

INFORMATICA CORP  
Form DEF 14A  
April 06, 2007

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant   
Filed by a Party other than the Registrant

Check the appropriate box:

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| <input type="checkbox"/> Preliminary Proxy Statement   | <input type="checkbox"/> Soliciting Material Under Rule 14a-12 |
| <input type="checkbox"/> Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2)) |  |
| <input checked="" type="checkbox"/> Definitive Proxy Statement   |  |
| <input type="checkbox"/> Definitive Additional Materials   |  |

Informatica Corporation

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(Name of Registrant as Specified In Its Charter)  
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(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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- No fee required.  
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1) Title of each class of securities to which transaction applies:

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3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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schedule and the date of its filing.

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1) Amount previously paid:

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2) Form, Schedule or Registration Statement No.:

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3) Filing Party:

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4) Date Filed:

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**  
**To be held May 17, 2007**

To the Stockholders:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the "Annual Meeting") of Informatica Corporation, a Delaware corporation ("Informatica"), will be held on Thursday, May 17, 2007 at 3:00 p.m., Pacific Time, at Informatica's corporate headquarters, 100 Cardinal Way, Redwood City, CA 94063, for the following purposes:

1. To elect three Class I directors for a term of three years or until their respective successors have been duly elected and qualified.
2. To ratify the appointment of Ernst & Young LLP as Informatica's independent registered public accounting firm for the fiscal year ending December 31, 2007.
3. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

These items of business are more fully described in the Proxy Statement accompanying this Notice of Annual Meeting.

Only holders of record of Informatica's common stock at the close of business on March 30, 2007, the record date, are entitled to vote on the matters listed in this Notice of Annual Meeting.

All stockholders are cordially invited to attend the Annual Meeting in person. However, to ensure your representation at the Annual Meeting, please vote as soon as possible using one of the following methods: (1) by using the Internet as instructed on the enclosed proxy card, (2) by telephone by calling the toll-free number as instructed on the enclosed proxy card or (3) by mail by completing, signing, dating and returning the enclosed proxy card in the postage-prepaid envelope enclosed for such purpose. For further details, please see the section entitled "Voting" on page two of the accompanying Proxy Statement. Any stockholder attending the Annual Meeting may vote in person even if he or she has voted using the Internet, telephone or proxy card.

By Order of the Board of Directors  
of Informatica Corporation  
Sohaib Abbasi  
*Chairman & Chief Executive Officer*

Redwood City, California  
April 6, 2007

**WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE VOTE BY (1) USING THE INTERNET, (2) TELEPHONE OR (3) COMPLETING AND RETURNING THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE IN THE ENCLOSED ENVELOPE.**

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**INFORMATICA CORPORATION**

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**PROXY STATEMENT  
FOR  
2007 ANNUAL MEETING OF STOCKHOLDERS**

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**PROCEDURAL MATTERS**

**General**

This Proxy Statement is being furnished to holders of common stock, par value \$0.001 per share (the "Common Stock"), of Informatica Corporation, a Delaware corporation ("Informatica" or the "Company"), in connection with the solicitation of proxies by the Board of Directors of Informatica for use at the Annual Meeting of Stockholders (the "Annual Meeting") to be held on Thursday, May 17, 2007 at 3:00 p.m., Pacific Time, and at any adjournment or postponement thereof for the purpose of considering and acting upon the matters set forth herein. The Annual Meeting will be held at Informatica's corporate offices, located at 100 Cardinal Way, Redwood City, CA 94063. The telephone number at that location is (650) 385-5000.

This Proxy Statement, the accompanying form of proxy card and the Company's 2006 Annual Report to Stockholders are first being mailed on or about April 6, 2007 to all stockholders entitled to vote at the Annual Meeting.

**Stockholders Entitled to Vote; Record Date**

Only holders of record of Informatica's Common Stock at the close of business on March 30, 2007 (the "Record Date") are entitled to notice of and to vote at the Annual Meeting. Such stockholders are entitled to cast one vote for each share of Common Stock held as of the Record Date on all matters properly submitted for the vote of stockholders at the Annual Meeting. As of the Record Date, there were 86,990,410 shares of Common Stock outstanding and entitled to vote at the Annual Meeting. No shares of preferred stock were outstanding. For information regarding security ownership by management and by the beneficial owners of more than 5% of Informatica's Common Stock, see the section of this Proxy Statement entitled "Security Ownership by Principal Stockholders and Management."

**Quorum; Required Vote**

The presence of the holders of a majority of the shares of Common Stock entitled to vote generally at the Annual Meeting is necessary to constitute a quorum at the Annual Meeting. Stockholders are counted as present at the meeting if they (1) are present in person or (2) have properly submitted a proxy card or voted by telephone or by using the Internet.

A plurality of the votes duly cast is required for the election of directors. The affirmative vote of a majority of the votes duly cast is required to ratify the appointment of Ernst & Young LLP as the independent registered public accounting firm of the Company.

Under the General Corporation Law of the State of Delaware, an abstaining vote and a broker "non-vote" are counted as present and entitled to vote and are, therefore, included for purposes of determining whether a quorum is present at the Annual Meeting. An abstaining vote is deemed to be a "vote cast" and has the same effect as a vote cast against approval of a proposal requiring approval by a majority of the votes cast. However, broker "non-votes" are not deemed to be "votes cast." As a result, broker "non-votes" are not included in the tabulation of the voting results on the election of directors or issues requiring approval of a majority of the votes cast and, therefore,

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do not have the effect of votes in opposition in such tabulations. 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.

## **Voting**

*Voting by telephone or the Internet.* A stockholder may vote his or her shares by calling the toll-free number indicated on the enclosed proxy card and following the recorded instructions or by accessing the website indicated on the enclosed proxy card and following the instructions provided. When a stockholder votes by telephone or via the Internet, his or her vote is recorded immediately. Informatica encourages its stockholders to vote using these methods whenever possible.

*Voting by proxy card.* All shares entitled to vote and represented by properly executed proxy cards received prior to the Annual Meeting, and not revoked, will be voted at the Annual Meeting in accordance with the instructions indicated on those proxy cards. If no instructions are indicated on a properly executed proxy card, the shares represented by that proxy card will be voted as recommended by the Board of Directors. If any other matters are properly presented for consideration at the Annual Meeting, including, among other things, consideration of a motion to adjourn the Annual Meeting to another time or place (including, without limitation, for the purpose of soliciting additional proxies), the persons named as proxies in the enclosed proxy card and acting thereunder will have discretion to vote on those matters in accordance with their best judgment. The Company does not currently anticipate that any other matters will be raised at the Annual Meeting.

*Voting by attending the meeting.* A stockholder may also vote his or her shares in person at the Annual Meeting. A stockholder planning to attend the Annual Meeting should bring proof of identification for entrance to the Annual Meeting. If a stockholder attends the Annual Meeting, he or she may also submit his or her vote in person, and any previous votes that were submitted by the stockholder, whether by Internet, telephone or mail, will be superseded by the vote that such stockholder casts at the Annual Meeting.

*Changing vote; revocability of proxy.* If a stockholder has voted by telephone or the Internet or by sending a proxy card, such stockholder may change his or her vote before the Annual Meeting.

A stockholder that has voted by telephone or the Internet may change his or her vote by making a timely and valid later telephone or Internet vote, as the case may be.

Any proxy card given pursuant to this solicitation may be revoked by the person giving it at any time before it is voted. A proxy card may be revoked by (1) filing with the Secretary of the Company, at or before the taking of the vote at the Annual Meeting, a written notice of revocation or a duly executed proxy card, in either case dated later than the prior proxy card relating to the same shares, or (2) attending the Annual Meeting and voting in person (although attendance at the Annual Meeting will not of itself revoke a proxy). Any written notice of revocation or subsequent proxy card must be received by the Secretary of the Company prior to the taking of the vote at the Annual Meeting. Such written notice of revocation or subsequent proxy card should be hand delivered to the Secretary of the Company or should be sent so as to be delivered to Informatica Corporation, 100 Cardinal Way, Redwood City, CA 94063, Attention: Corporate Secretary.

## **Expenses of Solicitation**

Informatica will bear all expenses of this solicitation, including the cost of preparing and mailing this solicitation material. The Company may reimburse brokerage firms, custodians, nominees, fiduciaries and other persons representing beneficial owners of Common Stock for their reasonable expenses in forwarding solicitation materials to such beneficial owners. Directors, officers and employees of the Company may also solicit proxies in person or by telephone, letter, e-mail, telegram, facsimile or other means of communication. Such directors, officers and employees will not be additionally compensated, but they may be reimbursed for reasonable out-of-pocket expenses in connection with such solicitation. The Company may engage the services of a professional proxy solicitation firm to aid in the solicitation of proxies from certain brokers, bank nominees and other institutional owners. The Company's costs for such services, if retained, will not be significant.

*Requirements for stockholder proposals to be considered for inclusion in the Company's proxy materials.* Stockholders may present proper proposals for inclusion in the Company's proxy statement and for consideration at the next annual meeting of its stockholders by submitting their proposals in writing to the Secretary of the Company in a timely manner. In order to be included in the Company's proxy materials for the 2008 annual meeting of stockholders, stockholder proposals must be received by the Secretary of the Company no later than December 8, 2007 and must otherwise comply with the requirements of Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

*Requirements for stockholder proposals to be brought before an annual meeting.* In addition, the Company's Bylaws establish an advance notice procedure for stockholders who wish to present certain matters before an annual meeting of stockholders. In general, nominations for the election of directors may be made by (1) the Board of Directors, (2) the Corporate Governance and Nominating Committee or (3) any stockholder entitled to vote who has delivered written notice to the Secretary of the Company within the Notice Period (as defined below), which notice must contain specified information concerning the nominees and concerning the stockholder proposing such nominations. However, if a stockholder wishes only to recommend a candidate for consideration by the Corporate Governance and Nominating Committee as a potential nominee for the Company's Board of Directors, see the procedures discussed in "Proposal One - Election of Directors - Corporate Governance Matters."

The Company's Bylaws also provide that the only business that may be conducted at an annual meeting is business that is (1) specified in the notice of meeting given by or at the direction of the Board of Directors, (2) properly brought before the meeting by or at the direction of the Board of Directors, or (3) properly brought before the meeting by any stockholder entitled to vote who has delivered written notice to the Secretary of the Company within the Notice Period (as defined below), which notice must contain specified information concerning the matters to be brought before such meeting and concerning the stockholder proposing such matters.

The "Notice Period" is defined as that period not less than 45 days nor more than 75 days prior to the anniversary of the date on which the Company first mailed its proxy materials for the previous year's annual meeting of stockholders. As a result, the Notice Period for the 2008 annual stockholder meeting will start on January 22, 2008 and end on February 21, 2008.

If a stockholder who has notified the Company of his or her intention to present a proposal at an annual meeting does not appear to present his or her proposal at such meeting, the Company need not present the proposal for vote at such meeting.

A copy of the full text of the Bylaw provisions discussed above may be obtained by writing to the Secretary of the Company. All notices of proposals by stockholders, whether or not included in the Company's proxy materials, should be sent to Informatica Corporation, 100 Cardinal Way, Redwood City, CA 94063, Attention: Corporate Secretary.

## **PROPOSAL ONE**

### **ELECTION OF DIRECTORS**

#### **General**

The Company's Board of Directors is currently comprised of eight members who are divided into three classes with overlapping three-year terms. A director serves in office until his or her respective successor is duly elected and qualified or until his or her earlier death or resignation. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of an equal number of directors. Three directors shall be elected at the Annual Meeting.

Three Class I directors are to be elected at the Annual Meeting for a three-year term ending in 2010. Upon the recommendation of the Corporate Governance and Nominating Committee, the Board of Directors has nominated **Janice D. Chaffin, Carl J. Yankowski and Charles J. Robel** for re-election as Class I directors. Unless otherwise instructed, the proxy holders will vote the proxies received by them for the re-election of Ms. Chaffin, Mr. Yankowski and Mr. Robel. The Company expects that Ms. Chaffin, Mr. Yankowski and Mr. Robel will accept such nomination; however, in the event that any nominee is unable or declines to serve as a director at the time of the meeting, the proxies will be voted for any nominee who shall be designated by the Board of Directors to fill the vacancy. The term of office of each person elected as a director will continue until such director's term expires in 2010 or until such director's successor has been elected and qualified.

**The Board of Directors recommends a vote FOR the nominees listed above.**

**Information Regarding Nominees and Other Directors**

**Nominees for Class I Directors for a Term Expiring in 2010**

Name	Age	Principal Occupation and Business Experience
Janice D. Chaffin	52	Chief Marketing Officer, Symantec Corp. Ms. Chaffin has been a Director of the Company since December 2001. From May 2003 to the present, Ms. Chaffin has served as Chief Marketing Officer at Symantec Corp., an internet security technology company. From July 1981 to May 2003, Ms. Chaffin was employed at Hewlett-Packard Company, a technology solutions company, where her last position was Vice President. Ms. Chaffin holds a B.A. from the University of California, San Diego, and an M.B.A. from the University of California, Los Angeles.
Carl J. Yankowski	58	Principal, Westerham Group, LLC. Mr. Yankowski has been a Director of the Company since July 2003. From November 2001 to the present, Mr. Yankowski has served as a principal at Westerham Group, a management and consulting company. From March 2002 to the present, Mr. Yankowski has served as Executive Chairman of CRF, Inc., a leading electronic patient diaries company. From August 2004 to July 2005, Mr. Yankowski served as Chairman and Chief Executive Officer of Majesco Entertainment, a provider of diversified applications and content for digital entertainment platforms. From November 1999 to November 2001, he served as Chief Executive Officer of Palm, Inc., a handheld devices and solutions company. Prior to that, he was Chief Executive Officer of Reebok Brand at Reebok International, a sports footwear and apparel company, and President and COO of Sony Electronics. Mr. Yankowski holds two B.S. degrees in electrical engineering and management from Massachusetts Institute of Technology. Mr. Yankowski also served on the Board of Directors of Novell from June 2001 to February 2003, and currently serves on the Board of Directors of several privately-held companies.

Charles J. Robel	57	<p><i>Chairman, McAfee, Inc.</i> Mr. Robel has been a Director of the Company since November 2005. Mr. Robel has been Chairman of the Board of McAfee, Inc. since October 2006. From June 2000 to December 2005, Mr. Robel was a General Partner and Chief of Operations for Hummer Winblad Venture Partners. From January 1974 to May 2000, Mr. Robel was a Partner with PricewaterhouseCoopers, LLP. From mid 1995 to May 2000, Mr. Robel led PricewaterhouseCoopers' High Technology Transaction Services Group in Silicon Valley where he advised on strategy, valuation and structuring for mergers and acquisitions. From May 1985 to mid 1995, Mr. Robel was the Partner in charge of the Software Industry Group at PricewaterhouseCoopers, LLP in Silicon Valley, and prior to that, Mr. Robel was with PricewaterhouseCoopers, LLP in Los Angeles and Phoenix. Mr. Robel holds a B.S. degree in accounting from Arizona State University. Mr. Robel serves on the Board of Directors of Adaptec, Inc. and McAfee, Inc. and serves as Chairman of the Audit Committee of both McAfee and Adaptec. Mr. Robel also serves on the Board of Directors of several privately-held companies.</p>
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***Incumbent Class II Directors Whose Term Expires in 2008***

Name	Age	<b>Principal Occupation and Business Experience</b>
A. Brooke Seawell	59	<p><i>Venture Partner, New Enterprise Associates.</i> Mr. Seawell has been a Director of the Company since December 1997. Mr. Seawell has been a Venture Partner with New Enterprise Associates, a venture capital firm, since January 2005. From February 2000 to December 2004, Mr. Seawell was a Partner with Technology Crossover Ventures, a venture capital firm. From January 1997 to August 1998, Mr. Seawell was Executive Vice President of NetDynamics, an applications server software company, which was acquired by Sun Microsystems. From March 1991 to January 1997, Mr. Seawell was Senior Vice President and Chief Financial Officer of Synopsys, an electronic design automation software company. Mr. Seawell holds a B.A. degree in economics and an M.B.A. degree in finance from Stanford University. Mr. Seawell serves on the Board of Directors of NVIDIA Corporation and a number of privately-held companies.</p>
Mark A. Bertelsen	62	<p><i>Senior Partner, Wilson Sonsini Goodrich &amp; Rosati.</i> Mr. Bertelsen has been a Director of the Company since September 2002. Mr. Bertelsen joined Wilson Sonsini Goodrich &amp; Rosati in 1972, and was the firm's Managing Partner from 1990 to 1996. He received his law degree (J.D.) from Boalt Hall School of Law, University of California,</p>

Berkeley, in 1969, and a B.A. in political science from the University of California, Santa Barbara, in 1966. Mr. Bertelsen also serves on the Board of Directors of Autodesk, Inc. Mr. Bertelsen is a Trustee of the U.C. Santa Barbara Foundation and served as its Chair from 2001 to 2003.

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***Incumbent Class III Directors Whose Term Expires in 2009***

Name	Age	Principal Occupation and Business Experience
David W. Pidwell	59	<p><i>Venture Partner, Alloy Ventures.</i> Mr. Pidwell has been a Director of the Company since February 1996 and Lead Independent Director since March 2005. Mr. Pidwell has been a Venture Partner with Alloy Ventures, an early-stage venture capital firm, since 1996. From January 1988 to January 1996, Mr. Pidwell was President and Chief Executive Officer of Rasna Corporation, a software company. Mr. Pidwell holds a B.S. degree in electrical engineering and an M.S.I.S.E. degree in computer systems engineering from Ohio University and has completed three years of work at Stanford University on a Ph.D. in engineering economic systems. Mr. Pidwell also serves on the Board of Directors of a number of privately-held companies.</p>
Sohaib Abbasi	50	<p><i>Chairman and Chief Executive Officer of the Company.</i> Mr. Abbasi has served as the Chief Executive Officer and President of the Company since July 2004, and Chairman of the Board since March 2005. Mr. Abbasi has been a Director of the Company since February 2004. From 2001 to 2003, Mr. Abbasi was Senior Vice President, Oracle Tools Division and Oracle Education at Oracle Corporation, which he joined in 1982. From 1994 to 2000, he was Senior Vice President Oracle Tools Product Division at Oracle Corporation. Mr. Abbasi graduated with honors from the University of Illinois at Urbana-Champaign in 1980, where he earned both a B.S. and an M.S. degree in computer science.</p>
Geoffrey W. Squire, OBE	59	<p><i>Chairman, The Innovation Group plc and Kognitio Ltd.</i> Mr. Squire has been a Director of the Company since October 2005. Mr. Squire is presently the Chairman of Kognitio, a provider of business intelligence services, and of UK-based public company, The Innovation Group, a provider of business services to the global insurance community. From April 1997 to June 2005, Mr. Squire was Vice Chairman of VERITAS, a storage solutions software company. From June 1995 to April 1997, Mr. Squire was CEO of OpenVision, a systems management software company. Prior to OpenVision, Mr.</p>



Squire was responsible for the launch of Oracle UK, and served as the CEO of Oracle Europe and President of Oracle Worldwide Operations. A former president of the UK Computing Services & Software Association and the European Information Services Association, Mr. Squire holds an honorary doctorate from Oxford Brookes University and was awarded an Officer of the Order of the British Empire for his contributions to the information industry. Mr. Squire also serves on the Board of Directors of a number of privately-held companies.

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## Board Meetings and Committees

During 2006, the Board of Directors held seven meetings (including regularly scheduled and special meetings), and no directors attended fewer than 75% of the total number of meetings of the Board of Directors and the committees of which he or she was a member.

The Board of Directors currently has four standing committees: an Audit Committee, a Compensation Committee, a Corporate Governance and Nominating Committee and a Strategy Committee.

*Audit Committee.* The Audit Committee, which has been established in accordance with Section 3(a)(58)(A) of the Exchange Act, currently consists of Messrs. Seawell, Yankowski and Robel, each of whom is "independent," as such term is defined for audit committee members by the listing standards of The NASDAQ Stock Market. The Board of Directors has determined that each of Messrs. Seawell, Yankowski and Robel is an "audit committee financial expert" as defined under the rules of the Securities Exchange Commission (the "SEC"). Mr. Seawell is the Chairman of the Audit Committee. The Audit Committee met nine times in 2006. The Audit Committee (1) provides oversight of the Company's accounting and financial reporting processes and the audit of the Company's financial statements, (2) assists the Board of Directors in oversight of the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the independent registered public accounting firm's qualifications, independence and performance, and the Company's internal accounting and financial controls, and (3) provides to the Board of Directors such information and materials as it may deem necessary to make the Board of Directors aware of significant financial matters that require the attention of the Board of Directors. The Audit Committee acts pursuant to a written charter adopted by the Board of Directors, which is available in the "Investor Relations" section of our website at <http://www.informatica.com>.

*Compensation Committee.* The Compensation Committee currently consists of Ms. Chaffin and Messrs. Pidwell and Yankowski, each of whom is "independent" as defined in the listing standards of The NASDAQ Stock Market. Mr. Pidwell is the chairman of the Compensation Committee. The Compensation Committee met four times in 2006. In addition to holding regular meetings, the Compensation Committee took action by written consent at various times during the course of 2006. The Compensation Committee reviews and approves the compensation and benefits for the Company's executive officers, administers the Company's stock plans and performs such other duties as may from time to time be determined by the Board of Directors. The Compensation Committee acts pursuant to a written charter adopted by the Board of Directors, which is available in the "Investor Relations" section of our website at <http://www.informatica.com>.

*Corporate Governance and Nominating Committee.* The Corporate Governance and Nominating Committee currently consists of Messrs. Bertelsen, Pidwell and Seawell, each of whom is "independent" as defined in the listing standards of The NASDAQ Stock Market. Mr. Bertelsen is the chairman of the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee met one time in 2006. In addition, the Corporate Governance and Nominating Committee took action by written consent at various times during the course of 2006. This committee is responsible for developing general criteria regarding the qualifications and selection of Board members, recommending candidates for election to the Board of Directors, reviewing and making recommendations regarding the composition and mandate of Board committees, developing overall governance guidelines, and overseeing the performance and compensation of the Board of Directors. It is the policy of the Corporate Governance and Nominating Committee to consider recommendations

of candidates for the Board of Directors submitted by the stockholders of the Company; for more information see the discussion in [Corporate Governance Matters]. The Corporate Governance and Nominating Committee acts pursuant to a written charter adopted by the Board of Directors, which is available in the [Investor Relations] section of our website at <http://www.informatica.com>.

*Strategy Committee.* The Strategy Committee was established in January 2006 and currently consists of Ms. Chaffin and Messrs. Robel and Squire, each of whom is [independent] as defined in the listing standards of The NASDAQ Stock Market. Mr. Squire is the Chairman of the Strategy Committee. This committee is responsible for assisting the Company's Board of Directors and management to oversee the Company's strategic plans.

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*Lead Independent Director.* Mr. Pidwell was appointed Lead Independent Director in March 2005, whereby he serves as a liaison between management and the other non-employee directors. As Lead Independent Director, Mr. Pidwell will, among other things, schedule and chair meetings of the independent directors. In addition, the independent directors may hold a closed session at regularly scheduled board meetings.

### Director Compensation

*Cash Compensation.* In 2006, non-employee members of the Board of Directors received (1) an annual retainer of \$30,000, paid quarterly at the rate of \$7,500 per quarter; (2) \$15,000 paid quarterly at the rate of \$3,750 per quarter for the Lead Independent Director (for 2006, Mr. Pidwell); (3) \$15,000 per year for each member of the Audit Committee (\$20,000 if such member is the chairperson); (4) \$10,000 per year for each member of the Compensation Committee (\$15,000 if such member is the chairperson); (5) \$5,000 per year for each member of the Corporate Governance and Nominating Committee (\$10,000 if such member is the chairperson) and (6) \$5,000 per year for each member of the Strategy Committee (\$10,000 if such member is the chairperson). For 2007 the annual retainer has been increased to \$35,000 paid quarterly at the rate of \$8,750 per quarter.

*Non-Employee Director Option Grants.* Non-employee directors are eligible to receive options to purchase the Company's Common Stock pursuant to the Company's 1999 Non-Employee Director Stock Incentive Plan (the [1999 Director Plan]), which provides for annual automatic grants of nonstatutory stock options to continuing non-employee directors. Under the 1999 Director Plan, each non-employee director will automatically be granted a nonstatutory stock option grant of 60,000 shares of the Company's Common Stock upon his or her initial election to the Board of Directors ([Initial Grant]). Immediately following each annual stockholders' meeting, each non-employee director who continues to serve as a non-employee director following such annual meeting will automatically be granted a nonstatutory stock option to purchase 25,000 shares of the Company's Common Stock ([Subsequent Grant]), as long as the director had been a non-employee director for at least six months prior to such annual meeting of stockholders. All options automatically granted to non-employee directors will have an exercise price equal to 100% of the fair market value on the date of grant. One third of the shares subject to the Initial Grant vests and becomes exercisable one year after the grant date and the remaining shares subject to the Initial Grant vest in equal monthly installments over the following 24-month period, such that the option is fully exercisable three years after its date of grant. Each Subsequent Grant vests and becomes 100% exercisable one year after the date such option is granted. In 2006, each of Ms. Chaffin and Messrs. Bertelsen, Pidwell, Seawell, Yankowski, Robel and Squire received Subsequent Grants.

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The following director compensation table includes the compensation elements that were earned by our directors for the 2006 Fiscal Year.

### DIRECTOR COMPENSATION - FISCAL YEAR 2006 (1)

	<b>Change in pension value and nonqualified deferred</b>
<b>Non-equity</b>	

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Name	Fees earned or paid in	Stock	Options	incentive plan	compensation	All other	Total(\$)
	cash(\$)	awards(\$)	awards(\$) (9)	compensation(\$)	earnings(\$)	compensation(\$)	
Mark Bertelsen	40,000(2)	□	133,814(10)	□	□	□	173,814
Janice Chaffin	45,000(3)	□	119,759(11)	□	□	□	164,759
David Pidwell	65,000(4)	□	119,759(12)	□	□		184,759
Charles Robel	50,000(5)	□	268,271(13)	□	□	□	318,271
Brooke Seawell	55,000(6)	□	119,759(14)	□	□	□	174,759
Geoff Squire	40,000(7)	□	261,535(15)	□	□	□	301,535
Carl Yankowski	55,000(8)	□	132,842(16)	□	□	□	187,842

- (1) Mr. Sohaib Abbasi is a director on the Company's Board of Directors but he does not receive any compensation for such service beyond his compensation as an officer of the Company. Mr. Abbasi's compensation as an officer is listed in the Summary Compensation Table.
- (2) Mr. Bertelsen is the chair of the Corporate Governance and Nominating Committee.
- (3) Ms. Chaffin is a member of the Compensation Committee and the Strategy Committee.
- (4) Mr. Pidwell is the chair of the Compensation Committee and a member of the Corporate Governance and Nominating Committee. Mr. Pidwell is also the Lead Independent Director.
- (5) Mr. Robel is a member of the Audit Committee and the Strategy Committee.
- (6) Mr. Seawell is the chair of the Audit Committee and a member of the Corporate Governance and Nominating Committee.
- (7) Mr. Squire is the chair of the Strategy Committee.
- (8) Mr. Yankowski is a member of the Compensation Committee and the Audit Committee.
- (9) These amounts reflect the 2006 SFAS No. 123(R) "Share-Based Payment" (SFAS 123(R)) compensation cost incurred by the Company for all stock options granted prior to and including 2006 to the particular director and do not correspond to the actual value that could or will be recognized by the particular individual. Please refer to Note 2 in the Company's report on Form 10-K for the year ended December 31, 2006 for our assumptions related to the FAS 123(R) compensation cost calculations. The calculations reflected in this table do not include any forfeiture rate estimates. The grant date fair value of each of the grants to the directors in 2006 (each received 25,000 options on May 18, 2006) is \$147,648. As of December 31,

2006, the aggregate options held by each director are: (1) Mark Bertelsen - 195,000 options; (2) Janice Chaffin - 95,000 options; (3) David Pidwell - 95,000 options; (4) Chuck Robel - 85,000 options; (5) Brooke Seawell - 275,000 options; (6) Geoff Squire - 85,000 options; and (7) Carl Yankowski - 115,200 options.

- (10) The included grants are as follows: 100,000 options granted on September 3, 2002 with an exercise price of \$4.51 with a four year vesting period, 25,000 options granted on May 26, 2005 with an exercise price of \$8.65 with a one year vesting period and 25,000 options granted on May 18, 2006 with an exercise price of \$13.98 with a one year vesting period.

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- (11) The included grants are as follows: 25,000 options granted on May 26, 2005 with an exercise price of \$8.65 with a one year vesting period and 25,000 options granted on May 18, 2006 with an exercise price of \$13.98 with a one year vesting period.

- (12) The included grants are as follows: 25,000 options granted on May 26, 2005 with an exercise price of \$8.65 with a one year vesting period and 25,000 options granted on May 18, 2006 with an exercise price of \$13.98 with a one year vesting period.

- (13) The included grants are as follows: 60,000 options granted on November 16, 2005 with an exercise price of \$11.94 with a three year vesting period and 25,000 options granted on May 18, 2006 with an exercise price of \$13.98 with a one year vesting period.

- (14) The included grants are as follows: 25,000 options granted on May 26, 2005 with an exercise price of \$8.65 with a one year vesting period and 25,000 options granted on May 18, 2006 with an exercise price of \$13.98 with a one year vesting period.

- (15) The included grants are as follows: 60,000 options granted on October 20, 2005 with an exercise price of \$11.95 with a three year vesting period and 25,000 options granted on May 18, 2006 with an exercise price of \$13.98 with a one year vesting period.

- (16) The included grants are as follows: 60,000 options granted on July 15, 2003 with an exercise price of \$7.56 with a three year vesting period, 25,000 options granted on May 26, 2005 with an exercise price of \$8.65 with a one year vesting period and 25,000 options granted on May 18, 2006 with an exercise price of \$13.98 with a one year vesting period.

### **Corporate Governance Matters**

*Code of Business Conduct.* We have adopted a Code of Business Conduct that applies to all of our directors, officers (including our principal executive officer and senior financial and accounting officers), and employees. You can find our Code of Business Conduct in the [Investor Relations](#) section of our website at <http://www.informatica.com>. We will post any amendments to the Code of Business Conduct, as well as any waivers, that are required to be disclosed by the rules of either the SEC or The NASDAQ Stock Market on our website.

*Independence of the Board of Directors.* The Board of Directors has determined that, with the exception of Sohaib Abbasi, who is the Chief Executive Officer and President of Informatica, all of its members are [independent directors](#) as defined in the listing standards of The NASDAQ Stock Market. In making this determination, the Board considered that Mark A. Bertelsen is a member of the law firm of Wilson Sonsini

Goodrich & Rosati, Professional Corporation (WSGR). During fiscal 2006, WSGR provided legal services to the Company and received payments from the Company of approximately \$0.7 million. We believe the services performed by WSGR were provided in the ordinary course of business on terms no more or less favorable than those available from unrelated parties.

*Contacting the Board of Directors.* Stockholders and other individuals may communicate with the Board of Directors by submitting either an e-mail to board@informatica.com or a written communication addressed to the Board of Directors (or specific board member) Informatica Corporation, 100 Cardinal Way, Redwood City, California 94063. E-mail communications that are intended for a specific director should be sent to the e-mail address above to the attention of the applicable director.

*Attendance at annual stockholder meetings by the Board of Directors.* Although the Company does not have a formal policy regarding attendance by members of the Board of Directors at the Company's annual meeting of stockholders, the Company encourages, but does not require, directors to attend. Two directors attended the Company's 2006 annual meeting of stockholders.

*Process for recommending candidates for election to the Board of Directors.* The Corporate Governance and Nominating Committee is responsible for, among other things, determining the criteria for membership to the Board of Directors and recommending candidates for election to the Board of Directors. It is the policy of the Committee to consider recommendations for candidates to the Board of Directors from stockholders. Stockholder recommendations for candidates to the Board of Directors must be directed in writing to Informatica Corporation,

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Corporate Secretary, 100 Cardinal Way, Redwood City, CA 94063 and must include the candidate's name, home and business contact information, detailed biographical data and qualifications, information regarding any relationships between the candidate and the Company within the last three years, and evidence of the nominating person's ownership of the Company's Common Stock.

The Committee's general criteria and process for evaluating and identifying the candidates that it recommends to the full Board of Directors for selection as director nominees, are as follows:

- The Committee regularly reviews the current composition and size of the Board of Directors.
- In its evaluation of director candidates, including the members of the Board of Directors eligible for re-election, the Committee seeks to achieve a balance of knowledge, experience and capability on the Board of Directors and considers (1) the current size and composition of the Board of Directors and the needs of the Board of Directors and the respective committees of the Board of Directors, (2) such factors as personal character, judgment, expertise, business experience, length of service, independence and other commitments, and (3) such other factors as the Committee may consider appropriate.
- While the Committee has not established specific minimum qualifications for director candidates, the Committee believes that candidates and nominees must reflect a Board that is comprised of directors who (1) are predominantly independent, (2) are of high integrity, (3) have broad, business-related knowledge and experience at the policy-making level in business, government or technology, including their understanding of the enterprise software industry and Informatica's business in particular, (4) have qualifications that will increase overall Board effectiveness and (5) meet other requirements as may be required by applicable rules, such as financial literacy or financial expertise with respect to audit committee members.
- In evaluating and identifying candidates, the Committee has the authority to retain third-party search firms with regard to candidates who are properly recommended by stockholders or by other means. The Committee will review the qualifications of any such candidate, this review may, in the Committee's discretion, include interviewing references for the candidate, direct interviews with the candidate, or other actions that the Committee deems necessary or proper.
- The Committee will apply these same principles when evaluating Board candidates who may be elected initially by the full Board of Directors to fill vacancies or add additional directors prior to the annual

meeting of stockholders at which directors are elected.

- After completing its review and evaluation of director candidates, the Committee recommends to the full Board of Directors the director nominees for selection.

## PROPOSAL TWO

### RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has appointed Ernst & Young LLP (["E&Y"]) as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2007. Although ratification by stockholders is not required by law, the Board has determined that it is desirable to request ratification of this selection by the stockholders. Notwithstanding its selection, the Audit Committee, in its discretion, may appoint a new independent registered public accounting firm at any time during the year if the Audit Committee believes that such a change would be in the best interest of the Company and its stockholders. If the stockholders do not ratify the appointment of E&Y, the Audit Committee may reconsider its selection.

E&Y has audited the Company's financial statements since the Company's inception. A representative of E&Y is expected to be present at the Annual Meeting with the opportunity to make a statement if he or she desires to do so, and is expected to be available to respond to appropriate questions.

***The Board of Directors recommends a vote [FOR] this proposal.***

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#### Accounting Fees

The following table shows the fees paid or accrued by the Company for the audit and other services provided by E&Y for fiscal years 2005 and 2006.

	Fiscal Year	
	2005	2006
Audit Fees (1)	\$1,214,000	\$1,796,000
Audit-Related Fees (2)	79,000	499,000
Tax Fees (3)	1,168,000	1,609,000
All Other Fees	□	□
Total	\$2,461,000	\$3,904,000

- (1) Audit fees are for professional services rendered for the audit of the Company's annual financial statements and reviews of its quarterly financial statements. This category also includes fees for international statutory audits, consents, assistance with and review of documents filed with the SEC, attest services, work done by tax professionals in connection with the audit or quarterly reviews and attestation-related services in connection with Section 404 of the Sarbanes-Oxley Act of 2002 (["Section 404"]). The increase in fees in 2006 compared to 2005 was primarily due to an increase in the size and complexity of the Company.
- (2) These are fees for assurance and related services performed by E&Y that are reasonably related to the performance of the audit or review of Informatica's financial statements, which include fees for accounting consultations, internal control reviews and attest services

not required by statute or regulation. The increase in fees from \$79,000 in 2005 to \$499,000 in 2006 was primarily due to consulting services related to (i) acquisitions, (ii) issuance of Convertible Senior Notes and (iii) adoption of FAS 123(R). The 2005 fees were inadvertently stated as \$155,000 in the 2006 Proxy Statement.

- (3) These are fees for professional services performed by E&Y with respect to tax compliance and tax planning and advice. Tax compliance includes preparation of original and amended tax returns for the Company, refund claims, tax payment planning and tax audit assistance. Tax compliance fees totaled \$263,000 and \$660,000 for fiscal years 2005 and 2006, respectively. The increase in compliance fees in 2006 compared to 2005 was due to an increase in the size and complexity of the Company as well as its profitability. Tax planning and advice includes tax strategy planning and modeling, merger and acquisition related projects, intellectual property tax issues, intercompany and transfer pricing design and foreign employee tax matters. Tax planning and advice totaled \$905,000 and \$949,000 for fiscal years 2005 and 2006, respectively. The increase in tax planning and advice fees in 2006 compared to 2005 was primarily due to an acquisition that occurred in early 2006.

#### Pre-Approval of Audit and Non-Audit Services

All audit and non-audit services provided by E&Y to the Company must be pre-approved by the Audit Committee. The Audit Committee utilizes the following procedures in pre-approving all audit and non-audit services provided by E&Y. At or before the first meeting of the Audit Committee each year, the Audit Committee is presented with a detailed listing of the individual audit and non-audit services and fees (separately describing audit-related services, tax services and other services) expected to be provided by E&Y during the year. During the first quarter of each year, the Audit Committee is presented with an updated listing of approved services highlighting any new audit and non-audit services to be provided by E&Y. The Audit Committee reviews these listings and approves the services outlined therein if such services are acceptable to the Audit Committee.

To ensure prompt handling of unexpected matters, the Audit Committee delegates to the Chairman of the Audit Committee the authority to amend or modify the list of audit and non-audit services and fees; provided, however, that such additional or amended services may not affect E&Y's independence under applicable SEC rules. The Chairman reports any such action taken to the Audit Committee at the subsequent Audit Committee meeting.

All E&Y services and fees in 2005 and 2006 were pre-approved by the Audit Committee.

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#### SECURITY OWNERSHIP BY PRINCIPAL STOCKHOLDERS AND MANAGEMENT

The following table sets forth certain information concerning the beneficial ownership of Informatica's Common Stock as of March 1, 2007 for the following: (1) each person or entity who is known by the Company to own beneficially more than 5% of the outstanding shares of the Company's Common Stock; (2) each of the Company's directors; (3) each of the executive officers named in the Summary Compensation Table; and (4) all directors and executive officers of the Company as a group.

Name	Common Stock Beneficially Owned (1)	Percentage Beneficially Owned (2)
FMR Corp. (3) 82 Devonshire Street Boston, Mass. 02109	12,970,627	15.0%
Sohaib Abbasi (4)	2,168,309	2.4%
David W. Pidwell (5)	353,880	*

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A. Brooke Seawell (6)	200,000	*
Janice D. Chaffin (7)	70,000	*
Mark A. Bertelsen (8)	170,000	*
Carl J. Yankowski (9)	50,000	*
Geoffrey W. Squire (10)	73,678	*
Charles J. Robel (11)	28,175	*
Earl E. Fry (12)	1,264,923	1.4%
Girish Pancha (13)	570,664	*
Paul Hoffman (14)	344,063	*
Brian Gentile (15)	81,250	*
All directors and executive officers as a group (12 persons) (16)	5,374,942	5.9%

\* Less than one percent of the outstanding Common Stock.

- (1) The number and percentage of shares beneficially owned is determined in accordance with Rule 13d-3 of the Exchange Act, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rule, beneficial ownership includes any shares over which the individual or entity has voting power or investment power and any shares of Common Stock that the individual has the right to acquire within 60 days of March 1, 2007 through the exercise of any stock option or other right. Unless otherwise indicated in the footnotes, each person or entity has sole voting and investment power (or shares such powers with his or her spouse) with respect to the shares shown as beneficially owned.
- (2) The total number of shares of Common Stock outstanding as of March 1, 2007 was 86,743,146.
- (3) This information was obtained from filings made with the SEC pursuant to Section 13(g) of the Exchange Act.
- (4) Includes 2,014,165 shares subject to options exercisable within 60 days of March 1, 2007.
- (5) Includes 70,000 shares subject to options exercisable within 60 days of March 1, 2007. Also includes 263,880 shares held of record by the Pidwell Family Living Trust dated June 25, 1987, of which Mr. Pidwell is trustee.
- (6) Includes 190,000 shares subject to options exercisable within 60 days of March 1, 2007.
- (7) Consists solely of shares subject to options exercisable within 60 days of March 1, 2007.
- (8) Consists solely of shares subject to options exercisable within 60 days of March 1, 2007.
- (9) Consists solely of shares subject to options exercisable within 60 days of March 1, 2007.
- (10) Includes 29,850 shares subject to options exercisable within 60 days of March 1, 2007.



- (11) Consists solely of shares subject to options exercisable within 60 days of March 1, 2007.
- (12) Includes 1,242,665 shares subject to options exercisable within 60 days of March 1, 2007.
- (13) Consists solely of shares subject to options exercisable within 60 days of March 1, 2007.
- (14) Includes 334,374 shares subject to options exercisable within 60 days of March 1, 2007.
- (15) Consists solely of shares subject to options exercisable within 60 days of March 1, 2007.
- (16) Includes 4,851,143 shares subject to options exercisable within 60 days of March 1, 2007.

#### **SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act (Section 16(a)) requires the Company's executive officers and directors, and certain persons who own more than 10% of a registered class of the Company's equity securities (10% Stockholders), to file reports of ownership on Form 3 and changes in ownership on Forms 4 or 5 with the SEC. Such executive officers, directors and 10% Stockholders are also required by SEC rules to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on its review of the copies of such reports furnished to the Company and written representations that no other reports were required to be filed during 2006, the Company believes that its executive officers, directors and 10% Stockholders have complied with all Section 16(a) filing requirements applicable to them.

#### **COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

The Company's Compensation Committee is currently composed of Ms. Chaffin and Messrs. Pidwell and Yankowski. No interlocking relationship exists between any member of the Company's Compensation Committee and any member of the compensation committee of any other company, nor has any such interlocking relationship existed in the past. No member of the Compensation Committee is or was formerly an officer or an employee of the Company.

#### **TRANSACTIONS WITH MANAGEMENT**

##### **Policies and Procedures for the Review and Approval of Related Party Transactions**

Pursuant to the charter of the Audit Committee, our Audit Committee reviews and approves in advance any proposed related party transactions. In addition, in accordance with our Code of Business Conduct, directors, officers and employees should generally avoid conducting Informatica business in which a family member is associated in any significant role, or with other related parties. Related party transactions will be disclosed in the applicable SEC filing as required by the rules of the SEC.

#### **EQUITY COMPENSATION PLAN INFORMATION**

The following table provides information as of December 31, 2006 with respect to the shares of the Company's Common Stock that may be issued under the Company's existing equity compensation plans.

<b>Plan Category (1)</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by stockholders	17,283,152	\$8.72	18,825,220(2)
Equity compensation plans not approved by stockholders	724,057(3)	\$5.57	769,264(4)
Total	18,007,209	\$8.59	19,594,484

- (1) See Note 2 to Notes to Consolidated Financial Statements, contained in our Annual Report on Form 10-K for the year ended December 31, 2006, for a description of the terms of our equity compensation plans.
- (2) Includes 11,671,710 shares of Common Stock reserved for issuance under the Company's 1999 Stock Incentive Plan and 1999 Non-Employee Director Stock Incentive Plan and 7,153,510 shares of Common Stock reserved for issuance under the Company's 1999 Employee Stock Purchase Plan. The Company's 1999 Stock Incentive Plan incorporates an evergreen formula pursuant to which on January 1 of each year, the aggregate number of shares of Common Stock reserved for issuance under the 1999 Stock Incentive Plan will increase by a number of shares equal to the lesser of (i) 5% of the total amount of fully diluted Common Stock shares outstanding as of that date, (ii) 16,000,000 shares or (iii) a lesser number of shares determined by the administrator of the 1999 Stock Incentive Plan. The Company's 1999 Employee Stock Purchase Plan additionally incorporates an evergreen formula pursuant to which on January 1 of each year, the aggregate number of shares of Common Stock reserved for issuance will increase by a number of shares equal to the lesser of (i) 2% of the total amount of fully diluted Common Stock shares outstanding as of that date or (ii) 6,400,000 shares. For purposes of determining the number of shares outstanding as of January 1, all outstanding classes of securities of the Company, convertible notes, warrants, options and any other awards granted under the 1999 Stock Incentive Plan that are convertible or exercisable presently or in the future by the holder into shares of Common Stock shall be deemed to be outstanding. This number does not include 4,647,101 and 1,858,840 shares which were added, pursuant to the evergreen formula, to the shares reserved for issuance under the 1999 Stock Incentive Plan and the 1999 Employee Stock Purchase Plan, respectively, on January 1, 2007.
- (3) Includes outstanding options to purchase (i) 157,728 shares of Common Stock at a weighted-average exercise price of \$2.14 granted under Itemfield, Inc.'s stock option plan, which Informatica assumed in connection with the acquisition of Itemfield in December 2006, (ii) 81,533 shares of Common Stock at a weighted-average exercise price of \$1.03 granted under Similarity's Vector Technologies (SivTech) Limited's stock option scheme, which Informatica assumed in connection with the acquisition of Similarity Systems Limited in

January 2006, (iii) 67,190 shares of Common Stock at a weighted-average exercise price of \$0.79 granted under Striva Corporation's stock option plan, which Informatica assumed in connection with the acquisition of Striva in September 2003, and (iv) 19,842 shares of Common Stock at a weighted-average exercise price of \$6.11 granted under Zimba's Corporation's stock option plan, which Informatica assumed in connection with the acquisition of Zimba in August 2000. The Company did not reserve the right to make subsequent grants or awards under any of the aforementioned plans. In addition, this number includes options to purchase 397,764 shares of Common Stock at a weighted-average exercise price of \$8.64 granted by Informatica under the 2000 Employee Stock Incentive Plan described below.

(4) Represents shares of Common Stock available for future issuance under the 2000 Employee Stock Incentive Plan.

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### **2000 Employee Stock Incentive Plan**

In January 2000, the Board of Directors adopted the 2000 Employee Stock Incentive Plan (the &#1