

CALIX, INC
Form DEF 14A
April 09, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(RULE 14A-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

CALIX, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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(1) Title of each class of securities to which transaction applies:

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

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Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

CALIX, INC.

1035 N. McDowell Boulevard

Petaluma, California 94954

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 23, 2012

To the Stockholders of Calix, Inc.:

The Annual Meeting of Stockholders (Annual Meeting) of Calix, Inc. (Calix), will be held virtually, via live webcast at <http://www.virtualshareholdermeeting.com/CALX>, on May 23, 2012, at 9:00 a.m. Pacific Daylight Time. The meeting will be online only, and will be held for the following purposes:

1. To elect three directors to the Calix Board of Directors (Board);
2. To approve, on a non-binding, advisory basis, the compensation of named executive officers (NEOs);
3. To ratify the selection of Ernst & Young LLP as Calix's independent registered public accounting firm for the fiscal year ending December 31, 2012;
4. To amend Calix's Certificate of Incorporation to designate the Chancery Court of the state of Delaware as the exclusive forum for the resolution of intra-corporate disputes;
5. To approve an Amended and Restated Employee Stock Purchase Plan (ESPP), including an increase to the number of shares of Calix common stock which may be issued under the ESPP; and

6. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof. The above items of business are more fully described in the Proxy Statement. Only stockholders who owned Calix common stock at the close of business on April 2, 2012 can vote at this meeting or any adjournments that take place.

We have elected to use the Internet as our primary means of providing our proxy materials to stockholders. Consequently, stockholders will not receive paper copies of our proxy materials, unless they specifically request them. We will send a Notice of Internet Availability of Proxy Materials (Notice) on or about April 9, 2012 to our stockholders of record as of the close of business on April 2, 2012. We are also providing access to our proxy materials over the Internet beginning on that date. Electronic delivery of our proxy materials will significantly reduce our printing and mailing costs, and the environmental impact of the proxy materials.

The Notice contains instructions for accessing the proxy materials, including the Proxy Statement and our annual report, and provides information on how stockholders may obtain paper copies free of charge. The Notice also provides the date and time of the virtual Annual Meeting; the matters to be acted upon at the meeting and the Board's recommendation with regard to each matter; and information on how to attend the virtual meeting and vote online.

You are cordially invited to attend the virtual Annual Meeting, but whether or not you expect to attend, to ensure that your vote is recorded, you should vote and submit your proxy over the Internet following the voting

procedures described in the Notice. In addition, you can vote and submit your proxy online, or (if you have requested and received paper copies of proxy materials) over the phone or by signing, dating and returning the proxy card sent to you.

By Order of the Board of Directors

Michael Ashby

Chief Financial Officer and Secretary

Petaluma, California

April 9, 2012

CALIX, INC.

1035 N. McDowell Boulevard

Petaluma, California 94954

PROXY STATEMENT

FOR THE 2012 ANNUAL MEETING OF STOCKHOLDERS

MAY 23, 2012

The Board of Directors of Calix, Inc. is soliciting your proxy to vote at the virtual Annual Meeting of Stockholders to be held on May 23, 2012, at 9:00 a.m. Pacific Daylight Time, and any adjournment or postponement of that meeting (Annual Meeting). The Annual Meeting will be held via live webcast at www.virtualshareholdermeeting.com/CALX.

We have elected to provide access to our proxy materials on the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (Notice) to our stockholders of record as of April 2, 2012 (Record Date), while brokers and other nominees who hold shares on behalf of beneficial owners will be sending their own similar notice. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice, or to request a printed set of the proxy materials. Instructions on how to request a printed copy by mail or email may be found in the Notice and on the website referred to in the Notice, including an option to request paper copies on an ongoing basis. On or about April 9, 2012, we are making this Proxy Statement available on the Internet and are mailing the Notice to all stockholders entitled to vote at the Annual Meeting. We intend to mail or email this Proxy Statement, together with a proxy card, to those stockholders entitled to vote at the Annual Meeting who have properly requested paper copies of such materials, within three business days of request.

The only voting securities of Calix, Inc. are shares of common stock, \$0.025 par value per share (common stock), of which there were 47,865,425 shares outstanding as of the Record Date (excluding any treasury shares). We need the holders of a majority in voting power of the shares of common stock issued and outstanding and entitled to vote, present online or represented by proxy, to hold the Annual Meeting.

In this Proxy Statement, we refer to Calix, Inc. as the Company, Calix, we or us and the Board of Directors as the Board . When we refer to Calix 's fiscal year, we mean the twelve-month period ending December 31 of the stated year.

The Company 's Annual Report to Stockholders, which contains consolidated financial statements for fiscal year 2011, accompanies this Proxy Statement. You also may obtain a copy of Calix 's Annual Report on Form 10-K for fiscal year 2011 that was filed with the Securities and Exchange Commission (SEC), without charge, by writing to our Investor Relations department at the above address. The Company 's Annual Report on Form 10-K is also available in the SEC Filings section of our website at <http://investor-relations.calix.com/>, and at the SEC 's web site at www.sec.gov.

THE PROXY PROCESS AND STOCKHOLDER VOTING

QUESTIONS AND ANSWERS ABOUT THIS PROXY MATERIAL AND VOTING

Who can vote at the Annual Meeting?

Only stockholders of record at the close of business on April 2, 2012 will be entitled to vote online at the Annual Meeting. At the close of business on the Record Date, there were 47,865,425 shares of common stock issued and outstanding and entitled to vote.

Stockholder of Record: Shares Registered in Your Name

If, on April 2, 2012, your shares were registered directly in your name with Calix's transfer agent, Computershare, Inc., then you are a stockholder of record. As a stockholder of record, you may vote online at the Annual Meeting or vote by proxy. Whether or not you plan to attend the virtual Annual Meeting, to ensure your vote is counted we urge you to vote by proxy on the Internet as instructed below, or (if you request and receive a proxy card by mail or email) over the phone or by signing, dating and returning the proxy card sent to you.

Beneficial Owner: Shares Registered in the Name of a Broker, Bank or Other Agent

If, on April 2, 2012, your shares were held in an account at a brokerage firm, bank, dealer or other similar organization, then you are the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker or other agent on how to vote the shares in your account. You are also welcome to attend the virtual Annual Meeting and to vote online.

What do I need in order to be able to attend the Annual Meeting online?

Calix will be hosting the Annual Meeting via live webcast. Any stockholder can attend the Annual Meeting live online at www.virtualshareholdermeeting.com/CALX. The webcast will start at 9:00 a.m. Pacific Daylight Time. Stockholders may vote and submit questions while attending the Annual Meeting online. You will need the control number included on your Notice or your proxy card (if you received a printed copy of the proxy materials) in order to be able to enter the Annual Meeting. Instructions on how to attend and participate online are also posted online at www.virtualshareholdermeeting.com/CALX.

What am I being asked to vote on?

You are being asked to vote on:

election of three Class II directors to hold office until our 2015 Annual Meeting of Stockholders (Proposal No. 1);

approval on a non-binding, advisory basis of the compensation of Calix's named executive officers, or NEOs, as disclosed in this Proxy Statement under the compensation disclosure rules of the SEC (Proposal No. 2);

ratification of the selection by the audit committee of the Board of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011 (Proposal No. 3);

amendment of Calix's Certificate of Incorporation to designate the Chancery Court of the state of Delaware as the exclusive forum for the resolution of intra-corporate disputes (Proposal No. 4); and

approval of an Amended and Restated Employee Stock Purchase Plan or ESPP, including an increase to the number of shares of Calix common stock which may be issued under the ESPP (Proposal No. 5).

In addition, you are entitled to vote on any other matters that are properly brought before the Annual Meeting.

How does the Board recommend I vote on the Proposals?

The Board recommends that you vote:

FOR each of the Class II director nominees;

FOR approval, on a non-binding, advisory basis of the compensation of our NEOs;

FOR ratification of Ernst & Young LLP as our independent registered public accounting firm;

FOR amendment of Calix's Certificate of Incorporation to require Delaware dispute resolution; and

FOR approval of the ESPP.

How do I vote?

You may vote online during the virtual Annual Meeting or via the Internet prior to the Annual Meeting, as described on the Notice of Internet Availability of Proxy Materials. In addition, if you have requested and received a paper copy of the proxy materials, you can vote over the phone or by signing, dating and returning the proxy card sent to you. To use a particular voting procedure, follow the instructions on the Notice of Internet Availability of Proxy Materials or the proxy card that you request and receive by mail or email.

For election of directors, you may either vote **For** the three nominees or you may **Withhold** your vote for all or for any nominee you specify. For any other matter to be voted on, you may vote **For** or **Against** or abstain from voting. The procedures for voting are as follows:

Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record, you may vote online at the virtual Annual Meeting. Alternatively, you may vote by proxy over the Internet or, if you properly request and receive a proxy card by mail or email, over the phone or by signing, dating and returning the proxy card sent to you. Whether or not you plan to attend the Annual Meeting, we urge you to vote by proxy to ensure your vote is counted. Even if you have submitted a proxy before the Annual Meeting, you may still attend the Annual Meeting and vote online. In such case, your previously submitted proxy will be disregarded.

To vote during the virtual Annual Meeting, login and follow the online instructions to cast your votes.

To vote over the Internet prior to the Annual Meeting, follow the instructions provided on the Notice of Internet Availability of Proxy Materials.

To vote by phone, call the toll free number found on the proxy card you request and receive by mail or email.

To vote by mail, complete, sign and date the proxy card you request and receive by mail or email, and return it promptly. As long as your signed proxy card is received before the Annual Meeting, we will vote your shares as you direct.

Beneficial Owner: Shares Registered in the Name of Broker, Bank or Other Agent

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If you are a beneficial owner of shares registered in the name of your broker, bank or other agent, you should have received a voting instruction card and voting instructions with these proxy materials from that organization rather than from us. Complete and mail the voting instruction card to ensure that your vote is counted. Follow the instructions from your broker, bank or other agent included with these proxy materials, or contact your broker, bank or other agent to request a proxy form. You may also vote online at the virtual Annual Meeting.

Who counts the votes?

Broadridge Financial Solutions, Inc, or Broadridge has been engaged as our independent agent to tabulate stockholder votes. If you are a stockholder of record, and you choose to vote over the Internet (either prior to or during the Annual Meeting) or by phone, Broadridge will access and tabulate your vote electronically, and if you have requested and received proxy materials via mail or email and choose to sign and mail your proxy card, your executed proxy card is returned directly to Broadridge for tabulation. As noted above, if you hold your shares through a broker, your broker (or its agent for tabulating votes of shares held in street name) returns one proxy card to Broadridge on behalf of all its clients.

What is the required vote and how are votes counted?

A majority of the outstanding shares of common stock must be present or represented by proxy at the Annual Meeting in order to have a quorum. Abstentions and broker non-votes will be treated as shares present for the purpose of determining the presence of a quorum.

With respect to Proposal No. 1, the election of directors, directors will be elected by a plurality of the votes cast, which means that the three nominees receiving the highest number of For votes will be elected. Abstentions and broker non-votes will have no effect with regard to this proposal, because approval of a percentage of shares present or outstanding is not required for this proposal.

With respect to Proposal No. 4, the affirmative vote of a majority of the outstanding shares entitled to vote on the proposal is required for approval. Abstentions have the same effect as a vote against these proposals. Broker non-votes will have no effect on the outcome of Proposal No. 4.

With respect to all other Proposals, the affirmative vote of the holders of a majority in voting power of the shares of common stock present or by proxy and entitled to vote on the proposal is required for approval. Abstentions have the same effect as a vote against these proposals. Broker non-votes will have no effect on the outcome of these proposals.

Because your vote on Proposal No. 2 is advisory, it will not be binding on the Board, the compensation committee of the Board, or Calix. However, the Board will review the voting results and take them into consideration when making future decisions about executive compensation.

Brokers who hold shares for the accounts of their clients may vote such shares either as directed by their clients or in the absence of such direction, in their own discretion if permitted by the stock exchange or other organization of which they are members. Members of the New York Stock Exchange or NYSE are permitted to vote their clients proxies in their own discretion as to certain routine proposals, such as the ratification of the appointment of Ernst & Young LLP. However, where a proposal is not routine, a broker who has received no instructions from its client generally does not have discretion to vote its clients uninstructed shares on that proposal. When a broker indicates on a proxy that it does not have discretionary authority to vote certain shares on a particular proposal, the missing votes are referred to as broker non-votes. Those shares would be considered present for purpose of determining whether or not a quorum is present, but would not be considered entitled to vote on the proposal. Those shares would not be taken into account in determining the outcome of the non-routine proposal.

Under NYSE rules, Proposals 1, 2, 4 and 5 are non-routine matters. Because brokers cannot vote uninstructed shares on behalf of their customers for non-routine matters, it is important that stockholders vote their shares.

Broadridge will separately count For and Withhold votes with respect to Proposal No. 1, For and Against votes and abstentions with respect to Proposal Nos. 2, 4 and 5, and For and Against votes, abstentions and broker non-votes with respect to Proposal No. 3.

How many votes do I have?

On each matter to be voted upon, you have one vote for each share of common stock you own as of April 2, 2012.

Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

Under rules adopted by the SEC, we have elected to provide access to our proxy materials over the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials to our stockholders. All stockholders will have the ability to access the proxy materials on the website referred to in that Notice or request to receive a printed set of the materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice of Internet Availability of Proxy Materials. In addition, stockholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis. We encourage stockholders to take advantage of the availability of the proxy materials on the Internet to help reduce the environmental impact of the Annual Meeting.

How do I vote via Internet or phone?

You may vote by proxy via the Internet by following the instructions provided on the Notice of Internet Availability of Proxy Materials. You may also vote by proxy over the phone by calling the toll free number found on the proxy card which will be sent to you by mail or email if you request. The Internet and phone voting facilities for eligible stockholders of record will close at 11:59 p.m. Eastern Time on May 22, 2012. Giving a telephonic or Internet proxy will not affect your right to vote online should you decide to attend the Annual Meeting.

What if I return a proxy card but do not make specific choices?

If you have properly requested and received a proxy card by mail or email, and we receive a signed and dated proxy card that does not specify how your shares are to be voted, your shares will be voted For the election of each of the three nominees for director, and For Proposals 2, 3, 4, and 5. If any other matter is properly presented at the Annual Meeting, your proxy (one of the individuals named on your proxy card) will vote your shares using his best judgment.

Who is paying for this proxy solicitation?

We will pay for the entire cost of soliciting proxies. In addition to these mailed proxy materials, our directors, officers and employees may also solicit proxies in person, by phone or by other means of communication. Directors, officers and employees will not be paid any additional compensation for soliciting proxies. We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

What does it mean if I receive more than one Notice of Internet Availability of Materials or one set of materials?

If you receive more than one Notice of Internet Availability of Materials or one set of materials, your shares are registered in more than one name or are registered in different accounts. In order to vote all the shares you own, you must follow the instructions for voting on the Internet on the Notice of Internet Availability of Proxy Materials or proxy cards you receive via mail or email upon your request, which include voting over the Internet, phone or by signing and returning any of the proxy cards you request and receive.

Can I change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the Annual Meeting. If you are the record holder of your shares, you may revoke your proxy in any one of three ways:

You may submit another properly completed proxy with a later date.

You may send a written notice that you are revoking your proxy to Calix's Corporate Secretary at 1035 N. McDowell Boulevard, Petaluma, California 94954.

You may attend the Annual Meeting and vote online. Simply logging into the Annual Meeting will not, by itself, revoke your proxy. If your shares are held by your broker, bank or other agent, you should follow the instructions provided by them.

How will voting on any business not described in this Proxy Statement be conducted?

We are not aware of any business to be considered at the Annual Meeting other than the items described in this Proxy Statement. If any other matter is properly presented at the Annual Meeting, your proxy (one of the individuals named on your proxy card) will vote your shares using his best judgment.

When are stockholder proposals due for next year's Annual Meeting?

To be considered for inclusion in next year's proxy materials, your proposal must be submitted in writing by December 10, 2012, to Calix's Corporate Secretary at 1035 N. McDowell Boulevard, Petaluma, California 94954. If you wish to submit a proposal that is not to be included in next year's proxy materials under the SEC's shareholder proposal procedures or nominate a director, you must do so between January 23, 2013 and February 22, 2013; provided that if the date of the annual meeting is earlier than April 23, 2013 or later than July 22, 2013, you must give notice not later than the 90th day prior to the annual meeting date or, if later, the 10th day following the day on which public disclosure of the annual meeting date is first made. You are also advised to review our Bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if the holders of a majority in voting power of the shares of common stock issued and outstanding and entitled to vote are present online or represented by proxy at the Annual Meeting. On the Record Date, there were 47,865,425 shares outstanding and entitled to vote. Accordingly, 23,932,713 shares must be represented by stockholders present at the Annual Meeting or by proxy to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy vote or vote online at the Annual Meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, either the chairperson of the Annual Meeting or a majority in voting power of the stockholders entitled to vote at the Annual Meeting, present online or represented by proxy, may adjourn the Annual Meeting to another time or place.

How can I find out the results of the voting at the Annual Meeting?

Voting results will be announced by the filing of a Current Report on Form 8-K within four business days after the Annual Meeting. If final voting results are unavailable at that time, we will file an amended Current Report on Form 8-K within four business days of the day the final results are available.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

The Company's Amended and Restated Certificate of Incorporation provides that the Board shall be divided into three classes, with the directors in each class having a three-year term. Unless the Board determines that vacancies (including vacancies created by increases in the number of directors) shall be filled by the stockholders, and except as otherwise provided by law, vacancies on the Board may be filled only by the affirmative vote of a majority of the remaining directors. A director elected by the Board to fill a vacancy (including a vacancy created by an increase in the number of directors) shall serve for the remainder of the full term of the class of directors in which the vacancy occurred and until such director's successor is elected and qualified.

The Board currently consists of eight directors, divided into the three following classes:

Class I directors: Michael Matthews and Thomas Pardun; whose current terms will expire at the annual meeting of stockholders to be held in 2014;

Class II directors: Michael Ashby, Michael Flynn and Carl Russo; whose current terms will expire at the 2012 Annual Meeting; and

Class III directors: Michael Everett, Adam Grosser and Don Listwin; whose current terms will expire at the annual meeting of stockholders to be held in 2013.

At each annual meeting of stockholders, the successors to directors whose terms will then expire will be elected to serve from the time of election and qualification until the third subsequent annual meeting of stockholders.

The Nominating and Corporate Governance Committee of the Board recommended, and the Board approved Michael Ashby, Michael Flynn and Carl Russo, as nominees for election to the Board at the Annual Meeting. Each of Messrs. Ashby, Flynn and Russo have been nominated to serve as Class II directors, and have elected to stand for reelection. Each director to be elected will hold office from the date of their election by the stockholders until the third subsequent annual meeting of stockholders or until his successor is elected and has been qualified, or until such director's earlier death, resignation or removal.

Shares of common stock represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the three nominees named below. The Board expects all nominees named below to be available for election. In the event that any nominee should be unavailable for election as a result of an unexpected occurrence, such shares will be voted for the election of such substitute nominee as the Board may propose. Each person nominated for election has agreed to serve if elected, and management has no reason to believe that any nominee will be unable to serve. Directors are elected by a plurality of the votes cast at the meeting.

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The following table sets forth, for the Class II nominees and our other current directors who will continue in office after the Annual Meeting, information with respect to their ages and position/office held with Calix:

Name	Age	Position/Office Held With Calix	Director Since
<i>Class I Directors whose terms expire at the 2014 Annual Meeting of Stockholders</i>			
Michael Matthews (2)	55	Director	2010
Thomas Pardun (1)	68	Director	2011
<i>Class II Directors for election at the 2012 Annual Meeting of Stockholders</i>			
Michael Ashby	63	Executive Vice President, Chief Financial Officer and Director	2006
Michael Flynn (1)	63	Director	2004
Carl Russo	55	President, Chief Executive Officer and Director	1999
<i>Class III Directors whose terms expire at the 2013 Annual Meeting of Stockholders</i>			
Michael Everett (2)(3)	63	Director	2007
Adam Grosser (2)(3)	51	Director	2009
Don Listwin (1)(3)	53	Director and Chairman of the Board	2007

(1) Member of the Compensation Committee of the Board.

(2) Member of the Audit Committee of the Board.

(3) Member of the Nominating and Corporate Governance Committee of the Board.

Set forth below is biographical information for the nominees and each person whose term of office as a director will continue after the Annual Meeting. The following includes certain information regarding our directors' individual experience, qualifications, attributes and skills that led the Board to conclude that they should serve as directors. Our objective is to assemble a group that can best perpetuate the success of the business and represent stockholder interests through the exercise of sound judgment using its diversity of experience in various areas further described below.

Nominees for Election to a Three-Year Term Expiring at the 2015 Annual Meeting of Stockholders

Michael Ashby has served on the Board since January 2006. Since March 2011, he has served as Calix's executive vice president and chief financial officer, a position he also held from December 2002 to April 2008. From November 1999 to July 2001, Mr. Ashby served as vice president of finance of Cisco. From February 1999 to October 1999, Mr. Ashby served as chief financial officer of Cerent Corporation. From September 1997 to January 1999, he served as executive vice president and chief financial officer of Ascend Communications Inc., which was acquired by Lucent Technologies, Inc. Prior to that, Mr. Ashby served as chief financial officer of Pacific Telesis Enterprise Group, a division of Pacific Telesis Group, Inc. which was later acquired by SBC Communications. Mr. Ashby has also served as chief executive officer of Network Systems Corporation and served in a senior management position at Teradata Corporation. During the past five years, Mr. Ashby formerly served on the board of directors of Sierra Monolithics, Inc., a privately-held fabless mixed signal design company for communications systems. He currently serves on the board of directors of Canary Foundation, including as chairman of the audit committee. Mr. Ashby brings to Calix's Board expertise in finance as well as over 20 years of experience in financial management and investor relations for both public and privately held technology companies.

Michael Flynn has served on the Board since July 2004. From June 1994 until his retirement in April 2004, Mr. Flynn served in various capacities at Alltel Corporation, a telecommunications provider. His most recent position at Alltel Corporation was group president. Mr. Flynn currently serves on the board of directors of Airspan Networks Inc. (7/2002 to present), a publicly-held vendor of wireless products and solutions. He is a member of the board of directors, and audit and compensation committees, of Atlantic Tel-Networks (6/2010 to

present), a publicly-held, diversified telecommunications services provider, and he is owner and president of Deli Planet Inc. (1/2005 to present), a privately-held company. During the past five years, Mr. Flynn formerly served on the board of directors of WebEx Communications, Inc. (1/2004 to 6/2007), Equity Media Holdings Corporation (4/2007 to 5/2008) and iLinc (7/2007 to 9/2011), each a publicly-held company, and GENBAND Inc., a privately-held company. Mr. Flynn served on the audit committee and the compensation committee of WebEx Communications, Inc. and the governance committee and the compensation committee of Equity Media Holdings Corporation, and was chairman of the compensation committee of iLinc and GENBAND Inc (1/2006 to 12/2009). Mr. Flynn holds a Bachelor of Science degree in Industrial Engineering from Texas A&M University. Mr. Flynn brings to Calix's board of directors extensive experience in advising and managing companies in the technology and telecommunications industries. He also has expertise in public company corporate governance.

Carl Russo has served as Calix's president and chief executive officer since December 2002 and as a member of the Board since December 1999. From November 1999 to May 2002, Mr. Russo served as vice president of optical strategy and group vice president of optical networking of Cisco. From April 1998 to October 1999, Mr. Russo served as president and chief executive officer of Cerent Corporation, which was acquired by Cisco. From April 1995 to April 1998, Mr. Russo served in various capacities, most recently as chief operating officer, at Xircom, Inc., which was acquired by Intel Corporation. Previously, Mr. Russo served as senior vice president and general manager for the hyperchannel networking group of Network Systems Corporation and as vice president and general manager of the data networking products division of AT&T Paradyne Corporation. Mr. Russo serves on the board of directors of Vital Network Services, Inc., a private company delivering network lifecycle services, and Xirrus, Inc., a private company providing products that enable high-performance wireless networks. During the past five years, Mr. Russo also served on the board of directors of the Alliance for Telecommunications Industry Solutions, a telecommunications standards organization. Mr. Russo attended Swarthmore College and serves on its board of managers. As Calix's president and chief executive officer, Mr. Russo brings expertise and knowledge regarding the company's business and operations to Calix's board of directors. He also brings to Calix's board of directors an extensive background in the telecommunications and networking technology industries.

Directors Continuing in Office Until the 2013 Annual Meeting of Stockholders

Michael Everett has served on the Board since August 2007. From May 2007 until his retirement in December 2008, Mr. Everett served as vice president of finance at Cisco. From April 2003 to May 2007, Mr. Everett was chief financial officer of WebEx Communications, Inc., a web collaboration service provider that was acquired by Cisco. From 2001 to 2003, Mr. Everett served as chief financial officer of Bivio Networks, Inc., a network appliance company. In 2001, Mr. Everett served as chief financial officer of VMware, Inc., an infrastructure software company. From February 1997 to November 2000, Mr. Everett served as executive vice president and chief financial officer of Netro Corporation. Mr. Everett served in several senior management positions at Raychem Corporation from 1987 through 1996, including senior vice president and chief financial officer from August 1988 to August 1993. Before joining Raychem Corporation, Mr. Everett served as a partner of Heller, Ehrman, White & McAuliffe LLC. During the past five years, Mr. Everett served on the board of directors of Emailvision Holdings, Ltd., a privately held email marketing company, including as chairman of the audit committee. Mr. Everett also formerly served on the board of directors of Broncus Technologies, Inc., a privately-held medical technology company, including as chairman of the audit committee and member of the compensation committee. He also served on the board of directors of the Northern California and Northern Nevada chapter of the Alzheimer's Association, a non-profit organization, and Self-Help for the Elderly, a non-profit organization. Mr. Everett holds a Juris Doctor degree from the University of Pennsylvania Law School and a Bachelor of Arts degree in History from Dartmouth College. Mr. Everett is licensed to practice law in California and in New York and was named chief financial officer of the year by San Francisco Business Times in 2007. Mr. Everett brings to Calix's board of directors his background as a lawyer as well as over 30 years of experience in senior management and financial operations at communications technology companies.

Adam Grosser has served on the Board since May 2009. Since February 2011, he has served as a managing director and group head of Silver Lake Kraftwerk, a division of global private investment firm Silver Lake,

which focuses on investments in growth companies in the energy and resources sectors. From September 2000 until October 2010, Mr. Grosser served as a general partner of Foundation Capital, a venture capital firm. From May 1996 to May 1999, he was president of the subscriber networks division at Excite@Home. From December 1993 to January 1996, Mr. Grosser served as co-founder, president and chief executive officer of Catapult Entertainment, Inc. From August 1984 to November 1993, Mr. Grosser served in engineering and management capacities at Apple Computer, Lucasfilm Ltd. and Sony Corporation of America. During the past five years, Mr. Grosser formerly served on the boards of directors of Control4 Corporation, Conviva, Inc., GridIron Systems Inc., Numerate, Inc., Sentient Energy, Inc., SiBEAM, Inc. and Silver Spring Networks, Inc., each a privately held company, as well as EnerNOC, Inc., Rohati Systems, Inc., which was acquired by Cisco, and Naverus, Inc., which was acquired by GE Aviation. Mr. Grosser holds a Master of Science degree in Engineering, a Master of Business Administration degree and a Bachelor of Science degree in Design Engineering from Stanford University. Mr. Grosser brings to the Calix board of directors extensive experience in advising technology startup companies as well as counseling boards of directors and senior management regarding corporate governance, compliance and business operations.

Don Listwin has served on the Board since January 2007 and has served as chairman since July 2007. In October 2004, Mr. Listwin founded Canary Foundation, a non-profit organization devoted to the early detection of cancer, and has since then served as its chairman. From January 2008 to January 2009, Mr. Listwin served as chief executive officer of Sana Security, Inc., a security software company, which was acquired by AVG Technologies. From September 2000 to October 2004, Mr. Listwin served as chief executive officer of Openwave Systems Inc., a leader in mobile internet infrastructure software. From August 1990 to September 2000, he served in various capacities at Cisco, most recently as executive vice president. Mr. Listwin currently serves on the board of directors of Clustrix Inc., Genologics Life Sciences Software Inc., Teradici Corporation, and Joyent, Inc., each a privately-held company. During the past five years, Mr. Listwin formerly served on the board of directors of Isilon Systems, Inc., Openwave Systems Inc., TIBCO Software Inc., Redback Networks, Inc., Software.com Pty Ltd., Phone.com LLC and E-Tek Dynamics Inc., each a publicly-held company. Mr. Listwin is a member of the board of scientific advisors of the National Cancer Institute, a research and development center. Mr. Listwin holds an honorary Doctorate of Law degree from the University of Saskatchewan and a Bachelor of Science degree in Electrical Engineering from the University of Saskatchewan. Mr. Listwin brings over 30 years of experience in the networking industry to Calix's board of directors.

Directors Continuing in Office Until the 2014 Annual Meeting of Stockholders

Michael Matthews has served on the Board since December 2010. Mr. Matthews has served as Chief Corporate Development Officer for AGT International GMBH since January 2012. In this capacity he is responsible for AGT's research and development, new business ventures, and marketing. From September 2008 to December 2011, Mr. Matthews served as Head of Strategy and Business Development at Nokia Siemens Networks since September 2008 and has directed the company's strategic planning and investments, mergers and acquisitions program and strategic alliances and partnerships since September 2008. From February 2003 to January 2008, Mr. Matthews served as Chief Marketing Officer at Amdocs Inc. From September 1999 to March 2002 he served as the Executive Vice President, Sales & Marketing, at Groove Networks, a privately held software company which was acquired by Microsoft Corporation. Prior to this, he served in leadership positions across technology companies in the United States and Australia such as Platinum Technology, Inc. a database management software company which was acquired by Computer Associates, Inc., Sterling Software, a software company which was acquired by Computer Associates, Inc., and Digital Equipment Corporation, which was acquired by Compaq Computer Corporation. Mr. Matthews has a degree in Civil Engineering from the University of Queensland, Australia. Mr. Matthews brings to Calix's board of directors 30 years of experience in the technology industry, and a strong background in telecommunications, software, technology and innovation.

Thomas Pardun has served on the Board since February 2011. Mr. Pardun has served as chairman of the board of directors of Western Digital Corporation, a manufacturer of hard drives for the personal computer and home entertainment markets, since March 2007. He previously served as chairman of Western Digital from

January 2000 to November 2001, and he has served as a director of Western Digital since January 1993. In July 2000, Mr. Pardun retired as president of MediaOne International, Asia-Pacific (formerly US West Asia-Pacific), an owner/operator of international properties in cable television, telephone services, and wireless communications. Prior to that, he served as president and chief executive officer of US West Multimedia Communications, Inc. and held numerous other executive positions with US West. Prior to joining US West, Mr. Pardun was president of the Central Group for Sprint as well as president of Sprint's West Division. He also served as senior vice president of United Telecommunications, a predecessor company to Sprint. Mr. Pardun spent the first 19 years of his career at IBM. Mr. Pardun served on the board of directors of Occam Networks, Inc. from September 2004 to February 2011. In addition to Western Digital Corporation, Mr. Pardun serves on the boards of CalAmp Corporation, Finisar Corporation and MaxLinear, Inc., each a publicly-held company. Mr. Pardun received a B.B.A. in economics and marketing from the University of Iowa and Management School Certificates from Harvard Business School, Stanford University, and The Tuck School of Business at Dartmouth College. Mr. Pardun brings to Calix's board of directors his expertise as an executive in the telecommunications industry, a comprehensive knowledge of information systems and telecommunications and experience serving as a director for other public companies, including Occam Networks, Inc.

Executive Officers

The following is biographical information for our executive officers not discussed above.

Name	Age	Position(s)
Tony Banta	64	Senior Vice President, Global Manufacturing and Supply
John Colvin	48	Senior Vice President, North American Sales and Marketing
Andy Lockhart	51	Senior Vice President, International Sales and Marketing
Kevin Pope	54	Senior Vice President, Product Development
Roger Weingarh	57	Executive Vice President and Chief Operating Officer

Tony Banta has served as Calix's senior vice president of global manufacturing and supply since April 2009. From July 2007 to April 2009, Mr. Banta served as Calix's vice president of manufacturing. From September 2005 to July 2007, Mr. Banta served as Calix's director of global supply chain management. From September 1995 to June 2005, Mr. Banta served in various capacities at Cisco, including vice president of worldwide operations. From March 1993 to September 1995, Mr. Banta served as vice president of manufacturing at Grand Junction Networks, Inc. Previously, Mr. Banta served in senior management positions, including vice president of manufacturing at Vitalink Communications Corporation and Teledyne MEC. Mr. Banta holds a Master of Business Administration degree from Golden Gate University, a Master of Science Degree in Aeronautical Engineering from Wichita State University and a Bachelor of Science degree in Aeronautics from San Jose State College. Mr. Banta also served ten years in the United States Air Force.

John Colvin has served as Calix's senior vice president of North American Sales & Marketing since September 2011. Previously, Mr. Colvin served as Calix's vice president of field operations for the Americas from March 2004 to August 2011. From November 1999 to March 2004, Mr. Colvin served in numerous leadership positions at Cisco, including senior director of business development and operations director in service provider sales. From January 1999 to October 1999, Mr. Colvin served as director of national carrier sales of Cerent Corporation. Previously, Mr. Colvin served in various capacities at Alcatel S.A. for eight years, most recently as account vice president for AT&T. Before that, Mr. Colvin worked as an engineer at Rockwell International Corporation and NEC America, Inc. Mr. Colvin holds a Bachelor of Science degree in Electrical Engineering from Texas A&M University.

Andy Lockhart has served as senior vice president, international sales and marketing since April 2011, with overall responsibility for the establishment and development of Calix's international business. Andy joined Calix after over twenty years at Cisco, where he developed a wide range of international and cross-cultural leadership experience. Most recently, Andy held worldwide sales responsibility for the integration of Cisco's

largest acquisition in recent years. Andy was instrumental in establishing many of Cisco's largest international business operations, including the founding of Cisco Japan, building Cisco's Asia Pacific partner network, establishing Cisco's UK Sales operation, and launching Cisco's European Service Provider organization. He also led a number of Cisco's major international organizations, including leadership roles as vice president Cisco Japan, vice president Northern Europe, and Vice President Benelux.

Kevin Pope has served as Calix's senior vice president of product development since January 2009. From September 2005 to January 2009, Mr. Pope served as vice president of engineering of Hammerhead Systems, Inc., a metro Ethernet aggregation switching equipment company. In September 1999, Mr. Pope founded Mahi Networks, Inc., a core network integrated time division multiplexing/data switching equipment company, and served as its vice president of engineering until September 2005. From June 1988 to September 1999, Mr. Pope served as vice president of development engineering of Applied Digital Access, Inc. Mr. Pope holds a Master of Business Administration degree from San Diego State University, a Master of Science degree in Electrical Engineering and Computer Science from the University of California, Berkeley and a Bachelor of Science degree in Electrical Engineering from the University of Minnesota.

Roger Weingarh has served as Calix's executive vice president and chief operating officer since July 2007. From February 2006 to July 2007, Mr. Weingarh served as Calix's senior vice president of product and manufacturing operations and from March 2003 to February 2006, as Calix's vice president of operations. From March 2002 to March 2003, Mr. Weingarh served as president and chief executive officer of Arista Networks, Inc. From June 1998 to February 2002, Mr. Weingarh served as president and chief operating officer of Optical Solutions, Inc. Previously, Mr. Weingarh served in senior management roles at Centron DPL Company, Inc., Switched Network Technologies, Inc., Network Systems Corporation and AT&T/NCR Corporation. Mr. Weingarh holds a Master of Business Administration degree from the University of Minnesota and a Bachelor of Arts degree in Business Administration from Bethel College.

Independence of the Board

The NYSE prescribes independence standards for listed companies. These standards require a majority of the Board to be independent. They also require every member of the audit committee, compensation committee and nominating and corporate governance committee of the Board to be independent. No director qualifies as independent unless the Board determines that the director has no direct or indirect material relationship with us. On an annual basis, each director and executive officer is obligated to complete a director and officer questionnaire which requires disclosure of any transactions with us in which the director or executive officer, or any member of his or her immediate family, have a direct or indirect material interest. We also review our relationship to any entity employing a director or on which the director currently serves as a member of the board.

After review of all relevant transactions or relationships between each director, or any of his immediate family members, and Calix, its senior management and its independent registered public accounting firm, the Board has affirmatively determined that all of Calix's directors are independent directors within the meaning of the applicable NYSE standards, except for Mr. Russo, Calix's current president and chief executive officer, and Mr. Ashby, Calix's current executive vice president and chief financial officer. All of the committees of our Board are comprised entirely of directors determined by the Board to be independent within the meaning of the NYSE standards.

Information Regarding the Board and its Committees

Oversight of Risk Management

The Board has an active role, as a whole and also at the committee level, in overseeing management of Calix's risks. The Board is responsible for general oversight of risks and regularly reviews information regarding Calix's risks, including credit risks, liquidity risks and operational risks. The compensation committee of the

Board is responsible for overseeing the management of risks relating to Calix's executive compensation plans and arrangements. The audit committee of the Board is responsible for overseeing management of Calix's risks relating to accounting matters, financial reporting and legal and regulatory compliance. The nominating and corporate governance committee of the Board is responsible for overseeing management of Calix's risks associated with the independence of the Board and potential conflicts of interest. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board is regularly informed through committee reports about such risks.

Leadership Structure of the Board

Under Calix's bylaws, the Board appoints Calix's officers, including the chief executive officer. The Board does not have a policy on whether the role of the chairman and chief executive officer should be separate and, if it is to be separate, whether the chairman should be selected from the non-employee directors or be an employee and if it is to be combined, whether a lead independent director should be selected. However, the Board is committed to good corporate governance practices and values independent board oversight as an essential component of strong corporate performance. For example, six of Calix's eight directors qualify as independent according to the rules and regulations of the NYSE. In March 2012, the Board undertook a review of the independence of each director and considered whether any director has a material relationship with Calix that could compromise his ability to exercise independent judgment in carrying out his responsibilities. As a result of this review, the Board determined that Messrs. Everett, Flynn, Grosser, Listwin, Matthews and Pardun, representing six of Calix's eight directors, are independent directors as defined under the listing requirements of the NYSE, constituting a majority of independent directors of the Board as required by the NYSE rules. In addition, Calix's corporate governance guidelines require that the directors meet in executive session without management directors or management present on a regularly scheduled basis, but not less than two times a year. Also, Calix's nominating and corporate governance committee periodically reviews and recommends to the Board the leadership structure of the Board. Currently, Calix separates the roles of chief executive officer and chairman in recognition of the differences between the two roles. The chief executive officer is responsible for setting the strategic direction for, and the day-to-day leadership and performance of, Calix, while the chairman provides guidance to the chief executive officer and management, sets the agenda for Board meetings and presides over meetings of the full Board. Mr. Russo, Calix's chief executive officer, and Mr. Ashby, Calix's chief financial officer, are employees of Calix and are therefore not independent under the rules of the NYSE. Mr. Listwin, Calix's chairman, is an independent director, as defined under the rules of the NYSE. The Board believes that the current board leadership structure is best for Calix and its stockholders at this time.

Board Committees

Calix's board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee, each of which have the composition and responsibilities described below.

Audit Committee

Calix's audit committee comprises Messrs. Everett, Grosser and Matthews, each of whom is a non-employee member of the Board. Mr. Everett is the audit committee chairman and is the audit committee financial expert, as currently defined under the SEC rules. The Board has determined that each director serving on the audit committee is independent within the meaning of the NYSE listing standards.

Calix's audit committee oversees its corporate accounting and financial reporting process. Among other matters, the audit committee evaluates the independent registered public accounting firm's qualifications, independence and performance; determines the engagement of the independent registered public accounting firm; reviews and approves the scope of the annual audit and the audit fee; discusses with management and the independent registered public accounting firm the results of the annual audit and the review of Calix's quarterly consolidated financial statements; approves the retention of the independent registered public accounting firm to

perform any proposed permissible non-audit services; monitors the rotation of partners of the independent registered public accounting firm on Calix's engagement team as required by law; reviews Calix's critical accounting policies and estimates; oversees the internal audit function and annually reviews the audit committee charter and the committee's performance. The audit committee operates under a written charter that satisfies the applicable standards of the SEC and the NYSE. A copy of the audit committee charter is available to security holders in the Corporate Governance section of our website at <http://investor-relations.calix.com/>.

Compensation Committee

The current members of Calix's compensation committee are Messrs. Flynn, Listwin and Pardun, each of whom is a non-employee member of the Board. Mr. Flynn is the compensation committee chairman. The Board has determined that each director serving on the compensation committee is independent within the meaning of the NYSE listing standards.

Calix's compensation committee reviews and recommends policies relating to compensation and benefits of Calix officers and employees. The compensation committee reviews and approves corporate goals and objectives relevant to compensation of the chief executive officer and other executive officers, evaluates the performance of these officers in light of those goals and objectives, and sets the compensation of these officers based on such evaluations. The compensation committee also administers the issuance of stock options and other awards under Calix stock plans. The compensation committee reviews and evaluates, at least annually, the performance of the compensation committee and its members, including compliance of the compensation committee with its charter. In fulfilling its responsibilities, the compensation committee may delegate any or all of its responsibilities to a subcommittee of the compensation committee, but only to the extent consistent with Calix's certificate of incorporation and bylaws, Section 162(m) of the Internal Revenue Code of 1986 (to the extent applicable), NYSE rules and other applicable law. The compensation committee operates under a written charter that satisfies the applicable standards of the SEC and the NYSE. A copy of the compensation committee charter is available to security holders in the Corporate Governance section of our website at <http://investor-relations.calix.com/>.

Nominating and Corporate Governance Committee

Calix's nominating and corporate governance committee consists of Messrs. Grosser, Listwin and Everett, each of whom is a non-employee member of the Board. Mr. Grosser is the chairman of the nominating and corporate governance committee. The Board has determined that each of the directors serving on the nominating and corporate governance committee is independent within the meaning of the NYSE listing standards.

The nominating and corporate governance committee is responsible for making recommendations regarding candidates for directorships and the size and composition of the Board. In addition, the nominating and corporate governance committee is responsible for overseeing Calix's corporate governance guidelines and reporting and making recommendations concerning governance matters. The nominating and corporate governance committee operates under a written charter that satisfies the applicable standards of the SEC and the NYSE. A copy of the nominating and corporate governance committee charter is available to security holders in the Corporate Governance section of our website at <http://investor-relations.calix.com/>.

Calix's nominating and corporate governance committee is responsible for reviewing with the Board, on an annual basis, the appropriate characteristics, skills and experience required for the Board as a whole and its individual members. Calix does not have a formal diversity policy, but does consider diversity to be a relevant consideration in the process of evaluating and identifying director candidates. To that end, in evaluating the suitability of individual candidates (both new candidates and current board members), the nominating and corporate governance committee, in recommending candidates for election, and the Board, in approving (and, in the case of vacancies, appointing) such candidates, takes into account many factors, including: diversity of personal background, perspective and experience; personal and professional integrity, ethics and values; experience in corporate management, operations or finance, such as serving as an officer or former officer of a

publicly-held company; experience in Calix's industry and with relevant social policy concerns; experience as a board member of another publicly-held company; academic expertise in an area of Calix's operations; diversity of business or career experience relevant to the success of Calix; and practical and mature business judgment. The Board evaluates each individual in the context of the Board as a whole, with the objective of assembling a group that can best perpetuate the success of the business and represent stockholder interests through the exercise of sound judgment using its diversity of experience in these various areas. Calix has from time to time engaged a third party executive search agency to identify, evaluate and assist in identifying potential nominees, and may engage such agencies in the future.

The policy of the nominating and corporate governance committee is to consider properly submitted director candidates recommended by stockholders. For a stockholder to make any nomination for election to the Board at an annual meeting, the stockholder must provide notice to Calix, which must be received at Calix's principal executive offices not less than 90 days and not more than 120 days prior to the one-year anniversary of the preceding year's annual meeting; provided, that if the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, the stockholder's notice must be delivered not later than 90 days prior to the date of the annual meeting or, if later, the 10th day following the date on which public disclosure of the date of such annual meeting is made. Further updates and supplements to such notice may be required at the times and in the forms required under our bylaws. As set forth in our bylaws, submissions must include the name and address of the proposed nominee, information regarding the proposed nominee that is required to be disclosed in a proxy statement or other filings in a contested election under Section 14(a) of the Exchange Act, information regarding the proposed nominee's indirect and direct interests in shares of Calix's common stock, and a completed and signed questionnaire, representation and agreement of the proposed nominee. Our bylaws also specify further requirements as to the form and content of a stockholder's notice. We recommend that any stockholder wishing to make a nomination for director review a copy of our bylaws, as amended and restated to date, which is available, without charge, from our Corporate Secretary, at 1035 N. McDowell Boulevard, Petaluma California 94954. The presiding officer at the applicable annual meeting may, if the facts warrant, determine that a nomination was not properly made in accordance with the foregoing, in which case the defective nomination may be disregarded.

Meetings of the Board, Board and Committee Member Attendance and Annual Meeting Attendance

Our Board met 10 times during fiscal year 2011. The audit committee of the Board met six times, the compensation committee of the Board met seven times and the nominating and corporate governance committee of the Board met one time during fiscal year 2011. During 2011, each Board member attended 75% or more of the aggregate of the meetings of the Board and of the committees on which he served, except for Mr. Pardun, who attended six of the ten meetings convened after he joined the Board.

Two of our directors, Messrs. Ashby and Russo, attended the company's first annual meeting of stockholders on May 25, 2011.

Stockholder Communications with the Board

Should stockholders wish to communicate with the Board or any specified individual directors, such correspondence should be sent to the attention of Calix's Corporate Secretary, at 1035 N. McDowell Boulevard, Petaluma, California 94954. Calix's Corporate Secretary will forward the communication to the Board members.

Compensation Committee Interlocks and Insider Participation

None of the members of Calix's compensation committee is or has at any time during the past year been an officer or employee of Calix, was formerly an officer of Calix, or has engaged in certain related transactions with Calix, as required to be disclosed by SEC regulations. None of Calix's executive officers currently serves or in the past year has served as a member of the board of directors or compensation committee of any other entity that has one or more executive officers serving on Calix's Board or compensation committee.

Risk Assessment and Compensation Practices

Calix's management assessed and discussed with the compensation committee Calix's compensation policies and practices for its employees as they relate to risk management and, based upon this assessment, Calix believes that any risks arising from such policies and practices are not reasonably likely to have a material adverse effect on Calix in the future.

Calix's employees' base salaries are fixed in amount and thus Calix does not believe that they encourage excessive risk-taking. While performance-based cash bonuses and sales commissions focus on achievement of short-term or annual goals, which may encourage the taking of short-term risks at the expense of long-term results, Calix believes that its internal controls help mitigate this risk and Calix's performance-based cash bonuses and sales commissions are limited, representing a small portion of the total compensation opportunities available to most employees. Calix also believes that its performance-based cash bonuses and sales commissions appropriately balance risk and the desire to focus employees on specific short-term goals important to the company's success, and do not encourage unnecessary or excessive risk taking.

A significant proportion of the compensation provided to Calix employees, and nearly all of the compensation provided to Mr. Russo, is in the form of long-term equity-based incentives that are important to help further align Calix's employees' interests with those of its stockholders. Calix does not believe that these equity-based incentives encourage unnecessary or excessive risk taking because their ultimate value is tied to Calix's stock price.

The statements regarding the risks arising from Calix's compensation policies and practices contain forward-looking statements that involve substantial risks and uncertainties. Calix has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that Calix believes may affect its financial condition, results of operations, business strategy and financial needs.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF EACH CLASS II DIRECTOR NOMINEE NAMED ABOVE.

PROPOSAL NO. 2

**APPROVAL ON A NON-BINDING, ADVISORY BASIS OF THE
COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS (SAY-ON-PAY)**

We are seeking an advisory vote from our stockholders to approve the compensation paid to our NEOs, as disclosed in this Proxy Statement under the compensation disclosure rules of the SEC.

The compensation committee of the Board, with assistance from external compensation consultants, has structured our executive compensation program to stress a pay-for-performance philosophy. The compensation opportunities provided to our NEOs are significantly dependent on Calix's financial performance, the performance of Calix's stock and the NEO's individual performance, which are intended to drive creation of sustainable stockholder value. The compensation committee of the Board will continue to emphasize responsible compensation arrangements that attract, retain, and motivate high caliber executive officers, and motivate those officers to achieve Calix's short- and long-term business strategies and objectives.

You have the opportunity to vote For or Against or to Abstain from voting on the following non-binding resolution relating to executive compensation:

Resolved, that the stockholders approve, on an advisory basis, the compensation paid to Calix's NEOs as disclosed in Calix's proxy statement for the 2012 Annual Meeting of Stockholders under the compensation disclosure rules of the SEC, including the compensation discussion and analysis, compensation tables and narrative discussion of the proxy statement.

In deciding how to vote on this proposal, we encourage you to consider Calix's executive compensation philosophy and objectives, the design principles and the elements of Calix's executive compensation program described in the Compensation Discussion and Analysis or CD&A section below. As described in the CD&A section, a guiding principle of our compensation philosophy is that pay should be linked to performance and that the interests of our executives and stockholders should be aligned. Our compensation program is a mix of short- and long-term components, cash and equity elements and fixed and contingent payments in proportions we believe will provide the proper incentives, reward our NEOs and help us achieve our goals and increase stockholder value. For example:

Chief Executive Officer Compensation Aligned with Stockholder Interests. Our CEO's compensation in 2011 primarily came from returns on his ownership stake in Calix and his equity incentive awards, including stock options. As a significant stockholder, his personal wealth is tied directly to sustained stock price appreciation and performance, which provides direct alignment with stockholder interests. As part of a review of our compensation programs, the compensation committee approved a change to more cash-based compensation for our CEO, effective January 1, 2012, in part to help preserve the pool of equity incentives available for grant to other employees within the organization. This reflects our CEO's commitment to support equitable grants across the organization, through lowering his stake and facilitating participation of our top performers and key talent in our Equity Incentive Award Program.

Other NEOs Compensation Substantially Tied to Performance. Other NEOs earn a significant portion of their total compensation based upon increases in Calix's stock price and a significant portion of their cash compensation based upon Calix's financial performance along with our compensation committee's assessment of individual performance;

Change in Control and Severance Benefits Not Grossed Up. While Calix provides limited change in control and severance benefits to provide NEOs security and remain competitive, Calix does not gross up any NEO taxes in connection with change in control, severance or other compensation and benefits.

No Special Perquisites. NEOs participate in the same benefit programs as other Calix employees and do not receive any other perquisites.

To be approved, on a non-binding and advisory basis, the compensation paid to our NEOs, as disclosed in this Proxy Statement under the compensation disclosure rules of the SEC, must receive a For vote from the holders of a majority in voting power of the shares of common stock which are present online or by proxy and entitled to vote on the proposal. Abstentions will have the same effect as Against votes for purposes of determining whether this matter has been approved. Broker non-votes will not be counted for any purpose in determining whether this matter has been approved.

While your vote on this proposal is advisory and will not be binding on the compensation committee of the Board, the Board or Calix, the compensation committee of the Board values the opinions of Calix's stockholders on executive compensation matters and will take the results of this advisory vote into consideration when making future decisions regarding Calix's executive compensation program.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL OF THE COMPENSATION PAID TO THE NAMED EXECUTIVE OFFICERS, AS DISCLOSED IN THIS PROXY STATEMENT UNDER THE COMPENSATION DISCLOSURE RULES OF THE SEC.

PROPOSAL NO. 3**RATIFICATION OF SELECTION OF INDEPENDENT****REGISTERED PUBLIC ACCOUNTING FIRM**

The audit committee of our Board has engaged Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2012, and is seeking ratification of such selection by our stockholders at the Annual Meeting. Ernst & Young LLP has audited our financial statements since the fiscal year ending December 31, 2000. Representatives of Ernst & Young LLP are expected to be present at the Annual Meeting. They will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Neither our bylaws nor other governing documents or law require stockholder ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm. However, the audit committee of the Board is submitting the selection of Ernst & Young LLP to our stockholders for ratification as a matter of good corporate practice. If our stockholders fail to ratify the selection, the audit committee will reconsider whether or not to retain Ernst & Young LLP. Even if the selection is ratified, the audit committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if they determine that such a change would be in the best interests of Calix and its stockholders.

To be approved, the ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm must receive a For vote from the holders of a majority in voting power of the shares of common stock which are present online or represented by proxy and entitled to vote on the proposal. Abstentions will have the same effect as an Against vote for purposes of determining whether this matter has been approved. Broker non-votes will not be counted for any purpose in determining whether this matter has been approved.

Principal Accountant Fees and Services

The following table provides information regarding the fees for the audit and other services provided by Ernst & Young LLP for the fiscal years ended December 31, 2011 and 2010 (in thousands). All fees described below were approved by the audit committee of the Board.

	Fiscal Year Ended December 31,	
	2011	2010
Audit Fees	\$ 1,053	\$ 1,525
Audit-Related Fees		27
Tax Fees	98	311
All Other Fees	8	
Total Fees	\$ 1,159	\$ 1,863

Audit Fees

Audit fees of Ernst & Young LLP for 2011 and 2010 include the aggregate fees related to the audits of Calix's annual consolidated financial statements and the reviews of each of the quarterly consolidated financial statements included in Calix's Quarterly Reports on Form 10-Q, services rendered in connection with our Form S-1 and Form S-8 related to our initial public offering and in connection with our Form S-4 relating to the acquisition of Occam, comfort letter consents and other matters related to the SEC, and audit services provided in connection with certain foreign regulatory filings.

Audit-Related Fees

There were no Audit-related fees for 2011. Audit-related fees for 2010 include advisory services related to audit services provided in connection with the acquisition of Occam.

Tax Fees

Tax fees for 2011 and 2010 include tax compliance and advisory services. In addition, 2010 tax fees included services related to the analysis of the availability to the Company of certain tax credits and carryforwards.

All Other Fees

Other fees for 2011 include services provided in connection with sales tax compliance. There were no other fees billed by Ernst & Young for 2010.

Pre-Approval Policies and Procedures

The audit committee of the Board pre-approves all audit and non-audit services provided by its independent registered public accounting firm. This policy is set forth in the charter of the audit committee and available in the Corporate Governance section of our website at <http://investor-relations.calix.com/>.

The audit committee of the Board considered whether the non-audit services rendered by Ernst & Young LLP were compatible with maintaining Ernst & Young LLP's independence as the independent registered public accounting firm of Calix's consolidated financial statements and concluded that they were.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE RATIFICATION OF THE SELECTION OF ERNST & YOUNG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2012.

PROPOSAL NO. 4

AMENDMENT OF CALIX S CERTIFICATE OF INCORPORATION TO DESIGNATE THE CHANCERY COURT OF THE STATE OF DELAWARE AS THE EXCLUSIVE FORUM FOR RESOLUTION OF INTRA-CORPORATE DISPUTES

We propose to amend our Amended and Restated Certificate of Incorporation to require that the Delaware Court of Chancery be the exclusive forum for certain actions brought against the Company, its directors, officers and employees. Many authorities on corporate governance believe that stockholders derive significant benefit from such a requirement.

The Board believes that our stockholders will benefit from having intra-corporate disputes litigated in the Delaware Court Chancery. Although some plaintiffs might prefer to litigate matters in a forum outside of Delaware, because another court may be more convenient or viewed as more favorable to them (among other reasons), the Board believes that the benefits to the Company and its stockholders as a whole outweigh these concerns. Calix is a Delaware corporation, and Delaware law governs our corporate actions. Over the years, the state of Delaware has developed a sophisticated and thorough body of corporate legal precedent, and its Court of Chancery is the most experienced and most efficient forum in the country for deciding such disputes. Its streamlined procedures and processes generally lead to more timely decisions in cases of this sort. Allowing stockholders to bring actions in other states with much less familiarity with Delaware corporate law creates significant risk that foreign jurisdictions may misapply Delaware law to the detriment of the company and all of its stockholders. Litigating intra-corporate disputes in Delaware results in greater certainty and predictability for the company and all of our stockholders.

This change would also eliminate duplicative litigation in multiple forums, which can be costly and inefficient, and which carry the risk that the outcome of such cases could be inconsistent, even though each forum purports to follow Delaware law.

For these reasons, the Board is proposing that stockholders approve an amendment to our Amended and Restated Certificate of Incorporation, adding a new Article VIII, which will establish the Court of Chancery of the State of Delaware as the exclusive forum for certain actions, and will rename the existing Article VIII as new Article IX. Other than as described in this proxy statement, approval of this amendment will not have any effect on your rights as a stockholder. If this amendment is approved, the new Article VIII of the Certificate will read as follows:

ARTICLE VIII

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, this Amended and Restated Certificate of Incorporation or the Corporation's Bylaws, or (iv) any action asserting a claim against the Corporation governed by the internal affairs doctrine.

If approved by our stockholders, the amendment will be effective upon filing with the Secretary of State of the State of Delaware, which we intend to do promptly after stockholder approval is obtained.

To be approved, the proposed amendment must receive a For vote from the holders of a majority of the outstanding shares entitled to vote on the proposal. Abstentions will have the same effect as an Against vote for purposes of determining whether this matter has been approved. Broker non-votes will not be counted for any purpose in determining whether this matter has been approved.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE AMENDMENT OF CALIX S AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO DESIGNATE THE CHANCERY COURT OF THE STATE OF DELAWARE AS THE EXCLUSIVE FORUM FOR RESOLUTION OF INTRA-CORPORATE DISPUTES.

PROPOSAL NO. 5

APPROVAL OF THE AMENDED AND RESTATED EMPLOYEE STOCK PURCHASE PLAN

Stockholders are being asked to approve the Company's Amended and Restated Employee Stock Purchase Plan (the "ESPP"), which includes an increase in the number of shares of common stock reserved for issuance from 1,000,000 shares under the Employee Stock Purchase Plan as amended July 20, 2010 (the "Prior ESPP") to 4,300,000 shares under the ESPP (an increase of 3,300,000 shares).

On February 23, 2012, the compensation committee of the Board, upon delegation of authority from the Board, approved the ESPP, to be effective upon stockholder approval. The compensation committee of the Board approved the ESPP to take effect June 1, 2012 and to amend and replace in its entirety the Prior ESPP, subject to approval of the ESPP by stockholders. The Prior ESPP was approved by our board and adopted by our shareholders in March 2010 and was last amended July 20, 2010.

The purpose of the ESPP is to provide our employees the opportunity to purchase our common stock through accumulated payroll deductions. The ESPP is intended to qualify as an employee stock purchase plan under Section 423 of the Internal Revenue Code of 1986, as amended (the "Code"). The ESPP is an important component of the benefits package that we offer to our employees. We believe that it is a key factor in retaining existing employees, recruiting and retaining new employees and aligning and increasing the interest of all employees in the success of the Company.

The ESPP is substantially the same as the Prior ESPP, except (i) the total number of shares that may be issued pursuant to the ESPP would be fixed at 4,300,000 shares of common stock, (ii) an eligible participant's Compensation used for determining eligible payroll deductions for the ESPP excludes overtime and shift differential payments, and (iii) a participant may elect to withdraw from participation under the ESPP at any time up to seven days prior to the last day of a purchase period by submitting the prescribed withdrawal form with the Company's Stock Administration Department.

If approved, the ESPP will go into effect for periods commencing on and after June 1, 2012. As of February 29, 2012, a total of 1,000,000 shares of common stock had been reserved for issuance under the Prior ESPP and 421,404 shares had been purchased since the Prior ESPP became effective in December 2010.

Summary of the ESPP

The principal features of the ESPP are summarized below. The following summary of the ESPP does not purport to be a complete description of all of the provisions of the ESPP, but is qualified in its entirety by reference to the complete text of the ESPP, which has been filed with the SEC as Exhibit A to this proxy statement. Any stockholder who wishes to obtain a copy of the ESPP may do so upon written request to the Secretary at Calix's principal executive offices.

Offerings. The ESPP provides for the grant to employees of rights to purchase shares of the Company's common stock at reduced prices through payroll deductions. Purchase Periods are six-month periods commencing each June 1 and December 1, unless otherwise determined by the ESPP administrator. However, in no event may a purchase period be longer than 27 months in length.

Shares Available Under ESPP. The maximum number of our shares of common stock which will be authorized for sale under the ESPP is 4,300,000, which includes the 1,000,000 shares of common stock reserved for issuance under the Prior ESPP. The shares made available for sale under the ESPP may be authorized but unissued shares or reacquired shares reserved for issuance under the ESPP.

Administration. The ESPP will be administered by our compensation committee, which was appointed by the Board to administer the ESPP. The ESPP administrator has final authority for interpretation of any provisions of the ESPP or of any right to purchase stock granted under the ESPP. The Plan administrator may request advice or assistance or employ such other persons as are necessary for proper administration of the Plan. Interpretations and constructions of the administrator of any provision of the ESPP or of any rights under it will be conclusive and binding on all persons. We will bear all expenses and liabilities incurred by the ESPP administrator.

Eligibility and Enrollment. Employees of the Company who customarily work more than twenty hours a week and more than five months per calendar year are eligible to participate in the ESPP. However, no employee is eligible to participate in the ESPP if, immediately after the election to participate, such employee would own stock of the Company (including stock such employee may purchase under outstanding options) representing 5% or more of the total combined voting power or value of all classes of stock of the Company or any parent or subsidiary of the Company. In addition, no employee is permitted to participate if the rights of the employee to purchase common stock of the Company under the ESPP would accrue at a rate which exceeds \$25,000 of the fair market value of such stock (determined at the time the right is granted) for each calendar year. Eligible employees become participants in the ESPP by executing a participation agreement and filing it with the Company's stock administrator. By enrolling in the ESPP, a participant is deemed to have elected to purchase the maximum number of whole shares of common stock that can be purchased with the compensation withheld during each Purchase Period for which the participant is enrolled. No participant will be eligible to purchase more than 2,000 shares of stock within any Purchase Period. Termination of a participant's status as an eligible employee for any reason, including death, is treated as an automatic withdrawal from the ESPP.

As of February 29, 2012, there were approximately six current executive officers and 543 current non-executive officer employees who would be eligible to participate in the ESPP. Non-employee directors are not eligible to participate in the ESPP.

Payroll Deductions. The payroll deductions made for each participant may be not less than 1% nor more than 15% of a participant's compensation. Compensation is defined in the ESPP. Payroll deductions commence with the first paycheck issued during the Purchase Period for which the participant is enrolled and are deducted from subsequent paychecks throughout the Purchase Period unless changed or terminated as provided in the ESPP. The Company maintains a plan account in the name of each participant and credits the amount deducted from compensation to such account. No interest accrues to the money held in the account pending purchase of shares of common stock.

Purchase of Stock. As of the last day of each Purchase Period, each participant's accumulated payroll deductions are applied to the purchase of whole shares of common stock at a price which is the lower of 85% of the fair market value per share of the common stock on the first trading day or on the last trading day of the applicable Purchase Period. The fair market value of the common stock on a given date is defined as the closing price on that day as reported by the New York Stock Exchange.

Unless a participant has previously canceled his or her participation in the ESPP at least seven days before the purchase date, the participant will be deemed to have exercised his or her option in full as of each purchase date. Upon exercise, the participant will purchase the number of whole shares that his or her accumulated payroll deductions will buy at the option purchase price, subject to the participation limitations listed above.

A participant may cancel his or her payroll deduction authorization at any time prior to seven days before the end of the Purchase Period. Upon cancellation, the participant's account balance will be refunded in cash without interest. A participant may also decrease (but not increase) his or her payroll deduction authorization once during any Purchase Period. If a participant wants to increase or decrease the rate of payroll withholding, he or she may do so effective for the next Purchase Period by submitting a new percentage no later than five days before commencement of the Purchase Period for which such change is to be effective.

A participant may not assign, transfer, pledge or otherwise dispose of (other than by will or the laws of descent and distribution) payroll deductions credited to a participant's account or any rights to exercise an option or to receive shares of our common stock under the ESPP, and during a participant's lifetime, options in the ESPP shall be exercisable only by such participant. Any such attempt at assignment, transfer, pledge or other disposition will not be given effect.

Adjustments upon Changes in Recapitalization, Dissolution, Liquidation, Merger or Asset Sale. In the event of any increase or decrease in the number of issued shares of our common stock resulting from a subdivision or consolidation of shares or any other capital adjustment, the payment of a stock dividend, or other increase or decrease in such shares affected without receipt of consideration, we will proportionately adjust the aggregate number of shares of our common stock offered under the ESPP, the number and price of shares which any participant has elected to purchase pursuant under the ESPP and the maximum number of shares which a participant may elect to purchase in any single Purchase Period.

If there is a proposal to dissolve or liquidate the Company, then the ESPP will terminate, and any amounts that a participant has paid towards the purchase of common stock under the ESPP will be refunded without interest. If the Company undergoes a merger with or into another corporation or sale of all or substantially all of our assets, each outstanding option will be assumed or an equivalent option substituted by the successor corporation or the parent or subsidiary of the successor corporation. If the successor corporation refuses to assume the outstanding options or substitute equivalent options, then any purchase period then in progress will be shortened by setting a new purchase date to take place before the date of our proposed sale or merger. We will notify each participant in writing at least five days prior to the new exercise date of such change.

Amendment and Termination. Our Board may amend, suspend or terminate the ESPP at any time. Unless it is sooner terminated by our board of directors, the ESPP will terminate upon the earlier of (i) such date as is determined by the Company in its sole discretion or (ii) the date on which all shares available for issuance under the ESPP shall have been sold pursuant to options exercised under the ESPP. However, the Board may not amend the ESPP without obtaining stockholder approval within 12 months before or after such amendment to the extent required by applicable laws.

Proposed Change from the Prior ESPP

Shares Authorized. The Board believes that the ESPP is an important component of the Company's overall portfolio of employee benefits, and serves as a valuable incentive in further aligning Calix employees' interests with those of its stockholders. Therefore, the Board believes that it is in the Company's and the stockholders' best interests to ensure that the ESPP has access to a sufficient number of shares of company common stock to allow the ESPP to continue to operate without restriction or interruption for at least the next five years.

Based on current employee-participation rates in the ESPP, the Company expects that the number of shares initially allocated for issuance under the Prior ESPP will be exhausted within the next 12 months. Therefore, the Board proposes to amend and restate Section 3 of the Prior ESPP to allow for the issuance of an additional 3,300,000 shares of Company common stock under the ESPP. If the ESPP is approved, new Section 3 of the ESPP will read as follows:

Section 3. Shares Authorized.

The maximum aggregate number of shares which may be issued under the Plan shall be 4,300,000 shares of Stock (subject to adjustment as provided in Section 12 hereof), which may be either authorized but unissued Stock or reacquired Stock, including shares of Stock purchased on the open market.

Federal Income Tax Consequences

Generally, no federal income tax consequences will arise at the time an employee purchases shares of common stock under the ESPP. If an employee disposes of shares purchased under the ESPP less than one year after the shares are purchased or within two years of the enrollment date, the employee will be deemed to have received compensation taxable as ordinary income for the taxable year in which the disposition occurs in the

amount of the difference between the fair market value of the shares of common stock at the time of purchase and the amount paid by the employee for the shares. The amount of such ordinary income recognized by the employee will be added to the employee's basis in the shares for purposes of determining capital gain or loss upon the disposition of the shares by the employee.

If an employee does not dispose of the shares of common stock purchased under the ESPP until at least one year after the shares are purchased and at least two years after the enrollment date, the employee will be deemed to have received compensation taxable as ordinary income for the taxable year in which the disposition occurs in an amount equal to the lesser of (a) the excess of the fair market value of the shares of common stock on the date of disposition over the purchase price paid by the employee, or (b) the excess of the fair market value of the shares of common stock on the enrollment date over the purchase price paid by the employee. The amount of such ordinary income recognized by the employee will be added to the employee's basis in the shares for purposes of determining capital gain or loss upon the disposition of the shares by the employee.

We generally will not be entitled to a tax deduction with respect to the shares of common stock purchased by an employee under the ESPP, unless the employee disposes of the shares less than one year after the shares are transferred to the employee or less than two years after the enrollment date, in which case we will generally be entitled to a tax deduction corresponding to the amount of ordinary income recognized by the employee.

New Plan Benefits

No current directors who are not employees will receive any benefit under the ESPP. The benefits that will be received under the ESPP by our current executive officers and by all eligible non-executive officer employees are not determinable at this time. The following table shows the fair market value of compensation expenses recognized by the Company and the corresponding number of shares that were acquired by the listed persons under the Prior ESPP for the fiscal year ended December 31, 2011.

Name or Position	Number of Shares	Compensation Expense Dollar Value (\$) ⁽¹⁾
Carl Russo (2)	0	0
Michael Ashby	0	0
Roger Weingarth	0	0
Andy Lockhart	0	0
John Colvin	0	0
Kevin Pope	0	0
Tony Banta	0	0
Non-Executive Director Group	0	0
Non-Executive Officer Employee Group	421,404	\$ 2,237,348

(1) Represents the grant date fair value calculated in accordance with the provisions of FASB ASC Topic 718. The weighted average assumptions used to estimate the fair value of ESPP shares during 2011 were as follows: expected volatility 53%; expected life 1/2 year; expected dividend yield 0; and a risk free interest rate of 1.79%.

(2) Mr. Russo is ineligible to participate in the ESPP.

To be approved, this proposal must receive a For vote from the holders of a majority in voting power of the shares of common stock which are present online or represented by proxy and entitled to vote on the proposal. Abstentions will have the same effect as an Against vote for purposes of determining whether this matter has been approved. Broker non-votes will not be counted for any purpose in determining whether this matter has been approved.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR APPROVAL OF THE CALIX, INC. EMPLOYEE STOCK PURCHASE PLAN, AS DISCUSSED ABOVE.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table presents information as to the beneficial ownership of our common stock as of February 29, 2012 for:

each stockholder known by us to be the beneficial owner of more than 5% of our common stock;

each of our directors;

each NEO as set forth in the summary compensation table below; and

all executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable. Shares of our common stock subject to options that are currently exercisable or exercisable within 60 days of February 29, 2012 and RSUs that vest within 60 days of February 29, 2012, are deemed to be outstanding and to be beneficially owned by the person holding the options or RSUs for the purpose of computing the percentage ownership of that person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

Percentage ownership of our common stock in the table is based on 47,856,093 shares of our common stock issued and outstanding on February 29, 2012. Unless otherwise indicated, the address of each of the individuals and entities named below is c/o Calix, Inc., 1035 N. McDowell Boulevard, Petaluma, California 94954.

Name of Beneficial Owner	Shares of Common Stock Beneficially Owned (1)				Percent
	Common Stock	Options Exercisable Within 60 Days	RSUs Vesting Within 60 Days	Number of Shares Beneficially Owned	
5% Stockholders:					
FMR LLC (2)					
245 Summer St., 14th Fl.					
Boston, MA 02210	5,578,772			5,578,772	11.66%
Funds Affiliated with Foundation Capital (3)					
250 Middlefield Road					
Menlo Park, CA 94025	2,943,440			2,943,440	6.15%
Funds affiliated with TeleSoft (4)					
950 Tower Lane, Suite 1600					
Foster City, CA 94404	2,690,526			2,690,526	5.62%
Directors and Executive Officers:					
Carl Russo (5)	5,850,899	29,166		5,880,065	12.28%
Michael Ashby	1,439,794	66,123		1,505,917	3.14%
Roger Weingarh	258,350	2,451		260,801	*
Tony Banta	95,182	833	15,000	111,015	*
John Colvin	259,693	833		260,526	*
Andy Lockhart	10,000	64,166		74,166	*
Kevin Pope	91,594	833		92,427	*
Michael Everett	33,221	8,750		41,971	*
Michael Flynn	32,264	10,625		42,889	*
Adam Grosser	1,511	11,353	1,511	14,375	*
Don Listwin	502,464	5,625		508,089	1.06%
Michael Matthews	1,511	6,319		7,830	*
Thomas Pardun	20,297	7,938		28,235	*
Kelyn Brannon (6)	13,000			13,000	*
All 14 directors and executive officers as a group	8,609,780	215,015	16,511	8,841,306	18.39%

* Represents beneficial ownership of less than one percent of the outstanding shares of common stock.

- (1) Shares shown in the table above include shares held in the beneficial owner's name or jointly with others, or in the name of a bank, nominee or trustee for the beneficial owner's account.
- (2) Based upon a Schedule 13G/A filed with the SEC on February 14, 2012 by FMR LLC. Various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, our common stock. Fidelity Management & Research Company (Fidelity), a wholly-owned subsidiary of FMR LLC and a registered investment adviser, is the beneficial owner of 5,577,449 shares, as a result of acting as investment adviser to various registered investment companies. Edward C. Johnson 3d and FMR LLC, through its control of Fidelity, and the funds each has sole power to dispose of the 5,577,449 shares owned by the funds. Members of the family of Edward C. Johnson 3d, chairman of FMR LLC, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares.

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Accordingly, through their ownership of voting common shares and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Edward C. Johnson 3d has the sole power to vote or direct the voting of the shares owned directly by the Fidelity funds, which power resides

with the funds' boards of trustees. Fidelity carries out the voting of the shares under written guidelines established by the funds' boards of trustees. Pyramis Global Advisors Trust Company (PGATC), 900 Salem Street, Smithfield, Rhode Island, 02917, an indirect wholly-owned subsidiary of FMR LLC and a bank as defined in Section 3(a)(6) of the Securities Exchange Act of 1934, is the beneficial owner of 1,323 shares as a result of its serving as investment manager of institutional accounts owning such shares. Edward C. Johnson 3d and FMR LLC, through its control of PGATC, each has sole dispositive power over 1,323 shares and sole power to vote or to direct the voting of 1,323 shares of Common Stock owned by the institutional accounts managed by PGATC as reported above.

- (3) Based upon a Schedule 13G/A filed with the SEC on February 8, 2012 by Foundation Capital V, L.P., Foundation Capital V Principals Fund, L.L.C. and Foundation Capital Management Company V, L.L.C. Represents 2,880,916 shares held by Foundation Capital V, LP and 62,524 shares held by Foundation Capital V Principals Fund, LLC. Foundation Capital Management Co. V, L.L.C. serves as the sole general partner of Foundation Capital V, L.P. and serves as the manager of Foundation Capital V Principals Fund, L.L.C. As such, Foundation Capital Management Co. V, L.L.C. possesses voting and dispositive power over the shares held by Foundation Capital V, L.P. and Foundation Capital V Principals Fund, L.L.C., and may be deemed to have indirect beneficial ownership of the shares held by Foundation Capital V, L.P. and Foundation Capital V Principals Fund, L.L.C. Foundation Capital Management Co. V, L.L.C. owns no securities of Calix directly. These entities expressly disclaim status as a group for purposes of Section 13(g) of the Securities Exchange Act of 1934.
- (4) Based upon a Schedule 13G filed with the SEC on February 15, 2011 by TeleSoft Partners II SBIC, L.P., TeleSoft Partners II QP, L.P., TeleSoft Partners II L.P., TeleSoft NP Employee Fund LLC, TeleSoft Management II, LLC TeleSoft II SBIC-GP, Inc., Arjun Gupta and Allan James Howard. Represents 1,449,286 shares held by TeleSoft Partners II SBIC, L.P., 1,160,747 shares held by TeleSoft Partners II QP, L.P., 78,979 shares held by TeleSoft Partners II, L.P. and 1,514 shares held by TeleSoft NP Employee Fund, L.L.C. (together, the TeleSoft Investing Entities). The sole general partner of TeleSoft Partners II SBIC, L.P. is TeleSoft II SBIC-GP, Inc. The sole stockholder of TeleSoft II SBIC-GP, Inc. is TeleSoft Management II, L.L.C. (together with TeleSoft II SBIC-GP, Inc., the TeleSoft GP Entities) The sole general partner of TeleSoft Partners II QP, L.P. and TeleSoft Partners II, L.P. is TeleSoft Management II, L.L.C.. The executive manager of TeleSoft Management II, L.L.C. is Arjun Gupta. The sole manager of TeleSoft NP Employee Fund, L.L.C. is Allan James Howard. Mr. Gupta may be deemed to have shared voting and investment power over the shares held by TeleSoft Partners II SBIC, L.P., TeleSoft Partners II QP, L.P. and TeleSoft Partners II, L.P. Mr. Howard may be deemed to have shared voting and investment power over the shares held by TeleSoft NP Employee Fund, L.L.P. Each of these individuals disclaims beneficial ownership of such shares, except to the extent of his or her pecuniary interest therein. Each of the TeleSoft GP Entities disclaims beneficial ownership of the shares held by the TeleSoft Investing Entities, except to the extent of each such entity's pecuniary interest therein.
- (5) Based upon a Schedule 13G/A filed with the SEC on April 3, 2012 by Carl Russo, The Crescentico Trust, Equanimous Investments, Calgrat Partners, L.P. and Tim Pasquinelli, this includes 2,239,188 shares held by The Crescentico Trust, Carl Russo, Trustee, 275,633 shares held by Equanimous Investments and 73,758 shares held by Calgrat Partners, L.P. The managing members of Equanimous Investments are Carl Russo and Tim Pasquinelli. The managing partner of Calgrat Partners, L.P. is Tim Pasquinelli. These individuals may be deemed to have shared voting and investment power over the shares held by Equanimous Investments and Calgrat Partners, as applicable. Each of these individuals disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein.
- (6) Ms. Brannon resigned from the Company effective March 4, 2011. Share numbers based on information provided to the Company by Ms. Brannon.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Company's directors and executive officers, and persons who own more than 10% of a registered class of the Company's equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Company. Officers, directors and greater than 10% stockholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file. We believe that during the fiscal year 2011, our directors and Section 16 officers complied with all Section 16(a) filing requirements. In making the above statements, we have relied upon the written representations of our directors and Section 16 officers.

DIRECTOR COMPENSATION

2011

Upon the recommendation of our compensation committee, the Board adopted a new compensation policy in December 2009, which was amended in March 2010. Pursuant to the amended policy, prior to our initial public offering, non-employee directors who were not affiliated with our significant stockholders received the following retainers for service on the Board during 2011:

Chairman of the Board \$55,000;

Chairman, Audit Committee \$52,000;

Chairman, Compensation Committee \$50,000;

Chairman, Nominating and Governance Committee \$45,000;

Committee Member who is not a Committee Chair \$40,000; and

Member of the Board who does not serve on a committee \$35,000.

Pursuant to the amended policy, such non-affiliated directors are also entitled to receive an option to purchase 10,000 shares of our common stock and 4,533 restricted stock units, or RSUs, upon initial election or appointment to the Board and an option to purchase 5,000 shares of our common stock and 2,266 RSUs annually thereafter. The initial option grant will vest with respect to one-third of the shares subject to the option on the first anniversary of the date of grant and then in equal monthly installments over the following two years. The initial RSUs will vest in three equal annual installments. The subsequent options will vest in equal monthly installments over one year. Subsequent RSUs will vest on the first anniversary of the date of grant. The exercise price of stock options is based on the per share closing trading price of our common stock on the date of grant. Additionally, the Board provided that all options and RSUs held by members of the Board, regardless of when granted, shall automatically accelerate in the event of a change in control of the company, as defined in our 2010 Equity Incentive Award Plan. The equity awards provided for in the amended policy will be made at the first Board meeting following our annual stockholders meeting, with the first such equity awards to be adjusted to reflect any initial or annual grants received within the twelve months immediately preceding the annual stockholders meeting.

On February 22, 2011, Mr. Pardun received initial equity awards that included 4,533 RSUs and options to purchase 10,000 shares of our common stock with a per share exercise price equal to \$18.44, which is equal to the per share closing trading price of our common stock on the date of grant. On July 19, 2011, Messrs. Flynn and Listwin were granted equity awards that included 3,399 RSUs and options to purchase 7,500 shares of our common stock with a per share exercise price equal to \$21.67. In addition, on July 19, 2011, Messrs. Everett, Grosser and Matthews were granted equity awards that included 2,266 RSUs, 2,833 RSUs and 1,133 RSUs, respectively, and options to purchase 5,000, 6,250 and 2,500 shares of our common stock, respectively, with a per share exercise price equal to \$21.67. On October 18, 2011, Mr. Pardun was granted equity awards that

included 793 RSUs and options to purchase 1,750 shares of our common stock with a per share exercise price

equal to \$8.97. Except for Mr. Pardun's initial awards on February 22, 2011, the stock options vest in equal monthly installments over one year. The RSUs will vest on the first anniversary of the date of grant.

We also reimburse non-employee directors for travel, lodging and other expenses incurred in connection with their attendance at Board or committee meetings.

Director Compensation Table

The following table sets forth information regarding compensation earned by our non-employee directors during the year ended December 31, 2011.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) (1) (2)	Option Awards (\$) (2) (3)	Total (\$)
Don Listwin	\$ 65,000	\$		