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: February 18, 2021
(Date of earliest event reported)

AKAMAI TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

Delaware	**000-27275**	**04-3432319**
(State or other jurisdiction of incorporation or organization)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

145 Broadway
Cambridge, MA 02142
(617) 444-3000
(Address, Including Zip Code, and Telephone Number,
Including Area Code, of Registrant's Principal Executive Offices)

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, $0.01 par value	AKAM	Nasdaq Global Select Market

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 February 18, 2021, the Talent, Leadership & Compensation Committee of the Board of Directors (the “Committee”) of Akamai Technologies, Inc. ("Akamai" or the "Company") adopted bonus and equity compensation programs for 2021 for the following individuals (Akamai’s principal executive officer, principal financial officer and three of Akamai’s other named executive officers): F. Thomson Leighton, Chief Executive Officer; Edward McGowan, Chief Financial Officer; Robert Blumofe, Executive Vice President - Platform and General Manager Enterprise Division; Adam Karon, President – General Manager Media Division; and Rick McConnell, President - General Manager Web Division (each, an “Executive” and collectively, the “Executives”). As previously announced by the Company, on March 1, 2021, Mr. Blumofe will become Chief Technology Officer; Mr. Karon will become Chief Operating Officer and General Manager of the Edge Technology Division; and Mr. McConnell will become President and General Manager of the Security Technology Division.

Each Executive is eligible to participate in a 2021 bonus program that provides for payment to the extent designated corporate performance objectives are met. Such amounts will be paid in shares of vested common stock issued under the Akamai Technologies, Inc. 2013 Stock Incentive Plan, as amended (the “Plan”), in lieu of cash; the number of shares to be issued, if any, will be calculated by dividing the bonus value achievement by the closing sale price of the Company’s common stock on the date that financial results for 2021 are certified by the Committee (the “2021 Certification Date”). For each of the Executives, the performance objectives consist of and are weighted as follows: 50% based on Akamai’s achievement of a specified revenue target for fiscal year 2021 and 50% based on Akamai’s achievement of a specified adjusted operating income target for fiscal year 2021. Calculation of performance against the revenue and adjusted operating income targets will take into account the impact of foreign currency fluctuations. In addition, the bonus is subject to a modifier based on designated environmental, social and governance objectives for 2021 established by the Committee. If management exceeds the goals, the bonus earned based on the financial metrics above will be increased by up to 10%; if management fails to meet the goals, the bonus earned on the financial metrics above will be decreased by up to 10%. The foregoing description is qualified in its entirety by the full text of the bonus plan set forth in Exhibit 99.1 and incorporated herein by reference.

For Mr. Leighton, his 2021 base salary will be $1.00, with a target bonus value of $1,250,000 and maximum value of $2,750,000. For Mr. Blumofe, his 2021 base salary will be $505,000, with a target bonus equal to 80% of his 2021 salary earnings and a maximum bonus equal to 176% of his 2021 salary earnings. For Mr. Karon, his 2021 base salary will be $550,000, with a target bonus equal to 100% of his 2021 salary earnings and a maximum bonus equal to 220% of his 2021 salary earnings. For Mr. McConnell, his 2021 base salary will be $600,000, with a target bonus equal to 100% of his 2021 salary earnings and a maximum bonus equal to 220% of his 2021 salary earnings. For Mr. McGowan, his 2021 base salary will be $515,000, with a target bonus equal to 85% of his 2021 salary earnings and a maximum bonus equal to 187% of his 2021 salary earnings. New salaries become effective July 1, 2021.

As described in the table below, the Committee also approved grants to the Executives of restricted stock units (“RSUs”) under the Plan, consisting of annual vesting RSUs, corporate performance-based vesting RSUs and stock performance-based vesting RSUs as follows:

Name	Dollar Value of RSUs with Annual Vesting To Be Granted	Dollar Value of Corporate Performance-Based RSUs To Be Granted		Dollar Value of Stock Performance-Based Vested RSUs To Be Granted	
		(target deliverable)	(maximum deliverable)	(target deliverable)	(maximum deliverable)
Mr. Leighton	$3,900,000	$3,900,000	$7,800,000	$1,950,000	$3,900,000
Mr. Blumofe	$920,000	$920,000	$1,840,000	$460,000	$920,000
Mr. Karon	$1,502,000	$1,502,000	$3,004,000	$751,000	$1,502,000
Mr. McConnell	$1,680,000	$1,680,000	$3,360,000	$840,000	$1,680,000
Mr. McGowan	$1,200,000	$1,200,000	$2,400,000	$600,000	$1,200,000

All RSUs will be granted on March 1, 2021 (the “Grant Date”), with the number of RSUs calculated by dividing the dollar value set forth above by the closing sale price of one share of the Company’s common stock on the Grant Date (in the case of performance-based RSUs, the number was based off of the maximum deliverable). Each RSU represents the right to receive one share of Akamai common stock upon vesting.

RSUs with annual vesting vest as follows: 1/3 on each of the first, second and third anniversaries of the date of grant.

Vesting of corporate performance-based RSUs is subject to the Company’s performance against equally weighted revenue and non-GAAP earnings per share targets over fiscal years 2021, 2022 and 2023, taking into account the impact of foreign currency fluctuations. The Committee has established, or will establish, annual revenue and earnings per share goals at the beginning of each of fiscal years 2021, 2022 and 2023; each year’s performance will be equally weighted in determining the aggregate number of RSUs earned. Performance at 100% of target will earn the target number of RSUs. Eligible vesting commences if the Company exceeds 90% of the target; 110% performance against target will earn the maximum number of RSUs issuable. Performance between such levels will be proportionately awarded on a straight-line interpolation. Earned RSUs will vest on the date that the Company’s fiscal 2023 financial results are certified.

Vesting of stock performance-based RSUs is based on the total shareholder return (“TSR”) of the Company’s common stock relative to companies in the S&P 500 Information Technology Index (the “Index Group”) over calendar years 2021, 2022 and 2023 (the “Performance Period”). TSR will be calculated as the average closing price of the Company’s stock over the last 90 trading days of 2023 plus the aggregate value of dividends per share issued by the Company during the Performance Period minus the average closing price of the Company’s stock over the 90 trading days prior to January 1, 2021 dividing by the average closing price of the Company’s stock over the 90 trading days prior to January 1, 2021. If the Company’s TSR over the Performance Period is at the 50th percentile when ranked against the TSRs of companies in the Index Group, 100% of the target number of RSUs will be eligible to vest. For every percentile by which the Company’s TSR ranking within the Index Group exceeds the 50th percentile, the number of RSUs eligible to vest will increase by 3.33% of target, up to a maximum of 200% of target if the Company’s TSR ranking is at the 80th percentile. For every percentile by which the Company’s TSR ranking within the Index Group is below the 50th percentile, the number of RSUs eligible to vest will decrease by 3%, with no payout if the Company’s TSR ranking is below the 25th percentile. Earned RSUs will vest on the date that the Company’s fiscal 2023 financial results are certified.

The form of time-based vesting RSU Agreement was previously filed with the Securities and Exchange Commission (the “Commission”) on May 9, 2019, and the form of performance-based vesting RSU Agreement was previously filed with the Commission on February 6, 2015.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
99.1	Form of Executive Annual Incentive Plan
104	Cover page interactive data file (the cover page XBRL tags are embedded within the inline XBRL document)

SIGNATURE

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: February 23, 2021	/s/ Aaron Ahola
	Aaron Ahola, Executive Vice President and General Counsel

EXHIBIT 99.1

Performance Period: FY ____

Name:

Title:

This ___ Executive Bonus Plan sets forth your annual incentive bonus compensation for ____ based on the achievement of certain corporate performance objectives. In order to receive your ____ annual incentive bonus, you must be an employee in good standing throughout all of ____ and the objectives must be achieved, as described more thoroughly below. The Talent, Leadership & Compensation Committee of the Board of Directors (the "Compensation Committee") will resolve all questions arising in the administration, interpretation and application of this plan, and the Compensation Committee's determination will be final and binding on all concerned. Where permitted by applicable law, the Compensation Committee reserves the right to modify, at its discretion and at any time, the terms of this plan, including, but not limited to, the performance objectives, targets, and payouts.

Target bonus amount: $_________

To the extent earned, your bonus will be paid to you in fully-vested shares of Akamai common stock issued under the Akamai Technologies, Inc. 2013 Stock Incentive Plan, as amended. Any such payment shall be subject to applicable withholding requirements.

Performance Objectives/Targets

Your ____ annual incentive bonus is comprised of three components: (1) corporate financial performance during Fiscal Year ____ against a non-GAAP revenue target (50%) (the "Revenue Component"); (2) corporate financial performance during Fiscal Year ____ against a non-GAAP operating income target (50%) (the "Operating Income Component" and, together with the Revenue Component, the "Financial Components"); and (3) corporate performance against environmental, social and governance targets set forth in Schedule 2 (the "ESG Targets").

The method for calculating corporate financial performance used to determine the Financial Components is described in the attached Schedule 1. In the event of any question as to whether the components of the Financial Components have been satisfied, the Compensation Committee shall make such determination. The Compensation Committee also has the authority to make downward discretionary changes to the payout amount. The amounts payable to you under the Financial Components are as follows:

Revenue Component

Akamai Performance Against Target from Schedule 1[1]	Target Amount ($M)	Amount Payable to You
90% of Target	$____ _	0% of Component
100% of Target:	$____ _	100% of Component
110% or greater of Target	$_____	200% of Component

[1] For performance at intermediate percentages not specified, the amount paid shall be calculated based on where actual performance falls on the "slope" between the two identified tiers.

Operating Income Component

Akamai Performance Against Target from Schedule 1[1]	Target Amount ($M)	Amount Payable to You
90% of Target	$___	0% of Component
100% of Target:	$___	100% of Component
110% or greater of Target	$___	200% of Component

The amount earned based on achievement against the Financial Components (the “Base Bonus”) is then subject to a modifier of +/- 10% based on achievement against the ESG Targets (the “ESG Multiplier”). The modifier applicable to your Base Bonus is as follows:

Akamai Performance Against Target from Schedule 2	Multiplier	Bonus Payable to You
90% or less of Target	-10%__	90% of Base Bonus
100% of Target:	None	100% of Base Bonus
110% or greater of Target	__ +10%	110% of Base Bonus

Achievement may be between +/-10% as reflected in the ESG Multiplier calculation in Schedule 2.

The issuance of shares of Akamai common stock earned by you (less tax withholding) will be made to you promptly following the Compensation Committee’s written certification of the amount earned hereunder as described in the preceding paragraph. The number of shares issued upon achievement of your bonus will be calculated based on the closing sale price of the Akamai’s common stock on the date of such certification.

Acceptance: ___________________________ ________________
F. Thomson Leighton Date

Approved by: ___________________________ ________________
Anthony Williams Date

SCHEDULE 1

CORPORATE FINANCIAL PERFORMANCE MEASUREMENT METHODOLOGY

A. Overview; Definitions

The target amount for payment at 100% of the Revenue Component is $_____ million. The target amount for payment at 100% of the Non-GAAP Operating Income Component is $___ million.

For purposes of this Agreement, such metrics shall have the following meanings:

“Revenue” shall mean the Company’s consolidated revenue for fiscal year ____ calculated in accordance with generally accepted accounting principles in the United States (US) of America and adjusted for constant currency (defined as revenue denominated in US dollars plus revenue denominated in foreign currencies converted to US dollars at ____ budgeted foreign currency exchange rates) and other non-recurring or unusual items that may arise from time to time.

“Non-GAAP Operating Income” shall mean the Company’s consolidated annual operating income for fiscal year ____, which is income from operations before income taxes, interest income, interest expense and other income/expense, adjusted for items excluded by the Company in determining non-GAAP earnings including amortization of acquired intangible assets; stock-based compensation; amortization of capitalized stock-based compensation; amortization of capitalized interest expense; acquisition-related costs; restructuring charges; gains and losses on legal settlements; costs incurred with respect to Akamai's internal FCPA investigation ; and other non-recurring or unusual items that may arise from time to time. Non-GAAP operating income will be adjusted for constant currency.

If, on December 31, ____, the Company is required to make periodic reports under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Company’s consolidated financial statements filed with the Securities and Exchange Commission on Form 10-K shall constitute its “Public Company Financial Statements” and shall apply. If, on December 31, ____, the Company is not required to make periodic reports under the Exchange Act, the Company’s regularly prepared annual audited financial statements prepared by management shall be its “Private Company Financial Statements” and shall apply. The Public Company Financial Statements or Private Company Financial Statements, as applicable, may be referred to herein as the “____ Financial Statements.”

B. Effect of an Acquisition or Disposition by Akamai

In the event that Akamai closes an Acquisition Transaction or Disposition Transaction during ____, the Compensation Committee shall make adjustments to affected performance targets to give effect to the expected impact on such targets of the applicable Acquisition Transaction or Disposition Transaction (including whether it is accretive or not) based on management’s good faith estimate of the projected impact as presented to the Board of Directors and/or Compensation Committee. An “Acquisition Transaction” means (i) the purchase of more than 50% of the voting power of an entity, (ii) any merger, reorganization, consolidation, recapitalization, business combination, liquidation, dissolution or share exchange involving Akamai and an entity not previously owned by Akamai, or (iii) the purchase or other acquisition (including, without limitation, via license outside of the ordinary course of business or joint venture) of assets that constitute more than 50% of another entity’s total assets or assets that account for more than 50% of the consolidated net revenues or net income of such entity. A “Disposition Transaction” means the sale of a division, business unit or set of business operations and/or related assets to a third party.

All determinations of the Compensation Committee regarding the estimated impact of an Acquisition Transaction shall be final, binding and non-appealable. The cumulative impact of all Acquisition Transactions shall be set forth in a statement delivered upon payment, if any, of the bonus contemplated by this plan. This plan shall be deemed to be automatically amended, without further action by the Company or the executive, to give effect to any adjustments required by this Section B.

SCHEDULE 2

ESG TARGET MEASUREMENT METHODOLOGY

Metric	Weighting	Potential Score
Representation Goal	25%	+/- 0-2.5%
Inclusion Score Goal	25%	+/- 0-2.5%
Employee Engagement Score Goal	25%	+/- 0-2.5%
Sustainability Goal	25%	+/- 0-2.5%

The “Representation Goal” for 202_ is based on percentage improvement in female representation of __% to __% in the global employee base and percentage improvement of Black and Hispanic representation of _% to __ % in the U.S. employee base during the year.

The “Inclusion Score Goal” for 202_ is based on achievement of an inclusion score of __% to % as determined by an employee survey conducted in the second half of 202_.

The “Employee Engagement Score Goal” for 202_ is based on achievement of an employee engagement score of __% to __% as determined by an employee survey conducted in the second half of 202_.

The “Sustainability Goal” for 202__ is based on successful rollout of ________________________ in 202_.

The sum of the scores for each metric will be used to calculate the ESG Multiplier. Scores for each metric may be between 0 and +/- 2.5% based on partial over- or underachievement against targets. The Compensation Committee, in its sole discretion, will determine the achievement against the four metrics.

Sample calculation:

Metric	Weighting	Potential Score	Assessed Achievement	Score
Representation Goal	25%	+/- 0-2.5%	Greatly exceeded goals	+2.5
Inclusion Score Goal	25%	+/- 0-2.5%	Met goals	0
Employee Engagement Score Goal	25%	+/- 0-2.5%	Missed goals	-1
Sustainability Goal	25%	+/- 0-2.5%	Slightly exceeded goals	+0.5
Overall Achievement				**+2.0**
ESG Multiplier				**102%**