

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **August 27, 2018**

VARONIS SYSTEMS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

001-36324
(Commission File Number)

57-1222280
(IRS Employer Identification
No.)

1250 Broadway, 29th Floor
New York, NY
(Address of Principal Executive Offices)

10001
(Zip Code)

(877) 292-8767
(Registrant's telephone number, including area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

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:

- 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On August 27, 2018, Varonis Systems, Inc. (the “Company”) approved an amendment to the employment agreements between the Company and Mr. Yakov Faitelson, Chief Executive Officer and President of the Company, Mr. Guy Melamed, Chief Financial Officer and Chief Operating Officer of the Company, and James O’Boyle, Senior Vice President of Worldwide Sales of the Company, respectively (the “Amendments”). The Amendments became effective on August 27, 2018.

The Amendments provide, among other things, that, in the event that any payments treated as “parachute payments” (within the meaning of Section 280G of the Internal Revenue Code (the “Code”) made to the executive would fail to be deductible to the Company due to the impact of Section 280G of the Code, and subject the executive to the excise tax provisions of Section 4999 of the Code, such payments would be reduced to an amount that would not trigger the loss of deduction and excise tax, unless the executive would be in a better economic position (on an after-tax basis) in receiving all amounts and paying the excise tax (and all other required taxes). The approach of the Amendments, commonly referred to as the “best net” approach, replaces a cap on total payments to the executives to the amount that would not be subject to the loss of deductibility to the Company and the excise tax on the executive. No executive is entitled to receive gross-ups or tax reimbursements from the Company with respect to any excise taxes.

The foregoing summary does not purport to be complete and is qualified in its entirety by reference to the full text of the Amendments, which are filed as Exhibits 10.1, 10.2 and 10.3 to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
<u>10.1</u>	<u>Amendment to Employment Agreement, dated as of August 27, 2018, by and between Varonis Systems, Inc. and Mr. Yakov Faitelson</u>
<u>10.2</u>	<u>Amendment to Employment Agreement, dated as of August 27, 2018, by and between Varonis Systems, Inc. and Mr. Guy Melamed</u>
<u>10.3</u>	<u>Amendment to Employment Agreement, dated as of August 27, 2018, by and between Varonis Systems, Inc. and Mr. James O’Boyle</u>

SIGNATURES

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

VARONIS SYSTEMS, INC.

Dated: August 31, 2018

By: /s/ Yakov Faitelson

Name: Yakov Faitelson

Title: Chief Executive Officer and President

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
<u>10.1</u>	<u>Amendment to Employment Agreement, dated as of August 27, 2018, by and between Varonis Systems, Inc. and Mr. Yakov Faitelson</u>
<u>10.2</u>	<u>Amendment to Employment Agreement, dated as of August 27, 2018, by and between Varonis Systems, Inc. and Mr. Guy Melamed</u>
<u>10.3</u>	<u>Amendment to Employment Agreement, dated as of August 27, 2018, by and between Varonis Systems, Inc. and Mr. James O'Boyle</u>

AMENDMENT TO EMPLOYMENT AGREEMENT

AMENDMENT TO EMPLOYMENT AGREEMENT (“Amendment”), dated as of August 27, 2018, by and between Varonis Systems, Inc., a Delaware corporation (the “Company”), and Yakov Faitelson (“Executive”).

WHEREAS, the Company is party to an employment agreement with Executive dated as of February 10, 2014 (the “Agreement”);

WHEREAS, the Company desires to clarify and update certain tax and release provisions of the Agreement; and

WHEREAS, the Company and Executive wish to amend the Agreement as set forth herein;

NOW THEREFORE, in consideration of the mutual covenants herein contained, Executive’s employment by the Company, the compensation to be paid Executive while employed by the Company, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Company and Executive hereby agree as follows:

1. Section 5(c) of the Agreement (“Termination in Connection with a Change in Control”), is amended in its entirety to read as follows:

“If Executive’s employment hereunder is terminated (i) by the Company other than for Cause or (ii) by Executive with Good Reason, in either case within one year following a “Change in Control” (as such term is defined in the Company’s 2013 Omnibus Equity Incentive Plan, as may be amended from time to time), then Executive shall be entitled to receive the Accrued Benefits and:

- (i) an amount equal to one and a half (1.5) times the Base Salary as of the date of termination, payable in a lump sum within ten (10) days following the date of termination;
- (ii) an amount equal to Executive’s target Annual Bonus for the year of termination, payable in a cash lump sum within ten (10) days following the date of termination; and
- (iii) notwithstanding anything in the contrary in the applicable option or equity-incentive plans, immediate vesting of all of Executive’s outstanding equity-based awards.”

2. The following language shall be added as a new Section 6(g) of the Agreement (“Defend Trade Secrets Act”):
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“(g) Defend Trade Secrets Act. Pursuant to Section 7 of the Defend Trade Secrets Act of 2016 (which added 18 U.S.C. § 1833(b)), the Company and Executive acknowledge that Executive shall not have criminal or civil liability under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such Section.

3. Section 7 of the Agreement (“Section 280G”) is amended in its entirety to read as follows:

“Any other provision of this Agreement to the contrary notwithstanding, if any portion of any payment or benefit under this Agreement either individually or in conjunction with any payment or benefit under any other plan, agreement or arrangement (all such payments and benefits, the “Total Payments”) would constitute an “excess parachute payment” within the meaning of Code Section 280G, that is subject to the tax imposed by Section 4999 of the Code (the “Excise Tax”), then the Total Payments to be made to Executive shall be reduced, but only to the extent that Executive would retain a greater amount on an after-tax basis than he would retain absent such reduction, such that the value of the Total Payments that Executive is entitled to receive shall be \$1 less than the maximum amount which the Employee may receive without becoming subject to the Excise Tax. For purposes of this Section 7, the determination of whichever amount is greater on an after-tax basis shall be (x) based on maximum federal, state and local income and employment tax rates and the Excise Tax that would be imposed on Executive and (y) made at the Company’s expense by independent accountants selected by the Company and Executive (which may be the Company’s income tax return preparers if Executive so agrees) which determination shall be binding on both Executive and the Company.”

4. Except as set forth herein, the Agreement shall continue in full force and effect in accordance with its terms.
5. This Amendment may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all of which counterparts taken together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date and year first above written.

VARONIS SYSTEMS, INC.

By: /s/ Guy Melamed
Name: Guy Melamed
Title: Chief Financial Officer & Chief Operating Officer

EXECUTIVE

By: /s/ Yakov Faitelson
Yakov Faitelson

AMENDMENT TO EMPLOYMENT AGREEMENT

AMENDMENT TO EMPLOYMENT AGREEMENT (“Amendment”), dated as of August 27, 2018, 2018, by and between Varonis Systems, Inc., a Delaware corporation (the “Company”), and Guy Melamed (“Executive”).

WHEREAS, the Company is party to an employment agreement with Executive, dated as of February 7, 2017, and amended as of February 8, 2018 (the “Agreement”);

WHEREAS, the Company desires to clarify and update certain tax and release provisions of the Agreement; and

WHEREAS, the Company and Executive wish to amend the Agreement as set forth herein;

NOW THEREFORE, in consideration of the mutual covenants herein contained, Executive’s employment by the Company, the compensation to be paid Executive while employed by the Company, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Company and Executive hereby agree as follows:

1. Section 5(c) of the Agreement (“Termination in Connection with a Change in Control”), is amended in its entirety to read as follows:

“If Executive’s employment hereunder is terminated (i) by the Company other than for Cause or (ii) by Executive with Good Reason, in either case within one year following a “Change in Control” (as such term is defined in the Company’s 2013 Omnibus Equity Incentive Plan, as may be amended from time to time), then Executive shall be entitled to receive the Accrued Benefits and:

- (i) an amount equal to one (1.0) times the Base Salary as of the date of termination, payable in a lump sum within ten (10) days following the date of termination;
- (ii) an amount equal to Executive’s target Annual Bonus for the year of termination, payable in a cash lump sum within ten (10) days following the date of termination; and
- (iii) notwithstanding anything in the contrary in the applicable option or equity-incentive plans, immediate vesting of all of Executive’s outstanding equity-based awards.”

2. The following language shall be added as a new Section 6(g) of the Agreement (“Defend Trade Secrets Act”):
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“(g) Defend Trade Secrets Act. Pursuant to Section 7 of the Defend Trade Secrets Act of 2016 (which added 18 U.S.C. § 1833(b)), the Company and Executive acknowledge that Executive shall not have criminal or civil liability under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such Section.

3. Section 7 of the Agreement (“Section 280G”) is amended in its entirety to read as follows:

“Any other provision of this Agreement to the contrary notwithstanding, if any portion of any payment or benefit under this Agreement either individually or in conjunction with any payment or benefit under any other plan, agreement or arrangement (all such payments and benefits, the “Total Payments”) would constitute an “excess parachute payment” within the meaning of Code Section 280G, that is subject to the tax imposed by Section 4999 of the Code (the “Excise Tax”), then the Total Payments to be made to Executive shall be reduced, but only to the extent that Executive would retain a greater amount on an after-tax basis than he would retain absent such reduction, such that the value of the Total Payments that Executive is entitled to receive shall be \$1 less than the maximum amount which the Employee may receive without becoming subject to the Excise Tax. For purposes of this Section 7, the determination of whichever amount is greater on an after-tax basis shall be (x) based on maximum federal, state and local income and employment tax rates and the Excise Tax that would be imposed on Executive and (y) made at the Company’s expense by independent accountants selected by the Company and Executive (which may be the Company’s income tax return preparers if Executive so agrees) which determination shall be binding on both Executive and the Company.”

4. Except as set forth herein, the Agreement shall continue in full force and effect in accordance with its terms.
5. This Amendment may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all of which counterparts taken together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date and year first above written.

VARONIS SYSTEMS, INC.

By: /s/ Yakov Faitelson
Name: Yakov Faitelson
Title: Chief Executive Officer

EXECUTIVE

By: /s/ Guy Melamed
Guy Melamed

AMENDMENT TO EMPLOYMENT AGREEMENT

AMENDMENT TO EMPLOYMENT AGREEMENT (“Amendment”), dated as of August 27, 2018, by and between Varonis Systems, Inc., a Delaware corporation (the “Company”), and James O’Boyle (“Executive”).

WHEREAS, the Company is party to an employment agreement with Executive dated as of February 10, 2014 (the “Agreement”);

WHEREAS, the Company desires to clarify and update certain tax and release provisions of the Agreement; and

WHEREAS, the Company and Executive wish to amend the Agreement as set forth herein;

NOW THEREFORE, in consideration of the mutual covenants herein contained, Executive’s employment by the Company, the compensation to be paid Executive while employed by the Company, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Company and Executive hereby agree as follows:

1. Section 5(c) of the Agreement (“Termination in Connection with a Change in Control”), is amended in its entirety to read as follows:

“If Executive’s employment hereunder is terminated (i) by the Company other than for Cause or (ii) by Executive with Good Reason, in either case within one year following a “Change in Control” (as such term is defined in the Company’s 2013 Omnibus Equity Incentive Plan, as may be amended from time to time), then Executive shall be entitled to receive the Accrued Benefits and:

- (i) an amount equal to one and a half (1.5) times the Base Salary as of the date of termination, payable in a lump sum within ten (10) days following the date of termination;
- (ii) an amount equal to Executive’s target annual commission as set forth in Section 3(b) for the year of termination, payable in a cash lump sum within ten (10) days following the date of termination, to the extent such amounts have not been previously paid to Executive for such year in accordance with the terms of Executive’s sales compensation plan; and
- (iii) notwithstanding anything in the contrary in the applicable option or equity-incentive plans, immediate vesting of all of Executive’s outstanding equity-based awards.”

2. The following language shall be added as a new Section 6(g) of the Agreement (“Defend Trade Secrets Act”):
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“(g) Defend Trade Secrets Act. Pursuant to Section 7 of the Defend Trade Secrets Act of 2016 (which added 18 U.S.C. § 1833(b)), the Company and Executive acknowledge that Executive shall not have criminal or civil liability under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such Section.

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4. Except as set forth herein, the Agreement shall continue in full force and effect in accordance with its terms.
5. This Amendment may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all of which counterparts taken together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date and year first above written.

VARONIS SYSTEMS, INC.

By: /s/ Yakov Faitelson
Name: Yakov Faitelson
Title: Chief Executive Officer

EXECUTIVE

By: /s/ James O'Boyle
James O'Boyle