalf on any of the proposals at the Annual Meeting. However, if you submit a signed proxy card with no further instructions, our Board of Directors will recommend how the shares represented by that proxy card will be voted.

Beneficial owners 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 (Proposal One), the amendment to the ESPP (Proposal Two) and the amendment and restatement of the 2014 Equity Incentive Plan (Proposal Three) because if you do not indicate how you want your shares voted on such proposal, your bank, broker or other nominee is not allowed to vote those shares on your behalf on a discretionary basis. Thus, if you hold your shares in street name and you do not instruct your bank, broker or other nominee how to vote in the election of directors, the amendment to the ESPP or the amendment and restatement of the 2014 Equity Incentive Plan, no votes will be cast on your behalf. However, your bank, broker or other nominee will continue to have discretion to vote any uninstructed shares on the ratification of the appointment of Deloitte &

Touche LLP as our independent registered public accounting firm (Proposal Four).

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

A: You may vote in person at the Annual Meeting shares which you hold held directly as of the record date in your name as the stockholder of record. If you choose to vote in person, please bring your proxy card or proof of identification to the Annual Meeting. Even if you plan to attend the Annual Meeting, Aerohive recommends that you vote your shares in advance as described below so that your vote will be counted if you later decide not to attend the Annual Meeting. If you hold your shares in street name, you must request and receive in advance of the Annual Meeting a legal proxy from your broker, bank or other nominee in order to vote in person at the Annual Meeting.

Q: How can I vote my shares in advance, without attending the Annual Meeting?

A: Whether you hold shares directly as the stockholder of record or beneficially in street name, you may direct how your shares are voted without attending the Annual Meeting. If you are a stockholder of record, you may vote by submitting a proxy; please refer to the voting instructions in the Notice or below. If you hold shares beneficially in street name, you may vote by submitting voting instructions to your broker, bank or other nominee; please refer to the voting instructions provided to you by your broker, bank or other nominee.

Internet Stockholders of record with Internet access may submit proxies until 11:59 p.m., Eastern Time, on May 26, 2015, by following the **Vote by Internet** instructions on the Notice or by following the instructions at www.proxyvote.com. Most of our stockholders who hold shares beneficially in street name may vote by accessing the website specified in the voting instructions provided by their brokers, banks or other nominees. A large number of banks and brokerage firms are participating in Broadridge's online program. This program provides eligible stockholders the opportunity to vote over the Internet or by telephone. Your proxy card or voting instruction form you complete and return will provide your voting instructions to your bank or brokerage firm participating in Broadridge's program.

Telephone If you request a printed set of the proxy materials, you will be eligible to submit your vote by telephone until 11:59 p.m., Eastern Time, on May 26, 2015 by following the telephone voting instructions on your proxy cards.

Mail If you request a printed set of the proxy materials, you may indicate your vote by completing, signing and dating the proxy card or voting instruction form where indicated and by returning it in the prepaid envelope that will be provided. Your vote must be received by 11:59 p.m., Eastern Time, on May 26, 2015.

Q: How can I change or revoke my vote?

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

Stockholders of record If you are a stockholder of record, you may change your vote by (1) filing with our General Counsel, prior to your shares being voted at the Annual Meeting, a written notice of revocation or a duly executed new proxy card, in either case dated later than the prior proxy relating to the same shares, or (2) attending the Annual Meeting and voting in person (although attendance at the Annual Meeting will not, by itself, revoke a proxy). Our General Counsel must receive your written notice of revocation or new proxy card prior to the taking of the vote at the Annual Meeting. Such written notice of revocation or new proxy card should be hand delivered to our General Counsel or should be sent so as to be timely delivered to our principal executive offices at 330 Gibraltar Drive, Sunnyvale, California 94089, Attention: General Counsel.

Beneficial owners If you are a beneficial owner of shares held in street name, you may change your vote (1) by submitting new voting instructions to your broker, bank or other nominee, no later than 11:59 p.m., Eastern Time, on May 26, 2015, or (2) if you have obtained, from the broker, bank or other nominee who holds your shares, a legal proxy giving you the right to vote the shares, by attending the Annual Meeting and voting in person.

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In addition, a stockholder of record or a beneficial owner who has voted via the Internet or by telephone may also change his, her or its vote by making a timely and valid Internet or telephone vote no later than 11:59 p.m., Eastern Time, on May 26, 2015.

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

A: We will announce the preliminary voting results at the Annual Meeting. We will report the final results in a current report on Form 8-K filed within four business days after the date of the Annual Meeting.

Q: Who are the proxies and what do they do?

A: Our Board of Directors designated the two persons named as proxies on the proxy card, Gordon Brooks and Steve Debenham. Where you, as stockholder of record, provide voting instructions in the proxy card, the named proxies will cast their votes in accordance with the instructions as indicated on the proxy card. If you are a stockholder of record and submit a signed proxy card, but do not indicate your voting instructions, the named proxies will vote as recommended by our Board of Directors in favor of the nominated directors, the proposed amendment of our 2014 Employee Stock Purchase Plan, the proposed amendment and restatement of our 2014 Equity Incentive Plan and for ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015. If a matter not described in this proxy statement is properly presented at the Annual Meeting, the named proxy holders will use their own judgment to determine how to vote the shares. If the Annual Meeting is adjourned, the named proxy holders can vote the shares on the new Annual Meeting date as well, unless you have properly revoked your proxy instructions, as described above.

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

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

Q: How may I obtain a separate Notice or a separate set of proxy materials?

A: When more than one stockholder shares the same address each stockholder may not individually receive a separate Notice or a separate copy of the proxy materials. Stockholders who do not receive a separate Notice or a separate copy of the proxy materials may request to receive a separate Notice or a separate copy of the proxy materials by contacting our General Counsel (i) by mail at 330 Gibraltar Drive, Sunnyvale, California 94089, (ii) by calling us at 408-510-6100, or (iii) by sending an email to generalcounsel@aerohive.com. Alternatively, stockholders who share an address and receive multiple Notices or multiple copies of our proxy materials may request to receive a single copy by following the instructions above.

Q: Is my vote confidential?

A: We handle proxy instructions, ballots and voting tabulations that identify individual stockholders in a manner that protects your voting privacy. Your vote will not be disclosed either within Aerohive or to third parties, except: (1) as necessary to meet applicable legal requirements, (2) to allow for the tabulation of votes and certification of the vote, or (3) to facilitate a successful proxy solicitation by our Board of Directors. However, we will forward to our management written comments which stockholders may provide on their proxy cards.

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Q: What is the deadline to propose actions for consideration at the 2016 Annual Meeting of Stockholders or to nominate individuals to serve as directors at that annual meeting?

A: Our stockholders may submit proposals that they believe should be voted upon at our next year's annual meeting in 2016 or nominate persons for election to our Board of Directors at that meeting (See ***Stockholder Proposals***). Stockholders may also recommend candidates to our Board of Directors for election at that meeting (See ***Recommendation and Nomination of Director Candidates***).

Stockholder Proposals:

For a stockholder proposal to be considered for inclusion in Aerohive's proxy statement for the 2016 annual meeting, the written proposal must be received by Aerohive's General Counsel at our principal executive offices no later than December 15, 2015. If the date of the 2016 Annual Meeting is moved more than 30 days before or after the anniversary date of the 2015 Annual Meeting, the deadline for inclusion of proposals in Aerohive's proxy statement for the 2016 Annual Meeting is instead a reasonable time before Aerohive begins to print and mail its proxy materials for the 2016 Annual Meeting. Such proposals also will need to comply with SEC regulations under Rule 14a-8 regarding the inclusion of stockholder proposals in company-sponsored proxy materials. When a stockholder does not seek to include a proposal in our 2016 proxy statement pursuant to Rule 14a-8, the stockholder may submit the proposal to Aerohive for the 2016 Annual Meeting of Stockholders consistent with the requirements of our Bylaws. To be timely under our Bylaws, such stockholder's notice must be delivered to or mailed and received by our Corporate Secretary not more than 75 days and not less than 45 days prior to the one year anniversary of the date we first mailed our proxy materials or a notice of availability of proxy materials (whichever is earlier) to stockholders in connection with our company's previous year's annual meeting of stockholders. For the 2016 Annual Meeting, the notice must be received no earlier than January 31, 2016 and no later than March 1, 2016. However, if the date of the 2016 Annual Meeting is moved more than 30 days before or more than 60 days after the one-year anniversary date of this year's Annual Meeting, then for notice to be timely under our Bylaws the notice must be received by the Corporate Secretary not earlier than the 120th day prior to the 2016 Annual Meeting and not later than the close of business on the later of the 90th day prior to the 2016 Annual Meeting or the 10th day following the day on which Aerohive first publicly announces the date of the 2016 Annual Meeting. To be in proper form, a stockholder's notice to our company must set forth the information required by our Bylaws.

In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice, as described in Section 2.4 of our Bylaws.

As described in our Bylaws, the stockholder submission must include certain specified information concerning the proposal or nominee, as the case may be, and information as to the stockholder's ownership of our common stock. If a stockholder gives notice of such a proposal after the deadline computed in accordance with our Bylaws, or the **Bylaw Deadline**, the stockholder will not be permitted to present the proposal to our stockholders for a vote at the 2016 Annual Meeting.

Recommendation and Nomination of Director Candidates:

The Nominating and Corporate Governance Committee will consider recommendations and nominations for candidates to the Board from Qualifying Stockholders. A **Qualifying Stockholder** is a stockholder that has owned for at least the one year period prior to the date of the submission of the recommendation at least one percent of our company's total common stock outstanding as of the last day of the calendar month preceding the submission. A Qualifying Stockholder that desires to recommend a candidate for election to the Board must direct the recommendation in writing to Aerohive, and must include the candidate's name, home and business contact

information, detailed biographical data and qualifications, details regarding any shares of our stock which the nominee holds as of the time of the submission, evidence of the nominating person's ownership of our

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common stock, a description of any arrangement between the stockholder and the nominee, and a written statement from the nominee acknowledging that if elected, the nominee will serve his or her term as director and will owe a fiduciary duty to our company and our stockholders.

A stockholder that instead desires to nominate a person directly for election to the Board must meet the deadlines and other requirements set forth in Section 2.4(a)(ii) of our Bylaws and the rules and regulations of the SEC, consistent with the time requirements provided above, and in form and setting forth the information required by our Bylaws.

SEC rules also establish a different deadline for submission of stockholder proposals with respect to matters subject to discretionary voting (the **Discretionary Vote Deadline**). The attached proxy card grants the proxy holders discretionary authority to vote on any matter raised at this year's Annual Meeting. In addition, assuming a mailing date of April 15, 2015 for this proxy statement, the proxy holders at next year's Annual Meeting will have similar discretionary authority to vote on any matter that is submitted to our company after March 1, 2016. If a stockholder gives notice of such a proposal after the Discretionary Vote Deadline, our proxy holders will be allowed to use their discretionary voting authority to vote against the stockholder proposal when and if the proposal is raised at the 2016 Annual Meeting.

Because the Bylaw Deadline is possibly not capable of being determined until we publicly announce the date of our 2016 Annual Meeting, it is possible that the Bylaw Deadline may occur after the Discretionary Vote Deadline. In such a case, a proposal received after the Discretionary Vote Deadline but before the Bylaw Deadline would be eligible to be presented at the 2016 Annual Meeting and we believe that our proxy holders at such meeting would be allowed to use the discretionary authority granted by the proxy to vote against the proposal at such meeting without including any disclosure of the proposal in the proxy statement relating to such meeting.

Delivery of Nominations, Recommendations and Proposals:

Nominations, recommendations and/or proposals should be addressed and timely delivered to: Aerohive Networks, Inc., Attention: General Counsel, 330 Gibraltar Drive, Sunnyvale, CA 94089. We advise stockholders interested in submitting such a proposal to contact knowledgeable legal counsel with regard to the detailed requirements of applicable securities laws. The submission of a stockholder proposal does not guarantee that it will be included in our 2016 proxy statement.

Copy of Bylaws:

You may contact us at our principal executive offices for a copy of the relevant Bylaw provisions regarding the requirements for making stockholder proposals and nominating director candidates. Alternatively, a copy of our Bylaws is available on our corporate website at www.aerohive.com in the Corporate Governance section of the Investor Relations page.

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Our Board of Directors directs the management of our business affairs. Our Board of Directors currently comprises nine members, seven of whom are independent within the meaning of the New York Stock Exchange (the **NYSE**) and SEC independent director requirements. Our Board of Directors is divided into three classes with staggered three-year terms. At each annual meeting of stockholders, a class of directors will be elected for a three-year term to succeed the same class whose term is then expiring.

The following table sets forth the names and ages as of April 3, 2015, and certain other information for each of the directors with terms expiring at the Annual Meeting (who are also nominees for election as a director at the Annual Meeting), and for each of the continuing directors:

Name	Class	Age	Position	Director Since	Current Term Expires	Expiration of Term For Which Nominated
Directors with Terms Expiring at the Annual Meeting/Nominees						
Remo Canessa(1)	I	57	Director	2013	2015	2018
Feng Deng(2)	I	51	Director	2006	2015	2018
Changming Liu	I	47	Director and Chief Technology Officer	2006	2015	2018
Continuing Directors						
Krishna Kittu Kolluri(1)(3)	II	51	Director	2011	2016	
Frank J. Marshall(3)	II	68	Director	2011	2016	
Conway Todd Rulon-Miller(2)	II	64	Director	2009	2016	
David K. Flynn	III	51	Director, Chief Executive Officer, President and Chair of Board	2006	2017	
John Gordon Payne(1)	III	52	Director	2014	2017	
Christopher J. Schaepe(2)(3)	III	51	Director	2006	2017	

(1) Member of our audit committee

(2) Member of our compensation committee

(3) Member of our nominating and corporate governance committee

Nominees for Director

Remo Canessa has served as a member of our Board since September 2013 and serves as chair of our audit committee. Mr. Canessa has been the Chief Financial Officer of Infoblox, Inc., an automated network control company, since October 2004. He previously served as Chief Financial Officer of NetScreen Technologies, from July 2001 until its acquisition by Juniper Networks in April 2004. He holds a B.A. in Economics from the University of California, Berkeley, and an M.B.A. from Santa Clara University.

We believe Mr. Canessa possesses specific attributes that qualify him to serve as a member of our Board, including his extensive experience in the technology industry and the operational insight and expertise he has accumulated serving as the Chief Financial Officer for large technology companies, including his services to NetScreen Technologies and Infoblox.

Feng Deng has served as a member of our Board since July 2006 and serves on our compensation committee. Mr. Deng has been since December 2005 a managing director of Northern Light Venture Capital, a venture capital firm he co-founded. Mr. Deng previously was a co-founder and served as a director of NetScreen

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Technologies. Mr. Deng holds a B.S. and an M.S. in Electrical Engineering from Tsinghua University, an M.S. in Computer Engineering from the University of Southern California and an M.B.A. from the Wharton School at the University of Pennsylvania.

We believe Mr. Deng possesses specific attributes that qualify him to serve as a member of our Board, including his extensive experience in the computer, communication and data networking industries and as a board member of companies in the technology industry, including his service to NetScreen Technologies.

Changming Liu is one of our co-founders and has served as our Chief Technology Officer since January 2007 and as a member of our Board since March 2006. He previously served as our Chief Executive Officer from March 2006 to February 2007. Prior to joining us, Mr. Liu was a Distinguished Engineer at Juniper Networks, which he joined through its acquisition of NetScreen Technologies in April 2004. Mr. Liu holds a B.Sc. in Computer Science from Tsinghua University and an M.S. in Computer and Electrical Engineering from Queen's University, Ontario Canada.

We believe Mr. Liu possesses specific attributes that qualify him to serve as a member of our Board, including his extensive experience as a key architect and technical manager for over 15 years in the data networking industry and the operational insight and expertise he has accumulated as one of our founders and as our Chief Technology Officer.

Continuing Directors

David K. Flynn has served as a member of our Board since July 2006 and as its Chair since July 2013. Mr. Flynn has served as our Chief Executive Officer since July 2007 and as President since November 2007. He previously served as our Interim Chief Executive Officer from February 2007 to July 2007. Prior to joining us, Mr. Flynn was with Juniper Networks until 2005. He joined Juniper in April 2004 through its acquisition of NetScreen Technologies, where he had served as Vice President of Marketing since June 1999. Mr. Flynn holds a B.A. in Economics from Williams College and an M.B.A. from the Stanford Graduate School of Business.

We believe Mr. Flynn possesses specific attributes that qualify him to serve as a member of our Board, including his extensive experience in the data networking industry and the operational insight and expertise he has accumulated as our President and Chief Executive Officer.

Krishna Kittu Kolluri has served as a member of our Board since March 2011, and serves on our audit and nominating and corporate governance committees. Mr. Kolluri has been a General Partner of New Enterprise Associates, Inc., a venture capital firm, since January 2006. He previously was Executive Vice President and the General Manager of the Security Products Group at Juniper Networks, which he joined through its acquisition of NetScreen Technologies in April 2004. Mr. Kolluri currently serves as a member of the board of directors of, among others, Cohere Technologies, Inc., a privately held company in the wireless networking industry. He holds a B.Tech. (M.E.) from Indian Institute of Technology, Madras, India, and an M.S. in Operations Research from the State University of New York, Buffalo.

We believe Mr. Kolluri possesses specific attributes that qualify him to serve as a member of our Board, including his extensive experience related to information technology and energy technology and as a board member of companies in the technology industry, including his service to Cohere Technologies.

Frank Marshall has served as a member of our Board since March 2011, and serves as chair of our nominating and corporate governance committee. Mr. Marshall is also our lead independent director. Mr. Marshall has been a General Partner of Big Basin Partners since October 2000 and also serves as a director and advisor for several privately held companies. He currently serves as a director of MobileIron, Inc., a developer and provider of security and

management software and hardware solutions for mobile apps, content and devices, and previously served as a director at PMC-Sierra, Inc., a semiconductor company, Juniper

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Networks and NetScreen Technologies. Mr. Marshall holds a B.S. in Electrical Engineering from Carnegie Mellon University and an M.S. in Electrical Engineering from the University of California, Irvine.

We believe Mr. Marshall possesses specific attributes that qualify him to serve as a member of our Board, including his extensive experience in Internet infrastructure semiconductor solutions and communications services and as a board member of companies in the technology industry, including his services to MobileIron, PMC-Sierra, Juniper Networks and NetScreen Technologies.

Conway Todd Rulon-Miller has served as a member of our Board since May 2009 and serves on our compensation committee. Mr. Rulon-Miller has been a partner since January 1998 of Apogee Venture Group, an early stage venture investment and consulting firm he founded. He holds a B.A. in History from Princeton University.

We believe Mr. Rulon-Miller possesses specific attributes that qualify him to serve as a member of our Board, including his extensive experience in the technology industry and as a board member of companies in the technology industry, including his service to Apogee Venture Group.

John Gordon Payne has served as a member of our Board since March 2014 and serves on our audit committee. Mr. Payne currently serves as the Chief Operating Officer of DocuSign, Inc., an electronic signature and digital transactions management company. He previously was employed with Citrix Systems, Inc., a virtualization, cloud and mobile solutions company, from December 2005 to January 2014, including as Senior Vice President of various divisions. He holds a B.A. in Commercial and Administrative Studies from the University of Western Ontario, Canada, and an M.B.A. from IMD, Lausanne Switzerland.

We believe Mr. Payne possesses specific attributes that qualify him to serve as a member of our Board, including his extensive experience in the technology industry, including the operational insight and expertise he has accumulated serving as the Senior Vice President of various divisions for large technology companies.

Christopher J. Schaepe has served as a member of our Board since July 2006 and serves as chair of our compensation committee. Mr. Schaepe is a founding partner of Lightspeed Venture Partners, a venture capital firm. Prior to joining Lightspeed in 2000, he was a general partner at Weiss, Peck & Greer Venture Partners, a venture capital firm, which he joined in 2001. Mr. Schaepe holds B.S. and M.S. degrees in Computer Science and Electrical Engineering from Massachusetts Institute of Technology and an M.B.A. from the Stanford Graduate School of Business. He currently serves as a member of the board of directors of Riverbed Technology, Inc., an application and network performance company, and previously served as a member of the board of directors of Fusion-io, Inc., a computer hardware and software systems company.

We believe Mr. Schaepe possesses specific attributes that qualify him to serve as a member of our Board, including his extensive experience in the technology industry and as a board member of companies in the technology industry, including his services to Riverbed Technology and Fusion-io.

Director Independence

Our common stock is listed on the NYSE, and trades under the symbol **HIVE**. Under NYSE rules, independent directors must comprise a majority of a listed company's board of directors and a director will only qualify as an independent director if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended.

In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of

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directors, or any other board committee: (1) accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries; or (2) be an affiliated person of the listed company or any of its subsidiaries.

Our Board has undertaken a review of the independence of each director and considered whether each director has a material relationship with us that could compromise his ability to exercise independent judgment in carrying out his responsibilities. As a result of this review, our Board determined that Remo Canessa, Feng Deng, Krishna Kittu Kolluri, Frank J. Marshall, John Gordon Payne, Conway Todd Rulon-Miller and Christopher J. Schaepe, representing seven of our nine directors, were each independent directors as defined under the NYSE and SEC requirements, rules and regulations.

With respect to Mr. Rulon-Miller, the Board specifically considered our employment of Mr. Rulon-Miller's son, Michael Rulon-Miller, who has been regularly employed in our sales organization since December 2014 (and previously provided service to us through an internship program). Michael Rulon-Miller's employment did not involve payments in excess of \$120,000 in fiscal year 2014, and we do not expect payments to Michael Rulon-Miller in excess of \$120,000 in fiscal year 2015. The Board has concluded that the employment of Mr. Rulon-Miller's son was not a material relationship that would impede the exercise of independent judgment by Mr. Rulon-Miller.

Board Leadership Structure

Mr. Flynn currently serves as both chair of our Board of Directors and as our chief executive officer. Our Board believes that the current Board leadership structure provides effective independent oversight of management while allowing our Board of Directors and management to benefit from Mr. Flynn's leadership and years of experience as an executive in the data networking industry. Mr. Flynn is best positioned to identify strategic priorities, lead critical discussion and execute our strategy and business plans. Mr. Flynn possesses detailed in-depth knowledge of the issues, opportunities, and challenges facing us.

Independent directors and management sometimes have different perspectives and roles in strategy development. Accordingly, our Board determined that it would be beneficial to have a lead independent director to, among other things, preside over executive sessions of the independent directors to provide the Board with the benefit of having the perspective of entirely independent directors. Our Board has appointed Frank J. Marshall to serve as our lead independent director. As lead independent director, Mr. Marshall presides over periodic meetings of our independent directors, serves as a liaison between our Chair and the independent directors, and performs such additional duties as our Board may otherwise determine and delegate.

Risk Management

Our executive officers and senior management are responsible for the day-to-day management of risks that we face as a company, while the Board, as a whole and through its committees, has responsibility for the oversight of risk management. In this oversight role, the Board is responsible for satisfying itself that the risk management processes which our management designs and implements are adequate and function as designed. The Board does not have a standing risk management committee, but rather administers this oversight function directly through the Board as a whole, as well as through various standing committees that address risks inherent in their respective areas of oversight. For example, the audit committee has the responsibility to consider major financial risk exposures and oversee the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which we undertake risk assessment and management. The audit committee also monitors compliance with legal and regulatory requirements and listing requirements, including the work required for internal audit compliance. Our compensation committee assesses and monitors our compensation policies and programs. Our

nominating and corporate governance committee monitors the conduct and effectiveness of our Board and its committees, and adherence to our corporate governance guidelines. Our Board is generally responsible for monitoring and assessing strategic risk exposure, including a determination of the nature and level of risk appropriate for our company.

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Board Meetings and Committees

During 2014, our Board of Directors held 10 meetings (including regularly scheduled and special meetings), and each current director attended at least 75 percent of the aggregate of (i) the total number of meetings our Board held during the period for which he served as a director and (ii) the total number of meetings held by all committees of our Board on which he served during the periods that he served.

It is the policy of our Board of Directors to regularly have separate meetings for independent directors, without management participating.

We do not have a formal policy regarding attendance by members of our Board at annual meetings of stockholders. Nonetheless, we encourage our directors to attend.

Our Board has an audit committee, a compensation committee, and a nominating and corporate governance committee, each of which has the composition and responsibilities described below. Members serve on these committees until their resignation or until otherwise determined by our Board.

Audit Committee

Messrs. Canessa, Kolluri and Payne, each of whom is a non-employee member of our Board, comprise our audit committee. Mr. Canessa is the chair of the audit committee. Our Board has determined that Mr. Canessa qualifies as an audit committee financial expert, as defined in the SEC rules, and satisfies the NYSE financial sophistication requirements. Our Board has determined that Messrs. Canessa, Kolluri and Payne satisfy the NYSE and SEC requirements, rules and regulations for independence and financial literacy. We believe that the functioning of our audit committee complies with applicable NYSE and SEC requirements, rules and regulations. The audit committee is responsible for, among other things:

selecting and hiring our independent registered public accounting firm;

evaluating the performance and independence of our independent registered public accounting firm;

approving the audit and pre-approving any non-audit services to be performed by our independent registered public accounting firm;

reviewing our financial statements and related disclosures and reviewing our critical accounting policies and practices;

reviewing the adequacy and effectiveness of our internal control policies and procedures and our disclosure controls and procedures;

overseeing procedures for the treatment of complaints on accounting, internal accounting controls, or audit matters;

reviewing and discussing with management and the independent registered public accounting firm the results of our annual audit, our quarterly financial statements, and our publicly filed reports;

reviewing and approving any proposed related-person transactions; and

preparing the audit committee report that the SEC requires in our annual proxy statement.

Our audit committee operates under a written charter that satisfies NYSE and SEC requirements, rules and regulations. A copy of the charter of our audit committee is available on our website at <http://ir.aerohive.com>. During 2014, our audit committee held eight meetings and acted by written/electronic consent zero times.

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Compensation Committee

Messrs. Deng, Rulon-Miller and Schaepe, each of whom is a non-employee member of our Board, comprise our compensation committee. Mr. Schaepe is the chair of our compensation committee. Our Board has concluded that the composition of our compensation committee meets NYSE and SEC requirements, rules and regulations for independence, as well as under Section 162(m) of the Internal Revenue Code. We believe that the functioning of our compensation committee complies with the NYSE and SEC requirements, rules and regulations. The compensation committee is responsible for, among other things:

reviewing and approving our Chief Executive Officer's and other executive officers' annual base salaries and incentive compensation plans, including the specific goals and amounts; equity compensation, employment agreements, severance arrangements and change in control agreements, and any other benefits, compensation or arrangements;

administering our equity compensation plans;

overseeing our overall compensation philosophy, compensation plans, and benefits programs; and

preparing the compensation committee report that the SEC requires in our annual proxy statement.

Our compensation committee operates under a written charter that satisfies NYSE and SEC requirements, rules and regulations. A copy of the charter of our compensation committee is available on our website at <http://ir.aerohive.com>. During 2014, our compensation committee held seven meetings and acted by written/electronic consent four times.

Nominating and Corporate Governance Committee

Messrs. Kolluri, Marshall and Schaepe, each of whom is a non-employee member of our Board, comprise our nominating and corporate governance committee. Mr. Marshall is the chair of our nominating and corporate governance committee. Our Board has determined that each member of our nominating and corporate governance committee meets the NYSE requirements for independence. The nominating and corporate governance committee is responsible for, among other things:

evaluating and making recommendations regarding the composition, organization, and governance of our Board and its committees;

reviewing and making recommendations with regard to our corporate governance guidelines and compliance with laws and regulations; and

reviewing and approving conflicts of interest of our directors and corporate officers, other than related-person transactions reviewed by the audit committee.

Our nominating and corporate governance committee operates under a written charter that satisfies the NYSE and SEC requirements, rules and regulations. A copy of the charter of our nominating and corporate governance committee is available on our website at <http://ir.aerohive.com>. Our nominating and corporate governance committee did not meet in 2014 and did not act by written/electronic consent.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee is or has been an officer or employee of our company. None of our executive officers currently serves, or in the past year has served, as a member of the compensation committee or director (or other Board committee performing equivalent functions or, in the absence of any such committee, the entire Board of Directors) of any entity that has one or more executive officers serving on our compensation committee or our Board. As described under the sections captioned **Related-Person Transactions**, Northern Light Venture Capital and its affiliated funds, and Lightspeed Venture Partners VII, L.P. each holds as of the record date more than five percent of our outstanding capital stock. Feng Deng and

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Christopher J. Schaepe are partners of Northern Light Venture Capital and Lightspeed Venture Partners VII, L.P., respectively, and they are each a member of our Board and our compensation committee.

Considerations in Evaluating Director Nominees

The nominating and corporate governance committee will consider candidates stockholders recommend to the Committee in the same manner as candidates other sources recommend. The Committee uses the following procedures to identify and evaluate any individual recommended or offered for nomination to the Board:

In its evaluation of director candidates, including the members of the Board eligible for re-election, the Committee will consider the following:

The current size and composition of the Board, the needs of the Board and the respective committees of the Board;

Such factors as character, integrity, judgment, diversity of experience, independence, area of expertise, corporate experience, length of service, potential conflicts of interest, and other commitments. The Committee evaluates these factors, among others, and does not assign any particular weighting or priority to any of these factors; and

Other factors that the Committee may consider appropriate.

The Committee requires the following minimum qualifications to be satisfied by any nominee for a position on the Board:

Personal and professional ethics and integrity;

Proven achievement and competence in the nominee's field and the ability to exercise sound business judgment;

Skills which are complementary to those of the existing Board;

Skills which are complimentary to the business objectives and operating initiatives of the company;

The ability to assist and support management and make significant contributions to the company's success; and

An understanding of the fiduciary responsibilities that are required of a member of the Board and the commitment of time and energy necessary to diligently carry out those responsibilities.

If the Committee determines that an additional or replacement director is required, the Committee may take such measures that it considers appropriate in connection with its evaluation of a director candidate, including candidate interviews, inquiry of the person or persons making the recommendation or nomination, engagement of an outside search firm to gather additional information, or reliance on the knowledge of the members of the Committee, the Board or management.

Stockholder Recommendations for Nominations to the Board of Directors

The nominating and corporate governance committee will consider both recommendations and nominations for candidates to the Board from Qualifying Stockholders. A Qualifying Stockholder that desires to recommend a candidate for election to the Board must direct the recommendation in writing to Aerohive and must include the candidate's name, home and business contact information, detailed biographical data and qualifications, details regarding any shares of our company the nominee holds, a description of any arrangement between the stockholder and the nominee, a written statement from the nominee acknowledging that if elected, the nominee will owe a fiduciary duty to the company and our stockholders and providing evidence of the nominating person's ownership of our common stock.

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A stockholder that instead desires to nominate a person directly for election to our Board must meet the deadlines and other requirements set forth in Section 2.4(a)(ii) of our Bylaws and the SEC's rules and regulations. To be timely, such stockholder's notice must be delivered to or mailed and received by our General Counsel not more than 75 days and not less than 45 days prior to the one-year anniversary of the date we first mailed its proxy materials or a notice of availability of proxy materials (whichever is earlier) to stockholders in connection with our previous year's annual meeting of stockholders. For the 2016 Annual Meeting, the notice must be received no earlier than January 31, 2016 and no later than March 1, 2016. However, if the date of the 2016 Annual Meeting is advanced more than 30 days before or more than 60 days after the anniversary date of this year's Annual Meeting, then for notice to be timely, the notice must be received by the Corporate Secretary not earlier than the 120th day prior to the 2016 Annual Meeting and not later than the close of business on the later of the 90th day prior to the 2016 Annual Meeting or the 10th day following the day on which Aerohive first publicly announces the date of the 2016. To be in proper form, a stockholder's notice must set forth the information required by our Bylaws.

Communications with the Board of Directors

Stockholders wishing to communicate with the Board of Directors or with an individual member of our Board may do so by writing to the Board of Directors or to the particular member of the Board, and by mailing the correspondence to Aerohive. We will forward such stockholder communications to the appropriate member or members of the Board of Directors or, if none is specified, to the chair of our Board.

Our General Counsel, in consultation with appropriate members of our Board, as necessary, will review all incoming communications and, if appropriate, will forward such communications to the appropriate member or members of our Board of Directors, or if none is specified, to the chair of our Board.

Delivery of Stockholder Recommendations or Communications

Stockholder recommendations for nominations to the Board of Directors, or otherwise communications to our Board, should be addressed and timely delivered to: Aerohive Networks, Inc., Attention: General Counsel, 330 Gibraltar Drive, Sunnyvale, CA 94089. We advise stockholders interested in submitting such a proposal to contact knowledgeable legal counsel with regard to the detailed requirements of applicable securities laws. The submission of a stockholder recommendation does not guarantee that it will be included in our 2016 proxy statement.

Corporate Governance Guidelines and Code of Business Conduct and Ethics

Our Board of Directors has adopted Corporate Governance Guidelines. These guidelines address, among other items, the responsibilities of our directors, the structure and composition of our Board and corporate governance policies and standards applicable to us in general. In addition, our Board of Directors has adopted a Code of Business Conduct and Ethics that applies to all of our employees, officers and directors, including our chief executive and senior financial officers. The full text of our Corporate Governance Guidelines and Code of Business Conduct and Ethics is posted on the Corporate Governance portion of our website at <http://ir.aerohive.com>. We will post amendments to our Code of Business Conduct and Ethics or waivers of our Code of Business Conduct and Ethics for directors and chief executive and senior financial officers on the same website.

Director Compensation

In conjunction with our IPO in March 2014 (our **IPO**) we implemented a compensation plan for our non-employee directors which provided for fixed cash payments to be made quarterly for service on our Board and its committees. Under the plan, an additional cash payment is available to our non-employee directors who serve as chairs of our

Board's respective committees and to the lead independent director.

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The chairs and members of the three standing committees of our Board and our lead independent director are entitled to the following annual cash fees:

Member of the Board	\$ 30,000
Lead Independent Director	\$ 10,000
Chair of Audit Committee	\$ 15,000
Member of Audit Committee (excluding committee chair)	\$ 10,000
Chair of Compensation Committee	\$ 10,000
Member of Compensation Committee (excluding committee chair)	\$ 5,000
Chair of Nominating and Corporate Governance Committee	\$ 7,500
Member of Nominating and Corporate Governance Committee (excluding committee chair)	\$ 5,000

Prior to our IPO we granted stock options for service on our Board to those non-employee directors who were also not affiliated with our original venture fund investors. Under the compensation plan implemented in conjunction with our IPO, all our non-employee directors (including those affiliated with our original venture fund investors), are eligible to receive an initial equity award in the form of restricted stock units (**RSU**) upon their appointment as a director, and an annual RSU award in conjunction with their continuing service as a director.

We also reimburse our directors for expenses associated with attending meetings of our Board and its committees.

Directors who are also our employees receive no additional compensation for their service as a director. During the year ended December 31, 2014, two directors, Mr. Flynn, our president, chief executive officer and chair of our Board, and Mr. Liu, our CTO, were employees. Mr. Flynn's compensation is discussed in the section titled **Executive Compensation**. Mr. Liu is compensated in conjunction with his employment, but he does not receive any additional compensation for services provided as a director.

The following table provides information regarding cash payments and equity awards made to certain of our non-employee directors earned during the year ended December 31, 2014:

Name	Fees earned or paid		Options Awards(\$)(3)	Total (\$)
	in cash (\$)(1)	Stock Awards (\$)(2)		
Remo Canessa	45,000	162,554		207,554
Feng Deng	28,125	162,554		190,679
Krishna Kittu Kolluri	30,938	162,554		193,492
Frank J. Marshall	47,500	162,554		210,054
Paul J. Milbury (4)	28,333	162,554		190,887
Conway Todd Rulon-Miller	35,000	162,554		197,554
John Gordon Payne	37,500	0.00	335,671	373,171
Christopher Schaepe	32,813	162,554		195,367

(1) The amounts in the Fees Earned or Paid in Cash column reflect fees earned by the directors pursuant to the Director Compensation Plan previously adopted by our Board.

(2)

The amounts in the **Stock Awards** column reflect the aggregate grant date fair value of the stock awards computed in accordance with FASB ASC Topic 718. We discuss the assumptions that we used to calculate these amounts in Note 7 to our financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, and incorporated by reference herein. As required by SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions.

- (3) The amounts in the **Option Awards** column reflect the aggregate grant date fair value of the stock awards computed in accordance with FASB ASC Topic 718. We discuss the assumptions that we used to calculate

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these amounts in Note 7 to our financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, and incorporated by reference herein. As required by SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions.

- (4) Mr. Milbury resigned from our Board effective as of August 31, 2014 and did not vest as to any shares under this award.

See **Executive Compensation** for information about the compensation of directors who are also our named executive officers.

The following table lists all outstanding equity awards held by our non-employee directors as of December 31, 2014:

Name	Grant Date	Option Awards			Stock Awards		
		Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price Per Share(\$)	Option Expiration Date	Number of Shares or Units of Stock that have not Vested (#)(1)	Market Value of Shares of Units of Stock that have not Vested (\$)(2)
Remo Canessa	9/17/2013	20,912(3)	46,008(3)	9.58	9/17/2023		
	6/18/2014					18,285	\$ 87,768
Feng Deng	6/18/2014					18,285	\$ 87,768