

VERINT SYSTEMS INC  
Form DEF 14A  
May 13, 2015

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A  
Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

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

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

VERINT SYSTEMS INC.  
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11  
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  - (4) Date Filed:
-

330 South Service Road  
Melville, New York 11747

May 13, 2015

Dear Verint Systems Inc. Stockholder:

You are cordially invited to attend the 2015 Annual Meeting of Stockholders of Verint Systems Inc., which will be held on Thursday, June 25, 2015, at 11:00 A.M. Eastern Time at the Hilton Garden Inn, 1575 Round Swamp Road, Plainview, New York 11803.

All holders of record of Verint Systems Inc. common stock as of May 1, 2015 are entitled to vote at the 2015 Annual Meeting.

Attached is our Notice of Annual Meeting of Stockholders and our Proxy Statement, which describe the business to be conducted at the meeting. Also enclosed is our Annual Report on Form 10-K for the year ended January 31, 2015 and your proxy card. We encourage you to read the Form 10-K, which includes information on our operations, products and services, as well as our audited financial statements.

Whether or not you plan to attend the meeting, we encourage you to vote. After reading the attached Notice of Annual Meeting of Stockholders and Proxy Statement, please promptly submit your proxy. If you are the registered holder of your shares, then we invite you to utilize the convenience of Internet voting at the website indicated on the enclosed proxy card. Alternatively, you can vote by telephone or complete, sign, date and promptly return via mail the enclosed proxy card. If you hold your shares in "street name" through a bank, broker, or other nominee, please follow the specific instructions you receive from your bank, broker, or other nominee to vote your shares.

On behalf of the Board of Directors, I would like to express our appreciation for your continued support of Verint.

Sincerely,

Dan Bodner  
President and Chief Executive Officer

Verint Systems Inc.  
330 South Service Road  
Melville, New York 11747

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON JUNE 25, 2015

The 2015 Annual Meeting of Stockholders of Verint Systems Inc. (“Verint”), a Delaware corporation, will be held on Thursday, June 25, 2015, at 11:00 A.M. Eastern Time at the Hilton Garden Inn, 1575 Round Swamp Road, Plainview, New York 11803 (the “2015 Annual Meeting”) for the following purposes:

- (1) To elect members of the Verint board of directors to serve for the following year and until their successors are duly elected and qualified;
- (2) To ratify the appointment of Deloitte & Touche LLP as Verint’s independent registered public accountants for the year ending January 31, 2016;
- (3) To approve the Verint Systems Inc. 2015 Long-Term Stock Incentive Plan;
- (4) To approve, on a non-binding, advisory basis, the compensation of the named executive officers as disclosed in the accompanying proxy statement; and
- (5) To transact such other business as may properly come before the 2015 Annual Meeting or any adjournment or postponement thereof.

The board of directors has fixed the close of business on May 1, 2015 as the record date for the determination of stockholders entitled to notice of, and to vote at, the 2015 Annual Meeting or any adjournment or postponement thereof.

A list of stockholders entitled to vote at the 2015 Annual Meeting will be available for examination by any stockholder, for any purpose concerning the meeting, during normal business hours at our principal executive offices, located at 330 South Service Road, Melville, New York 11747, during the ten days preceding the 2015 Annual Meeting.

By Order of the Board of Directors,

Jonathan Kohl  
Corporate Secretary

May 13, 2015

YOUR VOTE IS IMPORTANT. IF YOU ARE THE REGISTERED HOLDER OF YOUR SHARES, THEN YOU MAY VOTE YOUR SHARES ELECTRONICALLY VIA THE INTERNET, BY TELEPHONE OR BY SIGNING, DATING, AND RETURNING THE ENCLOSED PROXY CARD IN THE ENCLOSED RETURN ENVELOPE. IF YOU HOLD YOUR SHARES IN “STREET NAME” THROUGH A BANK, BROKER, OR OTHER NOMINEE, PLEASE FOLLOW THE SPECIFIC INSTRUCTIONS YOU RECEIVE FROM YOUR BANK, BROKER, OR OTHER NOMINEE TO VOTE YOUR SHARES.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON JUNE 25, 2015: THE PROXY MATERIALS, INCLUDING THE NOTICE OF ANNUAL MEETING OF STOCKHOLDERS, THE PROXY STATEMENT AND THE ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED JANUARY 31, 2015, ARE AVAILABLE ON THE INTERNET AT [WWW.PROXYVOTE.COM](http://WWW.PROXYVOTE.COM).

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VERINT SYSTEMS INC.  
330 South Service Road  
Melville, New York 11747

#### PROXY STATEMENT

The enclosed proxy is solicited on behalf of Verint's board of directors in connection with our Annual Meeting of Stockholders (the "2015 Annual Meeting") to be held on Thursday, June 25, 2015, at 11:00 a.m. Eastern Time or any adjournment or postponement of this meeting. The 2015 Annual Meeting will be held at the Hilton Garden Inn, 1575 Round Swamp Road, Plainview, New York 11803. Directions to the 2015 Annual Meeting can be found at the back of this proxy statement. Pursuant to rules adopted by the Securities and Exchange Commission ("SEC"), we have elected to provide electronic access to our proxy materials over the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (the "Notice") to our record and beneficial stockholders. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or to request a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice. In addition, stockholders may request to receive proxy materials electronically by email on an ongoing basis. We encourage you to take advantage of the availability of the proxy materials on the Internet in order to help reduce the costs and environmental impact of printing proxy materials. We intend to mail the Notice and make available via the Internet this proxy statement, the accompanying proxy card and our previously filed Annual Report on Form 10-K for the year ended January 31, 2015 to each stockholder entitled to vote at our 2015 Annual Meeting on or about May 13, 2015.

#### QUESTIONS AND ANSWERS ABOUT THE 2015 ANNUAL MEETING

Although we encourage you to read this proxy statement in its entirety, we include this question and answer section to provide some background information and brief answers to several questions you might have about the 2015 Annual Meeting.

##### Questions Relating to Proxy Materials

**Q:** Why am I receiving these materials?

**A:** The board of directors is providing these proxy materials to you in connection with its solicitation of your proxy to vote at the 2015 Annual Meeting because you were a holder of Verint Systems Inc. common stock as of the close of business on May 1, 2015 (the "Record Date") and are entitled to vote at the 2015 Annual Meeting. As of the Record Date, there were 61,358,001 shares of our common stock outstanding. This proxy statement summarizes the information you need to know to vote on the proposals expected to be presented at the 2015 Annual Meeting.

**Q:** Why did I receive a notice in the mail regarding the Internet availability of proxy materials this year instead of printed paper proxy materials?

**A:** We are permitted to furnish proxy materials, including this proxy statement and our Annual Report on Form 10-K for the year ended January 31, 2015, to our stockholders by providing access to such documents on the Internet instead of mailing printed copies. Most stockholders will not receive printed copies of the proxy materials unless they request them. Instead, the Notice, which was mailed to most of our stockholders, will instruct you as to how you may access and review all of the proxy materials on the Internet. The Notice also instructs you as to how you may submit your proxy on the Internet. If you would like to receive a paper or email copy of our proxy materials, you should follow the instructions for requesting such materials in the Notice. Any request to receive proxy materials by mail or email will remain in effect until you revoke it.

**Q:** Why did I receive printed paper proxy materials in the mail instead of a Notice regarding the Internet availability of proxy materials?

**A:** We are providing stockholders who have previously requested to receive paper copies of the proxy materials with paper copies of the proxy materials instead of a Notice. If you would like to reduce the environmental impact and the costs incurred by us in mailing printed proxy materials, you may elect to receive all future proxy materials electronically via email or the Internet. To sign up for electronic delivery, please follow the instructions for voting using the Internet that are provided with your proxy materials and on your proxy card or voting instruction card and, when prompted, indicate that you agree to receive or access stockholder communications electronically in future

years. Alternatively, you can go to <https://enroll.icsdelivery.com/vrnt> and enroll for Internet delivery of annual meeting and proxy voting materials.

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Q: What does it mean if I receive more than one Notice, proxy or voting instruction card?

A: It generally means that some of your shares are registered differently or are in more than one account. Please provide voting instructions for all Notices, proxy and voting instruction cards you receive.

Questions Relating to Voting

Q: What are the proposals and the voting recommendations of the board of directors?

A: The proposals to be considered are as follows, and the board of directors recommends the following votes on each of the proposals:

FOR each of the director nominees (Proposal No. 1);

FOR ratification of the appointment of Deloitte & Touche LLP as Verint's independent registered public accounting firm for the year ending January 31, 2016 (Proposal No. 2);

FOR approval of the Verint Systems Inc. 2015 Long-Term Stock Incentive Plan (Proposal No. 3); and

FOR approval, on a non-binding, advisory basis, of the compensation of the named executive officers as disclosed in this proxy statement (Proposal No. 4).

Q: How many votes do I have?

A: Each share of common stock that you owned at the close of business on the Record Date is entitled to one vote.

These shares include:

• shares held directly in your name as the "stockholder of record"; and

• shares held for you as the beneficial owner through a broker, bank, or other nominee in "street name".

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

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

**Stockholder of Record:** If your shares are registered directly in your name with our transfer agent, Broadridge Corporate Issuer Solutions, Inc., you are considered the stockholder of record, and the Notice is being sent directly to you by us. As the stockholder of record, you have the right to grant your voting proxy directly to us or to vote in person at the 2015 Annual Meeting without further authorization from a third party.

**Beneficial Owner:** If your shares are held in a stock brokerage account, by a bank, or other nominee, you are considered the beneficial owner of shares held in street name by such third party, and the Notice is being forwarded to you by your broker, bank, or their nominee. As the beneficial owner, you have the right to direct your broker, bank, or other nominee on how to vote your shares as described below and are also invited to attend the 2015 Annual Meeting. Since you are not the stockholder of record, however, you may not vote these shares in person at the 2015 Annual Meeting without a legal proxy from the record holder (your broker, bank, or other nominee). You may vote shares beneficially held by you as set out in the voting instruction card you receive from your broker, bank, or other nominee.

Q: How do I vote?

A: If you wish to vote your shares in person and you hold shares as the stockholder of record, you may come to the 2015 Annual Meeting and cast your vote there. However, if you are a beneficial owner and you wish to vote your shares in person, you must bring a legal proxy from the record holder of your shares (your broker, bank, or other nominee) indicating that you were the beneficial owner of the shares on the Record Date. In either case, you should also bring a valid photo identification to the meeting.

If you wish to vote your shares without attending the meeting, you may do so in one of the following ways:

**Internet.** If you hold shares as the stockholder of record, you can submit a proxy over the Internet to vote those shares at the 2015 Annual Meeting by accessing the website shown on the proxy card you received from us and following the instructions provided. If you are a beneficial owner of shares, your broker, bank or other nominee may or may not permit you to provide them with instructions over the Internet for how to vote your shares; please refer to

the instructions provided by your broker, bank or other nominee on the voting instruction card you received from your broker, bank or other nominee.

**Telephone.** If you hold shares as the stockholder of record, you can submit a proxy over the telephone to vote your shares by following the instructions provided in the Notice you received from us, or if you received a printed version of the proxy materials by mail, by following the instructions provided with the proxy card you received from us. If you are a beneficial owner of shares, your broker, bank or other nominee may or may not permit you to provide them with instructions over the phone for how to vote your shares; please refer to the instructions provided by your broker, bank or other nominee on the voting instruction card you received from your broker, bank or other nominee.

**Mail.** You may submit a proxy or voting instructions by mail to vote your shares at the 2015 Annual Meeting. Please mark, date, sign and return the proxy card or voting instruction card enclosed with the proxy materials you received from us or from your broker, bank or other nominee.

**Q: Can I vote my shares by filling out and returning the Notice?**

**A: No.** The Notice identifies the items to be voted on at the 2015 Annual Meeting, but you cannot vote by marking the Notice and returning it. The Notice provides instructions on how to vote by Internet and how to request paper copies of the proxy materials. It is not the same as a proxy card from us or a voting instruction card from your broker, bank, or other nominee.

**Q: Can I change my vote or revoke my proxy?**

**A: Yes,** if you are a stockholder of record, you can change your vote or revoke your proxy at any time before the 2015 Annual Meeting by:

- notifying our Corporate Secretary in writing before the 2015 Annual Meeting that you have revoked your proxy;
- signing and delivering a later dated proxy to our Corporate Secretary;
- voting by using the Internet or the telephone (your last Internet or telephone proxy is the one that is counted); or
- voting in person at the 2015 Annual Meeting.

Any such written notice or later dated proxy must be received by our Corporate Secretary at our principal executive offices before 11:59 p.m. Eastern Time on June 24, 2015, if you are notifying us in writing, or before the vote at the 2015 Annual Meeting, if you are attending the 2015 Annual Meeting in person.

If you are a beneficial owner, you may submit new voting instructions only by contacting your bank, broker, or other nominee.

**Q: What will happen if I do not instruct my bank, broker, or other nominee how to vote?**

**A: If you are a beneficial owner and you do not instruct your bank, broker, or other nominee how to vote, your bank, broker, or other nominee may vote your shares at its discretion on routine matters but not on non-routine matters. The ratification of the independent registered public accounting firm (Proposal No. 2) is the only routine matter being presented at the 2015 Annual Meeting. Thus, if you do not otherwise instruct your bank, broker, or other nominee, they may vote your shares “FOR” Proposal No. 2.**

Conversely, all of the other proposals being presented at the 2015 Annual Meeting are non-routine matters, and banks, brokers, and other nominees cannot vote on these matters without instructions from the beneficial owner. Without your voting instructions on these matters, a “broker non-vote” will occur. Shares held by banks, brokers, or other nominees that do not have discretionary authority to vote uninstructed shares on non-routine matters are not counted or deemed to be present or represented for the purpose of determining whether stockholders have approved a particular matter, but will be counted in determining whether a quorum is present at the 2015 Annual Meeting. See “—Q: How are votes counted?” below for more information.

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

**A: The persons named as proxies in the proxy materials, Dan Bodner, our Chief Executive Officer, Douglas Robinson, our Chief Financial Officer, and Peter Fante, our Chief Legal Officer and Chief Compliance Officer, were designated by the board of directors to vote the shares of holders who are not able or not eligible to vote their shares in person at the 2015 annual meeting, based on valid proxies received by us.**

Q: How are votes counted?

A: The shares represented by all valid proxies received will be voted in the manner specified on the proxies. If you are a stockholder of record and you sign, date, and return your proxy card without making specific choices, the persons named as proxies above will vote your shares in accordance with the recommendations of the board of directors. If you are a beneficial holder, your bank, broker, or other nominee must vote for you (unless you obtain a legal proxy from the record holder), and as noted above, if you do not provide specific voting instructions, your bank, broker, or other nominee will only be able to vote on your behalf on routine matters. As a result, you are urged to specify your voting instructions by marking the appropriate boxes on the enclosed proxy card or on your voting instruction card, as applicable.

Q: Will any other matters be voted on?

A: We are not aware of any other matters that will be brought before the stockholders for a vote at the 2015 Annual Meeting. If any other matter is properly brought before the meeting, your proxy will authorize your appointed proxies to vote for you on such matters using their discretion.

Q: How many shares must be present to hold the 2015 Annual Meeting?

A: Holders of a majority of the issued and outstanding shares of our common stock as of the Record Date must be represented in person or by proxy at the 2015 Annual Meeting in order to conduct business. This is called a quorum. If you vote, your shares will be part of the quorum. Abstentions, "withhold" votes, and broker non-votes also will be counted in determining whether a quorum exists.

Q: What vote is required to approve each proposal?

A: So long as there is a quorum, the voting requirement for each of the proposals is as follows:

Election of Directors - the election of directors will be made by a plurality of votes cast at the 2015 Annual Meeting. That means the seven nominees receiving the highest number of votes will be elected. This is not considered a routine matter and banks, brokers, or other nominees may not vote without instructions from the stockholder. Because directors need only be elected by a plurality of the vote, abstentions, broker non-votes, and withheld votes will not affect whether a particular nominee has received sufficient votes to be elected.

Ratification of independent registered public accountants - the proposal for the ratification of the appointment of Deloitte & Touche LLP as Verint's independent registered public accountants for the year ending January 31, 2016 will be approved by the vote of the holders of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote. This is considered a routine matter on which banks, brokers, or other nominees may vote if no instructions are provided by the stockholder, however, abstentions will count as votes against the proposal.

Approval of the Verint Systems Inc. 2015 Long-Term Stock Incentive Plan - the proposal to approve the Verint Systems Inc. 2015 Long-Term Stock Incentive Plan will be approved by the vote of the holders of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote. This is not considered a routine matter and banks, brokers, or other nominees may not vote without instructions from the stockholder. Broker non-votes will not affect whether this proposal is approved, however, abstentions will count as votes against this proposal.

Approval of the compensation of the named executive officers - the advisory vote regarding the compensation of the named executive officers as disclosed in this proxy statement will be approved by the vote of the holders of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote. This is not considered a routine matter and banks, brokers, or other nominees may not vote without instructions from the stockholder. Broker non-votes will not affect whether this proposal is approved, however, abstentions will count as votes against this proposal.

Q: Where can I find the voting results of the meeting?

A: The preliminary voting results will be announced at the meeting. The final voting results will be reported in a current report on Form 8-K, which will be filed with the SEC within four business days after the meeting. If our final voting results are not available within four business days after the meeting, we will file a current report on Form 8-K reporting the preliminary voting results and subsequently file the final voting results in an amendment to the current report on Form 8-K within four business days after the final voting results are known to us.

Q: Who is paying the costs of soliciting these proxies?

A: The expense of this solicitation, including the cost of preparing, assembling and mailing the various proxy materials, will be borne by us. In addition to the solicitation of proxies by use of the mails, some of our officers and regular employees, without

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extra remuneration, may solicit proxies personally, by telephone or otherwise. In addition, arrangements will be made with brokerage houses and other custodians, nominees and fiduciaries to forward proxy cards and proxy materials to their principals, and we may reimburse them for their expenses in forwarding these materials.

Q: What do I need to do to attend the 2015 Annual Meeting?

A: You are entitled to attend the 2015 Annual Meeting only if you were a stockholder of record or a beneficial owner of our shares as of the close of business on May 1, 2015. You should be prepared to present photo identification for admittance. If you hold your shares through a broker, bank or nominee and you wish to attend the meeting, you will need to provide proof of beneficial ownership as of the Record Date, such as your most recent account statement prior to May 1, 2015, a copy of the voting instruction card provided by your broker, bank or nominee, or similar evidence of ownership. If you are not a stockholder of record, note that you will not be able to vote your shares at the meeting unless you have a legal proxy from your broker. If you do not provide photo identification or comply with the other procedures outlined above, you may not be admitted to the 2015 Annual Meeting.

## PROPOSAL NO. 1

## ELECTION OF DIRECTORS

All of our directors are elected at each annual meeting to serve until their successors are duly elected and qualified or their earlier death, resignation, or removal. The board of directors has nominated the persons named below, each of whom is presently serving on our board of directors, for election as directors. As of the date of this proxy statement, the board of directors consists of seven directors and two vacancies. Proxies cannot be voted for a greater number of persons than the number of nominees named below.

Each of the nominees was recommended for reelection by the corporate governance & nominating committee and has been approved by the board of directors. Each of the nominees has consented to serve for the new term if elected. If any nominee becomes unavailable to serve for any reason before the election, which is not anticipated, your proxy authorizes us to vote for another person nominated by the board of directors. The election of directors will be made by a plurality of votes cast at the 2015 Annual Meeting. That means the seven nominees receiving the highest number of votes will be elected. This is not considered a routine matter and banks, brokers, or other nominees may not vote without instructions from the stockholder. Because directors need only be elected by a plurality of the vote, abstentions, broker non-votes, and withhold votes will not affect whether a particular nominee has received sufficient votes to be elected.

As described in detail below, our nominees have considerable professional and business experience. The recommendation of our board of directors is based on its carefully considered judgment that the experience, record, and qualifications of our nominees make them well qualified to serve on our board of directors. The board of directors believes that each of the nominees listed brings strong skills and extensive experience to the board of directors, giving the board of directors as a group the appropriate skills to exercise its oversight responsibilities.

Name	Age	Director Since	Position(s)
Dan Bodner	56	1994	President, Chief Executive Officer, Corporate Officer, and Director
Victor DeMarines	78	2002	Chairman of the Board
John Egan	57	2012	Director
Larry Myers	76	2003	Director
Richard Nottenburg	61	2013	Director
Howard Safir	73	2002	Director
Earl Shanks	58	2012	Director

Dan Bodner serves as our President, Chief Executive Officer, Corporate Officer, and a director. Mr. Bodner has served as our President and/or Chief Executive Officer and as a director since 1994. From 1991 to 1998, Mr. Bodner also served as President and Chief Executive Officer of Comverse Government Systems Corp., a former affiliate of ours. Prior to such positions, from 1987 to 1991, Mr. Bodner held various management positions at Comverse Technology, Inc. The board of directors has concluded that Mr. Bodner's position as our Chief Executive Officer, his intimate knowledge of our operations, assets, customers, growth strategies, and competitors, his knowledge of the technology, software, and security industries, and his extensive management experience give him the qualifications and skills to serve as a director.

Victor DeMarines has served as a director since 2002 and as Chairman of the Board since February 2013. From 1995 to 2000, Mr. DeMarines served as President and Chief Executive Officer of MITRE Corporation, a nonprofit organization, which provides security solutions for the computer systems of the Department of Defense, the Federal Aviation Administration, the Department of Homeland Security, the Internal Revenue Service, and several organizations in the U.S. intelligence community. Mr. DeMarines also served as a director of MITRE Corporation from 2000 to 2010 and presently serves as a consultant to MITRE. Mr. DeMarines also currently serves as a director of NetScout Systems, Inc., a provider of network performance solutions ("NetScout"). He serves on the NetScout compensation and governance committees and is chairman of the NetScout finance committee. The board of directors has concluded that Mr. DeMarines' financial and business expertise, including his diversified background of managing

a security-based company, serving as a chief executive officer, and serving as a director of a public technology company, gives him the qualifications and skills to serve as Chairman of the Board.

John Egan has served as a director since August 2012. Mr. Egan has been a managing partner and general partner of Egan-Managed Capital, a venture capital firm, since 1998. From 1997 to 1998, Mr. Egan served as the Executive Vice President, Products and Offerings of EMC Corporation (“EMC”) and from 1992 to 1996 he served as Executive Vice President, Sales and Marketing of EMC. From 1986 to 1992, Mr. Egan held various executive roles with EMC, including Executive Vice President, Operations, and Executive Vice President, International Sales. Mr. Egan has served as a director of (i) EMC since 1992, where

he is currently the chairman of the mergers and acquisitions committee and a member of the finance committee, (ii) VMWare Inc. since 2007, where he is currently the chairman of the mergers and acquisitions committee, (iii) NetScout since 2001, where he is currently lead director, a member of the audit committee and a member of the nominating and governance committee, and (iv) Progress Software Corporation since 2011, where he is currently the non-executive chairman of the board, a member of the compensation committee, and a member of the nominating and corporate governance committee. We believe Mr. Egan's financial and business expertise, including a diversified background of managing and serving as a director of several public technology companies and expertise in mergers and acquisitions, gives him the qualifications and skills to serve as a director.

Larry Myers has served as a director since 2003. From 1991 to 1999, Mr. Myers served as Senior Vice President, Chief Financial Officer, and Treasurer of MITRE Corporation, a nonprofit organization that provides security solutions for the computer systems of the Department of Defense, the Federal Aviation Administration, the Department of Homeland Security, the Internal Revenue Service, and several organizations in the U.S. intelligence community. Prior to that, Mr. Myers served as Controller for Fairchild Industries, Inc. The board of directors has concluded that Mr. Myers' financial and business expertise, including his background of managing a security-based company, and his deep financial expertise in serving as a chief financial officer, give him the qualifications and skills to serve as a director.

Richard Nottenburg has served as a director since February 2013, having previously served as a director of Verint from July 2011 to November 2011. Dr. Nottenburg, an investor in early stage technology companies and a business consultant, served as President and Chief Executive Officer and a member of the board of directors of Sonus Networks, Inc. from 2008 through 2010. From 2004 until 2008, Dr. Nottenburg was an officer with Motorola, Inc., ultimately serving as its Executive Vice President, Chief Strategy Officer and Chief Technology Officer. Dr. Nottenburg is currently a member of the boards of directors of PMC Sierra, Inc. (where he is also a member of the audit committee), and Violin Memory Inc. (where he is Chairman, and a member of the compensation committee and the corporate governance and nominating committee). He was a member of the board of directors of Converse Technology, Inc. from 2006 to 2011. The board of directors has concluded that Dr. Nottenburg's financial and business expertise, including his diversified background of managing technology companies, serving as a chief executive officer, and serving as a director of public technology companies, give him the qualifications and skills to serve as a director.

Howard Safir has served as a director since 2002. Since 2010, Mr. Safir has served as Chairman and Chief Executive Officer of VRI Technologies LLC, a security consulting and law enforcement integrator. From 2001 until 2010, Mr. Safir served as the Chairman and Chief Executive Officer of SafirRosetti, a provider of security and investigation services and a wholly owned subsidiary of Global Options Group Inc. Mr. Safir served as the Vice Chairman of Global Options Group Inc. from its 2005 acquisition of SafirRosetti until 2010. He served as Chief Executive Officer of Bode Technology, also a wholly owned subsidiary of Global Options Group Inc., from 2007 to 2010. Mr. Safir currently serves as a director of Implant Sciences Corporation, an explosives device detection company, and LexisNexis Special Services, Inc., a leading provider of information and technology solutions to governments. During his career, Mr. Safir served as the 39th Police Commissioner of the City of New York, as Associate Director for Operations, U.S. Marshals Service, and as Assistant Director of the Drug Enforcement Administration. Mr. Safir was awarded the Ellis Island Medal of Honor among other citations and awards. The board of directors has concluded that Mr. Safir's extensive law enforcement background and his financial and business expertise, including a diversified background of managing and serving as a director of public technology and security-based companies and serving as a chief executive officer, give him the qualifications and skills to serve as a director.

Earl Shanks has served as a director since July 2012. Mr. Shanks served as the Chief Financial Officer at Convergys Corporation, a global leader in relationship management solutions and a major provider of outsourced business services from 2003 until 2012. From 1996 to 2003, Mr. Shanks held various financial leadership roles with NCR Corporation, ultimately serving as the Chief Financial Officer from 2001 to 2003 where he oversaw treasury, finance, real estate, tax, and six business unit finance teams. Mr. Shanks also served as chairman of the board of directors of NCR Japan, a publicly traded corporation, from 1998 to 2001. From 1991 to 1996, Mr. Shanks served as the Vice President and Treasurer of Farley Industries, a private equity firm, and Fruit of the Loom Inc., an apparel



manufacturer. From 1983 to 1991, he served in various tax leadership roles at Farley Industries and Fruit of the Loom Inc. The board of directors has concluded that Mr. Shanks' financial and business expertise, including his deep financial expertise serving as a chief financial officer of a public company, give him the qualifications and skills to serve as a director.

For stockholders of record, if no voting specification is made on a properly returned or voted proxy card, the person or persons voting your shares pursuant to instructions by proxy card will vote FOR this proposal.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE NOMINEES NAMED ABOVE.**

PROPOSAL NO. 2

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

The audit committee has appointed Deloitte & Touche LLP to act as Verint's independent registered public accountants for the year ending January 31, 2016. The audit committee has directed that such appointment be submitted to our stockholders for ratification at the 2015 Annual Meeting. Deloitte & Touche LLP was Verint's firm of independent registered public accountants for the year ended January 31, 2015.

Stockholder ratification of the appointment of Deloitte & Touche LLP as Verint's independent registered public accountants is not required. The audit committee, however, is submitting the appointment to the stockholders for ratification as a matter of good corporate governance. If the stockholders do not ratify the appointment, the audit committee will reconsider whether or not to retain Deloitte & Touche LLP or to appoint another firm. Even if the appointment is ratified, the audit committee, in its discretion, may direct the appointment of a different accounting firm at any time during the year ending January 31, 2016 if the audit committee determines that such a change would be in our best interests and in the best interests of our stockholders.

Representatives of Deloitte & Touche LLP are expected to be present at the 2015 Annual Meeting and will have an opportunity to make a statement, if they so desire. They will also be available to respond to appropriate questions.

The proposal for the ratification of the appointment of Deloitte & Touche LLP as Verint's independent registered public accountants for the year ending January 31, 2016 will be approved by the vote of the holders of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote. This is considered a routine matter on which banks, brokers, or other nominees may vote if no instructions are provided by the stockholder, however, abstentions will count as votes against the proposal.

For stockholders of record, if no voting specification is made on a properly returned or voted proxy card, the person or persons voting your shares pursuant to instructions by proxy card will vote FOR this proposal.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" PROPOSAL NO. 2.

PROPOSAL NO. 3

APPROVAL OF

THE VERINT SYSTEMS INC. 2015 LONG-TERM STOCK INCENTIVE PLAN

We currently have two active equity compensation plans. The Verint Systems Inc. 2010 Long-Term Stock Incentive Plan (as amended, the “2010 Plan”) was approved by our board of directors on August 3, 2010 (subject to the approval of our stockholders) and by our stockholders on October 5, 2010, with a subsequent amendment approved by our stockholders on June 15, 2012 primarily to increase the available capacity under such plan and extend its expiration date. In February 2013, in connection with our acquisition of our former parent company, Comverse Technology, Inc., we assumed the Comverse Technology, Inc. Stock Incentive Compensation Plan (the “CTI Plan”). All equity compensation plans previously maintained by us other than the 2010 Plan and CTI Plan have been terminated or have expired (however, such terminated or expired plans continue to govern the terms of outstanding awards previously granted under such plans).

On May 12, 2015, our board of directors approved (subject to the approval of our stockholders) the Verint Systems Inc. 2015 Long-Term Stock Incentive Plan (the “2015 Plan”). The 2015 Plan would provide for the award of up to 9,700,000 shares of common stock. The 2015 Plan contains a so-called fungible ratio, such that each stock option or stock-settled stock appreciation right granted under the 2015 Plan will reduce the available plan capacity by one share and each other award denominated in shares that is granted under the 2015 Plan will reduce the available plan capacity by 2.29 shares.

If the 2015 Plan is approved by our stockholders, the 2010 Plan and the CTI Plan will be terminated concurrently with the stockholders' approval of the 2015 Plan, meaning that all 3,910,437 million shares available under the 2010 Plan and the CTI Plan as of April 30, 2015 will be cancelled. Although no new shares may be granted under the 2010 Plan or the CTI Plan, following the stockholders' approval of the 2015 Plan, all previously granted shares would continue to be governed by the applicable plan.

Equity Plan Information as of April 30, 2015

As of April 30, 2015:

• There were a total of 61,358,001 shares of our common stock issued and outstanding.

• There were a total of 2,769 stock options outstanding, with an average exercise price of \$9.49 and an average remaining term of 4.98 years.

• There were a total of 3,404,343 restricted stock units outstanding, including 446,900 performance based restricted stock units, at target achievement, or a total of 3,710,136 restricted stock units outstanding, including 752,693 performance based restricted stock units, at maximum achievement.

• There were a total of 3,910,437 shares available for future award under our two active equity compensation plans, 1,756,967 of which were under the 2010 Plan and 2,153,470 of which were under the CTI Plan.

• Our “burn rate” measures the number of shares under outstanding equity awards granted during a given year (disregarding cancellations), as a percentage of the weighted average number of shares of common stock outstanding for that fiscal year. It measures the potential dilutive effect of annual equity grants. Over the past three years, our burn rate was 2.9%, 2.9% and 2.6% (for the years ended January 31, 2013, 2014 and 2015, respectively).

• Over the past three years, our average annual dilution was 6.2%, 5.2% and 4.4% (for the years ended January 31, 2013, 2014 and 2015, respectively). “Dilution” is measured as the total number of shares under all outstanding equity awards (i.e., share awards granted, less share award cancellations), as a percentage of the weighted average number of shares of common stock outstanding for that fiscal year.

• Over the past three years, our “overhang rate” was 19.2%, 17.5% and 13.3% (for the years ended January 31, 2013, 2014 and 2015, respectively). Our overhang rate measures the total number of shares under all outstanding plan awards, plus the number of shares authorized for future plan awards, as a percentage of the weighted average number of shares of common stock outstanding for that fiscal year. It measures the potential dilutive effect of outstanding equity awards and future awards available for grant. If the 2015 Plan is approved by the stockholders, our overhang rate would be 22.6%, based on the weighted average number of shares of common stock outstanding for the fiscal year ended January 31, 2015.



### Reasons Why You Should Vote for Proposal 3

We believe our future success depends on our ability to attract, motivate, and retain high quality employees, directors, and consultants, and that the ability to continue to provide stock-based awards under the 2015 Plan is critical to achieving this success as we compete for talent in an industry in which equity compensation is market practice and is expected by many existing personnel and candidates.

Moreover, we believe that equity compensation motivates employees to create stockholder value because the value employees realize from equity compensation is based on the performance of our stock. Equity compensation also aligns the goals and objectives of our employees with the interests of our stockholders and promotes a focus on long-term value creation.

If the 2015 Plan is not approved, we expect that we would exhaust the remaining available shares under our 2010 Plan in less than a year. Under applicable NASDAQ rules, our ability to utilize the available shares under the CTI Plan is limited to individuals who joined Verint after the February 4, 2013 date on which we assumed that plan, significantly restricting our ability to use such shares. If Proposal 3 is approved, the shares presently available under the CTI Plan would effectively be transferred to the 2015 Plan by virtue of the inclusion of these shares within the proposed capacity of the 2015 Plan and the concurrent termination of the CTI Plan. We could be at a severe competitive disadvantage if we cannot use stock-based awards to recruit and compensate our personnel. This would reduce the alignment between our employees and our stockholders, increase our cash compensation expense, and utilize cash that could otherwise be used to grow our business, make acquisitions, repay debt, or for other corporate purposes.

As a result of the foregoing, we believe it is in our best interest and the best interest of our stockholders to adopt the 2015 Plan to provide for additional capacity for awards to current and future employees, directors, and consultants. Our equity compensation practices are benchmarked against market practices and we believe our historical share usage has reflected this. As noted above, as of April 30, 2015, we had 61,358,001 million common shares outstanding. Since 2012 (the fiscal year ended January 31, 2013), we have utilized approximately 1.1 million - 1.5 million shares per year on average in our equity compensation programs, including the reservation of approximately 100,000 shares per year in the event officer performance equity goals are overachieved at maximum levels. All of these awards have been in the form of time or performance-based restricted stock units. Assuming future annual share utilization remains at these levels, the 9,700,000 shares that would be available under the 2015 Plan after its approval (and giving effect to the termination of the 2010 Plan and the CTI Plan and the fungibility ratio described above) would last for approximately three years.

### Plan Highlights

Below are some highlights from the 2015 Plan that we feel reflect our commitment to adhering to the best practices set forth by industry standards. We ask that you consider these highlights when casting your vote on Proposal 3.

**Reasonable Plan Limits.** Subject to adjustment as described in the 2015 Plan, total awards under the 2015 Plan are limited to 9,700,000 shares of our common stock. These shares may be shares of original issuance or treasury shares or a combination of the foregoing. The 2015 Plan also provides that, subject to adjustment as described in the 2015 Plan:

- no participant will be granted awards in the form of stock options and stock appreciate rights under the 2015 Plan for more than 2,000,000 shares of common stock during any one fiscal year;

- no participant will be granted a performance award under the 2015 Plan that is intended to qualify as “performance-based compensation” under Section 162(m) for more than 2,000,000 shares of common stock during any one fiscal year; and

- no non-employee member of our board of directors will be granted awards (including stock options and stock appreciation rights) under the 2015 Plan for more than 500,000 shares of common stock during any one fiscal year.

**Double-Trigger Vesting.** The 2015 Plan contains a so-called “double-trigger” vesting provision, which generally provides that awards will not be accelerated upon a change in control of us if (i) an acquiror replaces or substitutes outstanding awards in accordance with the requirements of the 2015 Plan and (ii) a participant holding the replacement or substitute award is not involuntarily terminated within two years following the change in control.

Independent Plan Administrator. The compensation committee, which is composed of independent directors, administers the 2015 Plan, and retains full discretion to determine the number and amount of awards to be granted under the 2015 Plan, subject to the terms of the 2015 Plan.

Full Value Awards Weighted More Heavily. The settlement of one share pursuant to a full value award is deemed to reduce the authorized share pool under the 2015 Plan by 2.29 shares.

**No Discounted Stock Options.** The 2015 Plan requires that the exercise price for newly-issued stock options (other than substitute awards) may not be less than the fair market value per share on the date of grant.

**Prohibition of Dividends or Dividend Equivalents on Unvested Performance Awards.** The 2015 Plan prohibits the current payment of dividends or dividend equivalents with respect to shares underlying performance-based awards prior to the achievement of the applicable performance objectives. Any such dividends or dividend equivalents will be deferred until and contingent upon the achievement of the underlying performance objectives.

**Stockholder Approval of Material Amendments.** The 2015 Plan requires us to seek stockholder approval for any material amendments to the 2015 Plan, such as materially increasing benefits accrued to participants and materially increasing the number of shares available.

**Prohibition on Repricing.** The 2015 Plan prohibits the repricing of outstanding stock options without stockholder approval (outside of certain corporate transactions or adjustments specified in the 2015 Plan). Similarly, the 2015 Plan does not provide for the repricing of stock appreciation rights.

**No Transfers of Awards for Value.** The 2015 Plan requires that no awards granted under the 2015 Plan may be transferred for value, subject to exceptions for certain familial transfers.

**Our Response to Detrimental Activity by Participants.** The 2015 Plan allows for the cancellation or forfeiture of an award or the forfeiture and repayment of any gain related to an award if a participant engages in activity detrimental to our company.

#### Summary of the 2015 Plan

Set forth below is a summary of the principal features of the 2015 Plan. This summary is not intended to be exhaustive and is qualified in its entirety by reference to the terms of the 2015 Plan, a copy of which is included in this proxy statement as Appendix A.

#### Purpose

The purpose of the 2015 Plan is to attract and retain employees, directors, and consultants of Verint Systems Inc. (the “Company”) and its subsidiaries and to motivate such individuals, provide them with incentives and enable them to participate in our growth and success.

The 2015 Plan authorizes our board of directors to provide equity-based compensation in the form of (1) stock options, including incentive stock options (“ISOs”) entitling the participant to favorable tax treatment under Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”), (2) stock appreciation rights (“SARs”), (3) restricted stock, (4) restricted stock units (“RSUs”), (5) performance awards, (6) other stock-based awards (“Other Stock-Based Awards”), and (7) performance compensation awards. Each type of award is described below under “Types of Awards Under the 2015 Plan.”

Each of the awards will be evidenced by an award agreement setting forth the award’s terms and conditions.

The 2015 Plan is designed to comply with the requirements of applicable federal and state securities laws, and the Code, including, but not limited to, the performance-based exclusion from the deduction limitations under Section 162(m) of the Code for qualifying awards.

Our board of directors believes that it is in our best interest and the best interests of our stockholders to provide for an incentive plan under which compensation awards made to our named executive officers can qualify for deductibility for federal income tax purposes. Accordingly, the 2015 Plan has been structured in a manner such that awards under it can satisfy the requirements for the performance-based exclusion from the deduction limitations under Section 162(m) of the Code. In order for awards to satisfy the requirements for the performance-based exclusion from the deduction limitations under Section 162(m) of the Code, the 2015 Plan (which includes Performance Criteria (as hereinafter defined)) must be approved by our stockholders.

#### Shares Available Under the 2015 Plan

Subject to adjustment as provided in the 2015 Plan, following the approval of the 2015 Plan, the number of our shares of common stock that may be issued or transferred (1) upon the exercise of stock options or SARs, (2) in payment of restricted stock and released from substantial risks of forfeiture thereof, (3) in payment of RSUs, (4) in payment of performance awards or performance compensation awards that have been earned, (5) as awards to non-employee directors, or (6) as Other Stock-Based Awards, will not exceed 9,700,000.





Each stock option or stock-settled stock appreciation right granted under the 2015 Plan would reduce the available plan capacity by one share and each other award denominated in shares that is granted under the 2015 Plan would reduce the available plan capacity by 2.29 shares.

For the avoidance of doubt, all awards granted prior to the date of stockholder approval of the 2015 Plan, under our current or historical equity incentive plans, will be settled under the applicable plan, and such settlement will not reduce the aggregate number of shares of common stock available for issuance or transfer under the 2015 Plan.

Shares issued or transferred under the 2015 Plan may be shares of original issuance or treasury shares or a combination of both.

If any shares of common stock covered by any awards granted under the 2015 Plan are forfeited, cancelled, exchanged, withheld or surrendered or if an award terminates or expires without a distribution of shares of common stock to the participant, those shares will again be available for awards under the 2015 Plan. If two awards are granted together in tandem, the shares underlying any portion of the tandem award which is not exercised or otherwise settled in shares will again be available for awards under the 2015 Plan. Any shares of common stock covered by an award that is settled in cash will again be available for awards under the 2015 Plan. In addition, if a participant elects to give up the right to receive compensation in exchange for shares of common stock based on fair market value, the shares will not count against the aggregate limit described above.

The aggregate number of shares of common stock for which ISOs may be granted will not exceed 5,000,000 of the shares of common stock reserved for purposes of the 2015 Plan. No participant will be granted stock options or SARs, in the aggregate, for more than 2,000,000 shares of common stock during any fiscal year and no participant will be granted performance awards that are intended to be “qualified performance-based compensation” under Section 162(m) of the Code, in the aggregate, for more than 2,000,000 shares of common stock (or the cash value thereof) during any fiscal year. Further, no non-employee member of our board of directors will be granted an award for more than 500,000 shares of common stock during any fiscal year.

#### No Repricing

Repricing of options and SARs or cash payments for the cancellation of “underwater” options or SARs are prohibited without stockholder approval under the 2015 Plan (outside of certain corporate transactions or adjustments specified in the 2015 Plan).

#### Eligibility

Any employee of, or consultant to, us or any of our subsidiaries (including any prospective employee) and non-employee directors of our board of directors or the board of directors of any of our subsidiaries may be selected to participate in the 2015 Plan. In addition, employees and consultants of our affiliates may be eligible to receive cash-settled performance awards and cash-settled RSUs under the 2015 Plan. The compensation committee, as designated by our board of directors in accordance with the 2015 Plan (the “Committee”), determines which persons will receive awards and the number of shares of common stock subject to such awards. All of our approximately 4,800 personnel, including executive officers and directors, are eligible to participate in the 2015 Plan.

#### Administration

The 2015 Plan will be administered by the Committee. The Committee must be composed of at least two directors, each of whom is required to be a “non-employee director” (within the meaning of Rule 16b-3) and an “outside director” (within the meaning of Section 162(m) of the Code). In the absence of such a designated committee, our board of directors serves as the Committee. The Committee is authorized to interpret the 2015 Plan and related agreements and other documents.

#### Types of Awards Under the 2015 Plan

**Stock Options.** Stock options may be granted that entitle the participant to purchase shares of common stock at a price not less than fair market value per share at the date of grant. The exercise price is payable (1) in cash, check, or wire transfer at the time of exercise, (2) subject to the company's consent, by the transfer to us of shares of common stock owned by the participant having a value at the time of exercise equal to the total stock option exercise price (the shares must have been owned by the participant for at least 6 months), (3) subject to rules established by the Committee, through delivery of irrevocable instructions to a broker to sell the shares otherwise deliverable upon exercise of the stock option and to deliver to us an amount equal to the aggregate exercise price, (4) subject to any limitations,

established by the Committee, through the company's withholding of shares otherwise issuable upon exercise of an option pursuant to a "net exercise" arrangement, (5) by a combination of the foregoing, or (6) by other methods approved by the Committee.

No stock option may be exercisable more than 10 years from the date of grant. Each grant will specify the period of continuous service with us or any of our subsidiaries that is necessary before the stock options will become exercisable. Stock options will be evidenced by an award agreement containing such terms and provisions, consistent with the 2015 Plan, as the Committee may approve.

SARs. A SAR is a right to receive from us an amount equal to the spread between the grant price of the SAR and the value of our shares of common stock on the date of exercise. The Committee has the right to determine whether the amount payable on exercise of a SAR may be paid by us in cash, in shares of common stock, or in any combination thereof. SARs may be granted in tandem with another award, in addition to another award, or freestanding and unrelated to another award. If a SAR is granted in tandem with another award, it may be granted before, at the same time as the other award or at a later time. No SAR may be exercisable more than 10 years from the date of grant. SARs with a grant price equal to or greater than the fair market value per share as of the date of grant are intended to qualify as “performance-based compensation” under Section 162(m) of the Code. SARs will be evidenced by an award agreement containing such terms and provisions, consistent with the 2015 Plan, as the Committee may approve.

Restricted Stock. A grant of restricted stock involves the immediate transfer by us to a participant of ownership of a specific number of shares of common stock in consideration of the performance of services. The Committee will determine the participants to whom shares of restricted stock will be granted, the number of shares of restricted stock to be granted to each participant, the duration of the period during which, and any conditions under which, the restricted stock may be forfeited to us, and the other terms and conditions of such awards. Shares of restricted stock may not be sold, assigned, transferred, pledged, or otherwise encumbered, except as provided in the award agreement. Upon lapse of the applicable restrictions, we will either deliver the certificates to the participant or the participant’s legal representative, or our transfer agent will remove the restrictions relating to the transfer of such shares. In the discretion of the Committee, dividends paid on any shares of restricted stock will be paid directly to the participant, withheld by us subject to vesting of the restricted stock pursuant to the terms of the applicable award agreement, or be reinvested in additional shares of restricted stock. In the discretion of the Committee, restricted stock grants may, but are not required to, be designated by the Committee as Performance Compensation Awards (as hereinafter defined). Grants of restricted stock will be evidenced by an award agreement containing such terms and provisions, consistent with the 2015 Plan, as the Committee may approve.

RSUs. A grant of RSUs constitutes an agreement by us to deliver shares of common stock to the participant in the future in consideration of the performance of services. The Committee will determine the participants to whom RSUs will be granted, the number of RSUs to be granted to each participant, the duration of the period during which, and any conditions under which the RSUs may be forfeited to us, and the other terms and conditions of such awards. RSUs may not be sold, assigned, transferred, pledged, or otherwise encumbered. Each RSU will have a value equal to the fair market value of a share. RSUs will be paid in cash, shares of common stock, other securities, or other property, as determined in the sole discretion of the Committee, upon the lapse of the applicable restrictions, or otherwise in accordance with the applicable award agreement. In the discretion of the Committee, RSU grants may, but are not required to, be designated by the Committee as Performance Compensation Awards. RSU grants will be evidenced by an award agreement containing such terms and provisions, consistent with the 2015 Plan, as the Committee may approve.

Performance Awards. The Committee has the authority under the 2015 Plan to grant performance awards. These awards consist of a right which is (i) denominated in cash or shares of common stock, (ii) valued, as determined by the Committee, in accordance with the achievement of performance goals during Performance Periods established by the Committee, and (iii) payable at such time and in such form as determined by the Committee. Each performance award will be subject to one or more specified performance goals that must be met within a specified period determined by the Committee (the “Performance Period”) to earn the performance award. The Committee will determine the amount of any performance award, the length of any Performance Period, and the amount and kind of any payment or transfer to be made pursuant to any performance award. To the extent earned, the performance awards may be paid in a lump sum or in installments following the close of the Performance Period as set forth in the applicable award agreement. In the discretion of the Committee, performance awards may, but are not required to, be designated by the Committee as Performance Compensation Awards (as hereinafter defined). Performance awards will be evidenced by an award agreement containing such terms and provisions, consistent with the 2015 Plan, as the Committee may approve.

Other Awards. The Committee may grant to a participant an Other Stock-Based Award, which will consist of rights other than those awards described above and which is denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, our shares of common stock (including securities convertible into shares). These awards must comply, to the extent deemed desirable by the Committee, with Rule 16b-3 as promulgated and interpreted by the Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and other

applicable laws. The Committee will determine the terms and conditions of these awards, including the price, if any, at which shares of common stock may be purchased pursuant to any Other Stock-Based Award granted under the 2015 Plan.

In the discretion of the Committee, Other Stock-Based Awards may, but are not required to, be designated by the Committee as Performance Compensation Awards (as hereinafter defined). Other Stock-Based Awards will be evidenced by an award agreement containing such terms and provisions, consistent with the 2015 Plan, as the Committee may approve.

**Performance Compensation Awards.** The Committee has the authority, at the time of grant of any restricted stock award, RSU award, performance award, or Other Stock-Based Award, to designate such award as a “Performance Compensation Award” in order to qualify such award as “performance-based compensation” under Section 162(m) of the Code. To qualify as a performance compensation award, the Committee must designate which participants will be eligible to receive Performance Compensation Awards for a particular Performance Period within the first 90 days of the Performance Period (or, if shorter, within the maximum period permitted under Section 162(m) of the Code). The Committee has full discretion to select the length of such Performance Period, the type of Performance Compensation Awards to be issued, the Performance Criteria (as hereinafter defined) that will be used to establish performance goals, and the kinds and/or levels of the performance goals that will apply and the formula that will be used to determine whether a performance goal has been achieved.

During a Performance Period, one or more objective formulas shall be applied against the relevant performance goal to determine, with regard to the Performance Compensation Award of a particular participant, whether all or some portion of the Performance Compensation Award has been earned for the Performance Period.

Unless otherwise provided in the applicable award agreement, a participant must be employed by us on the last day of a Performance Period to be eligible for payment in respect of a Performance Compensation Award for the applicable Performance Period.

**Performance Criteria.** The Performance Criteria that will be used to establish the performance goal(s) will be based on the attainment by us (or one of our subsidiaries, divisions, or operational units) of specific levels of performance. The performance criteria (the “Performance Criteria”) that the Committee may set are limited to specified levels of or growth in the following, whether determined on a GAAP or non-GAAP basis: revenue, operating income, contribution, day sales outstanding, return on net assets, return on stockholders’ equity, return on assets, return on capital, stockholder returns (on an absolute or relative basis), profit margin, operating margin, contribution margin, earnings per share, net earnings, operating earnings, free cash flow, cash flow from operations, earnings before interest, taxes, depreciation and amortization (EBITDA), including adjusted EBITDA, number of customers, operating expenses, capital expenses, customer acquisition costs, share price, sales, bookings, or market share.

If the Committee (1) anticipates or determines that any unusual or extraordinary corporate event, transaction, item or development affecting us, (2) anticipates or recognizes any unusual or nonrecurring event that affects us and our financial statements, or (3) anticipates or responds to changes in applicable laws, regulations, accounting principles or business conditions, then the Committee is authorized at any time during the first 90 days of a Performance Period, or at any time thereafter (but only to the extent the exercise of such authority after the first 90 days of a Performance Period would not cause the Performance Compensation Awards granted to any participant for the Performance Period to fail to qualify as “performance-based compensation” under Section 162(m) of the Code), to adjust or modify the calculation of a performance goal for the Performance Period to the extent permitted under Section 162(m) of the Code in order to prevent the dilution or enlargement of the rights of participants.

#### Dividends

In the sole discretion of the Committee, a restricted stock award, RSU award, performance award, or an Other Stock-Based Award may provide the participant with dividends or dividend equivalents, payable in cash, shares of common stock, other securities, or other property on a current or deferred basis. In the case of awards with respect to which any applicable Performance Criteria have not been achieved, dividend equivalents may be paid only on a deferred basis, to the extent the underlying award vests.

#### Amendments

Our board of directors may amend, alter, suspend, discontinue, or terminate the 2015 Plan without further approval by our stockholders, except where (i) the amendment would materially increase the benefits accruing to participants under the 2015 Plan, (ii) the amendment would materially increase the number of securities which may be issued under the 2015 Plan, (iii) the amendment would materially modify the requirements for participation in the 2015 Plan, or (iv) stockholder approval is required by applicable law or NASDAQ Stock Market, LLC rules and regulations. If any amendment, alteration, suspension,

discontinuance, or termination of the 2015 Plan would impair the rights of any participant, holder, or beneficiary of a previously granted award, the amendment, alteration, suspension, discontinuance, or termination will not be effective with respect to such person without the written consent of the affected participant, holder, or beneficiary.

#### Change in Control

In the event of a “change in control” (as defined in the 2015 Plan), to the extent outstanding awards under the 2015 Plan are not assumed, converted or replaced, all outstanding awards then held by a participant which are unexercisable or otherwise unvested will automatically be deemed exercisable or otherwise vested, as the case may be, and any specified performance goals will be deemed to be satisfied at target, immediately prior to the consummation of such change in control, unless the applicable award agreement provides to the contrary.

To the extent outstanding awards are assumed, converted or replaced in the event of a change in control, (i) any outstanding awards that are subject to performance goals will be assumed, converted, or replaced as if target performance had been achieved as of the date of the change in control, (ii) each performance award or Performance Compensation Award with service requirements will continue to vest with respect to such requirements during the remaining period set forth in the award agreement, and (iii) all other awards shall continue to vest (and/or the restrictions thereon shall continue to lapse) during the remaining period set forth in the applicable award agreement. If outstanding awards are assumed, converted, or replaced, if a participant’s employment or service with us or a subsidiary is terminated without cause (as defined in the 2015 Plan) or a participant terminates his or her employment or service with us or a subsidiary for good reason (as defined in the 2015 Plan) during the two year period following a change in control, all outstanding awards held by the participant that may be exercised will become fully exercisable and all restrictions will lapse and the awards will become vested and non-forfeitable.

#### Detrimental Activity and Clawback

The Committee may provide for the cancellation or forfeiture of an award or the forfeiture and repayment of any gain related to an award, or other provisions intended to have a similar effect, upon terms and conditions as may be determined by the Committee from time to time, if a participant, during his or her employment or other service with us or a subsidiary engages in activity detrimental to our company. In addition, the Committee may also provide for the cancellation or forfeiture of an award or the forfeiture and repayment to us of any gain related to an award, or other provisions intended to have a similar effect, upon such terms and conditions as may be required by the Committee or under Section 10D of the Exchange Act, as amended, or any applicable rules or regulations of the SEC or any national securities exchange or national securities association on which our common stock may be traded.

#### Transferability

Each award under the 2015 Plan, and each right under any award, shall be exercisable during the participant’s lifetime only by the participant or by the participant’s guardian or legal representative. No award may be transferred except by will or by the laws of descent and distribution, except that the Committee may in the applicable award agreement or in an amendment to the award agreement provide that certain vested stock option awards may be transferred by the participant without consideration to certain family members, to certain trusts, or to specified types of partnerships, corporations, or limited liability companies on notice to and consent of the Committee. The participant remains liable for any withholding taxes required to be withheld upon the exercise of such stock option by the permitted transferee.

#### Adjustments

In the event that the Committee determines that any dividend or other distribution (whether in the form of cash, shares of common stock, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of shares of common stock or our other securities, issuance of warrants or other rights to purchase shares of common stock or our other securities, or other corporate transaction or event affects the shares of common stock such that an adjustment is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the 2015 Plan, then the Committee shall equitably adjust any or all of (i) the number of our shares of common stock or other securities (or number and kind of other securities or property) with respect to which awards may be granted, (ii) the number of our shares of common stock or other securities (or number and kind of other securities or property) subject to outstanding awards, and (iii) the grant or exercise price with respect to any award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding award in consideration for the cancellation of such

award, which, in the case of stock options and SARs shall equal the excess, if any, of the fair market value of the share subject to each such stock option or SAR over the per share exercise price or grant price of such stock option or SAR. The Committee is also authorized to make equitable adjustments in the terms and conditions of, and the criteria included in, all outstanding awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in the

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previous paragraph) affecting us, any of our subsidiaries, our financial statements or those of any of our subsidiaries, or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the 2015 Plan.

#### Withholding Taxes

To the extent that we are required to withhold federal, state, local, or foreign taxes in connection with any payment made or benefit realized by a participant or other person under the 2015 Plan, and subject to Section 409A of the Code, we have the right to withhold from any award or from any compensation or other amount owing to a participant the amount (in cash, shares of common stock, other securities, other awards under the 2015 Plan or other property) of applicable withholding taxes and to take other action as may be necessary to satisfy all obligations for payment of such taxes. Subject to the foregoing, and contingent upon the company's consent, a participant may satisfy the withholding liability by delivering shares of common stock owned by the participant (which are not subject to any pledge or other security interest and which have been held by the participant for at least six months) with a fair market value equal to the withholding liability or have us withhold from the shares of common stock otherwise deliverable pursuant to an award, a number of shares of common stock equal to the withholding liability.

#### Compliance with Section 409A of the Internal Revenue Code

To the extent applicable, it is intended that the 2015 Plan and any grants made thereunder comply with the provisions of Section 409A of the Code, so that the income inclusion provisions of Section 409A(a)(1) of the Code do not apply to the participants. The 2015 Plan and any grants made under the 2015 Plan will be administered in a manner consistent with this intent.

#### Termination

No grant will be made under the 2015 Plan more than 10 years after the date on which the 2015 Plan is first approved by our board, but all grants made on or prior to such date will continue in effect thereafter subject to the terms thereof and of the 2015 Plan.

#### Federal Income Tax Consequences

The following is a brief summary of some of the federal income tax consequences of certain transactions under the 2015 Plan based on federal income tax laws in effect on January 1, 2015. This summary is not intended to be complete and does not describe state or local tax consequences. It is not intended to be tax guidance to participants in the 2015 Plan.

#### Tax Consequences to Participants

**Non-qualified Stock Options.** In general, (1) no income will be recognized by a participant at the time a non-qualified stock option is granted; (2) at the time of exercise of a non-qualified stock option, ordinary income will be recognized by the participant in an amount equal to the difference between the exercise price paid for the shares of common stock and the fair market value of the shares, if unrestricted, on the date of exercise; and (3) at the time of sale of shares of common stock acquired pursuant to the exercise of a non-qualified stock option, appreciation (or depreciation) in value of the shares after the date of exercise will be treated as either short-term or long-term capital gain (or loss) depending on how long the shares have been held.

**Incentive Stock Options.** No income generally will be recognized by a participant upon the grant or exercise of an incentive stock option (ISO). The exercise of an ISO, however, may result in alternative minimum tax liability. If shares of common stock are issued to the participant pursuant to the exercise of an ISO, and if no disqualifying disposition of such shares is made by such participant within two years after the date of grant or within one year after the transfer of such shares to the participant, then upon sale of such shares, any amount realized in excess of the exercise price will be taxed to the participant as a long-term capital gain and any loss sustained will be a long-term capital loss.

If shares of common stock acquired upon the exercise of an ISO are disposed of prior to the expiration of either holding period described above (i.e. disqualifying disposition), the participant generally will recognize ordinary income in the year of disposition in an amount equal to the excess (if any) of the fair market value of such shares at the time of exercise (or, if less, the amount realized on the disposition of such shares if a sale or exchange) over the exercise price paid for such shares. Any further gain (or loss) realized by the participant generally will be taxed as

short-term or long-term capital gain (or loss) depending on the holding period.

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SARs. No income will be recognized by a participant in connection with the grant of a SAR. When the SAR is exercised, the participant normally will be required to include as taxable ordinary income in the year of exercise an amount equal to the amount of cash received and the fair market value of any unrestricted shares of common stock received on the exercise.

Restricted Stock. The recipient of restricted stock generally will be subject to tax at ordinary income rates on the fair market value of the restricted stock (reduced by any amount paid by the participant for such restricted stock) at such time as the shares are no longer subject to forfeiture or restrictions on transfer for purposes of Section 83 of the Code (“Restrictions”). However, a recipient who so elects under Section 83(b) of the Code within 30 days of the date of transfer of the shares will have taxable ordinary income on the date of transfer of the shares equal to the excess of the fair market value of such shares (determined without regard to the Restrictions) over the purchase price, if any, of such restricted stock. If a Section 83(b) election has not been made, any dividends received with respect to restricted stock that is subject to the Restrictions generally will be treated as compensation that is taxable as ordinary income to the participant.

RSUs. No income generally will be recognized upon the award of RSUs. The recipient of an award of RSUs generally will be subject to tax at ordinary income rates on the fair market value of unrestricted shares of common stock on the date that such shares are transferred to the participant under the award (reduced by any amount paid by the participant for such RSUs), and the capital gains/loss holding period for such shares will also commence on such date.

Performance Awards. No income generally will be recognized upon the grant of performance awards. Upon payment or transfer made under the terms of a performance award, the recipient generally will be required to include as taxable ordinary income in the year of receipt an amount equal to the amount of any cash received and the fair market value of any unrestricted shares of common stock received.

Other Stock-Based Awards. No income generally will be recognized upon the grant of other Stock-Based Awards. Upon payment of Other Stock-Based Awards, the recipient generally will be required to include as taxable ordinary income in the year of receipt an amount equal to the amount of cash received and the fair market value of any unrestricted shares of common stock received.

#### Tax Consequences to the Company or Subsidiary

To the extent that a participant recognizes ordinary income in the circumstances described above, we or the subsidiary for which the participant performs services may be entitled to a corresponding deduction provided that, among other things, the income meets the test of reasonableness, is an ordinary and necessary business expense, is not an “excess parachute payment” within the meaning of Section 280G of the Code and is not disallowed by the \$1 million limitation on certain executive compensation under Section 162(m) of the Code.

#### Registration with the SEC

We intend to file a Registration Statement on Form S-8 relating to the issuance of the shares of common stock under the 2015 Plan with the SEC pursuant to the Securities Act of 1933, as amended, as soon as is practicable after approval of the 2015 Plan by our stockholders.

#### 2015 Plan Benefits

Because awards to be granted in the future under the 2015 Plan are at the discretion of the Committee, it is not possible to determine the exact benefits or amounts to be received under the 2015 Plan by our directors, employees (including executive officers), or consultants. All of our executive officers and directors are eligible to participate in the 2015 Plan and thus have a personal interest in the approval of the 2015 Plan.

## Equity Compensation Plan Information

The following table sets forth certain information regarding our equity compensation plans as of December 31, 2014 and April 30, 2015:

December 31, 2014	(a)	(b)	(c)
	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (1)	Number of Securities Remaining for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Plan Category			
Equity compensation plans approved by security holders	2,626,497	(2) \$32.00	5,150,463 (3)
Equity compensation plans not approved by security holders	—	—	—
Total	2,626,497	\$32.00	5,150,463
April 30, 2015	(a)	(b)	(c)
	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (1)	Number of Securities Remaining for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Plan Category			
Equity compensation plans approved by security holders	3,407,112	(4) \$9.49	3,910,437 (3)
Equity compensation plans not approved by security holders	—	—	—
Total	3,407,112	\$9.49	3,910,437

(1) The weighted-average exercise price relates to outstanding stock options only (as of the applicable date). Other outstanding awards carry no exercise price and are therefore excluded from the weighted-average exercise price.

(2) Consists of 15,191 stock options and 2,611,306 restricted stock units.

Excludes 265,316 shares available under the Vovici Corporation 2006 Amended and Restated Stock Plan, which (3) plan was assumed in connection with our acquisition of Vovici Corporation in 2011 (and not used other than in connection with such acquisition) and was terminated by our board of directors on May 12, 2015.

(4) Consists of 2,769 stock options and 3,404,343 restricted stock units.

The proposal for the approval of the Verint Systems Inc. 2015 Long-Term Stock Incentive Plan will be approved by the vote of the holders of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote. This is not considered a routine matter and brokers may not vote without instructions from the stockholder. Broker non-votes will not affect whether this proposal is approved, however, abstentions will count as votes against this proposal.

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For stockholders of record, if no voting specification is made on a properly returned or voted proxy card, the person or persons voting your shares pursuant to instructions by proxy card will vote FOR this proposal.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" PROPOSAL NO. 3.

PROPOSAL NO. 4

ADVISORY VOTE ON APPROVAL OF THE COMPENSATION OF  
THE NAMED EXECUTIVE OFFICERS

At our annual meeting of stockholders held on June 16, 2011, our stockholders approved the recommendation of the board of directors that future stockholder advisory votes on executive compensation should occur once every three years (approved by over 75% of the votes cast) ("say-when-on-pay" vote). Our most recent "say on pay" vote as a result of this triennial schedule occurred last year at our June 26, 2014 annual meeting of stockholders, at which our stockholders approved the compensation of our named executive officers as disclosed in the corresponding proxy statement by over 97% of the votes cast. As disclosed in the proxy statement for our June 2014 annual meeting, notwithstanding the triennial "say-when-on-pay" schedule approved by our stockholders, we expect to hold "say-on-pay" votes annually.

Although this say-on-pay vote is an advisory vote only and is not binding on Verint or the board of directors, the compensation committee and the board of directors value the opinions of our stockholders and will consider the outcome of the vote when making future compensation decisions.

As described more fully in the Compensation Discussion and Analysis section of this proxy statement, our executive compensation program is designed to attract and retain the best talent to lead the company by providing incentives to our named executive officers to achieve outstanding performance results, to outperform our direct competitors, and to optimize stockholder value. To support this philosophy, we set target compensation in a range around median and structure our compensation arrangements so that actual pay outcomes will vary (above or below target) based on the performance achieved. The program seeks to align executive compensation with stockholder value on an annual and long-term basis as follows:

• Executive pay consists of a mix of base pay, annual bonus, and long-term equity-based incentives;

• Annual bonuses are based on revenue, profitability, cash flow and individual objectives, are subject to a minimum threshold level of performance below which no payout is earned, and are limited to a specified maximum payout;

• Long-term incentive awards are comprised of a combination of time-based and performance-based restricted stock units, which are designed to link executive compensation with increased stockholder value over time, with the performance-based awards subject to a minimum threshold level of performance below which no payout is earned and a specified maximum payout;

• A significant majority of the total direct compensation of each named executive officer is at-risk or is paid in equity (whose value depends on our stock price), specifically, approximately 90% for our Chief Executive Officer and approximately 80% on average for the other named executive officers (calculated based on the value of equity (both time-based and performance-based) plus performance-based bonuses received in the year ended January 31, 2015, as a function of total compensation). Performance-based equity and performance-based bonuses alone accounted for approximately 60% of our Chief Executive Officer's total direct compensation and approximately 55% of the total direct compensation of each of our other named executive officers.

We also have several governance programs in place to align executive compensation with stockholder interests and mitigate risks in our compensation plans. These programs include:

- a clawback policy;
- stock ownership guidelines for executive officers and directors;
- limited perquisites;
- use of tally sheets and aggregate award summaries to facilitate oversight of executive compensation;
- a policy prohibiting all personnel (including executive officers and directors) from short selling in our securities, from short-term trades in our securities (open market purchase and sale within three months), and from trading options in our securities;
- a policy prohibiting hedging or significant pledging in our securities by our executive officers and directors; and
- a policy precluding us from entering into any new plan, program, agreement, or arrangement providing for a 280G tax gross-up payment with any person or, subject to a limited exception relating to relocations, any other tax gross-up payments with executive officers.

Our long-term growth strategy focuses on three important areas of the Actionable Intelligence market: customer engagement optimization, security intelligence, and fraud, risk and compliance. Key initiatives, milestones, and operational results that were reflected in or drove our executive compensation decisions for the year ended January 31, 2015 included:

The launch of our customer engagement optimization strategy, significantly increasing the size of our addressable market, and execution of the new strategy both organically and with the acquisition and integration of KANA Software, Inc. into our enterprise intelligence business;

The expansion of our security intelligence portfolio to address cyber security, further increasing the size of our addressable market, and the announcement of and execution on a large cyber security project valued at more than \$100 million;

Advancing our human capital strategy and continued investment in infrastructure and research and development to support the long-term growth of our business;

Completion of a successful capital restructuring to reduce our leverage, diversify our capital structure, reduce interest expense, fix the interest rate on a portion of our debt at historically low levels, and increase our borrowing capacity for future strategic needs;

Increase in non-GAAP revenue by 27.3%, from \$910.0 million to \$1.16 billion; and

Increase in non-GAAP operating income by 25.2%, from \$210.0 million to \$262.9 million.

Based on our review of these and other business and operational results for the year ended January 31, 2015 compared to our corresponding executive compensation decisions, we believe we successfully operated a “pay for performance” executive compensation program for the year, as further discussed in the “Compensation Discussion and Analysis” section of this proxy statement, including with respect to the following significant actions and key decisions regarding executive compensation for the year ended January 31, 2015:

Increase in base salaries by 3.0%, generally consistent with our regular company merit increase for the year;

No changes to target bonuses based on an assessment that target bonuses were well aligned with market vis-à-vis the compensation peer group as a result of a two-year process of migrating target bonuses towards market levels begun in the year ended January 31, 2013;

Award of annual equity grants consistent with our regular compensation review process, including the benchmarking and other factors described below, with 50% of these awards tied to the achievement of performance goals over a two-year performance period;

- Establishment of executive officer bonus payouts at 100% of target based on the level of achievement of financial and operational results and individual objectives, including revenue at 104.3% of our target goal of \$1.11 billion, operating income at 101.1% of our target goal of \$260.0 million, and cash flow from operations at 102.6% of our target goal of \$221.0 million, which drove calculated payout levels ranging from approximately 110% to approximately 114%, as





well as based on internal pay equity considerations between the named executive officers and the broader employee base (who were under different bonus plans); and

- Approval of performance vesting levels for previously-granted equity awards at 118.9% of target based on the level of achievement of our revenue and operating income goals described above.

The board of directors strongly endorses our executive compensation program and recommends that stockholders vote in favor of the following resolution:

“RESOLVED, that, on an advisory basis, the compensation paid to our named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion in this proxy statement, is hereby APPROVED.”

The advisory vote regarding the compensation of the named executive officers as disclosed in this proxy statement will be approved by the vote of the holders of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote. This is not considered a routine matter and banks, brokers, or other nominees may not vote without instructions from the stockholder. Broker non-votes will not affect whether this proposal is approved, however, abstentions will count as votes against this proposal.

If no voting specification is made on a properly returned or voted proxy card, the person or persons voting your shares pursuant to instructions by proxy card will vote FOR the approval, on an advisory basis, of the compensation of the named executive officers as disclosed in this proxy statement.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" PROPOSAL NO.

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**OTHER MATTERS**

As of the date of this proxy statement, we know of no business that will be presented for consideration at the 2015 Annual Meeting other than the items referred to above. If any other matter is properly brought before the meeting for action by stockholders, the person or persons voting your shares pursuant to instructions by proxy card will be authorized to vote your shares in accordance with the policies of Verint and will use their discretion accordingly. The chairman of the 2015 Annual Meeting may refuse to allow presentation of a proposal or a nominee for the board of directors if the proposal or nominee was not properly submitted.

## CORPORATE GOVERNANCE

### Corporate Governance Guidelines

All of our employees, including our executive officers, are required to comply with our Code of Conduct. Additionally, our Chief Executive Officer, Chief Financial Officer, and senior officers must comply with our Code of Business Conduct and Ethics for Senior Officers. The purpose of these corporate policies is to ensure to the greatest possible extent that our business is conducted in a consistently legal and ethical manner. The text of the Code of Conduct and the Code of Business Conduct and Ethics for Senior Officers is available on our website at <http://www.verint.com/About/investor-relations/corporate-governance/corporate-governance-policies>. We intend to disclose on our website any amendment to, or waiver from, a provision of our policies as required by law.

### Board Leadership Structure and Role in Risk Oversight

The board of directors believes that the person who holds the position of our Chief Executive Officer should also serve as one of our directors. We currently separate the roles of Chief Executive Officer and Chairman of the Board which reflects our belief, at this time, that our stockholders' interests are best served with the day-to-day management and direction of the company under Mr. Bodner's supervision, as President and Chief Executive Officer, and with the experience and perspective brought to the board of directors by Mr. DeMarines, as our Chairman. As directors continue to have more oversight responsibility than ever before, we believe it is beneficial to have a Chairman or a lead director whose sole focus is leading the board, allowing our Chief Executive Officer to focus on running the company. In addition, our Chief Executive Officer is most familiar with our business and industry, and most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy, while our Chairman, with over a dozen years of experience on our board, provides guidance to the Chief Executive Officer, presides over meetings of the board of directors, and brings a depth of varied financial and business experience, including managing a security-based company and serving as a director of a public technology company. We believe that separating the roles of Chief Executive Officer and Chairman, or the designation of a lead director, also helps create an environment that is more conducive to objective evaluation and oversight of management's performance, increasing management accountability and improving the ability of our board of directors to monitor whether management's actions are in the best interests of Verint and its stockholders. We believe our Chief Executive Officer and our Chairman have a good working relationship. The board annually reviews its structure and processes to assess whether changes in facts and circumstances or the company's needs require changes to this structure or these processes.

The board of directors and its committees take an active role in overseeing the assessment and management of our risks. The board of directors believes an effective risk management system will (1) timely identify the material risks that we face, (2) ensure communication of necessary information with respect to material risks to senior executives and, as appropriate, to the board of directors or relevant committees, (3) facilitate implementation of appropriate and responsive risk management strategies consistent with our risk profile, and (4) integrate risk management into our decision-making.

The board of directors and its committees regularly receive information regarding our financial position, capital structure, operations, strategy, compensation, compliance activities, and risk management from senior management. During its review of such information, the board of directors and its committees discuss, review, and analyze risks associated with each area, as applicable.

The compensation committee discusses, reviews, and analyzes risks associated with our compensation plans and arrangements. See "Compensation Discussion and Analysis" for additional information.

The audit committee oversees management of financial and compliance risks, including with respect to financial reporting, credit and liquidity, information security, compliance, potential conflicts of interest, and related party transactions.

The corporate governance & nominating committee oversees risks associated with our overall governance practices and the leadership structure of our board of directors.

The full board of directors is regularly informed about the activities of its committees through committee reports and other communications, as well as participation in committee meetings by non-committee member directors from time to time. Under the oversight of the board of directors, we have also undertaken a number of enterprise risk assessments over the years, including most recently at the end of 2014 and the beginning of 2015, and have

implemented programs designed to help manage the risks to which we are exposed in our business and to align risk-taking appropriately with our efforts to increase stockholder value. For example, we conduct a quarterly survey process which seeks to ensure that material information about our operations, finances, and compliance activities are effectively conveyed to senior management on a timely basis, and have launched an initiative to implement a more formalized, continuous global enterprise risk management process.

#### Director Independence

As required by the NASDAQ Global Select Market's ("NASDAQ") listing standards, a majority of the members of our board of directors must qualify as "independent," as affirmatively determined by the board of directors. The board of directors evaluates the independence of its members at least annually and at other appropriate times (e.g., in connection with a change in employment status or other significant status changes) when a change in circumstances could potentially impact the independence or effectiveness of one of our directors.

After review of all relevant transactions and relationships between each director, any of their family members, Verint, our executive officers and our independent registered public accounting firm, the board of directors has affirmatively determined that a majority of our current board is comprised of independent directors. The board of directors has determined that Messrs. DeMarines, Egan, Myers, Nottenburg, Safir and Shanks are "independent" for purposes of NASDAQ's governance listing standards (specifically, NASDAQ Listing Rule 5605(a)(2)). The remaining member of our current board of directors, Mr. Bodner, does not satisfy these "independence" definitions because he is an executive officer. A discussion of the independence qualifications of our board members under applicable committee standards appears below under "—Committees of the Board of Directors".

#### Board Attendance

The board of directors held eleven meetings during the year ended January 31, 2015. During that period, each incumbent director attended over 75% of the meetings of the board of directors and the committees on which he served that were held during his tenure as director. As a general matter, all directors are encouraged to attend our Annual Meeting of Stockholders. Our last Annual Meeting of Stockholders was on June 26, 2014. At that meeting, six of our seven directors then serving on our board of directors were present, either in person or telephonically. All of our board members are expected to attend the 2015 Annual Meeting, either in person or telephonically. Our independent directors periodically hold executive sessions outside the presence of management.

#### Communication with the Board of Directors

Stockholders and other parties interested in communicating directly with our board of directors, a board committee, or with an individual director may do so by sending an email to [boardofdirectors@verint.com](mailto:boardofdirectors@verint.com) or writing to such group or persons at:

Verint Systems Inc.

330 South Service Road

Melville, New York 11747

Attention: Corporate Secretary

Communications should specify the addressee(s) and the general topic of the communication. Our Corporate Secretary will review and sort communications before forwarding them to the addressee(s); however, typically, we do not forward communications from our stockholders or other parties which are of a personal nature or are not related to the duties and responsibilities of the board, including junk mail and mass mailings, complaints by customers concerning our products or services, resumes and other forms of job inquiries, opinion surveys and polls, or business solicitations or advertisements.

Concerns relating to accounting or auditing matters or possible violations of our Code of Conduct or our Code of Business Conduct and Ethics for Senior Officers should be reported pursuant to the procedures outlined in the Code of Conduct and the Code of Business Conduct and Ethics for Senior Officers, as applicable, which are available on our website at <http://www.verint.com/About/investor-relations/corporate-governance/corporate-governance-policies>.

#### Committees of the Board of Directors

As of the date of this proxy statement, the board of directors consists of seven directors and has three standing committees to assist it in carrying out its obligations: the corporate governance & nominating committee, the audit committee, and the compensation committee.

Each standing committee has adopted a formal charter that describes in detail its purpose, organizational structure, and responsibilities. Copies of the committee charters for our corporate governance & nominating committee, audit committee, and compensation committee can be found on our website at

<http://www.verint.com/About/investor-relations/corporate-governance/corporate-governance-policies>. The members of the respective committees satisfy the applicable qualification requirements of the SEC, NASDAQ and the

respective charter.

A description of each committee and its membership follows.

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#### Corporate Governance & Nominating Committee

For the year ended January 31, 2015, our corporate governance & nominating committee consisted of Messrs. Egan (Chair), DeMarines, and Safir. The current members of our corporate governance & nominating committee are all independent directors within the meaning of applicable NASDAQ listing standards.

The corporate governance & nominating committee met four times during the year ended January 31, 2015.

The corporate governance & nominating committee's responsibilities are set forth in its charter and include, among other things:

- responsibility for establishing our corporate governance guidelines;
- overseeing the board of director's operations and effectiveness; and
- identifying, screening, and recommending qualified candidates to serve on the board of directors.

The corporate governance & nominating committee of the board of directors makes recommendations on director nominees to the board of directors and will consider director candidate recommendations from a variety of sources, including director candidates suggested by existing directors and by stockholders, if properly submitted in accordance with the applicable procedures set forth in our by-laws. For a description of the process for nominating directors in accordance with our by-laws, please refer to "Stockholder Proposals for the 2016 Annual Meeting" in this proxy statement. Pursuant to our corporate governance guidelines contained within our corporate governance & nominating committee charter, the corporate governance & nominating committee will seek members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with the highest ethical character and who share the values of Verint. The assessment of director candidates includes an evaluation of an individual's independence, as well as consideration of diversity, age, high personal and professional ethical standards, sound business judgment, personal and professional accomplishment, background, and skills in the context of the needs of the board of directors. In connection with its annual review of its charter, the corporate governance & nominating committee assesses the effectiveness of its selection criteria set forth in our corporate governance guidelines. The composition of the current board of directors reflects diversity in business and professional experience, skills, and age among our directors.

#### Audit Committee

We have a separately designated standing audit committee as contemplated by Section 10A of the Exchange Act. For the year ended January 31, 2015, our audit committee consisted of Messrs. Myers (Chair), DeMarines, Safir, and Shanks. The audit committee oversees the engagement of our independent registered public accounting firm, reviews our annual financial statements and the scope of annual audits, and considers matters relating to accounting policies and internal controls.

Each member of the audit committee meets the independence criteria prescribed by applicable regulation and the rules of the SEC for audit committee membership and is an "independent director" within the meaning of applicable NASDAQ listing standards. Each audit committee member meets NASDAQ's financial sophistication requirements, and the board of directors has further determined that Messrs. Myers and Shanks are "audit committee financial experts" as such term is defined in Item 407(d) of Regulation S-K promulgated by the SEC. Stockholders should understand that this designation is an SEC disclosure requirement relating to Mr. Myers' and Mr. Shanks' experience and understanding of certain accounting and auditing matters, which the SEC has stated does not impose on the director so designated any additional duty, obligation, or liability than otherwise is imposed generally by virtue of serving on the audit committee and/or the board of directors.

The audit committee met five times during the year ended January 31, 2015.

The audit committee's responsibilities are set forth in its charter and include, among other things:

- assisting the board of directors in its oversight of our compliance with all applicable laws and regulations, which includes oversight of the quality and integrity of our financial reporting, internal controls, and audit functions as well as general risk oversight; and
- direct and sole responsibility for appointing, retaining, compensating, and monitoring the performance of our independent registered public accounting firm.

A separate report of the audit committee is included in this proxy statement.





### Compensation Committee

For the year ended January 31, 2015 (through March 20, 2014), our compensation committee consisted of Messrs. Nottenburg (Chair), Safir, and Shanks, with Mr. Egan joining the committee effective March 21, 2014. The board of directors has affirmatively determined that the current members of the compensation committee are all independent directors within the meaning of applicable NASDAQ listing standards, and all of the members are “non-employee directors” within the meaning of Rule 16b-3 under the Exchange Act and “outside directors” for purposes of Section 162(m) of the Internal Revenue Code.

The compensation committee met six times during the year ended January 31, 2015.

The compensation committee’s responsibilities are set forth in its charter and include, among other things:

• approving compensation arrangements for our executive officers; and  
 • administering our stock incentive compensation plans and approving all grants of equity awards, except that equity grants to non-employee directors are approved by the full board of directors unless the board of directors delegates such authority to the compensation committee following its review.

The compensation committee has the authority to retain third-party consultants and independent advisors to discharge these responsibilities. The compensation committee assesses the independence and any potential conflicts of interest of compensation advisors in accordance with applicable law and NASDAQ listing standards. Additional discussion regarding the role of third-party consultants, independent advisors, and our executive officers in determining or recommending the amount or form of executive compensation is included in the “Compensation Discussion and Analysis” section of this proxy statement.

A separate Compensation Committee Report is also included in this proxy statement.

### Current Committee Membership

As of the date of this proxy statement, the membership of each of our standing committees is as follows:

Director	Corporate Governance & Nominating Committee	Audit Committee	Compensation Committee
Bodner, Dan			
DeMarines, Victor	X	X	
Egan, John	X (Chair)		X
Myers, Larry		X (Chair)	
Nottenburg, Richard			X (Chair)
Safir, Howard	X	X	X
Shanks, Earl		X	X

## EXECUTIVE OFFICERS

The following table sets forth the names, ages, and positions of our executive officers as of the date of this filing:

Name	Age	Position(s)
Dan Bodner	56	President, Chief Executive Officer, Corporate Officer, and Director
Douglas Robinson	59	Chief Financial Officer and Corporate Officer
Elan Moriah	52	President, Enterprise Intelligence Solutions and Video and Situation Intelligence Solutions and Corporate Officer
Meir Sperling	66	Chief Strategy Officer and Corporate Officer (and former President, Communications and Cyber Intelligence Solutions)
Peter Fante	47	Chief Legal Officer, Chief Compliance Officer, and Corporate Officer

Dan Bodner serves as our President, Chief Executive Officer, Corporate Officer, and a director. Mr. Bodner has served as our President and/or Chief Executive Officer and as a director since 1994. From 1991 to 1998, Mr. Bodner also served as President and Chief Executive Officer of Comverse Government Systems Corp., a former affiliate of ours. Prior to such positions, from 1987 to 1991, Mr. Bodner held various management positions at CTI.

Douglas Robinson serves as our Chief Financial Officer and Corporate Officer. Mr. Robinson has served in such capacity since late 2006. Prior to joining us, Mr. Robinson spent 17 years at CA Technologies (formerly CA, Inc. and Computer Associates International, Inc.), where he held the positions of Senior Vice President, Finance, Americas Division, Corporate Controller, Interim Chief Financial Officer, Chief Financial Officer of CA's iCan SP subsidiary, and Senior Vice President Investor Relations, among other positions.

Elan Moriah serves as President of our Enterprise Intelligence Solutions and Video and Situation Intelligence Solutions global business lines and Corporate Officer. Mr. Moriah has served in such capacity since 2008, having previously served as our President, Americas from 2004 to 2008 and as President of our Contact Center business unit from 2000 to 2004. Prior to joining us, Mr. Moriah held various management positions with Motorola Inc., where he served as Business Development Manager for Europe, Middle East, and Africa, Worldwide Network Services Division and as Vice President of Marketing and Sales of a paging subsidiary. Before then, Mr. Moriah worked for Comet Software Inc., as Vice President of Marketing and Sales and as Operations Manager.

Meir Sperling serves as our Chief Strategy Officer and Corporate Officer. Mr. Sperling has served as Chief Strategy Officer since May 2013, having previously served as President of our Communications and Cyber Intelligence Solutions global business line and Corporate Officer from 2000 to April 2013. He also served as President, APAC (Asia Pacific) from 2006 to 2007. Before joining us, Mr. Sperling served as Corporate Vice President of ECI Telecom Ltd. ("ECI") as General Manager of its Business Systems Division, and Director of several ECI subsidiaries. Before then, Mr. Sperling held various management positions with Tadiran Telecommunications Communications Ltd. as well as with Tadiran Ltd and TEI, a U.S. subsidiary.

Peter Fante serves as our Chief Legal Officer, Chief Compliance Officer, and Corporate Officer. Mr. Fante was appointed as General Counsel in 2002 (subsequently retitled as Chief Legal Officer) and Chief Compliance Officer in 2008. He previously served as our Secretary from 2005 to early 2011. Prior to joining us, Mr. Fante was an associate at various global law firms including Morrison & Foerster LLP, Shearman & Sterling, and Cadwalader, Wickersham & Taft LLP.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

This Compensation Discussion and Analysis (“CD&A”) describes in detail our named executive officer compensation program and addresses how we made compensation decisions for such officers for the year ended January 31, 2015. This discussion describes the principles underlying our executive compensation policies and our most important executive compensation decisions for the year ended January 31, 2015, and also provides our analysis of these policies and decisions. We have included certain information in this CD&A (and this section generally) for periods subsequent to January 31, 2015 that we believe may be useful for a more complete understanding of our executive compensation arrangements. While the focus of this discussion is on our compensation arrangements with our named executive officers, in some cases we also provide information about compensation arrangements with our other executives or our employees generally where we believe it may be useful for providing context for our named executive officer compensation arrangements.

### Executive Summary

We are a global leader in Actionable Intelligence® solutions. Actionable Intelligence is a necessity in a dynamic world of massive information growth because it empowers organizations with crucial insights and enables decision makers to anticipate, respond, and take action. With our solutions and value-added services, organizations of all sizes and across many industries can make more timely and effective decisions. Today, more than 10,000 organizations in over 180 countries, including over 80 percent of the Fortune 100, use Verint solutions to improve enterprise performance and make the world a safer place. Verint’s vision is to create A Smarter World with Actionable Intelligence®.

The goal of our executive compensation program is to attract and retain the best talent to lead our company. Our philosophy in setting executive compensation is to provide incentives to our named executive officers to achieve outstanding performance results, to outperform our direct competitors, and to optimize stockholder value. To support this philosophy, we set target compensation in a range around median and structure our compensation arrangements so that actual pay outcomes will vary (above or below target) based on the performance achieved. Our executive compensation program seeks to align executive compensation with stockholder value on an annual and long-term basis as follows:

Executive pay consists of a mix of base pay, annual bonus, and long-term equity-based incentives; Annual bonuses are based on revenue, profitability, cash flow, and individual objectives, are subject to a minimum threshold level of performance below which no payout is earned, and are limited to a specified maximum payout; Long-term incentive awards are comprised of a combination of time-based and performance-based restricted stock units, which are designed to link executive compensation with increased stockholder value over time, with the performance-based awards subject to a minimum threshold level of performance below which no payout is earned, and a specified maximum payout; and

A significant majority of the total direct compensation of each named executive officer is at-risk or is paid in equity (whose value depends on our stock price), specifically, approximately 90% for our Chief Executive Officer and approximately 80% on average for the other named executive officers (calculated based on the value of equity (both time-based and performance-based) plus performance-based bonuses received in the year ended January 31, 2015, as a function of total compensation). Performance-based equity and performance-based bonuses alone accounted for approximately 60% of our Chief Executive Officer's total direct compensation and approximately 55% of the total direct compensation of each of our other named executive officers.

We also have several governance programs in place to align executive compensation with stockholder interests and mitigate risks in our compensation plans. These programs include:

- a clawback policy;
- stock ownership guideline for executive officers and directors;
- limited perquisites;
- use of tally sheets and aggregate award summaries to facilitate oversight of executive compensation;
- a policy prohibiting all personnel (including executive officers and directors) from short selling in our securities, from short-term trades in our securities (open market purchase and sale within three months), and from trading options in our securities;
- a policy prohibiting hedging or significant pledging in our securities by our executive officers and directors; and
- a policy precluding us from entering into any new plan, program, agreement, or arrangement providing for a 280G tax gross-up payment with any person or, subject to a limited exception relating to relocations, any other tax gross-up payments with executive officers.

Results for the Year Ended January 31, 2015

Key initiatives, milestones, and operational results that were reflected in or drove our executive compensation decisions for the year ended January 31, 2015 included:

The launch of our customer engagement optimization strategy, significantly increasing the size of our addressable market, and execution of the new strategy both organically and with the acquisition and integration of KANA Software, Inc. into our enterprise intelligence business;

The expansion of our security intelligence portfolio to address cyber security, further increasing the size of our addressable market, and the announcement of and execution on a large cyber security project valued at more than \$100 million;

Advancing our human capital strategy and continued investment in infrastructure and research and development to support the long-term growth of our business;

Completion of a successful capital restructuring to reduce our leverage, diversify our capital structure, reduce interest expense, fix the interest rate on a portion of our debt at historically low levels, and increase our borrowing capacity for future strategic needs;

Increase in non-GAAP revenue by 27.3%, from \$910.0 million to \$1.16 billion; and

Increase in non-GAAP operating income by 25.2%, from \$210.0 million to \$262.9 million.

Pay-for-Performance Results

Based on our review of these and other business and operational results for the year ended January 31, 2015 compared to our corresponding executive compensation decisions, we believe we successfully operated a "pay for performance" executive compensation program for the year, including with respect to the following significant actions and key decisions regarding executive compensation for the year ended January 31, 2015:

Increase in base salaries by 3.0%, generally consistent with our regular company merit increase for the year;

No changes to target bonuses based on an assessment that target bonuses were well aligned with market vis-à-vis the compensation peer group as a result of a two-year process of migrating target bonuses towards market levels begun in the year ended January 31, 2013;

Award of annual equity grants consistent with our regular compensation review process, including the benchmarking and other factors described below, with 50% of these awards tied to the achievement of performance goals over a two-year performance period;

Establishment of executive officer bonus payouts at 100% of target based on the level of achievement of financial and operational results and individual objectives, including revenue at 104.3% of our target goal of \$1.11 billion, operating income at 101.1% of our target goal of \$260.0 million, and cash flow from operations at 102.6% of our target goal of \$221.0 million, which drove calculated payout levels ranging from approximately 110% to approximately 114%, as

well as based on internal pay equity considerations between the named executive officers and the broader employee base (who were under different bonus plans); and

- Approval of performance vesting levels for previously-granted equity awards at 118.9% of target based on the level of achievement of our revenue and operating income goals described above.

The following discussion should be read together with the information we present in the compensation tables, the footnotes and narratives to those tables, and the related disclosures appearing elsewhere in this proxy statement.

#### Recent Developments in Executive Compensation Practices

Our compensation committee annually evaluates our compensation practices in light of, among other things, developments in executive compensation and corporate governance, market trends, and competitive factors. Throughout the second half of 2013 and the beginning of 2014, the compensation committee worked with its consultant, legal advisors, and members of senior management to design a new, long-term performance equity plan. The new plan enhances the long-term focus of our performance equity program, making use of multi-year performance goals, which we believe are an important driver of stockholder value creation. On April 17, 2014, the compensation committee implemented the new design for the first time, granting performance-based RSUs to our named executive officers and certain other executives which vest one-third based on a revenue metric, one-third based on an EBITDA metric, and one-third based on a relative total stockholder return metric (TSR), over a single 2-year performance period. 50% of each named executive officer's annual equity award was granted in the form of these new performance-based RSUs. This new design replaced our historical performance-equity award design, which vested based on three 1-year performance periods, but which continues to be in place for existing outstanding awards. The new design is not expected to alter our practice of granting equity to our named executive officers on an annual basis. On April 21, 2015, the compensation committee again granted 50% of each named executive officer's annual equity award in the form of the new performance-based RSUs (in respect of the establishment of compensation for the year ending January 31, 2016, to be discussed in detail in our spring 2016 proxy statement), however, beginning with the April 2015 awards, an additional one-year vesting period was added (to the 2-year performance period) with respect to one-third of the shares that are ultimately earned, to spread the economic benefit and extend the retentive effect of these awards.

#### Compensation Philosophy and Design

##### Philosophy and Objectives of Compensation Program

Our philosophy in setting executive compensation is to provide incentives to our named executive officers to achieve outstanding performance results, to outperform our direct competitors, and to optimize stockholder value. To support this philosophy, we set target compensation in a range around median and structure our compensation arrangements so that actual pay outcomes will vary (above or below target) based on the performance achieved. The compensation committee periodically reviews our compensation philosophy and may make adjustments from time to time based on the needs of the organization.

We believe that our compensation philosophy, including the opportunity to earn above-market compensation for performance in excess of goals, ensures that we are well positioned to attract and retain the highest caliber of executive officer talent and to properly incentivize our executive officers. Our named executive officer compensation packages are generally comprised of a mix of base salary, annual cash bonus, and annual equity grant, plus limited perquisites. We believe this mix of compensation elements allows us to successfully achieve the foregoing compensation objectives, however, as noted above, the compensation committee periodically re-evaluates our compensation philosophy, objectives, and tools and, from time to time, revises or introduces new elements into our executive compensation program.

We believe a significant portion of each executive officer's compensation should be "at-risk" by being tied to the performance of our business or our stock price. We implement this belief through the use of performance-based bonuses and performance-vested equity, for which payment or vesting is directly dependent on performance, as well as through the use of equity-based compensation generally, such as restricted stock units ("RSUs"), the value of which depends on our stock price. We believe that equity-based compensation that is subject to vesting based on continued employment is also an effective tool for retaining our executive officers, aligning their interests with those of our stockholders, and for building long-term commitment to the company. As further discussed below, our executive

officers and directors are also subject to stock ownership guidelines.

**Roles and Responsibilities in Determining Executive Compensation**

The compensation committee establishes our executive officer compensation packages and determines cash payout and performance equity vesting levels for performance-based compensation after the conclusion of the relevant performance period. The compensation committee also administers our equity compensation plans and oversees our long-term incentive programs

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generally and any special compensation initiatives.

The compensation committee receives updates from its compensation consultant and/or outside counsel at least annually on recent developments and trends in executive compensation and related governance matters to assist it in making compensation decisions.

For the year ended January 31, 2015, the compensation committee engaged Towers Watson to prepare a peer group compensation “benchmarking” analysis for our executive officer compensation packages and to assist the compensation committee in structuring and evaluating proposed executive officer compensation packages as well as year-end payouts. As discussed above, Towers Watson also advised on the design of our new, long-term performance equity plan. Any advice provided by Towers Watson in the year ended January 31, 2015 with respect to non-executive officer or director personnel did not exceed \$120,000 in fees and/or was with respect to broad-based plans that do not discriminate in scope, terms, or operation in favor of our executive officers or directors and are available generally to all employees. The compensation committee also received advice from outside counsel during the year ended January 31, 2015. In March 2014, the compensation committee reviewed and confirmed the independence of its advisors pursuant to the six-factor test promulgated by the SEC under the Dodd-Frank Act with respect to the compensation period ended January 31, 2015. In March 2015, the compensation committee also reviewed and confirmed the independence of its advisors, applying the same six-factor test, with respect to the compensation period ending January 31, 2016.

In establishing the compensation packages for our named executive officers each year, the compensation committee also reviews the various components and amounts of compensation being considered for each executive officer through the use of “tally sheets” or similar compensation summaries, which facilitate the committee's oversight of executive compensation.

With the compensation committee's permission or at the compensation committee's request, selected members of senior management from our human resources, finance, or legal functions generally work cooperatively with the compensation consultant in preparing proposals for executive officer compensation packages or other executive compensation arrangements for consideration by the compensation committee. The compensation consultant at all times remains independent of management and forms its own views with respect to the recommendations it makes to the compensation committee. The compensation committee also met in executive session (outside the presence of management), both with and without its compensation consultant, during the year ended January 31, 2015.

The Chief Executive Officer also provides input to the compensation committee on each proposed executive officer compensation package. The Chief Executive Officer's input to the compensation committee is based, among other things, on his views of each executive officer's performance, achievements, skills, and responsibilities, competitive factors, and internal pay equity considerations. The Chief Executive Officer's input does not include a recommendation on his own compensation and, notwithstanding his input, the compensation committee in any event exercises independent judgment on executive officer compensation and is solely responsible for final decisions on all matters related to the compensation of all of the named executive officers.



Peer Group

The composition of the peer group used for benchmarking analyses prepared by the compensation consultant for the year ended January 31, 2015 was developed following discussions between the compensation committee, Towers Watson, and members of senior management, primarily our Chief Executive Officer. Based on these discussions, for the year ended January 31, 2015, the compensation committee established the following peer group:

ACI Worldwide Inc.	Mentor Graphics Corp.
Autodesk Inc.	MicroStrategy Inc.
Cadence Design Systems Inc.	MICROS Systems Inc.
CommVault Systems	NetScout Systems, Inc.
Compuware Corp.	Nuance Communications Inc.
Constellation Software Inc.	Pegasystems Inc.
DST Systems Inc.	Open Text Corp.
Fair Isaac Corporation	Red Hat Inc.
Fortinet Inc.	Salesforce.com Inc.
Informatica	Solera Holdings Inc.
Jack Henry & Associates Inc.	SS&C Technologies Holdings, Inc.
MacDonald Dettwiler and Assoc. Ltd.	TIBCO Software Inc.

The companies included in the peer group were selected by the compensation committee from a sampling of publicly traded software and technology companies with businesses similar to ours and with annual revenues, market capitalizations, and/or enterprise values within a range above and below ours that the compensation committee believed was relevant. Certain of our closest competitors do not fit within these parameters, either because they are much larger or much smaller than us, are privately held, or are foreign issuers who do not publicly file detailed compensation data or have different pay practices due to local market factors outside the U.S. The compensation committee also considers the growth and market leadership profiles of potential peer group companies, competitive considerations with regard to our business, as well as recruiting and retention factors in selecting the peer group, and is mindful of the parameters used by the main proxy advisory firms in establishing their own compensation peer groups. During its annual review, the compensation committee seeks, to the extent practical, to maintain consistency in the peer group in an effort to maintain better comparability from year to year in the results of the benchmarking process.

### Overview of the Establishment of Executive Officer Compensation for the Year Ended January 31, 2015

In establishing actual cash and equity target award levels for each named executive officer, and the mix between cash compensation and equity compensation, the factors considered by the compensation committee consisted of:

- the compensation benchmarking analysis prepared each year by the compensation consultant;
- the executive officer's compensation for the previous year;
- relevant terms of the officer's employment agreement;
- the executive officer's role, responsibilities, and skills;
- a subjective assessment of the executive officer's performance in the previous year, including special achievements;
- our performance, based on financial and non-financial metrics, in the previous year, including the performance of our stock over the course of the prior year and over longer-term periods;
- our growth, based on both financial and non-financial metrics, from the previous year;
- our outlook and operating plan for the upcoming year;
- the proposed packages for the other executive officers (internal pay equity);
- the proposed merit increases, if any, being offered to our employees generally;
- the size of the aggregate equity pool available for awards for the year and the relative allocation of such pool between the executive officers and the other participants;
- overall equity dilution and burn rates as well as equity overhang levels;
- the value of and expense associated with proposed and previously awarded equity grants, including the continuing retentive value of past awards;
- executive officer recruiting and retention considerations; and
- compensation trends and competitive factors in the market for talent in which we compete.

Elements of compensation were considered by the compensation committee individually and in the aggregate in its decision making process. Although the compensation committee does not target a specific ratio of equity to cash, the compensation committee believes that equity should comprise a majority of each named executive officer's compensation package in order to foster a greater sense of personal investment in our performance, further aligning executive officer incentives with the interests of our stockholders, and increasing the amount of such executive officer's compensation that is "at risk" by virtue of being dependent on our stock price and/or performance. Subject to the parameters of our compensation philosophy, the compensation committee also believes that it is appropriate for our Chief Executive Officer to be compensated more highly from both a cash and an equity perspective than our other named executive officers, and this approach has been supported by our benchmarking analyses. In establishing the relative compensation of the other named executive officers, the compensation committee takes into account differences in the scope of each officer's role, responsibilities, and skills.

The financial performance goals established by our compensation committee for executive officer bonus plans and performance equity awards are based on our internal budget, which uses non-GAAP (generally accepted accounting principles) measures that our board of directors and senior management find useful in managing our business. See Appendix B to this proxy statement for additional discussion of such non-GAAP financial measures and reconciliation to the most directly comparable GAAP measure. Mergers and acquisitions (M&A) contemplated by the budget approved by the board of directors are included in measuring performance against compensation goals. For other extraordinary non-budgeted events, including material M&A not contemplated by the budget, the compensation committee or the board of directors may normalize performance results to ensure comparability with performance goals, unless otherwise provided under the terms of the applicable award, such as the 2013 Special Grants (discussed below), which awards were specifically intended to capture the impact of extraordinary changes to the business, including M&A. Under the new 2-year performance awards granted in April 2014 and April 2015, the board of directors plans to determine whether and to what extent such normalization will be required at the time any such extraordinary transactions are first approved.

Elements of Compensation - Establishment and Payouts for the Year Ended January 31, 2015

Base Salary

Base salaries for our named executive officers are subject to adjustment annually by the compensation committee as part of its regular compensation review process based on the benchmarking process and the other factors described above. For the year ended January 31, 2015, executive officer base salaries were increased by 3.0%, generally consistent with our regular company merit increases for the year.

Establishment of Annual Bonuses

Each of our named executive officers is eligible to receive an annual cash bonus. As with base salaries, target bonuses are established annually by the compensation committee as part of its regular compensation review process described above based on the benchmarking process and the other factors described above.

For the year ended January 31, 2015, target bonus opportunities were not changed based on an assessment that target bonuses were well aligned with market vis-à-vis the compensation peer group as a result of a two-year process of migrating target bonuses towards market levels begun in the year ended January 31, 2013.

Bonus payouts are based on performance by reference to pre-defined performance goals established by the compensation committee as part of the regular compensation review process as well as based on qualitative factors related to each executive officer's achievements and performance review and other factors deemed relevant by the compensation committee.

Performance goals for bonus plans for the year ended January 31, 2015 were based on revenue, operating income, operating cash flow, and the achievement of management business objectives, which we refer to as MBOs. We believe these elements create a well-diversified set of performance goals, including a focus on revenue as our key growth driver, profitability, cash generation, and individual achievement.

MBOs are tailored to each executive officer's function within the company. For the year ended January 31, 2015, the MBOs consisted of qualitative/subjective performance goals (such as devising and implementing strategic or compliance plans or initiatives, successfully integrating acquired companies, improving internal financial processes, assuming new areas of responsibility, or achieving human capital goals), as well as additional quantitative goals such as achievement of operating unit budget targets (for officers with operational responsibility).

Financial performance goals were in the form of a range in which an executive officer could achieve 25% of his target bonus at the low end of the performance range (or threshold), 100% of his target bonus at the middle of the performance range (target performance), and up to 150% of his target bonus at the high end of the performance range, for each performance goal, with the final bonus calculation based on the combined achievement of all goals. For performance below the applicable threshold, the executive officer was not entitled to any bonus for that goal. For performance falling between established points in the range, the bonus was calculated on a formulaic basis based on those points. MBO goals were measured on a scale of 0% to 100% achievement, with the calculated percentage payout for such metric equal to the percentage level of achievement. The compensation committee's objective in establishing a range was to align the bonus payout with actual performance.

The compensation committee carefully evaluates the proposed financial performance goals, as well as the proposed MBO goals, as part of its annual compensation review process, with a view to setting the financial performance targets (the middle of the performance ranges) and the MBO goals at a level that requires strong performance on the part of each recipient, but that is not so difficult to achieve that it is more likely than not that the executive officer will be unable to reach the goal. The compensation committee also endeavors to set threshold performance levels (and corresponding payout levels) that are reasonable in light of the goal in question and, as noted above, also provides for a cap on maximum payouts, at levels requiring extraordinary levels of achievement.

## Annual Bonus Payouts for the Year Ended January 31, 2015

The following table summarizes the annual bonus payouts for each executive officer for the year ended January 31, 2015. All financial goals in the annual bonus plans were overachieved, resulting in calculated payout levels ranging from approximately 110% to approximately 114%, however, based on internal pay equity considerations between the named executive officers and the broader employee base (who were under different bonus plans), the compensation committee decided to reduce named executive officer bonus payouts to 100%.

Name	Target Bonus		Bonus Plan Metric & Weight	Financial Target for Bonus Plan Metric	Final Payout Percentage	Bonus Payout Amounts	
	In U.S. Dollars	In Local Currency				In U.S. Dollars (2)	In Local Currency
Dan Bodner	\$816,000	N/A	Company revenue: 30.0% Company operating income: 30.0% Cash flow: 20.0% MBO: 20.0%	\$1.11 billion \$260.0 million \$221.0 million	100.0%	\$816,000	N/A
Douglas Robinson	\$289,000	N/A	Company revenue: 30.0% Company operating income: 30.0% Cash flow: 20.0% MBO: 20.0%	\$1.11 billion \$260.0 million \$221.0 million	100.0%	\$289,000	N/A
Elan Moriah	\$289,000	N/A	Company revenue: 30.0% Company operating income: 30.0% Cash flow: 20.0% MBO: 20.0%	\$1.11 billion \$260.0 million \$221.0 million	100.0%	\$289,000	N/A
Meir Sperling (1)	\$214,577	NIS 842,000	Company revenue: 30.0% Company operating income: 30.0% Cash flow: 20.0% MBO: 20.0%	\$1.11 billion \$260.0 million \$221.0 million	100.0%	\$214,577	NIS 842,000
Peter Fante	\$221,000	N/A	Company revenue: 30.0% Company operating income: 30.0% Cash flow: 20.0% MBO: 20.0%	\$1.11 billion \$260.0 million \$221.0 million	100.0%	\$221,000	N/A

(1) Shown in U.S. dollars for comparative purposes only, based on the exchange rate at or about the time of the compensation committee's compensation review for the year. As noted in the local currency column, Mr. Sperling's

target bonus is set in his local currency and for the year ended January 31, 2015 was NIS 842,000.

(2) The U.S. dollar bonus amount for Mr. Sperling is for comparative purposes only and reflects the impact of applicable exchange rates on the applicable payment date (or date of board approval if payment had not been made as of the date of this proxy statement). The actual payment to Mr. Sperling is made in local currency and appears in the last column.

Performance vs. Payout Matrix

(applies to each officer on a goal by goal basis,  
based on the officer's individualized bonus plan per the table above)

Achievement Percentage	Payout Percentage							
	0%	25%	75%	90%	100%	120%	140%	150%
Percentage of Revenue Goal	<87%	87%	92%	97%	100%	103%	105%	108%

Achievement Percentage	Payout Percentage							
	0%	25%	65%	85%	100%	120%	140%	150%
Percentage of Operating Income Goal	<78%	78%	83%	93%	100%	105%	110%	115%
Percentage of Cash Flow Goal	<78%	78%	83%	93%	100%	105%	110%	115%

The achievement percentage for each of the performance goals listed above was as follows: revenue, 104.3%; operating income, 101.1%; and cash flow from operations, 102.6%.

Establishment of Equity Awards

Each of our named executive officers is eligible to receive an annual equity award. As with base salaries and target bonuses, named executive officer equity grants are established annually by the compensation committee as part of its regular compensation review process described above. For the April 2014 grant (in respect of the establishment of compensation for the year ended January 31, 2015), Mr. Sperling received a smaller grant than in prior years, consistent with his change in role.

The compensation committee endeavors to establish the grant date well in advance of the grant and to schedule vesting dates to occur at a time when we would not normally be in a quarterly trading blackout (to reduce the chances that vesting-related tax events occur during blackout periods). Apart from seeking to schedule vesting dates outside of blackout periods, we do not time our grants by reference to the release of earnings or other material information. In recent years, we have used RSUs (both time-based and performance-based) as our preferred form of equity award, which provide predictable retention value and alignment of employee interests with stockholder interests, particularly in times of volatile equity markets. The compensation committee periodically reviews the elements of compensation it uses, however, and we may in the future incorporate other award forms, including stock options, in our executive officer compensation packages. To the extent that stock options are used, the exercise price of such options is the closing price of our stock on the date of board of directors or compensation committee approval.

For the year ended January 31, 2015, annual equity awards for our named executive officers were divided evenly between time-vested RSU awards and performance-vested RSU awards, which we believe provides for a good alignment of executive officer incentives with company performance and a fair balance in the extent to which executive officer compensation is “at risk” both by being tied to the value of Verint's shares and to the performance of our business.

Time-based RSU awards vest in equal portions over a three-year period.

The annual performance-based RSU awards for executive officers granted during the year ended January 31, 2015 (in April 2014) vest based on a single 2-year performance period ending on January 31, 2016, based one-third on revenue, one-third on EBITDA, and one-third on relative TSR. Relative TSR is calculated as Verint's total stockholder return, on a percentile basis, relative to the companies comprising the S&P 1500 Information Technology Sector Index with respect to the applicable performance period, weighted equally and based on the applicable 90-day volume-weighted trailing average closing prices of the stock of such constituent companies as of the beginning and end of the performance period (adjusted for dividends), provided that only those members of the index that constitute part of the index at both the beginning and the end of the performance period will be taken into account for purposes of the calculation. The compensation committee elected to include relative TSR in the new performance equity design in order to increase the alignment of our long-term incentive program with the interests of our stockholders. In

structuring the relative TSR calculation and selecting the index, the compensation committee's goal was to be able to compare Verint's stock price performance to that of a large, steady-state sampling of technology companies with a

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median size within a range of ours, on a basis designed to eliminate any short-term aberrations in stock price (for either Verint or companies in the index) at the start or the end of the performance period.

Our historical annual performance-based RSU awards, some of which remain outstanding, vest in three tranches corresponding to three separate performance periods, each concluding at the end of a fiscal year, with the performance goal for each such performance period set following the beginning of the applicable performance period. While we believe that waiting until the beginning of the applicable performance period to set the performance goal for that period provides certain advantages, such as greater precision in tailoring the incentive effect of these awards, the compensation committee has decided to transition to the new performance-based RSU design (with longer performance periods) to emphasize a longer-term performance perspective. Annual performance-based RSU awards granted in the years ended January 31, 2014 and 2013 vest 50% based on revenue and 50% based on operating income.

The revenue and operating income goals for the January 31, 2015 performance period under the historical annual performance-based RSU awards were set using the same methodology and with the same performance-payout scales, as described above under “—Elements of Compensation—Annual Bonus” for the annual bonus goals.

The performance-payout scales for the revenue, EBITDA, and relative TSR goals under the new 2-year performance RSUs granted during the year ended January 31, 2015 are set out in the table below. As with the historical performance RSU awards, if performance falls below the applicable threshold, the executive officer would not receive any vesting for the portion of the award attributable to that goal. For performance falling between established points in the range, the amount earned is calculated on a formulaic basis based on those points.

Revenue Achieved in Performance Period	Revenue Payout Percentage in Performance Period
Threshold (82% of Revenue Target)	25%
(90% of Revenue Target)	75%
(95% of Revenue Target)	90%
Target (100% of Revenue Target)	100%
(105% of Revenue Target)	150%
(108% of Revenue Target)	175%
Maximum (110% of Revenue Target)	200%

EBITDA Achieved in Performance Period	EBITDA Payout Percentage in Performance Period
Threshold (73% of EBITDA Target)	25%
(80% of EBITDA Target)	65%
(90% of EBITDA Target)	85%
Target (100% of EBITDA Target)	100%
(110% of EBITDA Target)	150%
(115% of EBITDA Target)	175%
Maximum (120% of EBITDA Target)	200%

Relative TSR Achieved in Performance Period	Relative TSR Payout Percentage in Performance Period
Threshold (25th or < percentile Relative TSR)	0%
Target (50th percentile Relative TSR)	100%
Maximum (75th or > percentile Relative TSR)	200%



## Calculation of Performance Equity Vesting for the Year Ended January 31, 2015

As a result of the transition to a single 2-year performance period for the performance RSUs granted in April 2014, no vesting of these awards occurred during (or in respect of) the year ended January 31, 2015.

The following table summarizes the performance versus payout matrices established by the compensation committee for the performance period ended January 31, 2015 for our historical performance RSUs, as well as the actual goal achievement and calculated vesting levels for these awards in respect of such period. The actual vesting levels were equal to the calculated vesting levels without adjustment by the compensation committee.

Performance vs. Payout Matrix (for third tranche of awards approved April 26, 2012)

Revenue Goal Opportunity		Payout For This Goal	
Percentage of Revenue Goal Achieved	Percentage of Performance Shares Eligible to be Earned for Period	Percentage of Revenue Goal Achieved	Percentage of Performance Shares Earned for Period
87%	25%		
92%	75%		
97%	90%		
100%	100%	104.3%	133.4%
103%	120%		
105%	140%		
108% or more	150%		
Operating Income Goal Opportunity		Payout For This Goal	
Percentage of Operating Income Goal Achieved	Percentage of Performance Shares Eligible to be Earned for Period	Percentage of Operating Income Goal Achieved	Percentage of Performance Shares Earned for Period
78%	25%		
83%	65%		
93%	85%		
100%	100%	101.1%	104.5%
105%	120%		
110%	140%		
115% or more	150%		
		Overall Payout (Average of Payouts For Each Goal)	
		Percentage of Combined Goals Achieved	Percentage of Performance Shares Earned for Period Overall
		102.7%	118.9%



Performance vs. Payout Matrix (for second tranche of awards approved April 19, 2013)

Revenue Goal Opportunity		Payout For This Goal	
Percentage of Revenue Goal Achieved	Percentage of Performance Shares Eligible to be Earned for Period	Percentage of Revenue Goal Achieved	Percentage of Performance Shares Earned for Period
87%	25%		
92%	75%		
97%	90%		
100%	100%	104.3%	133.4%
103%	120%		
105%	140%		
108% or more	150%		
Operating Income Goal Opportunity		Payout For This Goal	
Percentage of Operating Income Goal Achieved	Percentage of Performance Shares Eligible to be Earned for Period	Percentage of Operating Income Goal Achieved	Percentage of Performance Shares Earned for Period
78%	25%		
83%	65%		
93%	85%		
100%	100%	101.1%	104.5%
105%	120%		
110%	140%		
115% or more	150%		
		Overall Payout (Average of Payouts For Each Goal)	
		Percentage of Combined Goals Achieved	Percentage of Performance Shares Earned for Period Overall
		102.7%	118.9%

### 2013 Special Grant

On April 19, 2013, the compensation committee, with the approval of the board of directors, made a special grant of equity to our named executive officers and certain other executives (the "2013 Special Grant") in conjunction with our regular annual equity grant for the year ended January 31, 2014.

The 2013 Special Grant was comprised of a time-based component (one-third of the award) and a performance-based component (two-thirds of the award). The time-based RSU component of the grant vested one-third on April 4, 2014, one-third on April 4, 2015, and will vest one-third on April 4, 2016. The performance-based RSU component of the grant was divided into two equal groups of units, "Revenue Units" and "EBITDA Units," each with its own performance vesting conditions that may be satisfied anytime within a five year period from the end of the month in which the grant was made, but subject to a two-quarter sustainability test which may be achieved any time within a six year period from the end of the month in which the grant was made.

In connection with the finalization of our financial results for the quarterly period ended October 31, 2014, the compensation committee determined that the performance vesting conditions for the first half of the EBITDA Units had been satisfied and certified the vesting of such units. In connection with the finalization of our financial results for the quarterly period ended January 31, 2015, the compensation committee determined that the performance vesting conditions for the first half of the Revenue Units had been satisfied and certified the vesting of such units. The specific number of shares earned by each named executive officer as a result of such vesting is summarized in the table below. The second half of each of the EBITDA Units and the Revenue Units remain outstanding.

Named Executive Officer	First Vesting	Second Vesting
Dan Bodner	12,500	12,500
Doug Robinson	3,000	3,000
Elan Moriah	4,500	4,500
Meir Sperling	3,000	3,000
Peter Fante	3,000	3,000

### Stock Bonus Program

In order to foster a greater sense of company ownership for employees while reducing the company's cash compensation cost, in September 2011, our board of directors approved a stock bonus program under which eligible employees may receive a portion of their bonuses, otherwise payable in cash, in the form of discounted shares of our common stock. This program is subject to annual funding approval by our board of directors and an annual cap on the number of shares that can be issued. Named executive officers are permitted to participate in the program, to the extent that shares remain available for awards following the enrollment of all other participants, to encourage our officers to continue to increase their stake in the company as well. Shares issued to named executive officers in respect of the discount feature of the program are subject to a one year vesting period to enhance the retentive value of the program and to increase alignment with our stockholders.

For the program period ended January 31, 2014, the board of directors approved the issuance of up to 150,000 shares of common stock and a discount of 15% for awards under the program. Shares in respect of this program period were issued in the quarter ended July 31, 2014, including the following shares issued to the named executive officers (subject to a one year vesting period ending on June 11, 2015) in respect of the 15% discount. These shares are included in the "Stock Awards" column of the Summary Compensation Table in the row for the year ended January 31, 2015 (the year in which the shares in respect of the discount feature were awarded). Mr. Sperling did not participate in the program.

Named Executive Officer	Shares
Dan Bodner	1,992
Doug Robinson	233
Elan Moriah	692
Peter Fante	539

For the program period ended January 31, 2015, the board of directors has approved the issuance of up to 125,000 shares of common stock and a discount of 15% for awards under the program. Shares will be issued in respect of this

program period in

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the quarter ending July 31, 2015 (during the year ending January 31, 2016) and the number of shares to be issued to the named executive officers in respect of the discount will not be determinable until such time.

For the program period ending January 31, 2016, the board of directors has approved the issuance of up to 125,000 shares of common stock and a discount of 15% for awards under the program. Shares will be issued in respect of this program period in the quarter ending July 31, 2016 (during the year ending January 31, 2017) and the number of shares to be issued to the named executive officers in respect of the discount will not be determinable until such time.

#### Other Pay Elements

We do not currently make use of cash-based long-term incentive compensation arrangements, defined benefit plans, or deferred compensation plans. We provide a limited amount of perquisites to our executive officers, which vary from officer to officer and region to region and include:

- use of a company car or an annual car allowance, plus fuel reimbursement allowance;
- an annual allowance for professional legal, tax, or financial advice;
- payments for accrued vacation days (prior to separation from service); and
- supplemental company-paid life insurance.

Named executive officers in the United States also receive the same partial match of their 401(k) contributions as all other U.S. employees. Named executive officers in Israel receive company contributions to a retirement fund, a severance fund, and a continuing education fund, in each case, on the same basis as other Israeli employees. Named executive officers receive the same health insurance and company-paid group life and disability insurance offered to all other employees in the country in which the executive officer is employed.

#### Employment Agreements

Each of our named executive officers is party to a formal employment agreement with us. The terms of these agreements are summarized under “Executive Officer Severance Benefits and Change in Control Provisions—Provisions of Executive Officer Agreements” below.

#### Clawback Policy

Each of our named executive officers is subject to a clawback provision in his employment agreement that allows us to recoup from the officer, or cancel, all or a portion of the officer's incentive compensation (including bonuses and equity awards) for a particular year if we are required to restate our financial statements for that year due to material noncompliance with any financial reporting requirement under the U.S. securities laws as a result of the officer's misconduct. The clawback applies from and after the year in which the employment agreement was first signed to performance-based awards made during the term of the agreement which were paid based on the results required to be restated. The amount to be recovered or forfeited is the amount by which the incentive compensation for the year in question exceeded the amount that would have been awarded had the financial statements originally been filed as restated. Our proposed 2015 Long-Term Stock Incentive Plan also allows for the cancellation or forfeiture of an award, or the repayment of any gain related to an award, if an officer engages in activity detrimental to our company.

#### Stock Ownership Guidelines and Other Policies

Our board of directors has adopted stock ownership guidelines for our named executive officers and non-employee directors who are compensated by us for their services. We believe these guidelines help to further align the interests of our executive officers and directors with those of our stockholders. The guidelines contain customary terms and conditions and establish the following target ownership levels:

- ownership equal to five times salary for our Chief Executive Officer;
- ownership equal to three times salary for our other executive officers (reduced to one and a half times salary beginning at age 62); and
- ownership equal to three times annual cash retainer for non-employee directors.

Until the target ownership levels are met, executive officers and directors subject to the guidelines are required to hold 50% of the after-tax shares acquired from either the vesting of restricted stock or restricted stock units or from the exercise of stock options. As a result of this requirement, there is no specified time frame for reaching the target ownership levels and no minimum holding periods once shares have been acquired (if an executive officer or director falls below the target ownership



level after having achieved it, he or she would again become subject to the 50% after-tax holding requirement until the ownership level had been re-established). Other than pledged shares (as noted below), executive officers and directors subject to the guidelines are permitted to count towards the target ownership levels all shares of common stock held by such individual, regardless of source, including both vested and unvested stock awards, as well as the intrinsic value of vested stock options.

Our insider trading policy prohibits all personnel (including executive officers and directors) from short selling in our securities, from short-term trades in our securities (open market purchase and sale within three months), and from trading options in our securities. It also requires that any hedging transactions (for employees other than executive officers or directors, who are subject to prohibitions under a separate policy described below) be pre-cleared by our legal department.

We have also adopted a policy prohibiting our executive officers and directors from engaging in hedging or significant pledging transactions in our securities. This policy supplements our insider trading policy and our director and executive officer stock ownership guidelines. A pledge is considered significant if it involves a number of shares equal to or exceeding the lesser of 1/2% of our outstanding equity securities or 10% of the Verint equity securities owned by the executive officer or director. Any equity securities that are pledged by an executive officer or director are not eligible to be counted toward such person's satisfaction of our stock ownership guidelines.

Our board of directors has adopted a policy generally precluding us from entering into any new plan, program, agreement, or arrangement providing for a 280G tax gross-up payment with any person or, subject to a limited exception relating to relocations, any other tax gross-up payments with executive officers.

#### Tax Implications

Section 162(m) of the Internal Revenue Code generally disallows a federal income tax deduction to publicly traded companies for compensation paid to certain executives above \$1 million in any fiscal year unless such compensation satisfies the Internal Revenue Code's requirements for qualified performance-based compensation. To maintain flexibility in compensating executive officers in a manner designed to promote varying corporate goals, the compensation committee has not adopted a policy that all compensation must be deductible under Section 162(m) of the Internal Revenue Code.

#### Compensation Committee Report

The compensation committee has reviewed and discussed the "Compensation Discussion and Analysis" section of this proxy statement with management. Based on its review and discussions with management regarding such section of this proxy statement, the compensation committee recommended to the board of directors that the "Compensation Discussion and Analysis" section be included in this proxy statement.

Compensation Committee:

Richard Nottenburg, Chair  
John Egan  
Howard Safir  
Earl Shanks

The foregoing report shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933, as amended, or under the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate this information by reference, and shall not otherwise be deemed filed under such Acts.



### Compensation Programs and Risk Assessment

In connection with our annual budgeting process and our annual performance review process, our executive management reviews our compensation policies and practices, including with respect to risk. Our compensation policies and practices are relatively stable and tend not to change significantly from year to year, particularly below the executive level. We monitor the operation of these policies and procedures and believe that they have proven to be well-calibrated over time. We also believe that these policies and practices are comparable to those used by similarly situated companies in our industry and the companies with which we compete for talent. In conducting its risk review, management noted in particular the following aspects of our compensation policies and procedures:

We use a combination of elements to achieve a balance between (1) fixed pay and variable pay, (2) time-based components and performance-based components, (3) quantitative targets and qualitative targets, and (4) short-term and long-term elements.

Multiple quantitative targets (designed to support the budget approved by the board of directors) within each compensation plan, as well as elements that differ from plan to plan, and discretionary authority/elements or individual/team objectives in some plans.

Variable compensation elements represent less than 25% of our total annual compensation expense and are broadly distributed among the employee base.

Bonus plans and performance-based equity plans are subject to maximum payouts and contain calibrated performance-payout curves and staged goals below target to permit payout opportunities for performance that approaches, but does not achieve, target.

The 2013 Special Grant contains a steady-state test to ensure that performance is sustained before vesting occurs. Management maintains control over award templates and equity plan design and models the financial impact of design elements such as sales quotas and commissions before adoption.

Checks and balances in place for the processing of transactions and the calculation of performance levels and payout amounts, including a well-developed system of internal controls to help ensure that financial results and the underlying transactions are sound.

Provisions in our commission plans allowing us to reduce, withhold, or offset commissions for transactions that do not meet specified minimum requirements, even after the commission has been paid.

Quarter-end guidelines are in place to help ensure that sales transactions are handled in a consistent and ethical manner at the end of each reporting period.

Quarterly certifications from a broad base of employees helps promote accountability and compliance.

Stock ownership guidelines for our directors and executive officers, as well as a policy prohibiting hedging and restricting pledging to help maintain alignment between our directors / executive officers and our stockholders.

Clawback provisions are included in our executive employment agreements and equity award agreements allowing us to recoup payments or awards under appropriate circumstances. Our proposed 2015 Long-Term Stock Incentive Plan also allows for the cancellation or forfeiture of an award, or the repayment of any gain related to an award, if a participant engages in activity detrimental to our company.

Based on this review, we believe that our compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on the company.

## Executive Compensation Tables

## Summary Compensation Table for the Year Ended January 31, 2015

The following table lists the annual compensation of our named executive officers for the years ended January 31, 2015, 2014, and 2013.

Name and Principal Position	Year Ended January 31,	Salary (\$)	Bonus (\$)(1)	Stock Awards (\$)(2)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)(3)	All Other Compensation (\$)(4)	Total (\$)
Dan Bodner - President and Chief Executive Officer and Corporate Officer	2015	722,825	—	8,049,928	—	816,000	57,019	9,645,772
	2014	702,975	—	7,128,611	—	865,327	62,973	8,759,886
	2013	685,000	—	3,941,673	—	709,279	78,888	5,414,840
Douglas Robinson - Chief Financial Officer and Corporate Officer	2015	406,000	—	1,593,531	—	289,000	27,146	2,315,677
	2014	394,575	—	1,565,450	—	304,158	27,054	2,291,237
	2013	384,475	—	938,967	—	250,915	38,207	1,612,564
Elan Moriah - President, Enterprise Intelligence Solutions and Video and Situation Intelligence Solutions and Corporate Officer	2015	406,000	—	1,857,143	—	289,000	14,773	2,566,916
	2014	394,575	—	1,987,396	—	300,690	15,805	2,698,466
	2013	384,475	—	942,641	—	245,835	91,761	1,664,712
Meir Sperling - Chief Strategy Officer and Corporate Officer (and former President, Communications and Cyber Intelligence Solutions)	2015	394,011	(5) —	1,172,300	—	214,577	(5) 101,640	1,882,528
	2014	384,597	—	1,501,610	—	251,909	102,260	2,240,376
	2013	349,586	—	876,182	—	261,430	91,607	1,578,805
Peter Fante - Chief Legal Officer, Chief Compliance Officer, and Corporate Officer	2015	372,300	—	1,394,525	—	221,000	38,335	2,026,160
	2014	361,988	—	1,416,775	—	234,359	27,132	2,040,254
	2013	352,763	—	772,107	—	233,160	21,888	1,379,918

(1) Includes cash bonuses awarded outside the officer's regular annual bonus plan, if any.

(2) Reflects the aggregate grant date fair value of stock or option awards, as applicable, approved for the named executive officer in the applicable fiscal year computed in accordance with applicable accounting standards. Includes the aggregate grant date fair value of stock awards granted to the named executive officers in a given fiscal year as a result of the discount feature under the stock bonus program, but excludes the value of any other shares issued or to be issued to the named executive officers under the stock bonus program (the value of which is included within the “Non-Equity Incentive Plan Compensation” column in the fiscal year in which the corresponding cash bonus was earned). For a further discussion of our accounting for equity compensation, see Note 14, “Stock-Based Compensation and Other Benefit Plans” to the consolidated financial statements included under Item 8 of our Annual Report on Form 10-K for the year ended January 31, 2015. For performance-based awards, the value shown in the table for the year ended January 31, 2015 is based on the assumed achievement of the target level (or probable level) of performance. See the “Grant Date Value of Performance Awards” table below for the aggregate grant date fair value of these performance awards assuming the highest level of performance is achieved. Volatility in our stock price from year to year may impact the grant date fair value of our annual equity awards.

(3) Amount represents performance-based annual cash bonuses tied to the officer's pre-defined annual bonus plan. Includes the aggregate grant date fair value of shares to be issued to the named executive officers under the stock bonus program in respect of the fiscal year in which the cash bonus was earned (such shares are effectively purchased by the executive officers at fair market value using bonus dollars), but excluding shares issued as a result of the discount feature of the program (the value of which is included within the “Stock Awards” column in the fiscal year in which such shares were granted). The amounts for

Mr. Sperling reflect the impact of applicable exchange rates on the applicable payment dates or dates of board approval. See also footnote 5 to this table below.

(4) See the table below for additional information on “All Other Compensation” amounts for the year ended January 31, 2015. “All Other Compensation” does not include premiums for group life, health, or disability insurance that is available generally to all salaried employees in the country in which the executive officer is employed and do not discriminate in scope, terms, or operation in favor of our executive officers or directors.

(5) For the year ended January 31, 2015, Mr. Sperling received a salary of NIS 1,420,233 (\$394,011 based on an average exchange rate from February 1, 2014 through January 31, 2015 of NIS 1=\$0.2774) and was awarded a performance-based bonus of NIS 842,000 (\$214,577 based on a January 31, 2015 exchange rate of NIS 1=\$0.2548), which will be paid during the year ended January 31, 2016.

#### Grant Date Value of Performance Awards

The following table sets forth the aggregate grant date fair value of the performance awards made to our named executive officers during the years ended January 31, 2015, 2014, and 2013, assuming:

(a) the highest level of performance is achieved (see the Maximum Possible Shares column), or

(b) the target level of performance (probable outcome) is achieved (see the Target Shares column).

Fair value, in the case of the Maximum Possible Shares, is calculated based on the closing price of our common stock on the accounting grant date. Fair Value, in the case of the Target Shares, is calculated based on the closing price of our common stock on the dates the compensation committee originally approved the grants (April 26, 2012 (\$30.60), April 19, 2013 (\$32.77), and April 17, 2014 (\$45.29)). The accounting grant date is generally the date on which the performance goal for the applicable award tranche has been both established and communicated, which date is not always the same as the date the compensation committee originally approved the grant. Award tranches are grouped by accounting grant date below.

Name	Original Date of Committee Approval of Grant	Accounting Grant Date	Maximum Possible Shares	Fair Value on Accounting Grant Date	Target Shares	Fair Value on Original Date of Committee Approval of Grant
Dan Bodner	4/17/2014	4/17/2014	127,308	\$5,765,779	63,654	\$2,882,890
	4/19/2013 (2nd tranche)	3/20/2014	36,816	1,735,138	24,544	804,307
	4/26/2012 (3rd tranche)	3/20/2014	32,782	1,545,016	21,855	668,763
		Total Grants for Year Ended 1/31/2015	196,906	\$9,045,933	110,053	\$4,355,960
	4/19/2013 (1st tranche)	4/19/2013	31,930	\$1,046,346	25,544	\$837,077
	4/19/2013 (Special Equity all tranches)	4/19/2013	50,000	1,638,500	50,000	1,638,500
	4/26/2012 (2nd tranche)	3/14/2013	27,318	973,887	21,855	668,763
	4/12/2011 (3rd tranche)	3/14/2013	22,500	802,125	18,000	630,720
		Total Grants for Year Ended 1/31/2014	131,748	\$4,460,858	115,399	\$3,775,060
	4/26/2012 (1st tranche)	4/26/2012	43,710	\$1,337,526	21,855	\$668,763
	4/12/2011 (2nd tranche)	3/22/2012	36,000	1,058,040	18,000	630,720
	3/17/2010 (3rd tranche)	3/22/2012	50,194	1,475,202	25,097	616,884
		Total Grants for Year Ended 1/31/2013	129,904	\$3,870,768	64,952	\$1,916,367



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Douglas Robinson	4/17/2014	4/17/2014	24,400	\$1,105,076	12,200	\$552,538
	4/19/2013 (2nd tranche)	3/20/2014	7,363	347,018	4,909	160,868
	4/26/2012 (3rd tranche)	3/20/2014	7,975	375,862	5,317	162,700
		Total Grants for Year Ended 1/31/2015	39,738	\$1,827,956	22,426	\$876,106
	4/19/2013 (1st tranche)	4/19/2013	6,136	\$201,077	4,909	\$160,868
	4/19/2013 (Special Equity All Tranches)	4/19/2013	12,000	393,240	12,000	393,240
	4/26/2012 (2nd tranche)	3/14/2013	6,646	236,930	5,317	162,700
	4/12/2011 (3rd tranche)	3/14/2013	5,000	178,250	4,000	140,160
		Total Grants for Year Ended 1/31/2014	29,782	\$1,009,497	26,226	\$856,968
		4/26/2012 (1st tranche)	4/26/2012	10,632	\$325,339	5,316
	4/12/2011 (2nd tranche)	3/22/2012	8,000	235,120	4,000	140,160
	3/17/2010 (3rd tranche)	3/22/2012	11,614	341,335	5,807	142,736
		Total Grants for Year Ended 1/31/2013	30,246	\$901,794	15,123	\$445,566
Elan Moriah	4/17/2014	4/17/2014	28,644	\$1,297,287	14,322	\$648,643
	4/19/2013 (2nd tranche)	3/20/2014	8,766	413,142	5,844	191,508
	4/26/2012 (3rd tranche)					