

Ubiquiti Networks, Inc.  
Form DEF 14A  
October 28, 2014  
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**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**

Filed by the Registrant ☒ x

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))**
- ☒ x Definitive Proxy Statement
- ☐ .. Definitive Additional Materials
- ☐ .. Soliciting Material Pursuant to §240.14a-12

**UBIQUITI NETWORKS, 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):

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- x No fee required.
- .. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:

(4) Date Filed:

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**Ubiquiti Networks, Inc.**

**2580 Orchard Parkway**

**San Jose, CA 95131**

**(408) 942-3085**

November 18, 2014

Dear Stockholders:

We are pleased to invite you to attend our 2014 Annual Meeting of Stockholders to be held on December 16, 2014 at 10:00 a.m. Pacific Time, at our headquarters at 2580 Orchard Parkway, San Jose, California 95131 (the "Annual Meeting").

The matters to be considered at the meeting are described in detail in the attached proxy statement. We will also report on our activities immediately following the meeting, and you will have an opportunity to submit questions or comments on matters of interest to stockholders generally. Included with the proxy statement is a copy of our Annual Report on Form 10-K for the fiscal year ended June 30, 2014.

Please use this opportunity to take part in the affairs of Ubiquiti Networks, Inc. by voting on the business to come before this meeting. Regardless of whether you plan to attend the meeting, we urge you to vote your proxy as soon as possible. Returning the proxy card does not deprive you of your right to attend the meeting and to vote your shares in person, and may save us from incurring additional proxy solicitation costs.

Thank you for your ongoing support of Ubiquiti Networks, Inc. We look forward to seeing you at the Annual Meeting.

UBIQUITI NETWORKS, INC.

/s/ Craig L. Foster

Craig L. Foster

Chief Financial Officer

San Jose, California

*This notice of Annual Meeting, proxy statement and form of proxy are being distributed and made available on or about November 18, 2014.*

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**UBIQUITI NETWORKS, INC.**

**2580 Orchard Parkway**

**San Jose, CA 95131**

**(408) 942-3085**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held on Tuesday, December 16, 2014**

The Annual Meeting of Stockholders of Ubiquiti Networks, Inc. which will be held at 10:00 a.m., Pacific Time, on **December 16, 2014**, at our offices at 2580 Orchard Parkway, San Jose, California 95131, for the following purposes (as more fully described in the proxy statement accompanying this notice):

1. The election of two Class III directors to serve until the third annual meeting of our stockholders following their election or until each of their respective successors is duly elected and qualified;
2. To conduct a non-binding advisory vote to approve named executive officer compensation;
3. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accountants for the fiscal year ending June 30, 2015; and
4. To transact such other business as may properly come before the meeting.

Stockholders of record at the close of business on November 4, 2014 are entitled to vote at the Annual Meeting and are cordially invited to attend the meeting. However, to ensure your representation at the meeting, you are urged to mark, sign and date and return the enclosed proxy as promptly as possible in the postage prepaid envelope enclosed for that purpose. If you attend the meeting, you may vote in person even if you return a proxy.

The Board of Directors

San Jose, California

November 18, 2014

**YOUR VOTE IS IMPORTANT. PLEASE RETURN THE ENCLOSED PROXY, EVEN IF YOU PLAN TO ATTEND THE MEETING AND VOTE IN PERSON. A MAJORITY OF OUR OUTSTANDING SHARES MUST BE REPRESENTED IN PERSON OR BY PROXY AT THE MEETING TO CONSTITUTE A QUORUM.**

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**UBIQUITI NETWORKS, INC.**

**2580 Orchard Parkway**

**San Jose, CA 95131**

**(408) 942-3085**

**PROXY STATEMENT**

**QUESTIONS AND ANSWERS**

**ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING**

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

A: Ubiquiti Networks, Inc. s ( Company , Ubiquiti , we , us or our ) Board of Directors (our Board ) has made these materials available to the internet and has delivered printed proxy materials to you, in connection with the solicitation of proxies for use at the annual meeting of stockholders, which will take place on December 16, 2014 at 10:00 a.m. Pacific Time, at our headquarters located at 2580 Orchard Parkway, San Jose, California 95131 (the Annual Meeting ). As a stockholder, you are invited to attend the Annual Meeting and are requested to vote on the items of business described in this proxy statement.

**Q: What items of business will be voted on at the Annual Meeting?**

A: The items of business scheduled to be voted on at the Annual Meeting are:

The election of two Class III directors to serve until the third annual meeting of our stockholders following their election or until each of their respective successors is duly elected and qualified;

To conduct a non-binding advisory vote to approve named executive officer compensation; and

To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accountants for the fiscal year ending June 30, 2015 ( fiscal 2015 ).

We will also consider any other business that properly comes before the Annual Meeting.



**Q: How does our Board recommend that I vote?**

A: Our Board recommends that you vote your shares:

FOR the election of our Class III director nominees, Messrs. Robert J. Pera and Craig L. Foster (Proposal No. 1).

FOR the approval on an advisory and non-binding basis of the named executive officer compensation (Proposal No. 2).

FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal 2015 (Proposal No. 3).

**Q: What information is contained in these proxy materials?**

A: You are receiving a proxy card, a copy of our Annual Report on Form 10-K (the "Annual Report") for the fiscal year ended June 30, 2014 (fiscal 2014) and this proxy statement (collectively, the "proxy materials"). The information in this proxy statement relates to the proposals to be voted on at the Annual Meeting, the voting process, the compensation of our directors and most highly paid executive officers, corporate governance and information on our Board and certain other required information.

**Q: What shares can I vote?**

A: Each share of our common stock issued and outstanding as of the close of business on November 4, 2014 (the "Record Date") is entitled to be voted on all items being voted on at the Annual Meeting. You may vote

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all shares owned by you as of the Record Date, including (1) shares held directly in your name as the stockholder of record, and (2) shares held for you as the beneficial owner in street name through a broker, bank, trustee, or other nominee. On the Record Date there were 88,354,059 shares of our common stock issued and outstanding.

**Q: How many votes am I entitled to per share?**

A: For all matters described in this proxy statement for which your vote is being solicited, each holder of shares of common stock is entitled to one vote for each share of common stock held as of the Record Date.

**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 as a beneficial owner through a broker 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, Computershare Trust Company, N.A., you are considered, with respect to those shares, the stockholder of record, and we sent the proxy materials directly to you. As the stockholder of record, you have the right to grant your voting proxy directly to us or to vote in person at the Annual Meeting. You may also vote on the internet or by telephone, as described in the proxy materials and below under the heading *How can I vote my shares without attending the Annual Meeting?*

*Beneficial Owner*

If your shares are held in an account at a brokerage firm, bank, broker-dealer, trust, or other similar organization you are considered the beneficial owner of shares held in street name, and the proxy materials were or will be forwarded to you by that organization. As the beneficial owner, you have the right to direct your broker, bank, trustee, or nominee how to vote your shares, and you are also invited to attend the Annual Meeting.

Since a beneficial owner is not the stockholder of record, you may not vote your shares in person at the Annual Meeting unless you obtain a legal proxy from the broker, bank, trustee, or nominee that holds your shares giving you the right to vote the shares at the meeting. If you do not wish to vote in person or you will not be attending the Annual Meeting, you may vote by proxy. You may vote by proxy over the internet or by telephone, as described in the proxy materials and below under the heading *How can I vote my shares without attending the Annual Meeting?*

**Q: How can I vote my shares in person at the Annual Meeting?**

A: Shares held in your name as the stockholder of record may be voted by you in person at the Annual Meeting. Shares held beneficially in street name may be voted by you in person at the Annual Meeting only if you obtain a legal proxy from the broker, bank, trustee, or nominee that holds your shares, giving you the right to vote the shares. Even if you plan to attend the Annual Meeting, we recommend that you also submit your proxy or voting instructions as described below so that your vote will be counted if you later decide not to attend the meeting.

**Q: How can I vote my shares without attending the Annual Meeting?**

A: Whether you hold shares directly as the stockholder of record or beneficially in street name, you may direct how your shares are voted without attending the Annual Meeting. If you are a stockholder of record, you may vote by proxy. You can vote by proxy over the internet by following the instructions provided in the



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proxy materials, or, if you requested to receive printed proxy materials, you can also vote by mail or telephone pursuant to instructions provided on the proxy card. If you hold shares beneficially in street name, you may also vote by proxy over the internet by following the instructions provided in the proxy materials, or, if you requested to receive printed proxy materials, you can also vote by telephone or mail by following the voting instruction card provided to you by your broker, bank, trustee, or nominee.

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

A: You may change your vote at any time prior to the taking of the vote at the Annual Meeting. If you are the stockholder of record, you may change your vote by (1) granting a new proxy bearing a later date (which automatically revokes the earlier proxy) using any of the methods described above (and until the applicable deadline for each method), (2) providing a written notice of revocation to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717 prior to your shares being voted, or (3) attending the Annual Meeting and voting in person. Attendance at the meeting will not cause your previously granted proxy to be revoked unless you specifically so request. For shares you hold beneficially in street name, you may change your vote by submitting new voting instructions to your broker, bank, trustee, or nominee following the instructions they provided, or, if you have obtained a legal proxy from your broker, bank, trustee, or nominee giving you the right to vote your shares, by attending the Annual Meeting and voting in person.

### **Q: Is my vote confidential?**

A: Proxy instructions, ballots, and voting tabulations that identify individual stockholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed either among our employees or to third parties, except: (1) as necessary to meet applicable legal requirements, (2) to allow for the tabulation of votes and certification of the vote, and (3) to facilitate a successful proxy solicitation. Occasionally, stockholders provide written comments on their proxy card, which are then forwarded to our management.

### **Q: How can I attend the Annual Meeting?**

A: You are entitled to attend the Annual Meeting only if you were a stockholder as of the Record Date or you hold a valid proxy for the Annual Meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. You should be prepared to present photo identification for admittance. If you are not a stockholder of record but hold shares as a beneficial owner in street name, you should provide proof of beneficial ownership as of the Record Date, such as your most recent account statement for the period including the Record Date, a copy of the voting instruction card provided by your broker, bank, trustee, or nominee, or other similar evidence of ownership.

If you do not provide photo identification or comply with the other procedures outlined above, you will not be admitted to the Annual Meeting. For security reasons, you and your bags will be subject to search prior to your admittance to the meeting.

Please let us know if you plan to attend the meeting by marking the appropriate box on the enclosed proxy card, or, if you vote by telephone or internet, by indicating your plans when prompted.

The meeting will begin promptly at 10:00 a.m. Pacific Time on December 16, 2014.

### **Q: How many shares must be present or represented to conduct business at the Annual Meeting?**

A: A majority of our issued and outstanding shares of common stock must be present in person or represented by proxy in order to hold the meeting and conduct business. This is called a quorum. Your shares will be counted for purposes of determining if there is a quorum, even if you wish to abstain from voting on some or all matters introduced at the meeting, if you are present and vote in person at the meeting or have properly submitted a proxy card. Both abstentions and broker non-votes (described below) are counted for the purpose of determining

the presence of a quorum.

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### **Q: How are votes counted?**

A: In the election of directors, you may vote **FOR** all or some of the nominees or your vote may be **WITHHELD** with respect to one or more of the nominees.

For the other items of business, you may vote **FOR**, **AGAINST**, or **ABSTAIN**. If you elect to **ABSTAIN**, the abstention has the same effect as a vote **AGAINST**. If you provide specific instructions with regard to certain items, your shares will be voted as you instruct on such items. If no instructions are indicated, the shares will be voted as recommended by our Board.

### **Q: What is the voting requirement to approve each of the proposals?**

A: A plurality of the votes cast is required for the election of directors. The affirmative **FOR** vote of a majority of the votes cast on the proposal is required to approve (i) the advisory vote to approve named executive officer compensation, and (ii) the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accountants for the fiscal year ending June 30, 2015.

If you hold shares beneficially in street name and do not provide your broker with voting instructions, your shares may constitute broker non-votes. Generally, broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given. In tabulating the voting result for any particular proposal, shares that constitute broker non-votes are not considered votes cast on that proposal. Thus, broker non-votes will not affect the outcome of any matter being voted on at the meeting, assuming that a quorum is obtained. Abstentions are considered votes cast and thus have the same effect as votes against the matter.

We encourage you to provide instructions to your bank or brokerage firm by voting your proxy. This action ensures your shares will be voted at the meeting in accordance with your wishes.

### **Q: Is cumulative voting permitted for the election of directors?**

A: No. You may not cumulate your votes for the election of directors.

### **Q: What happens if additional matters are presented at the Annual Meeting?**

A: Other than the three items of business described in this proxy statement, we are not aware of any other business to be acted upon at the Annual Meeting. If you grant a proxy, the persons named as proxy holders, Robert J. Pera and Craig L. Foster, or either of them, will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting. If for any reason any nominee is not available as a candidate for director, the persons named as proxy holders will vote your proxy for such other candidate or candidates as may be nominated by our Board.

### **Q: Who will serve as inspector of elections?**

A: The inspector of elections will be Broadridge Financial Solutions, Inc. Our transfer agent, Computershare Trust Company, N.A., will assist the inspector of elections with tabulating the votes.

### **Q: Who will bear the cost of soliciting votes for the Annual Meeting?**

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- A: We will pay the entire cost of preparing, assembling, printing, mailing, and distributing these proxy materials and soliciting votes. If you choose to access the proxy materials and/or vote over the internet, you are responsible for internet access charges you may incur. If you choose to vote by telephone, you are responsible for telephone charges you may incur. In addition to the mailing of these proxy materials, the solicitation of proxies or votes may be made in person, by telephone or by electronic communication by our directors, officers, and employees, who will not receive any additional compensation for such solicitation activities. The estimated cost of the proxy materials is \$13,000 plus out-of-pocket expenses.

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**Q: Where can I find the voting results of the Annual Meeting?**

A: We will announce preliminary voting results at the Annual Meeting and publish them on our website at <http://ir.ubnt.com/index.cfm>. We will also disclose voting results on a Form 8-K filed with the Securities and Exchange Commission (the SEC) within four business days after the Annual Meeting, which will also be available on our website.

**Q: How can I contact Ubiquiti's transfer agent?**

A: You can contact our transfer agent by either writing Computershare Trust Company, N.A., P.O. Box 43078, Providence, RI 02940, or by telephoning (866) 298-8535 or (781) 575-2879.

**Q: How do I obtain a separate set of proxy materials or request a single set for my household?**

A: We have adopted a procedure approved by the SEC called householding. Under this procedure, stockholders who have the same address and last name and do not participate in electronic delivery of proxy materials will receive only one copy of the notice and our annual report and proxy statement unless one or more of these stockholders notifies us that they wish to continue receiving individual copies. This procedure reduces our printing costs and postage fees. Each stockholder who participates in householding will continue to be able to access or receive a separate proxy card.

To request a printed copy of the proxy materials, please contact us via the Internet ([www.proxyvote.com](http://www.proxyvote.com)), telephone (1-800-579-1639) or by email ([sendmaterial@proxyvote.com](mailto:sendmaterial@proxyvote.com)) on or before December 2, 2014. If requesting material by email, please send a blank email with the 12-digit Control Number (located on the Notice) in the subject line. Requests, instructions and other inquiries will NOT be forwarded to your investment advisor. If any stockholders in your household wish to receive a separate annual report and a separate proxy statement in the future, they may contact

Ubiquiti Networks, Inc.

2580 Orchard Parkway

San Jose, CA 95131

Attn: Investor Relations

Tel: (408) 942-3085

Fax: (408) 890-4729

Other stockholders who have multiple accounts in their names or who share an address with other stockholders can authorize us to discontinue mailings of multiple annual reports and proxy statements by contacting Investor Relations.

**Q: How do I get electronic access to the proxy materials?**

A: These proxy materials (including our Annual Report) are also available at <https://materials.proxyvote.com/90347A> and the SEC website at <http://www.sec.gov>. The information contained on these websites do not form any part of this proxy statement.



**Q: What is the deadline to propose actions for consideration at next year's annual meeting of stockholders or to nominate individuals to serve as directors?**

A: *Stockholder Proposals:* Stockholders may present proper proposals for inclusion in our proxy statement and for consideration at the next annual meeting of stockholders by submitting their proposals in writing to our Corporate Secretary in a timely manner. For a stockholder proposal to be considered for inclusion in our proxy statement for our 2015 Annual Meeting of Stockholders, our Corporate Secretary must receive the written proposal at our principal executive offices no later than July 21, 2015; provided, however, that in the event that we hold our 2015 Annual Meeting of Stockholders more than 30 days before or 60 days after the one-year anniversary date of the 2014 Annual Meeting, we will disclose the new deadline by which stockholder proposals must be received under Item 5 of our earliest possible Quarterly Report on Form 10-Q

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or, if impracticable, by any means reasonably calculated to inform stockholders. In addition, stockholder proposals must otherwise comply with the requirements of Rule 14a-8 of the Securities Exchange Act of 1934, as amended, (the Exchange Act ). Such proposals also must comply with SEC regulations under Rule 14a-8 regarding the inclusion of stockholder proposals in company-sponsored proxy materials. Proposals should be addressed to:

Ubiquiti Networks, Inc.

2580 Orchard Parkway

San Jose, CA 95131

Attn: Corporate Secretary

Tel: (408) 942-3085

Fax: (408) 890-4729

*Advanced Notice Procedures:* Our bylaws also establish an advance notice procedure for stockholders who wish to present a proposal before an annual meeting of stockholders, but do not intend for the proposal to be included in our proxy statement. Our bylaws provide that the only business that may be conducted at an annual meeting is business that is: (1) specified in the notice of a meeting given by or at the direction of our Board, (2) otherwise properly brought before the meeting by or at the direction of our Board, or (3) properly brought before the meeting by a stockholder of record entitled to vote at the annual meeting who has delivered timely written notice to our Corporate Secretary, which notice must contain the information specified in our bylaws. To be timely for our 2015 Annual Meeting of Stockholders, our Corporate Secretary must receive the written notice at our principal executive offices:

no earlier than September 4, 2015, and

not later than the close of business on October 4, 2015.

In the event that we hold our 2015 Annual Meeting of Stockholders more than 30 days before or 60 days after the one-year anniversary date of the 2014 Annual Meeting, then notice of a stockholder proposal that is not intended to be included in our proxy statement must be received no earlier than the 120<sup>th</sup> day prior to such annual meeting, and not later than the close of business on the later of the following two dates:

the 90<sup>th</sup> day before such annual meeting, or

the 10<sup>th</sup> day following the day on which public announcement of the date of such meeting is first made.

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

*Nomination of Director Candidates:* You may propose director candidates for consideration by our Board. Any such recommendations should include the nominee's name and qualifications for membership on our Board, and should be directed to our Corporate Secretary at the address set forth above. For additional information regarding stockholder recommendations for director candidates, see Corporate Governance Director Nominations beginning on page 12.

To nominate a director, the stockholder must provide the information required by our Bylaws. In addition, the stockholder must give timely notice to our Corporate Secretary in accordance with our Bylaws, which, in general, require that the notice be received by our Corporate Secretary within the time period described above under Advanced Notice Procedures for stockholder proposals that are not intended to be included in our proxy statement.

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*Copy of Bylaw Provisions:* A copy of our Bylaws may be obtained by accessing our filings on the SEC's website at <http://www.sec.gov>. You may also contact our Corporate Secretary at our principal executive offices for a copy of the relevant bylaw provisions regarding the requirements for making stockholder proposals and nominating director candidates.

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### **CORPORATE GOVERNANCE**

#### **Code of Business Conduct and Ethics**

Our Board has adopted a Code of Business Conduct and Ethics for all employees, officers and directors. The full text of our Code of Business Conduct and Ethics is posted on the investor relations portion of our website <http://ir.ubnt.com/governance.cfm>. We intend to disclose future amendments to our Code of Business Conduct and Ethics, or certain waivers of such provisions, at the same location on our website identified above and also in public filings. The inclusion of our website address in this proxy statement does not include or incorporate by reference the information on our website into this proxy statement.

Our Board also adopted a Code of Ethics for Principal Executive and Senior Financial Officers and Section 16 Officers. The full text of our Code of Ethics for Principal Executive and Senior Financial Officers and Section 16 Officers is posted on the investor relations portion of our website <http://ir.ubnt.com/governance.cfm>. We intend to disclose future amendments to our Code of Ethics for Principal Executive and Senior Financial Officers and Section 16 Officers, or certain waivers of such provisions, at the same location on our website identified above and also in public filings.

#### **Director Independence**

In October 2014, our Board undertook a review of the independence of our directors and considered whether any director has a material relationship with us that could compromise the director's ability to exercise independent judgment in carrying out the director's responsibilities. In evaluating the directors' independence, the Board considered the nature of any executive officer's personal investment interest in the director affiliated entities (active or passive), the level of involvement by the director or executive officer as a partner in the director affiliated entities, any special arrangements between the parties which would lead to a personal benefit, any personal benefits derived as a result of business relationships with the Company, any other personal benefit derived by any director or executive officer as a result of the disclosed relationships or any other relevant factors. As a result of this review, our Board determined that each of Messrs. Steven R. Altman, Ronald A. Sege and Rafael Torres, who are currently serving on our Board, are independent directors as defined under the rules of the NASDAQ Global Market, constituting a majority of directors of our Board as required by the rules of the NASDAQ Global Market. Additionally, our Board previously determined that Messrs. Peter Chung, Charles J. Fitzgerald, John L. Ocampo, and Robert M. Van Buskirk who served on our Board during the last fiscal year through October 25, 2013, were independent directors as defined under the rules of the NASDAQ Global Market, constituting a majority of independent directors of our Board during the last fiscal year as required by the rules of the NASDAQ Global Market.

#### **Board Composition**

Our Board is currently composed of five members. Our bylaws permit our Board to establish by resolution the authorized number of directors and five directors are currently authorized.

Our directors are divided into three classes as nearly equal in size as is practicable, designated Class I, Class II and Class III. The term of office for each Class is three years. At each annual meeting of stockholders, each of the successors elected to replace the directors of a Class whose term shall have expired at such annual meeting shall be elected to hold office until the third annual meeting next succeeding his or her election and until his or her respective successor shall have been duly elected and qualified. Currently, the terms of the directors expire upon the election and qualification of successor directors at the annual meeting of stockholders to be held during 2014 for the Class III directors, 2015 for the Class I directors and 2016 for the Class II directors.

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The following table sets forth the classes, names, ages and positions of our directors as of October 28, 2014:

<b>Class I Directors</b>	<b>Age</b>	<b>Position</b>
Steven R. Altman (1)	53	Director
Rafael Torres (1)	46	Director
<b>Class II Director</b>	<b>Age</b>	<b>Position</b>
Ronald A. Sege (1)	57	Director
<b>Class III Directors</b>	<b>Age</b>	<b>Position</b>
Robert J. Pera	36	Chief Executive Officer and Chairman of the Board
Craig L. Foster	44	Chief Financial Officer and Director

(1) *Member of the audit committee, the compensation committee and the nominating and governance committee.*

**Board Leadership Structure**

Robert J. Pera is the Chairman of our Board and our largest stockholder. Mr. Pera has also served as our Chief Executive Officer since our company was founded. Currently, we do not have a lead director of the Board. In light of the size of our Board and the oversight provided by, and involvement of, our independent directors and Board committees in the leadership of our company, our Board considers that our current leadership structure and conduct combines appropriate leadership with the ability to conduct our business efficiently and with appropriate care and attention.

Our Board has as an objective that its membership be composed of experienced and dedicated individuals with diversity of backgrounds, perspectives and skills. The nominating and governance committee selects candidates for director based on their independence, character, judgment, diversity of experience, business acumen and ability to act on behalf of all stockholders. In seeking qualified candidates, diversity of background, including diversity of gender, race, ethnic or national origin is also a relevant factor in the selection process in order to promote a well-balanced board with varying perspectives. The nominating and governance committee believes that nominees for director should have experience that may be useful to us and our Board, such as experience in operational management, accounting and finance, legal and compliance, or industry and technology knowledge, as well as high personal and professional ethics and the willingness and ability to devote sufficient time to effectively carry out his or her duties as a director. The nominating and governance committee believes it appropriate for at least one, and preferably multiple, members of our Board to meet the criteria for an audit committee financial expert as defined by SEC rules, and for a majority of the members of our Board to meet the definition of independent director under the rules of The NASDAQ Stock Market. The nominating and governance committee also believes it appropriate for certain key members of our management to participate as members of our Board.

Our Board is actively involved in oversight of risks that could affect us as further described in *Board's Role in Risk Oversight* below. This oversight is conducted primarily through the committees of our Board, as disclosed in the descriptions of each of the committees described in *Committees of the Board of Directors* below and in the charters of each of the committees, but our Board has retained responsibility for general oversight of risks. Our Board satisfies this responsibility through full reports by each committee chair regarding the committee's considerations and actions, as well as through regular reports directly from officers responsible for oversight of particular risks within our Company.

**Board of Directors**

In fiscal 2014, our Board held four meetings and also took action by written consent three times. All incumbent directors attended all of the aggregate number of meetings of our Board held during the period for

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which such directors served on our Board and of the committees on which such directors served. We do not have a policy regarding directors attendance at the Annual Meeting of Stockholders, but we encourage our directors to attend the Annual Meeting. In fiscal 2014, our stockholders held an annual meeting on December 13, 2013.

### **Committees of the Board of Directors**

Our Board has appointed a nominating and governance committee, an audit committee, a compensation committee and management equity committee. Our Board believes that each member of each of the nominating and governance committee, the audit committee and the compensation committee meets the requirements for independence under the current requirements of The NASDAQ Global Select Market, is a non-employee director as defined by Rule 16b-3 promulgated under the Exchange Act and is an outside director as defined pursuant to Section 162(m) of the Internal Revenue Code of 1986, as amended, or Internal Revenue Code. We believe that the respective charters and functioning of each of the nominating and governance committee, the audit committee and the compensation committee comply with the applicable requirements of The NASDAQ Global Select Market and SEC rules and regulations. We intend to comply with future requirements to the extent they become applicable to us.

Our independent directors regularly schedule executive sessions of our Board and its committees, other than the management equity committee, in which management does not participate. In fiscal 2014, our independent directors met during every Board meeting in a separate executive session without any member of our management present.

*Nominating and governance committee.* Our nominating and governance committee oversees and assists our Board in reviewing and recommending nominees for election as directors. Our nominating and governance committee's policy regarding the consideration of director candidates recommended by stockholders is set forth below under *Director Nominations*. The nominating and governance committee also:

evaluates and makes recommendations regarding the organization and governance of our Board and its committees;

assesses the performance of members of our Board and makes recommendations regarding committee and chair assignments;

recommends desired qualifications for membership to our Board and conducts searches for potential members of our Board; and

reviews and makes recommendations with regard to our corporate governance guidelines.

The members of our nominating and governance committee for fiscal 2014 prior to October 25, 2013 were Messrs. Ronald A. Sege (chairman), John L. Ocampo and Peter Y. Chung. Messrs. Ocampo and Chung each stepped down from his position as director on October 25, 2013. Thereafter, members of our nominating and governance committee were Messrs. Steven R. Altman, Ronald A. Sege and Rafael Torres. Mr. Sege is the chairman of our nominating and governance committee.

The nominating and governance committee met four times during fiscal 2014 and also took one action by unanimous written consent. The nominating and governance committee has adopted a written charter approved by our Board, which is available on our website at <http://ir.ubnt.com/governance.cfm>. The information contained on our website does not form any part of this proxy statement.

*Audit committee.* The audit committee oversees our corporate accounting and financial reporting processes. The audit committee generally oversees:

our accounting and financial reporting processes as well as the audit and integrity of our financial statements;

the qualifications and independence of our independent registered public accounting firm;



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the performance of our independent registered public accounting firm; and

our compliance with its systems of disclosure controls and procedures, internal controls over financial reporting and compliance of our employees, directors and consultants with ethical standards adopted by us.

The audit committee also has certain responsibilities, including without limitation, the following:

selects and hires the independent registered public accounting firm;

supervises and evaluates the independent registered public accounting firm;

evaluates the independence of the independent registered public accounting firm;

approves audit and non-audit services and fees;

reviews financial statements and discusses with management and the independent registered public accounting firm our annual audited and quarterly financial statements, the results of the independent audit and the quarterly reviews, and the reports and certifications regarding internal controls over financial reporting and disclosure controls; and

reviews reports and communications from the independent registered public accounting firm.

The members of our audit committee for fiscal 2014 prior to October 25, 2013 were Messrs. Charles J. Fitzgerald, John L. Ocampo and Robert M. Van Buskirk (chairman), each of whom stepped down from his position as director on October 25, 2013. Thereafter, the members of our audit committee were Messrs. Altman, Sege and Torres. Mr. Torres is the chairman of the audit committee. Our Board has determined that Mr. Torres is a financial expert as contemplated by the rules of the SEC implementing Section 407 of the Sarbanes-Oxley Act of 2002. Our Board has considered the independence and other characteristics of each member of our audit committee. The audit committee met four times in fiscal 2014 and also took one action by unanimous written consent.

The audit committee operates under a written charter adopted by our Board. A copy of the audit committee charter is available on our website at <http://ir.ubnt.com/governance.cfm>. The information contained on our website does not form any part of this proxy statement.

The Report of the Audit Committee is included in this proxy statement on page 23.

*Compensation committee.* The compensation committee oversees our corporate compensation policies, plans and benefits programs and has the responsibilities described in the *Executive Compensation Compensation Discussion and Analysis* below.

The members of our compensation committee for fiscal 2014 prior to October 25, 2013 were Messrs. John L. Ocampo, Robert M. Van Buskirk and Peter Y. Chung (chairman), each of whom stepped down from his position as director on October 25, 2013. Thereafter, the compensation committee members were Messrs. Altman, Sege and Torres. Mr. Altman is the chairman of the compensation committee. The compensation committee met four times during fiscal 2014 and took no actions by unanimous written consent.

See *Executive Compensation Compensation Discussion and Analysis* and *Proposal One Election of Directors Directors Compensation* below for a description of our processes and procedures for the consideration and determination of executive and director compensation.

The compensation committee operates under a written charter adopted by our Board. A copy of the compensation committee charter is available on our website at <http://ir.ubnt.com/governance.cfm>. The information contained on our website does not form any part of this proxy statement.





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The Compensation Committee Report is included in this proxy statement on page 30.

*Management equity committee.* Our Chief Executive Officer and our Chief Financial Officer currently serve as the management equity committee. The management equity committee is a secondary committee responsible for granting and issuing awards of options and restricted stock units, or RSUs, under the 2010 Equity Incentive Plan to eligible employees, other than to members of our Board and individuals designated by our Board as Section 16 officers. In addition, the management equity committee may not make any awards to any one employee that total more than 10,000 shares of common stock. The management equity committee met ten times in fiscal 2014.

### **Compensation Committee Interlocks and Insider Participation**

The members of our compensation committee for fiscal 2014 prior to October 25, 2013 were Messrs. John L. Ocampo, Robert M. Van Buskirk and Peter Y. Chung (chairman), each of whom stepped down from his position as director on October 25, 2013. Thereafter, the members of the compensation committee were Messrs. Altman, Sege and Torres. None of the former or current members of the compensation committee has at any time been one of our officers or employees. None of our executive officers serves, or in fiscal 2014, served as a member of a Board or compensation committee (or other committee serving an equivalent function) of any entity that has one or more executive officers who serve on our Board or compensation committee.

### **Board's Role in Risk Oversight**

Our Board, as a whole and through its committees, has responsibility for the oversight of risk management. With the oversight of our full board of directors, our senior management is responsible for the day-to-day management of the material risks we face. In its oversight role, our Board has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed. Our Board holds strategic planning sessions with senior management to discuss strategies, key challenges, risks and opportunities for us. This involvement of our Board in setting our business strategy is a key part of its oversight of risk management, its assessment of management's appetite for risk, and its determination of what constitutes an appropriate level of risk for us. Additionally, our Board regularly receives updates from senior management and outside advisors regarding certain risks we face, including various operating risks. Our senior management attends meetings of our Board and its committees on a quarterly basis, and as is otherwise needed, and are available to address any questions or concerns raised by our Board on risk management and any other matters.

Each of our board committees oversees certain aspects of risk management and reports their findings to the full board of directors on a quarterly basis, and as is otherwise needed. Our audit committee is responsible for overseeing risk management of financial matters, financial reporting, the adequacy of our risk-related internal controls, internal investigations, and enterprise risks, generally. Our compensation committee oversees risks related to compensation policies and practices, and is responsible for establishing and maintaining compensation policies and programs designed to create incentives consistent with our business strategy that do not encourage excessive risk-taking.

In connection with its oversight of compensation-related risks, our compensation committee has reviewed an assessment by management of our compensation programs and practices for our employees, including our executive and non-executive programs and practices. In its review, the compensation committee evaluated whether our policies and programs encourage unnecessary or excessive risk-taking and controls, and how such policies and programs are structured with respect to risks and rewards, as well as controls designed to mitigate any risks. As a result of this review, the compensation committee determined any risks that may result from our compensation policies and practices for our employees are not reasonably likely to have a material adverse effect on us.

Additional review or reporting on enterprise risks is conducted as needed or as requested by our Board or a committee thereof.

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### **Director Nominations**

The nominating and governance committee nominates directors for election at each annual meeting of stockholders and nominates new directors for election by our Board to fill vacancies when they arise. The nominating and governance committee has the responsibility to identify, evaluate, recruit and nominate qualified candidates for election to our Board.

Prior to each annual meeting of stockholders, the nominating and governance committee identifies nominees first by evaluating the current directors whose term will expire at the annual meeting and who are willing to continue in service. These candidates are evaluated based on the criteria described in *Board Leadership Structure* above, including as demonstrated by the candidate's prior service as a director. The nominating and governance committee also assesses the needs of our Board with respect to the particular talents and experience of its directors, as well as recommendations of directors regarding skills that could improve the overall quality and ability of our Board to carry out its functions. Specific qualities or experiences could include matters such as experience in our industry, financial or technological expertise, experience in situations comparable to ours, leadership experience and relevant geographical experience. The effectiveness of our Board's diverse mix of skills and experiences is considered as part of each self-assessment of the Board.

In the event that a director does not wish to continue in service, the nominating and governance committee determines not to re-nominate the director, or a vacancy is created on our Board as a result of a resignation, an increase in the size of our Board or other event, the committee will consider various candidates for board membership, including those suggested by the committee members, by other board members, by any executive search firm engaged by the committee and by stockholders. A stockholder who wishes to suggest a prospective nominee for our Board should notify our Secretary or any member of the committee in writing with any supporting material the stockholder considers appropriate.

In addition, our Bylaws contain provisions that address the process by which a stockholder may nominate an individual to stand for election to our Board at our annual meeting of stockholders. To nominate a candidate for director, a stockholder must give timely notice in writing to our Secretary and otherwise comply with the provisions of our Bylaws. To be timely for our 2015 Annual Meeting of Stockholders, our Corporate Secretary must receive the written notice at our principal executive offices:

no earlier than September 4, 2015, and

not later than the close of business on October 4, 2015.

In the event that we hold our 2014 Annual Meeting of Stockholders more than 30 days before or 60 days after the one-year anniversary date of the 2014 Annual Meeting, then the stockholders notice to nominate a candidate for director must be received no earlier than the 120<sup>th</sup> day prior to such annual meeting, and not later than the close of business on the later of the following two dates:

the 90<sup>th</sup> day before such annual meeting, or

the 10<sup>th</sup> day following the day on which public announcement of the date of such meeting is first made.

Information required by the Bylaws to be in the notice include the name and contact information for the candidate and the person making the nomination and other information about the nominee that must be disclosed in proxy solicitations under Section 14 of the Securities Exchange Act of 1934 and the related rules and regulations under that Section.

Stockholder nominations must be made in accordance with the procedures outlined in, and include the information required by, our Bylaws and must be addressed to: Secretary, Ubiquiti Networks, Inc., 2580 Orchard Parkway, San Jose, California 95131. You can obtain a copy of our Bylaws by writing to the Secretary at this address or by accessing our filings on the SEC's website at <http://www.sec.gov>.

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**Stockholder Communications with our Board**

If you wish to communicate with our Board, you may send your communication in writing to: Secretary, Ubiquiti Networks, Inc., 2580 Orchard Parkway, San Jose, California 95131. You must include your name and address in the written communication and indicate whether you are a stockholder of Ubiquiti. The Secretary will review any communication received from a stockholder, and all material communications from stockholders will be forwarded to the appropriate director or directors or committee of our Board based on the subject matter.

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**PROPOSAL ONE**

**ELECTION OF DIRECTORS**

**General**

Our Class III directors' terms expire at the Annual Meeting.

**Information Regarding Nominees**

Our Board nominated Robert J. Pera and Craig L. Foster as nominees for election at the Annual Meeting as Class III directors of our Board until the third annual meeting of our stockholders following their election, or until their successors have been duly elected and qualified or until their earlier death, resignation or removal. Biographical information about each of the directors and nominees is contained in the following section. A discussion of the qualifications, attributes and skills of each director and nominees that led our Board to the conclusion that they should serve or continue to serve as directors is also included in each of the directors' and nominees' biographies.

Messrs. Pera and Foster have agreed to serve if elected, and we have no reason to believe that either will be unavailable to serve. In the event either is unable or declines to serve as a director at the time of the Annual Meeting, the proxies will be voted for any nominee who may be designated by our present Board to fill the vacancy.

Except as set forth below, unless otherwise instructed, the persons appointed in the accompanying form of proxy will vote the proxies received by them for the nominees named below, who are presently members of our Board. In the event that either nominee becomes unavailable or unwilling to serve as a member of our Board, the proxy holders will vote in their discretion for a substitute nominee.

The following table sets forth the name, age and position of our director nominees as of October 28, 2014:

<b>Class III Directors</b>	<b>Age</b>	<b>Position</b>
Robert J. Pera	36	Chief Executive Officer and Chairman of the Board
Craig L. Foster	44	Chief Financial Officer

*Robert J. Pera.* Mr. Pera founded our Company in October 2003 and our Company began current operations in 2005. Mr. Pera has served as our Chief Executive Officer and a member of our Board since our inception, and as our Chairman of the Board since December 2012. From January 2003 to February 2005, Mr. Pera was a wireless engineer with Apple, Inc., a consumer technology products company. Mr. Pera holds a B.A. in Japanese Language, a B.S. in Electrical Engineering and an M.S. degree in Electrical Engineering (emphasis in Digital Communications / RF Circuit Design) from the University of California, San Diego. We believe that Mr. Pera possesses specific attributes that qualify him to serve as a member of our Board, including the perspective and experience he brings as our Chief Executive Officer, one of our founders and our largest stockholder, which brings historical knowledge, technological and operational expertise, and continuity to our Board.

*Craig L. Foster.* Mr. Foster has served as our Chief Financial Officer since March 2013 and as a member of our Board since October 2013. From June 2012 to February 2013, Mr. Foster served as a director in the technology infrastructure and software group of Credit Suisse Securities (USA) LLC, an investment bank. From August 2007 to June 2012, Mr. Foster served as an executive director of UBS Securities LLC, an investment bank and most recently co-head of the software group. Mr. Foster holds an M.B.A. in Finance from the Wharton School of Business and a B.A. in Economics from the University of California, San Diego. We believe that Mr. Foster possesses specific attributes that qualify him to serve as a member of our board of directors, including his extensive experience and knowledge of our company's operations, management, finance and financial reporting.

**Table of Contents*****Executive Officers and Directors***

For information regarding our officers, please see *Executive Officers* below. Information regarding our current continuing directors can be found immediately below.

**Information Regarding Continuing Directors**

The following table sets forth the names, ages and positions of our continuing directors as of October 28, 2014:

<b>Class I Directors</b>	<b>Age</b>	<b>Position</b>
Steven R. Altman (1)	53	Director
Rafael Torres (1)	46	Director
<b>Class II Director</b>	<b>Age</b>	<b>Position</b>
Ronald A. Sege	57	Director

(1) *Member of the audit committee, the compensation committee and the nominating and governance committee.*

**Steven R. Altman.** Mr. Altman has served as one of our directors since October 2013. Mr. Altman has been Vice Chairman of Qualcomm Incorporated since November 2011. Mr. Altman provides direction and guidance on key initiatives across all areas of the business, as well as on overall vision and strategy. Mr. Altman was the chief architect of Qualcomm's strategy for licensing its broad intellectual property portfolio for wireless communications, which has accelerated the growth of CDMA technology. Mr. Altman joined Qualcomm in 1989 and has been with the company since. Mr. Altman served as President from July 2005 to November 2011, as Executive Vice President from November 1997 to June 2005, and as President of Qualcomm Technology Licensing from September 1995 to April 2005. Mr. Altman holds a B.S. degree in Police Science and Administration from Northern Arizona University and a J.D. degree from the University of San Diego School of Law. Mr. Altman serves as Chairman of the University of California at San Diego Health Sciences Advisory Board and as a member of the board of directors of ViaCyte, Inc., a private company in regenerative medicine based in San Diego. We believe that Mr. Altman possesses specific attributes that qualify him to serve as a member of our board of directors, including his industry and board leadership experience.

**Rafael Torres.** Mr. Torres has served as one of our directors since October 2013. Mr. Torres has been the Chief Financial Officer of OCZ Storage Solutions since March of 2013. OCZ is a global provider of high-performance solid-state storage solutions and computer components. Prior to joining OCZ, Mr. Torres served as Chief Financial Officer and Vice President of Finance for Capella Photonics, a privately-held firm selling optical switching subsystems. From 2006 to 2008, Mr. Torres was the Chief Financial Officer and Vice President of Finance for Power Integrations, a leader in high-voltage analog integrated circuits for power conversion. From 2000 to 2006, Mr. Torres was Chief Financial Officer and Vice President of Finance for PLX Technology, a provider of semiconductor-based connectivity solutions. Mr. Torres holds a B.S. degree in Accounting from Santa Clara University and is a Certified Public Accountant (Inactive). We believe that Mr. Torres possesses specific attributes that qualify him to serve as a member of our board of directors, including his industry, operations, management, and finance experience.

**Ronald A. Sege.** Mr. Sege has served as our director since October 2012. Since August 2010, Mr. Sege served as President, Chief Executive Officer and Chairman of Echelon Corporation, an energy control networking solutions provider. From 2008 to 2010, Mr. Sege was President, Chief Operating Officer and a member of the board of directors of 3COM Corporation. Mr. Sege was President and Chief Executive Officer of Tropos Networks, a provider of wireless broadband networks, from 2004 to 2008 and was the President and Chief Executive Officer of Ellacoya Networks, a provider of broadband service optimization solutions based on deep packet inspection technology, from 2001 to 2004. Earlier in Mr. Sege's career from 1998 to 2001, he was

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Executive Vice President at Lycos, an internet search engine. Prior to 1998, Mr. Sege spent 10 years at 3COM holding various executive vice president and vice president positions. Mr. Sege received his B.A. in Economics from Pomona College and earned an M.B.A. from the Harvard Business School. We believe that Mr. Sege possesses specific attributes that qualify him to serve as a member of our board of directors, including his industry and board leadership experience.

### ***Committees of the Board of Directors***

For information regarding our Board committees, please see *Corporate Governance Committees of the Board of Directors* .

### ***Compensation Committee Interlocks and Insider Participation***

For information regarding compensation committee interlocks and insider participation, please see *Corporate Governance Compensation Committee Interlocks and Insider Participation* .

### **Directors Compensation**

Our compensation committee approved a compensation package for our nonemployee directors beginning in October 2010, based on the recommendation of our Chief Executive Officer. The amount of the annual retainer for nonemployee directors, which was originally set at \$20,000, was increased by the compensation committee to \$40,000 in May 2011. Our Board approved a new compensation package for our nonemployee directors which took effect in October 2013.

The compensation plan for our nonemployee directors after the new compensation package took effect in October 2013 is as follows:

Annual Board Retainer	\$ 40,000
Audit Committee Chair Retainer	\$ 25,000
Audit Committee Member Retainer	\$ 10,000
Compensation Committee Chair Retainer	\$ 10,000
Compensation Committee Member Retainer	\$ 6,000
Nominating and Governance Committee Chair Retainer	\$ 8,000
Nominating and Governance Committee Member Retainer	\$ 5,000

The prior compensation package for our nonemployee directors who were not associated with greater than 10% stockholders of the Company in Fiscal 2014 was as follows:

Annual Board Retainer	\$ 40,000
Audit Committee Retainer	\$ 7,000
Compensation Committee Retainer	\$ 5,000
Nominating and Governance Committee Retainer	\$ 4,000

Pursuant to our 2010 Equity Incentive Plan, or the 2010 Plan, historically each nonemployee director received an automatic option grant to purchase 52,500 shares of our common stock upon joining our Board. In addition, on the date of our 2012 annual stockholders meeting, each nonemployee director who had served on our Board for at least six months was automatically granted an option to purchase 17,500 shares of common stock. Each of these option grants had an exercise price equal to the fair market value per share of our common stock on the grant date, had a maximum term of 10 years, and would terminate upon the Board member ceasing to serve as a member of our Board.

When Mr. Sege joined our Board in October 2012, our compensation committee approved a specific option grant for him to purchase 60,000 shares of our common stock, in lieu of the automatic grants provided for under the 2010 Plan.

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In October 2013, our Board approved a new compensation package for our nonemployee directors. In February 2014, the nonemployee directors who joined our board in October 2013, Messrs. Altman and Torres, in accordance with the new compensation package each were granted 20,000 RSUs. These RSU grants are subject to the terms and conditions of our equity incentive plan, and vest over a period of three years, with one-third of the shares vesting on the first anniversary of the vesting commencement date and one-third of the total shares vesting each anniversary thereafter, such that 100% of the shares will be vested on the third anniversary of the vesting commencement date. Messrs. Pera and Foster are named executive officers and, as such, do not receive any compensation from us in their role as directors.

We do not have a formal policy of reimbursing directors, but we reimburse them for travel, lodging and other reasonable expenses incurred in connection with their attendance at board of directors or committee meetings.

The following table summarizes the information concerning compensation paid or accrued for services rendered to us by members of our Board for fiscal 2014. The table excludes Messrs. Pera and Foster, who are named executive officers and therefore did not receive any compensation from us in their role as directors in fiscal 2014. We have omitted from this table the columns pertaining to stock awards and option awards because they are inapplicable, other than as explained in footnote 4 to this table.

Name	Fees Earned or Paid in Cash (1)	Total Compensation (4)
Steven R. Altman	\$ 48,750	\$ 836,950
Peter Y. Chung (2)(3)		
Charles J. Fitzgerald (2)(3)		
John L. Ocampo (3)	28,000	28,000
Ronald A. Sege	70,000	70,000
Rafael Torres	57,000	845,200
Robert M. Van Buskirk (3)	28,000	28,000

(1) This column includes fees earned in fiscal 2014 as well as certain director fees earned in fiscal 2013 but paid in July 2013, as follows:

Name	Fees Earned in Cash in Fiscal 2013 and Paid in Fiscal 2014 (1)	Fees Earned in Cash in Fiscal 2014
John L. Ocampo	14,000	14,000
Ronald A. Sege	27,000	43,000
Robert M. Van Buskirk	14,000	14,000

- (2) Pursuant to our non-employee director compensation policy, as members and managing directors of certain entities affiliated with Summit Partners, L.P., a greater than 10% holder of our common stock, Messrs. Chung and Fitzgerald did not receive cash compensation for their service on our Board.
- (3) Messrs. Chung, Fitzgerald, Ocampo and Van Buskirk departed the Company's Board of Directors in October 2013.



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- (4) *The aggregate number of shares subject to stock awards and option awards outstanding at June 30, 2014 for each nonemployee director is as follows:*

<b>Name</b>	<b>Aggregate Number of Stock Awards Outstanding</b>	<b>Aggregate Number of Option Awards Outstanding</b>
Steven R. Altman	20,000	
Peter Y. Chung		
Charles J. Fitzgerald		
John L. Ocampo		
Ronald A. Sege		42,500
Rafael Torres	20,000	
Robert M. Van Buskirk		

**Required Vote**

A plurality of the votes cast is required for the nominees to be elected as Class III directors. Unless marked to the contrary, proxies received will be voted **FOR** the nominees.

**Recommendation**

**Our Board recommends a vote **FOR** the election to our Board of the foregoing nominees.**

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**PROPOSAL TWO**

**NON-BINDING ADVISORY VOTE ON EXECUTIVE COMPENSATION**

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, (the "Dodd-Frank Act"), enables our stockholders to vote to approve, on a non-binding advisory basis, the compensation of our named executive officers as disclosed in accordance with the SEC's rules in the Executive Compensation section of this proxy statement beginning on page 25 below. This proposal, commonly known as a "say-on-pay" proposal, gives our stockholders the opportunity to express their views on our named executive officers' compensation as a whole. This vote is not intended to address any specific item of compensation or any specific named executive officer, but rather the overall compensation of all of our named executive officers and the philosophy, policies and practices described in this proxy statement.

The say-on-pay vote is advisory, and therefore not binding on us, the compensation committee or our Board. The say-on-pay vote will, however, provide information to us regarding investor sentiment about our executive compensation philosophy, policies and practices, which the compensation committee will be able to consider when determining executive compensation for the remainder of the current fiscal year and beyond. Our Board and our compensation committee value the opinions of our stockholders and to the extent there is any significant vote against the named executive officer compensation as disclosed in this proxy statement, we will communicate directly with stockholders to better understand the concerns that influenced the vote, consider our stockholders' concerns and the compensation committee will evaluate whether any actions are necessary to address those concerns.

Following is a summary of some of the key points of our 2014 executive compensation program. See the Executive Compensation section beginning on page 25 below for more information.

The executive compensation committee oversees the development and administration of our executive compensation program. In order to create long-term value for our stockholders, the executive compensation program is intended to reflect the following principles:

Total compensation opportunities should be competitive with market leaders. We believe that our total compensation programs should be competitive with market leaders so that we, as a lesser known company, can attract, retain and motivate talented executive officers who will help us to perform better than our competitors. We expect our executive officers to run a high performing, lean organization that rewards individual contributors for their ownership of various aspects of our business, and we compensate our executive officers using the same philosophy.

Total compensation should be related to our performance. We believe that a significant portion of our executive officers' total compensation should be linked to achieving specified financial and business objectives that we believe will create stockholder value and provide incentives to our officers to work as a team.

Equity awards help executive officers think like stockholders. We believe that our executive officers' total compensation should have an equity component because stock-based equity awards help reinforce the executive officer's long term interest in our overall performance and thereby align the interests of the executive officer with the interests of our stockholders. Historically, we have not provided refresher grants to our executive officers due to the ownership of common stock or options that the executive received when commencing employment or when we were founded, as well as the significant contingent cash bonus compensation we have provided. Going forward, to recognize the changes in our capital structure, we anticipate that the compensation committee will assess vested and unvested equity holdings periodically.

We believe that the information we have provided above and within the Executive Compensation section of this proxy statement demonstrates that our executive compensation program was designed appropriately and is working to ensure management's interests are aligned with our stockholders' interests to support long-term value creation.

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### **Required Vote**

The advisory vote **FOR** approval of our executive compensation requires a majority of the shares present in person or represented by proxy and entitled to vote on each proposal at the annual meeting. As this is an advisory vote, the result will not be binding on the Company, our Board or the compensation committee, although our compensation committee will consider the outcome of the vote when evaluating our compensation principles, design and practices.

### **Recommendation**

**Our Board recommends a vote **FOR** the following resolution at the Annual Meeting:**

RESOLVED, that the Ubiquiti stockholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in Ubiquiti's Proxy Statement for the 2014 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the compensation tables and the other related disclosure.

**Table of Contents****PROPOSAL THREE****RATIFICATION OF THE APPOINTMENT****OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The audit committee of our Board has appointed PricewaterhouseCoopers LLP as the independent registered public accounting firm to audit our consolidated financial statements for fiscal 2015. Since the fiscal year ended June 30, 2008, PricewaterhouseCoopers LLP has served as our independent registered public accounting firm. See *Principal Accounting Fees and Services*. Notwithstanding its selection, the audit committee, in its discretion, may appoint another independent registered public accounting firm at any time during the year if the audit committee believes that such a change would be in the best interests of us and our stockholders. If the appointment is not ratified by our stockholders, the audit committee may reconsider whether it should appoint another independent registered public accounting firm. Representatives of PricewaterhouseCoopers LLP are expected to attend the Annual Meeting, where they will be available to respond to appropriate questions and, if they desire, to make a statement.

**Required Vote**

Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal 2015 requires the affirmative **FOR** vote of a majority of the votes cast on the proposal. Unless marked to the contrary, proxies received will be voted **FOR** ratification of the appointment of PricewaterhouseCoopers LLP.

**Recommendation**

**Our Board recommends a vote FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal 2015.**

**Audit and Non-Audit Fees**

The following table presents aggregate fees for professional audit services rendered for us by PricewaterhouseCoopers LLP for the fiscal 2014 and fiscal 2013 as well as fees billed for other services rendered by PricewaterhouseCoopers LLP:

	<b>Fiscal 2014</b>	<b>Fiscal 2013</b>
Audit Fees (1)	\$ 1,250,000	\$ 1,015,000
Audit-Related Fees (2)	120,000	150,000
Tax Fees (3)	75,000	323,000
All Other Fees	35,000	97,000
<b>Total</b>	<b>\$ 1,480,000</b>	<b>\$ 1,585,000</b>

- (1) *Audit fees relate to professional services rendered in connection with the audit of our annual financial statements and internal control over financial reporting, quarterly review of financial statements included in our Quarterly Reports on Form 10-Q and audit services provided in connection with other statutory and regulatory filings.*
- (2) *Audit-related fees comprise fees for professional services that are reasonably related to the performance of the worldwide audit or review of the company's financial statements.*
- (3) *Tax fees relate to professional services rendered in connection with tax audits, international tax compliance, and international tax consulting and planning services.*

**Audit Committee Pre-Approval Policies**

The audit committee pre-approves all audit and permissible non-audit services provided by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services



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and other services. The audit committee pre-approves services provided by the independent registered public accounting firm pursuant to its audit committee charter. In fiscal years 2013 and 2014, all fees identified above under the captions Audit Fees, Tax Fees and All Other Fees that were billed by PricewaterhouseCoopers LLP were approved by the audit committee in accordance with SEC requirements.

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**REPORT OF THE AUDIT COMMITTEE**

*The following report of the audit committee does not constitute soliciting material and shall not be deemed filed or incorporated by reference into any other filing by Ubiquiti under the Securities Act of 1933 or the Securities Exchange Act of 1934.*

The audit committee assists our Board in fulfilling its responsibility to oversee management's implementation of our financial reporting process. It is not the duty of the audit committee to plan or conduct audits or to determine that the financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Management is responsible for the financial statements and the reporting process, including the system of internal controls and disclosure controls. The independent registered public accounting firm is responsible for expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in the United States.

In discharging its oversight role, the audit committee reviewed and discussed the audited financial statements contained in the 2014 Annual Report with our management and independent registered public accounting firm as well as management's assessment of internal control over financial reporting.

The audit committee met privately with the independent registered public accounting firm on multiple occasions, and discussed the matters required to be discussed by the Statement on Auditing Standards No. 61, Communication with Audit Committees, as amended (AICPA, Professional Standards, Vol. 1, AU Section 380), as adopted by the Public Company Accounting Oversight Board (PCAOB) in Rule 3200T. In addition, the audit committee discussed with the independent registered public accounting firm its independence from us and our management, including the matters in the written disclosures required by the applicable requirements of the PCAOB, and considered whether the provision of nonaudit services was compatible with maintaining the registered public accounting firm's independence.

Based upon these reviews and discussions, the audit committee recommended to our Board that the audited financial statements be included in our annual report on Form 10-K for the year ended June 30, 2014 for filing with the SEC.

*Respectfully submitted by the members of the audit committee of our Board:*

*Steven R. Altman*

*Ronald A. Sege*

*Rafael Torres (Chairman)*

**Table of Contents****EXECUTIVE OFFICERS**

The following table sets forth the names, ages, as of October 28, 2014, and positions of our executive officers:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Robert J. Pera	36	Chief Executive Officer
Craig L. Foster	44	Chief Financial Officer
John Sanford	51	Chief Technology Officer
Benjamin Moore	38	Vice President of Business Development

*Robert J. Pera.* Mr. Pera founded our company in October 2003 and our company began current operations in 2005. Mr. Pera has served as our Chief Executive Officer since our inception. From January 2003 to February 2005, Mr. Pera was a wireless engineer with Apple, Inc., a consumer technology products company. Mr. Pera holds a B.A. in Japanese Language, a B.S. in Electrical Engineering and an M.S. degree in Electrical Engineering (emphasis in Digital Communications / RF Circuit Design) from the University of California, San Diego.

*Craig L. Foster.* Mr. Foster has served as our Chief Financial Officer since March 2013. From June 2012 to February 2013, Mr. Foster served as a director in the technology infrastructure and software group of Credit Suisse Securities (USA) LLC, an investment bank. From August 2007 to June 2012, Mr. Foster served as an executive director of UBS Securities LLC, an investment bank and most recently co-head of the software group. Mr. Foster holds an M.B.A. in Finance from the Wharton School of Business and a B.A. in Economics from the University of California, San Diego.

*John Sanford.* Dr. Sanford served as a consultant to us from September 2007 to April 2010 and has served as our Chief Technology Officer since May 2010. From August 2003 to July 2007, Dr. Sanford was Chief Technology Officer of Cushcraft Corporation/Laird Technologies, a company specializing in antenna design and manufacturing. From April 2003 to August 2003, Dr. Sanford served as President of Optimal RF, Inc., a private antenna design company. From March 1999 to August 2003, Dr. Sanford served as the Chief Technical Officer of REMEC, Inc., a communications equipment company, and served in various other capacities including head of engineering of Northern California operations and general manager of the Fixed Wireless (WiMAX) Division. From January 1997 until February 1999, Dr. Sanford served as President of Smartwaves International, a wireless communications company, which was acquired by REMEC in February 1999. From June 1993 to November 1996, he was a researcher at Chalmers University of Technology. From 1988 through 1993, Dr. Sanford headed the Mobile Tower Top Group at Huber & Suhner AG. From 1985 to 1988, he was a research engineer and group manager with the Georgia Tech Research Institute. Dr. Sanford holds a B.S. in Electrical Engineering from Syracuse University, an M.S. in physics from Georgia State University and a Ph.D. in Electromagnetics from École polytechnique fédérale de Lausanne. Dr. Sanford also received a Docent from Chalmers University.

*Benjamin Moore.* Mr. Moore has served as our Vice President of Business Development since May 2008. From February 2007 to April 2008, Mr. Moore served as a product manager in the IAS group within Laird Technologies. From June 2005 until February 2007, Mr. Moore served as a sales manager within Cushcraft Corporation until its acquisition by Laird Technologies. From April 2000 to June 2005, Mr. Moore served as general manager of Pacific Wireless, an antenna design company, until its acquisition by Cushcraft Corporation. Mr. Moore holds a B.A. in Business Management from Utah Valley University.



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### **EXECUTIVE COMPENSATION**

#### **Compensation Discussion and Analysis**

*The following discussion and analysis of compensation arrangements of our named executive officers for fiscal 2014 should be read together with the compensation tables and related disclosures set forth below. This discussion contains forward-looking statements that are based on our current plans, considerations, expectations, and determinations regarding future compensation programs. The actual amount and form of compensation and the compensation programs that we adopt may differ materially from currently planned programs as summarized in this discussion.*

#### **Overview**

The compensation committee of our Board is responsible for establishing, implementing and monitoring our executive compensation program. Our Board or the compensation committee, as the case may be, seeks to ensure that the total compensation paid to our executive officers is fair and reasonable. Currently, we have four executive officers – our Chief Executive Officer, Chief Financial Officer, Chief Technology Officer and Vice President of Business Development, whom we refer to as the named executive officers. Details of our fiscal 2014 compensation can be found in the Summary Compensation Table beginning on page 31 of this proxy statement. We provide types of compensation and benefits (e.g., health care, life insurance, 401(k) plan) to our named executive officers similar to those we provide to our senior managers.

This section describes our compensation program for our named executive officers. The discussion focuses on our executive compensation policies and decisions and the most important factors relevant to an analysis of these policies and decisions. We address why we believe our compensation program is appropriate for us and our stockholders and explain how executive compensation is determined.

#### **Compensation philosophy and objectives**

Historically, our compensation packages focused on the cash component of compensation with competitive salaries and a significant percentage of total cash compensation tied to a discretionary cash bonus given at the end of the year based on our performance. Our executive officers received equity awards or purchased founders' stock upon joining us, and the level of their ownership of our Company was not revisited annually. As we have hired new officers, equity compensation has become a larger component of our overall compensation program for our officers. As our organizational priorities continue to evolve, our compensation committee may re-evaluate each component of our executive compensation program on a quantitative and qualitative basis to determine if the program is achieving our objectives.

Our executive compensation program is designed to attract talented, qualified executives to manage, grow and lead our Company and to motivate them to pursue and achieve our corporate objectives. Our existing compensation program includes short-term and long-term components, at-risk cash and equity elements, and performance payments in proportions that we believe will provide appropriate incentives to reward and retain our executives.

Our philosophy towards executive compensation reflects the following principles:

*Total compensation opportunities should be competitive with market leaders. We believe that our total compensation programs should be competitive with market leaders so that we, as a lesser known company, can attract, retain and motivate talented executive officers who will help us to perform better than our competitors. We expect our executive officers to run a high-performance, efficient organization that rewards individual contributors for their ownership of various aspects of our business. We compensate our executive officers using the same philosophy.*

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*Total compensation should be related to our performance.* We believe that a significant portion of our executive officers' total compensation should be linked to achieving specified financial and business objectives that we believe will create stockholder value and provide incentives to our officers to work as a team.

*Equity awards align the interests of our executive officers with those of our stockholders.* We believe that our executive officers' total compensation should have an equity component because stock-based equity awards help reinforce the executive officer's long term interest in our overall performance and thereby align the interests of the executive officer with those of our stockholders. We do not generally provide refresher grants to our executive officers due to the ownership of common stock or options that the executive receives when commencing employment. To recognize the changes in our capital structure and management, we anticipate that the compensation committee will assess vested and unvested equity holdings regularly.

Based on these philosophies, we seek to reward our executive officers as and when we achieve our goals and objectives and to generate stockholder returns by providing performance-based compensation.

Our executives' total compensation may vary from year to year based on our financial results and individual performance.

*Weighting of compensation components.* We do not use predefined ratios in determining the allocation of compensation between base salary, bonus and equity components. Rather, we set each executive's total compensation based on our experience regarding market conditions, geographic considerations, our experience regarding market norms and other factors. Our compensation policies related to executive compensation apply equally to all of our executive officers. Differences in compensation levels among our executives generally reflect differing skill sets, experience, responsibilities and relative contributions.

*Role of the compensation committee and executive officers in setting executive compensation.*

The initial compensation arrangements with our executive officers, including the named executive officers, have been the result of arm's-length negotiations with each individual executive. Individual compensation arrangements with executives have been influenced by a number of factors, including the following:

our need to fill a particular position;

our financial position and growth strategy at the time of hiring;

the individual's expertise and experience and prior compensation history; and

the competitive nature of the position.

### ***Fiscal 2014***

*Components of executive compensation.* In fiscal 2014, our executive compensation program consisted of the following components: base salary; short-term incentive compensation, or STI, consisting of cash bonuses and long-term equity-based incentive awards. We believe that each individual component is useful in achieving one or more of the objectives of our program. Together, we believe these components have been effective in achieving our overall objectives to date.

We use base salary to attract and retain executives; base salary levels reflect differences in job scope and responsibilities.

We provide cash bonuses to encourage executives to deliver on short-term corporate financial and operating goals and individual objectives; a significant portion of our executives' cash compensation is linked to the achievement of short-term objectives.

We use equity awards to encourage longer term perspective, reward innovation, provide alignment with stockholder interests, and attract and retain key talent.

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*Chief Executive Officer.* Mr. Pera, our Chief Executive Officer, holds a majority of our outstanding common stock. In July 2013, Mr. Pera determined to reduce his base salary to \$0.00 per fiscal year. We did not grant Mr. Pera any equity awards in fiscal 2011 through Fiscal 2014 as he was a majority stockholder of our company throughout those fiscal years. We pay 100% of the costs associated with Mr. Pera's general health and welfare benefits, as we do for all of our employees.

*Chief Financial Officer.* We entered into an employment agreement with Mr. Foster when he became our Chief Financial Officer in March 2013. The agreement sets forth an initial base salary of \$330,000 and an annual target bonus of up to 50% of his base salary, based on the discretion of our Board. Our Board or compensation committee has not set any performance objectives for fiscal 2015 for Mr. Foster. In connection with his hiring in March 2013, our compensation committee granted Mr. Foster 110,000 RSUs and an option to acquire 50,000 shares of our common stock at \$13.79 per share. The equity awards vest over time in the manner described in *Grants of Plan-Based Awards for Fiscal 2013*. Mr. Foster did not receive any equity compensation in fiscal 2014. We pay 100% of the costs associated with Mr. Foster's general health and welfare benefits, as we do for all of our employees.

*Chief Technology Officer.* Prior to May 2010, Dr. Sanford served as a part-time consultant to our company. In connection with his transition from consultant to full-time employee, we entered into an employment agreement with Dr. Sanford in May 2010 pursuant to which he became our Chief Technology Officer with a base salary of \$400,000 per year. Our board members relied on their extensive experience with private company executive compensation to set Dr. Sanford's base salary. Dr. Sanford's employment agreement also provides that he is eligible to receive an annual target bonus of up to 50% of his base salary, subject to the discretion of our Board. Our Board or compensation committee has not set any performance objectives for fiscal 2015 for Dr. Sanford and intends to assess Dr. Sanford's performance and set any fiscal 2015 bonuses on the basis of Dr. Sanford's and our achievements during the fiscal year. In connection with his retention as a consultant, we previously granted Dr. Sanford an option to acquire 1,050,000 shares of our common stock at \$0.05 per share in fiscal 2009. We did not grant Dr. Sanford any additional awards related to his transition from consultant to employee. The equity awards vest over time in the manner described in *Grants of Plan-Based Awards for Fiscal 2013*. We pay 100% of the costs associated with Dr. Sanford's general health and welfare benefits, as we do for all of our employees.

*Former Chief Marketing Officer.* Mr. Hsieh served as our Chief Marketing Officer from January 2013 to November 2013. In connection with his hiring in January 2013, we entered into an employment agreement with Mr. Hsieh which set forth an initial base salary of \$250,000 and an annual target bonus of up to 50% of his base salary, based on the discretion of our Board.

*Former General Counsel and Vice President of Legal Affairs.* Jessica Zhou served as our General Counsel and Vice President of Legal Affairs from March 2012 to October 2013. In connection with her hiring in March 2012, we entered into an employment agreement with Ms. Zhou pursuant to which she became our General Counsel and Vice President of Legal Affairs. The agreement set forth an initial base salary of \$330,000 and an annual target bonus of up to 35% of her base salary, based on the discretion of our Board. In connection with her hiring in May 2012, our compensation committee granted Ms. Zhou 50,000 RSUs. In August 2012, our compensation committee granted Ms. Zhou 10,000 RSUs. In November 2012, our compensation committee granted Ms. Zhou options to acquire 100,000 shares of our common stock at \$10.77 per share, however, 50,000 shares of such stock options were cancelled in February 2013 and replaced with 50,000 RSUs. The equity awards were to vest over time in the manner described in *Grants of Plan-Based Awards for Fiscal 2013*. During her employment with us, we paid 100% of the costs associated with Ms. Zhou's general health and welfare benefits, as we do for all of our employees. In October 2013, we entered into a release agreement with Jessica Zhou pursuant to which Ms. Zhou received (i) a payment in the amount of \$500,000, less applicable withholding, (ii) the immediate accelerated vesting of 27,500 unvested restricted stock units, and (iii) payments for continued health coverage under the company's group health plan until November 30, 2014.

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*Benefits.* Our executives participate in our standard benefit plans, which are offered to all U.S.-based employees and include our 401(k) plan. We maintain a 401(k) retirement plan which is intended to be a tax qualified defined contribution plan under Section 401(k) of the Internal Revenue Code. In general, all of our U.S. employees are eligible to participate in the 401(k) plan following the start date of their employment, at the beginning of each calendar month. The 401(k) plan provides a salary deferral program pursuant to which participants may elect to reduce their current compensation by up to the statutorily prescribed limit, equal to \$17,500 in 2013, and contribute the withheld amount to the 401(k) plan. We may, in our sole discretion, make discretionary profit sharing and/or matching contributions to the 401(k) plan on behalf of our employees who are eligible to participate in the 401(k) plan. It has been our practice to match up to 1% of an employee's annual salary, provided the employee contributes at least 4% of his or her salary. We offer this benefit to our named executive officers. Messrs. Foster, Sanford, Hsieh, and Ms. Zhou received these matching funds of 1% of their salary in fiscal 2014.

Our executives have the opportunity to participate in our health and welfare benefit programs which include a group medical program, a group dental program, a vision program, life insurance, and disability insurance. These benefits are the same as those offered to all of our U.S.-based employees. Through our benefit programs, each of our named executive officers receives group term life insurance in an amount equal to the lessor of twice their annual salary or \$500,000.

*Stock ownership guidelines.* We do not currently have stock ownership guidelines.

*Consideration of Say-on-Pay Vote Results.* The Company provides its stockholders with the opportunity to cast a bi-annual advisory vote on executive compensation (a *say-on-pay proposal*). The compensation committee will continue to consider the results of the Company's say-on-pay votes when making future compensation decisions for the named executive officers.

### ***Compensation Approaches***

*Compensation Committee.* The compensation committee of our Board has overall responsibility for recommending to our Board the compensation of our Chief Executive Officer and determining the compensation of our other executive officers. Members of the committee are appointed by our Board. Currently, the committee consists of three members of our Board, Messrs. Altman, Sege and Torres. Our Board determined that each member of our compensation committee was and remains an outside director for purposes of Section 162(m) of the Internal Revenue Code, a nonemployee director for purposes of Rule 16b-3 under the Securities Act of 1934, as amended, or the Exchange Act and an independent director as that term is defined under the rules of The NASDAQ Global Select Market.

The fundamental responsibilities of our compensation committee are:

to provide oversight of our compensation policies, plans and benefit programs including reviewing and making recommendations to our Board regarding compensation plans, as well as general compensation goals and guidelines for our executive officers and our Board;

to review and determine all compensation arrangements for our executive officers (including our Chief Executive Officer) and to allocate total compensation among the various components of executive pay;

to review and approve all equity compensation awards to our executive officers (including our Chief Executive Officer); and

to oversee and direct our equity compensation plans, as applicable to our employees, including executive officers.

The compensation committee has the authority to engage the services of outside consultants pursuant to the committee's charter. In fiscal 2014, the compensation committee did not retain any compensation consulting firm.

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In determining each executive officer's compensation, our compensation committee will review our corporate financial performance and financial condition and assess the performance of the individual executive officer. The evaluation of individual performance is conducted by the compensation committee in the case of the Chief Executive Officer, and by the Chief Executive Officer in the case of other executives. The Chief Executive Officer meets with the compensation committee to discuss executive compensation matters and to make recommendations to the compensation committee with respect to other executives. The compensation committee may modify individual compensation components for executives other than the Chief Executive Officer after reviewing the Chief Executive Officer's recommendations. The compensation committee is not bound to, and may not always accept, the Chief Executive Officer's recommendations. The compensation committee also reviews the Chief Executive Officer's performance and confer with the full board of directors (excluding the Chief Executive Officer). The compensation committee then makes all final compensation decisions for executive officers and approves any equity incentive awards for all of our executive officers. In addition, it is the committee's practice to consult with the independent members of our Board prior to making material changes to our compensation policies.

Although we may make many compensation decisions in the first quarter of the fiscal year, the compensation evaluation process is ongoing. Compensation discussions and decisions are designed to promote our fundamental business objectives and strategy. Evaluation of management performance and rewards are performed annually or more often as needed. The compensation committee has the discretion to adjust a component of compensation during the year in the event that it determines that circumstances warrant.

Generally, we have granted options and RSUs following an executive officer's start date. The initial grants to each executive officer were principally based on the prevailing range of initial grants to our other executives with consideration given to the nature of the job and the individual's experience, as well as the current market conditions relating to equity ownership of officers in similar positions at similarly situated companies. Our compensation committee does not have any specific policy regarding the timing of equity awards and such awards have not historically been made regularly or automatically to our executive officers on an annual basis.

### ***Severance Compensation and Termination Protection***

See the sections entitled *Employment Agreements* or *Potential Payments upon Termination or Change of Control* for a description of agreements with, and the tables setting forth, the potential severance or change of control payments to be made to each named executive officer and definitions of key terms under these agreements. Our compensation committee believes that these change in control vesting and severance benefits could serve to minimize the distraction caused by a potential transaction involving a change in control and reduce the risk that an executive would leave his employment before a transaction is consummated.

### ***Accounting and Tax Considerations***

Section 162(m) of the Internal Revenue Code limits the amount of compensation paid to our Chief Executive Officer and to each of our three other most highly compensated officers (other than our Chief Executive Officer and Chief Financial Officer) that may be deducted by us for federal income tax purposes in any fiscal year to \$1,000,000. Performance-based compensation that has been approved by our stockholders is not subject to the \$1,000,000 deduction limit. While the compensation committee cannot predict how the deductibility limit may impact our compensation program in future years, the compensation committee intends to maintain an approach to executive compensation that strongly links pay to performance. In addition, while the compensation committee has not adopted a formal policy regarding tax deductibility of compensation paid to our named executive officers, the compensation committee intends to consider tax deductibility under section 162(m) as a factor in compensation decisions.

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**Compensation Committee Report**

*The following report of the compensation committee does not constitute solicitation material, and shall not be deemed filed or incorporated by reference into any other filing by us under the Securities Act of 1933, or the Securities Exchange Act of 1934.*

The compensation committee has reviewed and discussed the Compensation Discussion and Analysis with our management. Based on this review and these discussions, the compensation committee recommended to our Board that the Compensation Discussion and Analysis be included in our annual report on Form 10-K and proxy statement on Schedule 14A.

*Respectfully submitted by the members of the compensation committee of our Board:*

*Steven R. Altman (Chairman)*

*Ronald A. Sege*

*Rafael Torres*

**Table of Contents****Fiscal 2014 Summary Compensation Table**

The following table provides information regarding the compensation of our principal executive officer, principal financial officer, and each of our three other most highly compensated persons serving as executive officers as of June 30, 2014, and two former executive officers that served as executive officers in fiscal 2014. We refer to these executive officers as our named executive officers.

Name and Principal Position	Fiscal Year	Salary	Bonus	Stock Awards (1)	Option Awards (1)	All Other Compensation	Total Compensation
Robert J. Pera <i>Chief Executive Officer</i>	2014	\$	\$	\$	\$	\$	\$
	2013						
	2012	1					1
Craig L. Foster <i>Chief Financial Officer</i>	2014	330,000					330,000
	2013	108,942(2)	26,671	1,516,900	341,530		1,994,043
John Sanford <i>Chief Technology Officer</i>	2014	400,000					400,000
	2013	400,000					400,000
	2012	400,000	200,000				600,000
Benjamin Moore <i>Vice President of Business Development</i>	2014	300,000	100,000				400,000
	2013	250,000	100,000				350,000
	2012	245,250		134,600			379,850
David Hsieh <i>Chief Marketing Officer</i>	2014	98,558(3)				125,000(4)	223,558
	2013	116,506(5)		1,480,000			1,596,506
Jessica Zhou <i>General Counsel and Vice President of Legal Affairs</i>	2014	96,250(6)				518,030(7)	614,280
	2013	330,000		880,100	264,415(8)		1,474,515
	2012	95,192(9)	32,909(9)	1,246,000			1,374,101

- (1) The amounts in this column represent the aggregate grant date fair value of the RSUs or option awards, as applicable, computed in accordance with FASB Topic ASC 718. See the Notes to Consolidated Financial Statements contained in our Annual Report for fiscal 2014 for a discussion of assumptions made in determining the grant date fair value and compensation expense of our RSUs and stock options. For additional information, refer to the footnotes of our Consolidated Financial Statements contained in our Annual Report for fiscal 2014 for the assumptions made in the valuation of the RSUs and option awards. These amounts reflect our accounting expense for these awards, and do not correspond to the actual value that will be recognized by named executive officers.
- (2) Mr. Foster joined us as our Chief Financial Officer in March 2013 and received a prorated base salary and bonus based on an annual salary of \$330,000.
- (3) Mr. Hsieh served as our Chief Marketing Officer from January 2013 to November 2013 and received a prorated base salary based on an annual salary of \$250,000.
- (4) Includes severance payment made to Mr. Hsieh in accordance with his termination agreement with the company.
- (5) Mr. Hsieh joined us as our Chief Marketing Officer in January 2013 and received a prorated base salary and bonus based on an annual salary of \$250,000.
- (6) Ms. Zhou served as our General Counsel and Vice President of Legal Affairs from March 2012 to October 2013 and received a prorated base salary based on an annual salary of \$330,000.
- (7) Includes amounts paid to Ms. Zhou in accordance with the Release of Claims agreement dated October 18, 2013.
- (8) Ms. Zhou was granted 100,000 stock options in November 2012 having an aggregate grant date fair value of \$528,830. However, 50,000 shares of the stock options granted were canceled in February 2013 and replaced with 50,000 stock awards having an aggregate grant date fair value of \$740,000. Therefore the aggregate grant date fair market value of options remaining under the original option grant was \$264,415 as of June 30, 2013. The aggregate grant date fair value of the replacement awards of \$740,000 is included in the Stock Awards column in the table above.
- (9) Ms. Zhou joined us as our General Counsel and Vice President of Legal Affairs in March 2012 and received a prorated base salary and bonus based on an annual salary of \$330,000.





**Table of Contents****Grants of Plan-Based Awards for Fiscal 2014**

We did not make any grants of plan-based awards to our named executive officers during fiscal 2014.

**Outstanding Equity Awards at June 30, 2014**

The following table presents certain information concerning outstanding equity awards held by each of our named executive officers at June 30, 2014.

Name	Option Awards (1)			Stock Awards (1)		
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares That Have Not Vested (#) Market Value of Shares That Have Not Vested (\$)
Robert J. Pera						
Craig L. Foster	15,625	34,375(2)		13.79	March 4, 2023	82,500(3) 3,728,175
John Sanford						
Benjamin Moore	1,594,890					
Jessica Zhou (4)						

- (1) All stock awards and option awards listed in this outstanding equity awards table were granted under our 2010 Plan or our 2005 Equity Incentive Plan.
- (2) The options subject to this stock option award began vesting on March 4, 2013, 25% of which become exercisable on the first anniversary of March 4, 2013, and 1/48th of the options become exercisable each month thereafter, so that 100% of the options shall be exercisable on March 4, 2017.
- (3) Represents an award of RSUs, whereby the shares subject to the award vest with respect to 25% of the shares on each anniversary of March 4, 2013, such that all shares shall vest as of March 4, 2017.
- (4) Ms. Zhou resigned from the Company effective October 11, 2013.

**Table of Contents****Option Exercises and Stock Vested in Fiscal 2014**

The following table presents certain information concerning the exercise of stock options and the vesting of stock awards held by our named executive officers during fiscal 2014.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Robert J. Pera				\$
Craig L. Foster			27,500	1,359,050(1)
John Sanford				
Benjamin Moore	170,000	7,498,149(2)		
David Hsieh				
Jessica Zhou			30,000(3)	1,111,000(3)

- (1) The value realized is computed by multiplying the number of vested shares by the per share fair market value of our common stock on the vesting date (\$49.42).
- (2) All shares acquired on exercise of option awards were sold upon exercise, and the value is the difference between the sale price of the underlying shares and the option exercise price, multiplied by the number of shares exercised and sold.
- (3) Includes immediate acceleration of vesting 27,500 shares in accordance with the Release of Claims agreement between Ms. Zhou and the company. The value realized is computed by multiplying the number of vested shares by the per share fair market value of our common stock on the vesting date (\$38.53). Includes 2,500 shares vested per a prior RSU grant to Ms. Zhou, the value realized of which is computed by multiplying the number of vested shares by the per share fair market value of our common stock on the vesting date (\$20.57).

**Pension Benefits & Nonqualified Deferred Compensation**

We do not provide a pension plan for our employees and no named executive officers participated in a nonqualified deferred compensation plan during fiscal 2014.

**Employment Agreements**

We currently have employment agreements with all of our named executive officers except our Chief Executive Officer. The employment agreements with our named executive officers provide for at will employment, base salary, term of the agreement, eligibility to participate in any of our bonus plans or programs, standard employee benefit plan participation and eligibility to receive stock option grants. The employment agreements contain certain severance and change of control benefits in favor of the executives.

*Craig L. Foster.* In March 2013, we entered into an employment agreement with Craig Foster, our Chief Financial Officer. The agreement sets forth an initial annual base salary of \$330,000 and an annual target bonus equal to 50% of his base salary. He is eligible to participate in all of our employee benefit plans. In February 2013, in accordance with the terms of his agreement, our Board granted Mr. Foster 110,000 RSUs and options to purchase 50,000 shares. The RSUs will vest over four years, such that all shares subject to the RSUs shall have vested as of the fourth anniversary of the vesting commencement date. One-quarter of the shares subject to the option vested on the first anniversary of the vesting commencement date and the remaining options vested at the rate of 1/36 each month thereafter, subject to continued employment with the Company. The agreement provides that Mr. Foster is an at-will employee and his employment may be terminated at any time by us or Mr. Foster. Provided the agreement is not terminated earlier pursuant to its terms, the agreement provides for an initial term of three years with automatic one year renewals unless either party provides notice of nonrenewal at least 60 days prior to the date of automatic renewal. In addition, Mr. Foster is entitled to severance benefits upon termination of employment as described below under *Potential Payments upon Termination or Change of Control*.

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*John Sanford.* In May 2010, we entered into an employment agreement with John Sanford, our Chief Technology Officer. The agreement sets forth an initial annual base salary of \$400,000 and an annual target bonus equal to 50% of his base salary. He is eligible to participate in all of our employee benefit plans. The agreement provides that Dr. Sanford is an at-will employee and his employment may be terminated at any time by us or Dr. Sanford. Provided the agreement is not terminated earlier pursuant to its terms, the agreement provides for an initial term of three years with automatic one year renewals unless either party provides notice of nonrenewal at least 60 days prior to the date of automatic renewal. In addition, Dr. Sanford is entitled to severance benefits upon termination of employment as described below under *Potential Payments upon Termination or Change of Control*.

*David Hsieh.* Mr. Hsieh has served as our Chief Marketing Officer from January 2013 to November 2013. In January 2013, we entered into an employment agreement with David Hsieh, our Chief Marketing Officer. The agreement set forth an initial annual base salary of \$250,000 and an annual target bonus equal to 50% of his base salary. In February 2013, in accordance with the terms of his employment agreement, our Board granted Mr. Hsieh 100,000 RSUs. The RSUs would have vested over four years, such that all shares subject to the RSUs shall have vested as of the fourth anniversary of the vesting commencement date. The agreement provided that Mr. Hsieh was an at-will employee and his employment could be terminated at any time by us or Mr. Hsieh. In addition, Mr. Hsieh was entitled to severance benefits upon termination of employment as described below under *Potential Payments upon Termination or Change of Control*.

*Jessica Zhou.* Ms. Zhou served as our General Counsel and Vice President of Legal Affairs from March 2012 to October 2013. In March 2012, we entered into an employment agreement with Jessica Zhou, our General Counsel and Vice President of Legal Affairs. The agreement set forth an initial annual base salary of \$330,000 and an annual target bonus equal to 35% of her base salary. She was eligible to participate in all of our employee benefit plans. In May 2012, in accordance with the terms of her agreement, our Board granted Ms. Zhou 50,000 RSUs. The RSUs would have vested over four years, such that all shares subject to the RSUs would have vested as of the fourth anniversary of the vesting commencement date. The agreement provided that Ms. Zhou was an at-will employee and her employment may be terminated at any time by us or Ms. Zhou. In October 2013, we entered into a release agreement with Ms. Zhou pursuant to which she received certain benefits as described on page 25.

### **Potential Payments upon Termination or Change of Control**

We currently have employment agreements or change of control agreements with our Chief Financial Officer and Chief Technology Officer. The description and table that follow describe the payments and benefits that may be owed by us to these named executive officers upon our named executive officer's termination under certain circumstances.

The employment agreements with Dr. Sanford and Mr. Foster provide that, if we terminate the named executive officer's employment for Cause (as defined below), or if our named executive officer terminates his employment other than for Good Reason (as defined below), we must pay the named executive officer any base salary earned but not paid through the date of the named executive officer's termination, but he will not be entitled to any other compensation or benefits from us except as may be required by law. Vesting of all of the named executive officer's outstanding equity awards will cease on the date of the named executive officer's termination.

The employment agreements with Dr. Sanford and Mr. Foster provides that if we terminate such named executive officer's employment other than for Cause (as defined below) and the termination occurs before or more than 24 months after a Change of Control (as defined below), then such named executive officer will receive severance payments and partial acceleration of vesting of unvested equity awards. Mr. Foster will receive continued payments for 12 months of his base salary then in effect, acceleration of an additional 6 months of vesting of unvested equity awards, and continued health and life insurance benefits until the earlier of (i) the end

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of the 12-month period following termination or (ii) the date Mr. Foster becomes eligible for such benefits in connection with new employment. Dr. Sanford will receive continued payments for 12 months of his base salary and target bonus then in effect and acceleration of an additional 12 months of vesting of equity awards. 100% of Dr. Sanford's equity awards have vested.

The employment agreements with each of Mr. Foster and Dr. Sanford provide that if we terminate the executive officer's employment other than for Cause (as defined below) or if the executive officer terminates his or her employment for Good Reason (as defined below), and the termination is within a 24-month period after a Change of Control (as defined below), then such executive officer will receive a lump sum severance payment equivalent to 12 months of executive officer's base salary and target bonus then in effect. Furthermore, all of the unvested equity awards held by Mr. Foster will accelerate and become vested, and Dr. Sanford will receive an additional 12 months of vesting on his unvested equity awards if any. Additionally, Mr. Foster will receive continued health and life insurance benefits until the earlier of (i) the end of the 12-month period following termination or (ii) the date they become eligible for such benefits in connection with new employment.

In order to receive the severance benefits described above, the executive officer is obligated to provide us with an executed release of claims.

The employment agreements also provide that for a period of one year after the termination of employment the executive officer will refrain from soliciting our employees to leave our company, solicit any of our customers or users, or harass or disparage us.

For the purpose of each of the employment agreements with our named executive officers, "Change of Control" means the occurrence of any of the following:

- (i) any person (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) that is not a stockholder of Ubiquiti as of the date of such employment agreement becomes the "beneficial owner" (as defined under said Act), directly or indirectly, of securities of Ubiquiti representing 50% or more of the total voting power represented by Ubiquiti's then outstanding voting securities; or
- (ii) a change in the composition of our Board occurring within a two-year period, as a result of which fewer than a majority of the directors are Incumbent Directors. "Incumbent Directors" shall mean directors who either (a) are our directors as of the date of such employment agreement, or (b) are elected, or nominated for election, to our Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of our directors); or
- (iii) a merger or consolidation of Ubiquiti with any other corporation, other than a merger or consolidation which would result in the voting securities of Ubiquiti outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 50% of the total voting power represented by our voting securities or such surviving entity outstanding immediately after such merger or consolidation.

Our employment agreement with Dr. Sanford replaces (i) above with the following language: "Any person (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes the 'beneficial owner' (as defined under said Act), directly or indirectly, of securities of the company representing fifty percent (50%) or more of the total voting power represented by the company's then outstanding voting securities."

For the purposes of each of our employment agreements with our named executive officers, "Cause" means, in general:

- (i) the executive's willful act of fraud, embezzlement, dishonesty or other misconduct;

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- (ii) the executive's willful failure to perform his duties to Ubiquiti, failure to materially follow our policy as set forth in writing from time to time, or failure to follow the legal directives of Ubiquiti (other than failure to meet performance goals, objectives or measures), that, with respect to curable failures only, is not corrected within 30 days following written notice thereof to the executive by our Chief Executive Officer, such notice to state with specificity the nature of the failure;
- (iii) the executive's misappropriation of any of our material assets;
- (iv) the executive's conviction of, or a plea of "Guilty" or "No Contest" to a felony;
- (v) the executive's use of alcohol or drugs so as to interfere with the performance of his duties;
- (vi) the executive's material breach of such employment agreement or the confidential information agreement entered into with each named executive officer that, with respect to curable failures only, is not corrected within 30 days following written notice thereof to the executive by our Chief Executive Officer, such notice to state with specificity the nature of the material breach;
- (vii) conduct which, in Ubiquiti's determination, is a material violation of executive's fiduciary obligations to us; or
- (viii) the intentional material damage to any of our property.

For the purpose of each of our employment agreements with our named executive officers, "Good Reason" will generally exist if such executive officer resigns from his or her employment, unless otherwise agreed to in writing or by e-mail, within 60 days after the occurrence of any of the following:

- (i) any reduction in his base salary or target bonus of 20% or more (other than temporary reductions applying to all of our senior executives);
- (ii) a change in his position with Ubiquiti or successor company that substantially reduces his duties and responsibilities in his current executive position;
- (iii) office relocation of more than 50 miles further from the executive's primary residence; or
- (iv) any other material breach by us of our obligations to the executive under such agreement that is not corrected within 30 days following written notice to us by the executive, such notice to state with specificity the nature of the material breach.

Our employment agreement with Dr. Sanford replaces (ii) above with the following language: "a change in his position with the company or successor company that substantially reduces his duties and responsibilities as Chief Technology Officer; provided, however, that executive remaining as the Chief Technology Officer of a division, subsidiary or other business unit comprising all or substantially all of the company's business following a Change of Control shall not in and of itself constitute Good Reason." Additionally, it replaces (i) above with the following language: "any reduction in his base salary or target bonus of 20% or more (other than a reduction applying to all senior executives of the company)."

**Table of Contents****Potential Payments upon Termination or Change of Control**

The following table shows the amounts our named executive officers with whom we have employment agreements would have received in the event of their termination, other than for Cause, following a Change of Control, or upon certain other events, assuming the termination took place on June 30, 2014, the last business day of our most recent completed fiscal year.

Name	Benefits	Involuntary Termination	
		Before or More Than 24 Months After Change of Control (\$)	Within 24 Months After Change of Control (\$)
Craig L. Foster	Severance Payment (Salary)	330,000(1)	330,000
	Severance Payment (Bonus)		165,000
	Continuing Benefits	18,670(2)	18,670(2)
	Acceleration of Stock Options		1,079,375(3)
	Acceleration of RSUs		3,728,175(3)
John Sanford	Severance Payment (Salary)	400,000(1)	400,000
	Severance Payment (Bonus)	200,000(1)	200,000

- (1) The salary and bonus severance amount for Mr. Foster and Dr. Sanford would be divided into 12 equal monthly payments if the executive officer were terminated without Cause before or more than 24 months after a Change of Control. The salary and bonus severance amount for Mr. Foster and Dr. Sanford would be paid in a lump sum if the executive officer were terminated without Cause within 24 months after a Change of Control.
- (2) Mr. Foster will continue to receive his health benefits for a one-year period following termination. The amount reported in the table above is the estimated actual cost of COBRA insurance premiums for Mr. Foster for the one-year period following termination.
- (3) 100% of the unvested shares subject to RSUs and unvested stock options accelerate and vest immediately if the executive officer were terminated without Cause or if the executive officer resigned for Good Reason within a 24-month period after a Change of Control. Value represents the gain the executive officer would receive, calculated based on the stock price as of June 30, 2014. The stock price on June 30, 2014 was \$45.19 per share.

**Table of Contents****EQUITY COMPENSATION PLAN INFORMATION**

The following chart sets forth certain information as of June 30, 2014, with respect to our equity compensation plans, specifically our 2010 Equity Incentive Plan, or the 2010 Plan and the 2005 Equity Incentive Plan, or the 2005 Plan. Both the 2010 Plan and the 2005 Plan have been approved by our stockholders.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted average exercise price of outstanding options, warrants and rights (1),(2)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (3)</b>
Equity compensation plans approved by security holders	3,206,844(4),(5)	\$ 2.96	9,918,184
Equity compensation plans not approved by security holders			
<b>Total</b>	<b>3,206,844</b>	<b>\$ 2.96</b>	<b>9,918,184</b>

(1) These weighted-average exercise prices do not reflect the shares that will be issued upon the payment of outstanding awards of RSUs.

(2) The weighted-average remaining contractual term of the company's outstanding options as of June 30, 2014 was 2.2 years.

(3) Includes shares reserved for issuance under the 2010 Plan. The number of shares reserved for issuance under the 2010 Plan automatically increases on July 1st of each year by the lesser of (i) 8,000,000 shares, (ii) five percent (5%) of the number of shares of our common stock outstanding on the last day of the immediately preceding fiscal year or (iii) the number of shares determined by our Board. In addition, the number of shares reserved for issuance under the 2010 Plan is increased from time to time in an amount equal to the number of shares subject to outstanding options under the 2005 Plan that are subsequently forfeited pursuant to the terms of the 2005 Plan.

(4) This number includes 1,531,184 shares subject to outstanding awards granted under the 2010 Plan, of which 981,482 shares were subject to outstanding options and 549,702 shares were subject to outstanding RSU awards.

(5) This number includes 1,675,660 shares subject to outstanding options outstanding under the 2005 Plan.



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**CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

On November 13, 2013, the Company entered into an aircraft lease agreement (the "Aircraft Lease Agreement") with RJP Manageco LLC (the "Lessor"), a limited liability company owned by the Company's CEO, Robert J. Pera. Pursuant to the Aircraft Lease Agreement, the Company may lease an aircraft owned by the Lessor for Company business purposes. Under the Aircraft Lease Agreement, the aircraft may be leased at a rate of \$5,000 per flight hour. This hourly rate does not include the cost of flight crew or on-board services, which the Company will purchase from a third-party provider. The Company recognized a total of approximately \$335,000 in expenses pursuant to the Aircraft Lease Agreement during the fiscal year ended June 30, 2014. All expenses pursuant to the Aircraft Lease Agreement have been included in the Company's sales, general and administrative expenses in the Condensed Consolidated Statements of Operations.

Other than Aircraft Lease Agreement discussed above, we did not have any transactions since the beginning of fiscal 2014 to which we were a party in which the amount involved exceeded or exceeds \$120,000 and in which any of our directors, executive officers, holders of more than 5% of any class of our voting securities or any member of the immediate family of any of the foregoing persons, had or will have a direct or indirect material interest, other than compensation arrangements with directors and executive officers, which are described where required under the *Executive Compensation* section of this proxy statement.

**Policies and Procedures for Related Party Transactions**

As provided by the audit committee charter, the audit committee of our Board must review and approve any related party transaction. Furthermore, approval should be obtained prior to entering into the transaction when the audit committee is aware of such transaction. All of our directors, officers and employees are required to report to the audit committee any related party transaction prior to entering into the transaction.

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**SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires our directors, executive officers and any persons holding more than 10% of a registered class of our equity securities to report initial ownership of such equity shares and any subsequent changes in ownership to the SEC. Such officers, directors and 10% stockholders are also required by SEC rules to furnish us with copies of all Section 16(a) forms they file. Specific due dates have been established by the SEC, and we are required to disclose in this proxy statement any failure to file required ownership reports by these dates. Based solely on our review of copies of such forms received, or written representations from certain reporting persons that no filings were required for such persons, we believe that, during fiscal 2014, our directors, executive officers and 10% stockholders complied with all Section 16(a) filing requirements except for the following: (1) two Form 4s were filed late for Mr. Steven R. Altman, one of which reported the grant of restricted stock units ( RSUs ) and one of which reported a transaction to acquire shares of the Company s common stock; (2) one Form 4 was filed late for Mr. Rafael Torres which reported the grant of RSUs. These delays in filing were the result of administrative errors.

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT RELATED STOCKHOLDER MATTERS**

The following table sets forth certain information as of September 19, 2014, as to shares of our common stock beneficially owned by: (1) each person who is known by us to own beneficially more than 5% of our common stock, (2) each of our current named executive officers listed in the Summary Compensation Table, (3) each of our directors and nominees and (4) all our current directors and executive officers as a group. Unless otherwise stated below, the address of each beneficial owner listed on the table is c/o Ubiquiti Networks, Inc., 2580 Orchard Parkway, San Jose, California 95131.

We have determined beneficial ownership in accordance with the rules of the SEC. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons and entities named in the table below have sole voting and investment power with respect to all shares of common stock that they beneficially own, subject to applicable community property laws.

The percentage of common stock beneficially owned is based on 88,343,830 shares outstanding as of September 19, 2014. In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of that person, we deemed outstanding shares of common stock subject to options held by that person that are currently exercisable or exercisable within 60 days after September 19, 2014 and RSUs that will vest within 60 days after September 19, 2013. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

Name and Address of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned	Percentage of Common Stock Beneficially Owned
<b>Named Executive Officers and Directors:</b>		
Robert J. Pera	57,294,286	64.85%
Craig L. Foster (1)	36,877	*
John Sanford	260,545	*
Benjamin Moore (2)	1,598,318	1.81%
Steven R. Altman (3)	39,167	*
Ronald A. Sege (4)	24,166	*
Rafael Torres (5)	6,667	*
All directors and executive officers as a group (7 persons) (6)(7)	59,260,026	67.08%

\* Amount represents less than 1% of our common stock.

(1) Includes 20,833 shares of common stock issuable upon the exercise of options exercisable within 60 days of September 19, 2014.

(2) Includes 1,594,890 shares issuable upon the exercise of fully vested options.

(3) Represents shares of common stock issuable upon vesting of RSUs that will vest within 60 days of September 19, 2014.

(4) Includes 15,833 shares issuable upon the exercise of fully vested options and 8,333 shares of common stock issuable upon the exercise of options exercisable within 60 days of September 19, 2014.

(5) Represents shares of common stock issuable upon vesting of RSUs that will vest within 60 days of September 19, 2014.

(6) Our former General Counsel and Vice President of Legal Affairs, Jessica Zhou, and our former Chief Marketing Officer, David Hsieh, departed the Company in October 2013 and November 2013, respectively. The Company does not have access to information regarding the number of shares of common stock beneficially owned by Ms. Zhou and Mr. Hsieh as of September 19, 2014.

(7) Includes 1,639,889 shares of common stock issuable upon the exercise of options exercisable within 60 days of September 19, 2014 and 13,334 shares of common stock issuable upon vesting of RSUs that will vest within 60 days of September 19, 2014.

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**OTHER MATTERS**

We are not aware of any other matters to be submitted at the 2014 Annual Meeting. If any other matters properly come before the 2014 Annual Meeting, it is the intention of the persons named in the proxy to vote the shares they represent as our Board may recommend. Discretionary authority with respect to such other matters is granted by a properly submitted proxy.

It is important that your shares be represented at the 2014 Annual Meeting, regardless of the number of shares that you hold. You are, therefore, urged to vote as instructed on the proxy card you received, via the Internet or by telephone as promptly as possible to ensure your vote is recorded.

The Board of Directors

San Jose, California

November 18, 2014

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