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

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**Form 8-K**

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**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of report (date of earliest event reported):  
July 28, 2009**

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**EXTREME NETWORKS, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**000-25711**  
(Commission File No.)

**77-0430270**  
(I.R.S. Employer  
Identification No.)

**3585 Monroe Street  
Santa Clara, California 95051**  
(Address of principal executive offices)

**Registrant's telephone number, including area code:  
(408) 579-2800**

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 5.02      Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On July 28, 2009, the Compensation Committee of the Board of Directors (the "Committee") of Extreme Networks, Inc. ("Extreme") approved the terms of Extreme's Fiscal 2010 Executive Incentive Plan (the "2010 Bonus Plan"). The 2010 Bonus Plan provides for the allocation of a bonus pool for payment of cash bonuses to certain executives, including Extreme's executive officers, based upon Extreme's achievement of operating profit and revenue objectives for the year ended July 27, 2010.

The actual bonus of any executive will be equal to the executive's Bonus Pool Participation Rate multiplied by the bonus pool.

An executive's "Bonus Pool Participation Rate" is equal to the executive's Target Bonus divided by the aggregate of the Target Bonuses of all eligible executives.

An executive's "Target Bonus" is equal to the product of the executive's "Individual Bonus Percentage" multiplied by the wages actually earned during the 2010 fiscal year, except for the Senior Vice President of Worldwide Sales (the "SVP Sales") whose Target Bonus will be equal to \$78,000.

The "Individual Bonus Percentage" for each executive is set as a percentage of base salary and varies between 30% and 85% of base salary based upon the executive's position and responsibilities.

The preceding description of the 2010 Bonus Plan is qualified by the contents of the 2010 Bonus Plan, which is attached hereto as Exhibit 10.24 to this Current Report on Form 8-K and is incorporated herein in its entirety by this reference.

The SVP Sales also is eligible to receive a commission-based cash bonus under the terms of the Fiscal Year 2010 Sales Compensation Plan, which is attached hereto as Exhibit 10.25 to this Current Report on Form 8-K and is incorporated herein in its entirety by this reference.

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**Item 9.01 Financial Statements and Exhibits.**

**(d) Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
10.24	Extreme Networks, Inc. Fiscal 2010 Executive Incentive Bonus Plan.
10.25	Fiscal Year 2010 Sales Compensation Plan.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 31, 2009

**EXTREME NETWORKS, INC.**

By: */s/ Bob L. Corey*

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Bob L. Corey

Senior Vice President and Chief Financial Officer

## EXTREME NETWORKS

## Extreme Executive Incentive Plan

Effective July 1, 2009

**Plan Objective:** The objective of the Executive Incentive Plan (“EIP”) is to attract, retain, motivate and reward executives of the Company for driving the Company to achieve specific corporate objectives.

**Plan Summary:** The EIP is a cash-based bonus program that provides payouts which are earned based on corporate achievement of pre-established objectives.

**Plan Funding:** The EIP is funded based on the achievement of certain revenue and operating profit objectives (the “Executive Bonus Pool”).

**Eligible Employees:** All Executive Officers (Including the Senior Vice President of Worldwide Sales (“SVP Sales”)) and all other executives holding a title of VP who are not on a commission plan (“the Executives”) are eligible for the EIP. In order to earn a bonus under the EIP, Executives must have been employed by Extreme for a minimum of one full fiscal quarter, and Executives must be employed by Extreme Networks, or one of its subsidiaries, on the day bonus amounts are paid.

**Eligible Earnings:** Earning categories included in the calculation include: base pay, holiday pay, overtime, and shift differential earned in FY10 (“Eligible Earnings”).

**Bonus Calculations:** The Executive Bonus Pool is allocated to Eligible Executives based on the following calculations:

- Determine each Executive Individual Bonus Percentage. The “Individual Bonus Percentage” for each Executive (except the SVP Sales) is set as a percentage of base salary and varies based upon the Executive’s position and responsibilities. The Individual Bonus Percentage for each Executive under the Plan is as follows:
  - Mark Canepa, President and Chief Executive Officer = 85%
  - Bob Corey, Senior Vice President and Chief Financial Officer = 60%
  - All other Executives (other than the SVP Sales) = 30%-40%
- Determine each Executive’s Target Bonus: Multiply eligible earnings (defined above) by Executive’s Individual Bonus Percentage. The SVP Sales does not have an Individual Bonus Percentage. Instead, the Target Bonus of the SVP Sales is set at \$78,000.

3. Determine each Executive's Participation Rate: Divide each executive's Target Bonus by the aggregate of the Target Bonuses for all eligible Executives.
4. Determine Each Executive's Bonus: Multiply Executive's Participation Rate by the Executive Bonus Pool.

**Committee Discretion:** The Compensation Committee retains the right to adjust the Executive Bonus Pool based on changes in the business during the year.



Extreme Networks Executive Sales

Fiscal Year 2010 Sales Compensation Plan

June 29, 2009 – June 27, 2010

Extreme Networks Confidential

**Section 1: Introduction**

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This plan is effective June 29, 2009 through June 27, 2010

Nothing in the Fiscal Year 2010 Sales Compensation Plan (the "Plan") shall be construed to imply a contract of employment between Extreme Networks (The Company) and the participant. Extreme Networks reserves the right to terminate any participant's employment or participation in the Plan at any time with or without cause.

Extreme Networks reserves the right to modify the Plan, including performance quota, by furnishing each Plan participant written notice of the changes. All modifications must be signed by the Chief Financial Officer and Senior Vice President of Worldwide Sales, and will be prospective in manner. There will be no retroactive modifications.

This Plan is written in the English Language. Each Plan participant will be provided one (1) copy of the plan. If requested in writing, a local language copy will be provided.

Extreme Networks has the right to revoke any commissions paid or to be paid to employee if Company determines that there was a violation of any of Extreme Networks's policies committed by the employee related to the underlying transaction or relationship.

***Eligibility***

Extreme's Senior Vice President of Worldwide Sales and Regional Vice Presidents are eligible for this Plan unless determined otherwise by the Compensation Committee of the Board of Directors.

Extreme Networks reserves the right to redefine participation and eligibility requirements for this Plan at any time.

***Final Authority***

To be eligible for commission payments, plan participant must sign and return the Appendix A of their Compensation Plan within 10 days of receipt in order for commission payout to occur.

Commission payout cannot be processed until the signed Appendix A is received by the Finance Department in the Corporate Office. For issues not specifically addressed in this Plan and for all matters of administration of this Plan, including any modifications of this Plan, the Chief Financial Officer and Chief Executive Officer shall have final authority, subject to approval from the Compensation Committee of the Board of Directors as appropriate.

**Section 2: Compensation Plan Elements**

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The Plan may consist of the following three components:

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## Extreme Networks Confidential Sales Compensation Plan

Base Salary  
Commission (Territory, Quota and Rates per Appendix A of Compensation Plan)  
MBO (Management by Objectives), if applicable

### **Section 2.1: Base Salary**

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All Plan Participants covered under the Plan will receive and be paid base salary according to the pay schedule for the participant's country.

### **Section 2.2: Commissions**

#### **Sales Territory**

A sales territory can be defined by any of the following:

Vertical Market  
Named account  
Geographic Area.

#### **Qualifying Sale**

A "qualifying sale" is a sale, accepted by Extreme Networks in accordance with its applicable policies and procedures, of any product or services listed on Extreme Networks's published Price List. Extreme Networks reserves the right to establish the terms and conditions of any order prior to acceptance, and all orders and contracts submitted by a Plan participant are subject to final acceptance or rejection by the Chief Executive Officer and Chief Financial Officer.

#### **OEM Sales**

For purposes of the commissionable revenue, OEM/VAR sales credit will be assigned to the region where the OEM/VAR agreement is executed. Region(s) where the revenue is shipped are not eligible for credit. OEM/VAR transactions are defined where any of the following are present in the transaction:

- Extreme's products are bundled with a partner's/reseller's product(s) in a single purchasable unit by an end-user;
- Extreme's products are typically not accessible or purchasable directly by the *partner's/reseller's end-user customer*; *Bundled and re-branded as if they are a third party product.*

All OEM agreements must be reviewed and approved by the SVP of Worldwide Sales.

#### **Global Accounts**

- The maximum annual credit from global accounts for any territory outside the global account headquarter location is 30% of the account manager annual goal. Beyond 30% credit, there will be no credit unless otherwise determined by the Sr. VP of Worldwide Sales. The Global Account list is maintained on-line and can be viewed at: <http://intra/DMS/home/content/Sales/?id=10401>

#### **Quota**

Quota is established annually by management and is the goal for the total dollar value of product shipments and service billings, net of Revenue Adjustments as defined below for the Vice President during the specified performance period.

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**Extreme Networks Confidential Sales Compensation Plan**

**Quota Adjustments**

Quota may be changed because of transfer, promotion or territory reassignment, and they will be handled on a case-by-case basis at the discretion of the Senior Vice President of Worldwide Sales for the Regional Vice Presidents and by the Chief Executive Officer for the Senior Vice President of Worldwide Sales.

**Quota Credit**

Attainment towards the annual quota will occur for all product shipments and service billings as specified on Appendix A, net of Revenue Adjustments.

**Quota Attainment**

Quota attainment and commission credit will NOT occur for the following:

Per Incident Services and Marketing Collateral Sales

First Year Partnerworks Plus NBD

Partner Assist Support Contract

A violation of any Company policy related to the underlying transaction or relationship

**Commission Credit**

Commissions are credited in the month following the fiscal month in which the product shipment and service billings of customer orders are made to Extreme Networks's direct end-users, direct resellers and reported in Extreme Networks's distributors' Point of Sales (POS) report into a Sales Territory. Commissions are credited based upon the net amount less any Revenue Adjustments. The net amount does not include such items as sales tax; insurance; freight, shipping, handling and delivery charges; and other items not customarily reported as revenue for Extreme Networks's income statement purposes.

Shipment is defined as follows:

<u>Shipment Type</u>	<u>Commissions Credited when</u>
Direct orders to End-User, and Authorized Resellers	Product shipped and Service billed by Extreme Networks
Distributor sales to Open Source Partners and Authorized Resellers	Distributor Point of Sales (POS) reported

**Revenue Adjustments**

Revenue Adjustments may include price concessions, price protection adjustments, returns for credit and allowances, program discounts, distributor/reseller spiffs, bad debt write-offs, demo/eval write-offs and any amounts deferred from revenue recognition. When deferred revenue gets recognized, commission will be earned. Any commission adjustment due to revenue adjustment is paid at the same rate the commission was originally paid. Negative attainment will go against the year in which the adjustment is made.

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## **Extreme Networks Confidential Sales Compensation Plan**

### ***Evaluation Write-offs***

Evaluation period is for 90 days maximum, unless the Senior Vice President of Worldwide Sales approves in advance. Quota achievement and commissions are paid on converted Evaluation sales. If an Evaluation unit is not converted to sales or not returned at the end of 90 days, revenue will be debited at Extreme's current list price against the Regional Vice President of Sales, which will result in reduced commissions. There will be no exceptions.

Revenue debit against commissions will be reversed only if the Evaluation is subsequently sold or returned within 90 days of Evaluation expiration. If an Evaluation is sold, the Regional Vice President of Sales will receive quota achievement and commissions at selling price.

An expired Evaluation can only be extended by the Senior Vice President of Worldwide Sales, but revenue debit will not be reversed for expired Evals that are subsequently extended, unless the Evaluation is sold or returned within 90 days from extended date.

### ***Split percentage within Geography and outside Geography may vary. Special Programs/Incentives***

Special programs may occur where we uplift or discount the net invoiced amount for commissions and/or attainment credit. For example, we may have a special program where the account manager may be credited 125% of the shipped or billed amount for specific products and/or services. The Chief Financial Officer and Senior Vice President of Worldwide Sales will have discretion to implement any special programs during the course of the fiscal year and will be prospective.

### ***Payment Cycle***

Commissions are considered provisionally earned when Extreme Networks invoices the customer for the full order of product and/or service. Commissions will be paid in the month following the fiscal month of product and service billings, provided however that if the products or services are subsequently returned or cancelled, Extreme Networks reserves the absolute right to deduct from current or future commission payments on any other qualifying sales the full amount of commissions paid based on any and all products and services returned or cancelled.

### ***Adjustment Requests***

Plan participants have 90 days from their monthly commission payment to file an adjustment request. No adjustments will be processed after 90 days following commission payment, without the written approval of the Chief Executive Officer

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**Section 2.3: Leave of Absence**

Incentive payments will be determined as follows in the event a Participant is placed on a paid Leave of Absence including maternity leave, disability or leave pursuant to the Family Medical Leave Act (Leave of Absence)

2.3.1 Individual Commissions:

Commission may be paid during a Leave of Absence based on the percentage contribution made by the Participant up to the start of the Leave of Absence and will be at the discretion of the Administrator.

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**Section 2.4: MBO**

If a MBO element is specified in Plan participant's Sales Compensation Plan Appendix, then MBOs are earned and paid on a quarterly, semi-annual and annual basis upon achievement of pre-approved written objectives.

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**Section 3: Separation Settlement**

A Plan participant separated from employment with Extreme for any reason shall be due salary and earned commissions through the date of separation. The Plan participant shall have no right to payment of any commissions for products or services invoiced subsequent to the Plan participant's separation date. Therefore, the Plan participant will not earn commissions on any order that is booked prior to the separation date and shipped and invoiced after the separation date.

Outstanding expenses, debookings, draws and returns will be deducted from the commissions due at the time of Settlement.

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**Section 4: Summit Club 2010**

The Summit Club is Extreme Networks' elite over-achievement club for field personnel. The minimum requirements to participate in the Summit Club are:

1. Be employed for at least 6 months of the qualifying year.
2. Achieve at least 100% of Quota.

The executive management team reserves the rights to modify or cancel the program and participation rules.

Additional information and participation rules about Summit Club FY10 will be communicated at a later time and published under:

<http://intra/DMS/home/content/sales/>

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