

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

BANDWIDTH INC.

(Name of Registrant as Specified In Its Charter)

(Name of person(s) filing proxy statement, if other than the registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
 Fee paid previously with preliminary materials.
 Fee computed on table in exhibit required by Item 25(b) per Exchange Act Rules 14a-6(i)(1) and 0-11.



bandwidth

BANDWIDTH INC.

**NOTICE OF ANNUAL MEETING
AND
PROXY STATEMENT**

**2022 ANNUAL MEETING OF STOCKHOLDERS
May 19, 2022**



BANDWIDTH INC.
900 Main Campus Drive, Suite 100
Raleigh, North Carolina 27606

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held at 9:30 a.m. Eastern Time on Thursday, May 19, 2022

Dear Stockholders of Bandwidth Inc.:

We cordially invite you to attend the 2022 annual meeting of stockholders (the “**Annual Meeting**”) of Bandwidth Inc., a Delaware corporation (the “**Company**”), which will be held on Thursday, May 19, 2022 **at 9:30 a.m. Eastern Time at Bandwidth’s office located at 900 Main Campus Drive, Suite 100, Raleigh, North Carolina 27606**, for the following purposes, as more fully described in the accompanying proxy statement:

1. To elect two Class II directors to serve until the 2025 annual meeting of stockholders and until their successors are duly elected and qualified;
2. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2022;
3. To approve, on an advisory basis, the compensation of the Company’s named executive officers as disclosed in the Proxy Statement; and
4. To transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

You also will be able to attend, vote and submit your questions during the Annual Meeting at www.proxydocs.com/BAND. Upon completing your registration, you will receive further instructions via email, including a unique link that will allow you access to the Annual Meeting and to vote and submit questions during the Annual Meeting. While we hope you will be able to attend the Annual Meeting in person, we also are sensitive to the health and safety of our stockholders, directors, officers, employees, and meeting attendees, as well as the general public. We also are aware of the protocols that federal, state, and local governments have imposed or may impose in response to COVID-19. Therefore, our Board of Directors has determined to provide remote access to the Annual Meeting since the number of stockholders who are able to attend the Annual Meeting may be limited and other limitations also may apply if you choose to attend the Annual Meeting in-person. We believe that providing remote access to the Annual Meeting will enable greater stockholder attendance and help accommodate participants who may be unable or unwilling to travel to an in-person meeting as a result of measures implemented in response to COVID-19.

Our board of directors has fixed the close of business on March 23, 2022 as the record date for the Annual Meeting. Only stockholders of record on March 23, 2022 are entitled to notice of and to vote at the Annual Meeting. Further information regarding voting rights and the matters to be voted upon is presented in the accompanying proxy statement.

On or about April 5, 2022, we expect to mail to our stockholders a Notice of Internet Availability of Proxy Materials (the “**Notice**”) containing instructions on how to access our proxy statement for our Annual Meeting (the “**Proxy Statement**”) and our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (the “**Annual Report**”). The Proxy Statement and the Annual Report can be accessed directly at the following Internet address: www.proxydocs.com/BAND.

YOUR VOTE IS IMPORTANT. We urge you to submit your vote via the Internet or mail as soon as possible to ensure that your shares are represented, regardless of whether you plan to attend the Annual Meeting. For additional instructions on voting by the Internet, please refer to your proxy card. Returning the proxy does not deprive you of your right to attend the Annual Meeting and to vote your shares at the Annual Meeting.

We sincerely appreciate your continued support.

By order of the Board of Directors,

A handwritten signature in blue ink, appearing to read 'David Morken', is written over a light blue horizontal line.

David A. Morken
Co-Founder, Chief Executive Officer and Chairman of the Board

April 5, 2022

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BANDWIDTH INC.

**PROXY STATEMENT
FOR
2022 ANNUAL MEETING OF STOCKHOLDERS**

PROCEDURAL MATTERS

This proxy statement and the enclosed form of proxy are furnished in connection with the solicitation of proxies by our board of directors for use at the 2022 annual meeting of stockholders of Bandwidth Inc., a Delaware corporation (the “**Company**”), and any postponements, adjournments or continuations thereof (the “**Annual Meeting**”). The Annual Meeting will be held on Thursday, May 19, 2022, at 9:30 a.m. Eastern Time at Bandwidth’s office located at 900 Main Campus Drive, Suite 100, Raleigh, North Carolina 27606. You also will be able to attend the Annual Meeting, vote your shares electronically and submit your questions during the live webcast of the meeting by registering in advance at www.proxydocs.com/BAND and entering your control number located on your proxy card. Upon completing your registration, you will receive further instructions via email, including a unique link that will allow you access to the Annual Meeting and to vote and submit questions during the Annual Meeting. The Notice of Internet Availability of Proxy Materials (the “**Notice**”) containing instructions on how to access this proxy statement and our annual report is first being mailed on or about April 5, 2022 to all stockholders entitled to vote at the Annual Meeting.

The information provided in the “question and answer” format below is for your convenience only and is merely a summary of the information contained in this proxy statement. You should read this entire proxy statement carefully. Information contained on, or that can be accessed through, our website is not intended to be incorporated by reference into this proxy statement and references to our website address in this proxy statement are inactive textual references only.

How do I attend the Annual Meeting in person?

The meeting will be held on Thursday, May 19, 2022, at 9:30 a.m. Eastern Time at Bandwidth’s office located at 900 Main Campus Drive, Suite 100, Raleigh, North Carolina 27606. Information on how to vote in person at the Annual Meeting is discussed below.

You also will be able to attend the Annual Meeting virtually by pre-registering at www.proxydocs.com/BAND. Upon completing your registration, you will receive additional information on the virtual meeting.

How do I attend the Annual Meeting online?

You also will be able to attend the Annual Meeting online via live audio webcast. If you are a stockholder as of the record date of March 23, 2022 and wish to virtually attend the Annual Meeting, you will need the control number, which is located on your Notice of Internet Availability of Proxy Materials or on your proxy card (if you receive a printed copy of the proxy materials). In order to attend the Annual Meeting, you must register at www.proxydocs.com/BAND. Upon completing your registration, you will receive further instructions via email, including a unique link that will allow you access to the Annual Meeting and to vote and submit questions during the Annual Meeting. The webcast will start at 9:30 a.m. Eastern Time on Thursday, May 19, 2022. Stockholders may vote and ask questions while attending the Annual Meeting online.

Use of cameras and recording devices are prohibited while virtually attending the live audio webcast.

What do I need to do to attend the Annual Meeting in person?

If you plan to attend the Annual Meeting, you must be a holder of shares of our common stock as of the record date of March 23, 2022.

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On the day of the Annual Meeting, each stockholder will be required to present the following:

- Valid government photo identification, such as a driver's license or passport; and
- Street name stockholders holding their shares through a broker, bank, trustee, or other nominee will need to bring proof of beneficial ownership as of March 23, 2022, the record date, such as their most recent account statement reflecting their stock ownership prior to March 23, 2022, a copy of the voting instruction card provided by their broker, bank, trustee, or other nominee, or similar evidence of ownership.

Seating will begin at 9:00 a.m. and the Annual Meeting will begin promptly at 9:30 a.m. Seating is limited and you will be permitted entry on a first-come, first-served basis. You will not be permitted to use cameras, recording devices, computers and other personal electronic devices at the Annual Meeting, as all photography and video are prohibited at the Annual Meeting.

Please allow ample time for check-in. Parking is limited. For security reasons, large bags and packages will not be allowed at the Annual Meeting. Persons may be subject to search.

Who can vote at the Annual Meeting?

Holders of either class of our common stock as of the close of business on March 23, 2022, the record date for the Annual Meeting, may vote at the Annual Meeting. As of the record date, there were 23,292,004 shares of our Class A common stock outstanding and there were 1,965,169 shares of our Class B common stock outstanding. Our Class A common stock and Class B common stock will vote as a single class on all matters described in this proxy statement for which your vote is being solicited. Stockholders are not permitted to cumulate votes with respect to the election of directors. Each share of Class A common stock is entitled to one vote on each proposal and each share of Class B common stock is entitled to 10 votes on each proposal. Our Class A common stock and Class B common stock are collectively referred to in this proxy statement as our "common stock."

Registered Stockholders. If shares of our common stock are registered directly in your name with our transfer agent, you are considered the stockholder of record with respect to those shares. As the stockholder of record, you have the right to grant your voting proxy directly to the individuals listed on the proxy card or to vote live at the Annual Meeting. Throughout this proxy statement, we refer to these registered stockholders as "stockholders of record."

Street Name Stockholders. If shares of our common stock are held on your behalf in a brokerage account or by a bank or other nominee, you are considered to be the beneficial owner of shares that are held in "street name," and your broker or nominee is considered the stockholder of record with respect to those shares. As the beneficial owner, you have the right to direct your broker, bank or other nominee as to how to vote your shares. Beneficial owners are also invited to attend the Annual Meeting. However, since a beneficial owner is not the stockholder of record, you may not vote your shares of common stock live at the Annual Meeting unless you follow your broker's procedures for obtaining a legal proxy. If you request a printed copy of our proxy materials by mail, your broker, bank or other nominee will provide a voting instruction form for you to use. Throughout this proxy statement, we refer to stockholders who hold their shares through a broker, bank or other nominee as "street name stockholders."

What matters am I voting on?

You will be voting on:

- The election of two Class II directors to serve until the 2025 annual meeting of stockholders and until their successors are duly elected and qualified ("**Proposal No. 1**");
- A proposal to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2022 ("**Proposal No. 2**");
- An advisory, non-binding approval of the compensation of our named executive officers, as disclosed in this proxy statement, in accordance with the rules of the SEC ("**Proposal No. 3**"); and

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- Any other business as may properly come before the Annual Meeting.

How does the board of directors recommend I vote on these proposals?

Our board of directors recommends a vote:

- “FOR” the election of Douglas A. Suriano and John C. Murdock as Class II directors;
- “FOR” the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2022; and
- “FOR” the advisory approval of the compensation of our named executive officers; and

How many votes are needed to approve each proposal?

The following table summarizes the minimum vote needed to approve each proposal and the effect of abstentions and broker non-votes.

Proposal No.	Proposal Description	Vote Required for Approval	Effect of Abstentions	Effect of Broker Non-Votes
1	Election of directors	Directors will be elected by a plurality of the votes cast at the Annual Meeting by the holders of shares present in person or represented by proxy and entitled to vote on the election of directors. The nominee receiving the most “FOR” votes will be elected as directors; withheld votes will have no effect	None	None
2	Ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2022	“FOR” votes from the holders of a majority of shares present in person or represented by proxy and entitled to vote on the subject matter	Against	Not applicable ⁽¹⁾
3	Advisory approval of the compensation of our named executive officers	“FOR” votes from the holders of a majority of shares present in person or represented by proxy and entitled to vote on the subject matter	Against	None

⁽¹⁾ This proposal is considered to be a “routine” matter under NASDAQ rules. Accordingly, if you hold your shares in street name and do not provide voting instructions to your broker, bank or other agent that holds your shares, your broker, bank or other agent has discretionary authority under NASDAQ rules to vote your shares on this proposal.

What is a quorum?

A quorum is the minimum number of shares required to be present at the Annual Meeting to properly hold an annual meeting of stockholders and conduct business under our second amended and restated bylaws and Delaware law. The presence, in person or represented by proxy, of a majority of the voting power of all issued and outstanding shares of our common stock entitled to vote at the Annual Meeting will constitute a quorum at the Annual Meeting. Abstentions, withhold votes and broker non-votes are counted as shares present and entitled to vote for purposes of determining a quorum.

How do I vote?

If you are a stockholder of record, there are three ways to vote:

- By Internet at www.proxypush.com/BAND, 24 hours a day, seven days a week (have your proxy card in hand when you visit the website);
- By completing and mailing your proxy card (if you received printed proxy materials); or
- By written ballot at the Annual Meeting.

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If you plan to attend the Annual Meeting, we recommend that you also vote by proxy so that your vote will be counted if you later decide not to attend the Annual Meeting.

If you are a street name stockholder, you will receive voting instructions from your broker, bank or other nominee. You must follow the voting instructions provided by your broker, bank or other nominee to direct your broker, bank or other nominee on how to vote your shares. Street name stockholders should generally be able to vote by returning a voting instruction form, or by telephone or on the Internet. However, the availability of telephone and Internet voting will depend on the voting process of your broker, bank or other nominee. As discussed above, if you are a street name stockholder, you may not vote your shares in person at the Annual Meeting unless you obtain a legal proxy from your broker, bank or other nominee.

How many votes do I have?

On each matter to be voted upon, you have one vote for each share of Class A common stock you owned as of March 23, 2022 and ten votes for each share of Class B common stock you owned as of March 23, 2022.

What happens if I do not vote?

Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record and do not vote online, by completing a proxy card or in person at the Annual Meeting, your shares will not be voted.

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

Brokerage firms and other intermediaries holding shares of our common stock in street name for their customers are generally required to vote such shares in the manner directed by their customers. In the absence of timely directions, your broker will have discretion to vote your shares on our sole “routine” matter: the proposal to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2022. Your broker will not have discretion to vote on any other proposals, which are “non-routine” matters, absent direction from you.

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

If you return a signed and dated proxy card or otherwise vote without marking voting selections, your shares will be voted, as applicable, “For” the election of the nominees for director, “For” the ratification of Ernst & Young LLP as independent auditors for our fiscal year ending December 31, 2022, and “For” the advisory approval of executive officer compensation. If any other matter is properly presented at the meeting, your proxy holder (one of the individuals named on your proxy card) will vote your shares using the individual’s best judgment. If you are a street name stockholder and you do not give voting instructions to your broker or nominee, your broker will leave your shares unvoted on this matter.

Can I change my vote or revoke my proxy?

Yes. If you are a stockholder of record, you can change your vote or revoke your proxy any time before the Annual Meeting by:

- Entering a new vote by Internet;
- Completing and returning a later-dated proxy card;
- Notifying R. Brandon Asbill, the Corporate Secretary of Bandwidth Inc., in writing, at Bandwidth Inc., 900 Main Campus Drive, Suite 100, Raleigh, NC 27606; or
- Attending and voting at the Annual Meeting (although attendance at the Annual Meeting will not, by itself, revoke a proxy).

If you are a street name stockholder, your broker, bank or other nominee can provide you with instructions on how to change your vote.

What is the effect of giving a proxy?

Proxies are solicited by and on behalf of our board of directors. Our board of directors has designated David A. Morken, Daryl E. Raiford and R. Brandon Asbill as proxy holders with full power of substitution. When a stockholder's proxy is properly dated, executed and returned, the shares represented by such proxy will be voted at the Annual Meeting in accordance with the instructions of the stockholder. If no specific instructions are given, however, the shares will be voted in accordance with the recommendations of our board of directors, as described above under "What if I return a proxy card or otherwise vote but do not make specific choices?" If any matters not described in this proxy statement are properly presented at the Annual Meeting, the proxy holders will use their own judgment to determine how to vote the shares. If the Annual Meeting is adjourned, the proxy holders can vote the shares on the new Annual Meeting date as well, unless you have properly revoked your proxy instructions, as described above.

Why did I receive a Notice of Internet Availability of Proxy Materials instead of a full set of proxy materials?

In accordance with the rules of the Securities and Exchange Commission ("SEC"), we have elected to furnish our proxy materials, including this proxy statement and our annual report, primarily via the Internet. The Notice containing instructions on how to access our proxy materials is first being mailed on or about April 5, 2022 to all stockholders entitled to vote at the Annual Meeting. Stockholders may request to receive all future proxy materials in printed form by mail or electronically by e-mail by following the instructions contained in the Notice. We encourage stockholders to take advantage of the availability of our proxy materials on the Internet to help reduce the environmental impact and cost of our annual meetings of stockholders.

How are proxies solicited for the Annual Meeting?

Our board of directors is soliciting proxies for use at the Annual Meeting. All expenses associated with this solicitation will be borne by us. We will reimburse brokers or other nominees for reasonable expenses that they incur in sending our proxy materials to you if a broker, bank or other nominee holds shares of our common stock on your behalf. In addition, our directors and employees may also solicit proxies in person, by telephone or by other means of communication. Our directors and employees will not be paid any additional compensation for soliciting proxies.

Where can I find the voting results of the Annual Meeting?

We will announce preliminary voting results at the Annual Meeting. We will also disclose voting results on a Current Report on Form 8-K that we will file with the SEC within four business days after the Annual Meeting. If final voting results are not available to us in time to file a Current Report on Form 8-K within four business days after the Annual Meeting, we will file a Current Report on Form 8-K to publish preliminary results and will provide the final results in an amendment to the Current Report on Form 8-K as soon as they become available.

I share an address with another stockholder, and we received only one paper copy of the proxy materials. How may I obtain an additional copy of the proxy materials?

We have adopted a procedure called “householding,” which the SEC has approved. Under this procedure, we deliver a single copy of our proxy materials to multiple stockholders who share the same address, unless we have received contrary instructions from one or more of such stockholders. This procedure reduces our printing costs, mailing costs and fees. Stockholders who participate in householding will continue to be able to access and receive separate proxy cards. Upon written or oral request, we will deliver promptly a separate copy of our proxy materials to any stockholder at a shared address to which we delivered a single copy of any of these materials. To receive a separate copy, or, if a stockholder is receiving multiple copies, to request that we only send a single copy of our proxy materials, such stockholder may contact us at:

Bandwidth Inc.
Attention: Investor Relations
900 Main Campus Drive, Suite 100
Raleigh, NC 27606
Phone: (800) 808-5150

Street name stockholders may contact their broker, bank or other nominee to request information about householding.

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

Stockholder Proposals

Stockholders may present proper proposals for inclusion in our proxy statement and for consideration at next year’s annual meeting of stockholders by submitting their proposals in writing to our Corporate Secretary in a timely manner. For a stockholder proposal to be considered for inclusion in our proxy statement for the 2023 annual meeting of stockholders, our Corporate Secretary must receive the written proposal at our principal executive offices not later than December 6, 2022. In addition, stockholder proposals must comply with the requirements of Rule 14a-8 regarding the inclusion of stockholder proposals in company-sponsored proxy materials. Stockholder proposals should be addressed to:

Bandwidth Inc.
Attention: Investor Relations
900 Main Campus Drive, Suite 100
Raleigh, NC 27606

Our second amended and restated bylaws also establish a notice procedure for stockholders who wish to present a proposal before an annual meeting of stockholders but do not intend for the proposal to be included in our proxy statement. Our second amended and restated bylaws provide that the only business that may be conducted at an annual meeting of stockholders is business that is (i) specified in our proxy materials with respect to such annual meeting, (ii) otherwise properly brought before such annual meeting by or at the direction of our board of directors or (iii) properly brought before such meeting by a stockholder of record entitled to vote at such annual meeting who has delivered timely written notice to our Corporate Secretary, which notice must contain the information specified in our second amended and restated bylaws. To be timely for the 2023 annual meeting of stockholders, our Corporate Secretary must receive the written notice at our principal executive offices:

- Not earlier than the close of business on January 20, 2023; and
- Not later than the close of business on February 19, 2023.

If we hold the 2023 annual meeting of stockholders more than 30 days before or more than 60 days after the one-year anniversary of the Annual Meeting, then, for notice by the stockholder to be timely, it must be received by the Corporate Secretary not earlier than the close of business on the 120th day prior to such annual meeting and not later than the

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close of business on the later of the 90th day prior to such annual meeting, or the tenth day following the day on which public announcement of the date of such annual meeting is first made.

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

Nomination of Director Candidates

Holders of our common stock may propose director candidates for consideration by the independent members of our board of directors. Any such recommendations should include the nominee's name and qualifications for membership on our board of directors and should be directed to our General Counsel or legal department at the address set forth above. For additional information regarding stockholder recommendations for director candidates, see the section titled "Board of Directors and Corporate Governance—Stockholder Recommendations and Nominations to the Board of Directors."

In addition, our second amended and restated bylaws permit stockholders to nominate directors for election at an annual meeting of stockholders. To nominate a director, the stockholder must provide the information required by our second amended and restated bylaws. In addition, the stockholder must give timely notice to our Corporate Secretary in accordance with our second amended and restated bylaws, which, in general, require that the notice be received by our Corporate Secretary:

- Not earlier than the close of business on January 20, 2023; and
- Not later than the close of business on February 19, 2023.

If we hold the 2023 annual meeting of stockholders more than 30 days before or more than 60 days after the one-year anniversary of the Annual Meeting, then, for notice by the stockholder to be timely, it must be received by the Corporate Secretary not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting, or the tenth day following the day on which public announcement of the date of such annual meeting is first made.

In addition to satisfying the foregoing requirements under our second amended and restated bylaws, to comply with the universal proxy rules (once they become effective), stockholders who intend to solicit proxies in support of director nominees other than the Company's nominees must provide notice that sets forth the information required by Rule 14a-19 under the Exchange Act no later than March 20, 2023.

Availability of Bylaws

A copy of our second amended and restated bylaws is available via the SEC's website at <http://www.sec.gov>. You may also contact our Corporate Secretary at the address set forth above for a copy of the relevant bylaw provisions regarding the requirements for submitting stockholder proposals and nominating director candidates.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Our business and affairs are managed under the direction of our board of directors. Our board of directors consists of six directors. Our board of directors is divided into three staggered classes of directors. At each annual meeting of stockholders, a class of directors will be elected for a three-year term to succeed the class whose term is then expiring. Based upon information requested from and provided by each director concerning his background, employment and affiliations, including family relationships, our board of directors has determined that Messrs. Bailey, Roush, Suriano and Murdock, representing four of our six directors, are “independent” as that term is defined under the applicable rules and regulations of the SEC and the listing requirements and rules of the NASDAQ Global Select Market.

The following table sets forth the names, ages as of March 31, 2022, and certain other information for the members of our board of directors with a term expiring at the Annual Meeting and for each of the continuing members of our board of directors:

	Class	Age	Position	Director Since	Current Term Expires	Expiration of Term For Which Nominated
Directors with Terms Expiring at the Annual Meeting/Nominees:						
John C. Murdock ⁽¹⁾	II	57	Director	2016	2022	2025
Douglas A. Suriano ⁽¹⁾	II	60	Director	2017	2022	2025
Continuing Directors:						
Brian D. Bailey ⁽¹⁾	I	55	Director	2013	2024	—
Lukas M. Roush ⁽¹⁾	I	44	Director	2018	2024	—
David A. Morken	III	52	Co-Founder, Chief Executive Officer, Director, and Chairman	2001	2023	—
Rebecca G. Bottorff	III	54	Chief People Officer and Director	2022	2023	—

⁽¹⁾ Member of the audit committee and the compensation committee.

Nominees for Director

John C. Murdock joined Bandwidth in 2008 and served as President until December 2018. Mr. Murdock previously served as Bandwidth’s General Counsel. Additionally, Mr. Murdock serves as a board member of Relay, Inc. Prior to joining Bandwidth, Mr. Murdock founded a specialized law firm with a national level complex civil litigation practice. As a Marine officer, Mr. Murdock served on active duty, including combat service in Operation Desert Shield/Storm. Mr. Murdock obtained a B.S. in Finance from Miami University of Ohio, with an NROTC scholarship and a J.D. from the University of Notre Dame Law School.

Mr. Murdock was selected to serve on our board of directors due to his experience as the Company’s former President and former General Counsel, and his general experience in the communications industry.

Douglas A. Suriano has served as a director of Bandwidth since October 2017. Until September 2019, Mr. Suriano was senior vice president and general manager of Oracle Communications. Mr. Suriano joined Oracle Communications in 2013 as vice president of products following Oracle Communications’ acquisition of Tekelec, Inc. At Tekelec, Inc., Mr. Suriano served as chief technology officer and vice president of engineering. Prior to Tekelec, Inc., Mr. Suriano served as the vice president of engineering at dynamicsoft, Inc. and chief information officer for QAD, Inc. Before QAD, Inc., Mr. Suriano managed the information technology division for the United States Marine Corps. Mr. Suriano holds a B.S. degree from the U.S. Naval Academy and an M.S. in information technology from the U.S. Naval Postgraduate School.

Mr. Suriano was selected to serve on our board of directors due to his leadership experience with companies in the information technology and communications industries.

Directors Continuing in Office Until the 2023 Annual Meeting

David A. Morken. See the section titled “Executive Officers” for Mr. Morken’s biographical information.

Rebecca G. Bottorff. See the section titled “Executive Officers” for Ms. Bottorff’s biographical information.

Directors Continuing in Office Until the 2024 Annual Meeting

Brian D. Bailey has served as a director since February 2013. Mr. Bailey is a Co-Founder and Managing Partner of Carmichael Partners, a private investment firm based in Charlotte, North Carolina. Prior to forming Carmichael Partners, he worked in private equity at The Carlyle Group in Washington, D.C., Forstmann Little & Co. in New York and Carousel Capital in Charlotte. In addition to his private equity background, Mr. Bailey previously held investment banking positions at Bowles Hollowell Conner & Co. in Charlotte and CS First Boston in New York and served in several government positions in Washington, D.C. including Special Assistant to the President in the Office of the White House Chief of Staff and Director of Strategic Planning and Policy at the U.S. Small Business Administration. Mr. Bailey also currently serves on the board of directors of Bandwidth, Discovery Education, FIBA ClubCo LLC and Relay, Inc., as well as the North Carolina School of Science and Math Foundation, the TDF Foundation and Linville Resorts, Inc. He has previously served on the board of directors of a number of private, public and nonprofit organizations. Mr. Bailey holds a B.A. degree from the University of North Carolina at Chapel Hill and an M.B.A. degree from the Stanford Graduate School of Business.

Mr. Bailey was selected to serve on our board of directors due to his extensive financial acumen, his experience gained from directorships at other companies and his investment banking background.

Lukas M. Roush has served as a director since October 2018. Mr. Roush co-founded Sovereign’s Capital, a private equity firm, in 2012 and currently serves as a Managing Partner. Prior to Sovereign’s Capital, Mr. Roush served as Vice President for Sales, Marketing, and Business Development at TransEnterix, a medical device company that developed and commercialized a minimally invasive surgical system in the United States, Europe, and Asia. Prior to joining TransEnterix, Mr. Roush served as Chief Operating Officer at Liquidia Technologies, a nanotechnology company focused on biopharmaceutical applications. Mr. Roush previously served as global marketing manager for the neurovascular stroke business at Boston Scientific. Mr. Roush graduated summa cum laude from Duke University, and later earned his M.B.A. from The Fuqua School of Business.

Mr. Roush was selected to serve on our board of directors due to his sales, marketing and operations leadership background at other companies, his extensive financial qualifications and his experience in private equity including directorships at other companies.

Risk Management

Risk is inherent with every business, and we face a number of risks, including strategic, financial, operational, security, legal, compliance and reputational risks. Our management team is responsible for the day-to-day management of risks the Company faces, while our board of directors, as a whole and assisted by its committees, has responsibility for the oversight of enterprise risk management. In its risk oversight role, our board of directors is responsible for ensuring that the risk management processes designed and implemented by management are appropriate and functioning as designed.

Our board of directors believes that open communication between management and our board of directors is essential for effective risk management and oversight. Our board of directors meets with our Chief Executive Officer and other members of the senior management team at regular meetings of our board of directors, where, among other topics, they discuss strategy and risks facing the Company, as well as at such other times as they deem appropriate.

Our full board of directors fulfills its oversight responsibilities with respect to the management of risk associated with board organization, membership and structure, and corporate governance. Our full board of directors reviews strategic and operational risk in the context of reports from the management team, receives reports on significant committee activities at

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each board meeting, and evaluates the risks inherent in significant transactions. On an annual basis, our full board of directors receives an Enterprise Risk Management report (the “**ERM Report**”) that provides management’s assessment of the following items for each functional area of the Company: (1) the enterprise risks facing such functional area; and (2) an assessment of the probability and impact of those enterprise risks. Our full board of directors also receives additional reports from the management team from time to time regarding various enterprise risks.

While our full board of directors is ultimately responsible for risk oversight, our board committees assist our board of directors in fulfilling its oversight responsibilities in certain areas of risk. Our audit committee assists our board of directors in fulfilling its oversight responsibilities with respect to risk management in the areas of internal control over financial reporting and disclosure controls and procedures, and discusses with management and the independent auditor guidelines and policies with respect to risk assessment and risk management. Our audit committee also reviews our major financial risk exposures and the steps management has taken to monitor and control these exposures. Our audit committee also monitors certain key risks on a regular basis throughout the fiscal year, such as risk associated with internal control over financial reporting and liquidity risk. Our compensation committee assesses risks created by the incentives inherent in our compensation policies.

Director Independence

Our Class A common stock is listed on the NASDAQ Global Select Market. Under the listing requirements and rules of the NASDAQ Global Select Market, independent directors must comprise a majority of our board of directors, subject to specified exceptions. In addition, the rules of the NASDAQ Global Select Market require that, subject to specified exceptions, each member of a listed company’s audit and compensation committees be independent.

Audit committee members must also satisfy the additional independence criteria set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and the listing standards of the NASDAQ Global Select Market. Compensation committee members must also satisfy the additional independence criteria set forth in Rule 10C-1 under the Exchange Act and the listing standards of the NASDAQ Global Select Market.

Our board of directors has undertaken a review of its composition, the composition of its committees and the independence of each director. Based upon information requested from and provided by each director concerning his background, employment and affiliations, including family relationships, our board of directors has determined that Messrs. Bailey, Roush, Murdock and Suriano, representing four of our six directors, do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is “independent” as that term is defined under the applicable rules and regulations of the SEC and the listing requirements and rules of the NASDAQ Global Select Market. In making this determination, our board of directors considered the current and prior relationships that each non-employee director has with the Company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director.

Board Leadership Structure

Mr. Morken currently serves as both the Chairman of our board of directors and as our Chief Executive Officer. Our non-management directors bring experience, oversight and expertise from outside of the Company, while Mr. Morken brings Company- and industry-specific experience and expertise. As our co-founder and Chief Executive Officer, Mr. Morken is well positioned to identify strategic priorities, lead critical discussion and execute our business plans. We believe that the structure of our board of directors and its committees provides effective independent oversight of management, while Mr. Morken’s combined role enables strong leadership and enhances our ability to communicate our message and strategy clearly and consistently to stockholders.

We do not have a lead independent director. Rather, our independent directors provide strong, independent leadership for our audit and compensation committees. Our independent directors meet in executive session after meetings of the board of directors, and have direct access to management as they deem necessary. Currently, independent directors directly oversee

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such critical matters as the integrity of our financial statements, the compensation of executive management, and the selection of director nominees. Further, the compensation committee conducts an annual performance review of Mr. Morken and, based upon this review, approves Mr. Morken's annual compensation, including salary, bonus, incentive and equity compensation.

Board Meetings and Committees

Our board of directors may establish the authorized number of directors from time to time by resolution. Our board of directors currently consists of six members.

During our fiscal year ended December 31, 2021, our board of directors held eight meetings (including regularly scheduled and special meetings), and each director attended at least 75% of the aggregate of (i) the total number of meetings of our board of directors held during the period for which he had been a director and (ii) the total number of meetings held by all committees of our board of directors on which he served during the periods that he served.

We do not have a formal policy regarding attendance by members of our board of directors at annual meetings of stockholders. We nonetheless encourage, but do not require, our directors to attend. Each of our directors attended our annual meeting of stockholders held on May 20, 2021.

Our board of directors has established an audit committee and a compensation committee. The composition and responsibilities of each of the committees of our board of directors are described below. Members serve on these committees until their resignation or until as otherwise determined by our board of directors.

Audit Committee

Our audit committee consists of Mr. Roush, who is the chair of the committee, and Messrs. Bailey, Murdock and Suriano. Our board of directors has determined that all members of our audit committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and the NASDAQ Global Select Market. Our board of directors has determined each of Mr. Roush and Mr. Bailey is an audit committee financial expert within the meaning of Item 407(d) of Regulation S-K under the Securities Act of 1933, as amended (the "**Securities Act**"), and Rule 10A-3 of the Exchange Act. The NASDAQ rules require us to have an audit committee composed entirely of independent directors. Our board of directors has affirmatively determined that Messrs. Roush, Bailey, Murdock and Suriano meet the definition of "independent director" for purposes of serving on an audit committee under Rule 10A-3 under the Exchange Act and the NASDAQ rules.

Our audit committee provides oversight of our accounting and financial reporting process, the audit of our consolidated financial statements and our internal control function. Among other matters, the audit committee assists the board of directors in oversight of the independent auditors' qualifications, independence and performance; is responsible for the engagement, retention and compensation of the independent auditors; reviews the scope of the annual audit; reviews and discusses with management and the independent auditors the results of the annual audit and the review of our quarterly consolidated financial statements including the disclosures in our annual and quarterly reports filed with the SEC; reviews our risk assessment and risk management processes; establishes procedures for receiving, retaining and investigating complaints received by us regarding accounting, internal accounting controls or audit matters; approves audit and permissible non-audit services provided by our independent auditor; and reviews and approves related party transactions under Item 404 of Regulation S-K. In addition, our audit committee oversees our internal audit function.

Our audit committee operates under a written charter that satisfies the applicable rules and regulations of the SEC and the listing standards of the NASDAQ Global Select Market. A copy of the charter of our audit committee is available on our website at <https://investors.bandwidth.com/>.

Our audit committee held five meetings during fiscal year 2021.

Compensation Committee

Our compensation committee consists of Mr. Suriano, who is the chair of the committee, and Messrs. Bailey, Roush and Murdock. All members of our compensation committee are independent under the applicable rules and regulations of the SEC, the NASDAQ Global Select Market, and Section 16 of the Exchange Act.

Our compensation committee adopts and administers the compensation policies, plans and benefit programs for our executive officers and all other members of our executive team. In addition, among other things, our compensation committee annually evaluates, in consultation with the board of directors and our Chief People Officer, the performance of our Chief Executive Officer, reviews and approves corporate goals and objectives relevant to compensation of our Chief Executive Officer and other executives and evaluates the performance of these executives in light of those goals and objectives. Our compensation committee also adopts and administers our equity compensation plans and approves all equity awards under such plans.

Our compensation committee has the authority to retain or obtain the advice of compensation consultants, legal counsel and other advisors (independent or otherwise) to assist in carrying out its responsibilities and may delegate its authority under its charter to one or more subcommittees as it deems appropriate from time to time. Our compensation committee receives and relies upon reports from Radford, a division of Aon plc. Our compensation committee retained Radford as its independent compensation consultant in September 2021 to evaluate the Company's executive compensation and equity compensation practices, including an analysis of the Company's compensation practices relative to its peer group, and to otherwise provide advice to the Company. Radford did not provide services to the Company other than consulting services related to the compensation and benefits of our directors and executives, and in 2021 the Company paid Radford approximately \$36,000 for such compensation-related services. A separate division of Aon plc performed comprehensive insurance brokerage services for the Company in 2021, and the Company paid Aon plc approximately \$412,089 in 2021 for these insurance brokerage services. Our compensation committee analyzed in 2021 whether the work of Radford as our compensation consultant raised any conflict of interest, taking into account relevant factors in accordance with SEC guidelines. Based on its analysis, our compensation committee determined that the work of Radford and the individual compensation advisors employed by Radford does not create any conflict of interest pursuant to the SEC rules and NASDAQ listing standards.

Our compensation committee operates under a written charter that satisfies the applicable rules and regulations of the SEC and the listing standards of the NASDAQ Global Select Market. A copy of the charter of our compensation committee is available on our website at <https://investors.bandwidth.com/>.

Pursuant to our 2017 Incentive Award Plan, our board of directors may delegate to one or more committees of our directors and/or officers, subject to the limitations imposed under the 2017 Incentive Award Plan, Section 16 of the Exchange Act, stock exchange rules and other applicable laws, all or part of its authority to approve certain grants of equity awards to certain individuals. Our board of directors has delegated such authority to our compensation committee. Pursuant to its charter, our compensation committee may further delegate any or all of its responsibilities to a subcommittee of the Committee.

Our compensation committee held four meetings during fiscal year 2021.

Director Nominations

We do not have a standing nominating committee. In accordance with Rule 5605(e) of the NASDAQ rules, a majority of the independent directors may recommend a director nominee for selection by our board of directors. Our board of directors believes that the independent directors can satisfactorily carry out the responsibility of properly selecting or approving director nominees without the formation of a standing nominating committee. The directors who will participate in the consideration and recommendation of director nominees are Messrs. Bailey, Roush, Suriano and Murdock.

Identifying and Evaluating Director Nominees

The independent members of our board of directors have the responsibility to identify suitable candidates for nomination to the board of directors (including candidates to fill any vacancies that may occur) and to assess their qualifications. Such board members may gather information about the candidates through interviews, detailed questionnaires, comprehensive background checks or any other means that they deem to be appropriate in the evaluation process.

Our board of directors then meets as a group to discuss and evaluate the qualities and skills of each candidate, both on an individual basis and considering the overall composition and needs of our board of directors. Based on the results of the evaluation process, our board approves director nominees for election to the board of directors.

Minimum Qualifications

The independent members of our board of directors use a variety of methods for identifying and evaluating director nominees and will consider all facts and circumstances that they deem appropriate or advisable. In their identification and evaluation of director candidates, our board of directors will consider the current size and composition of our board of directors and the needs of our board of directors and the respective committees of our board of directors. Some of the qualifications they consider include:

- Character, ethics, integrity, and judgment;
- Independence, skills, education, expertise, business acumen and understanding of our business and industry;
- Diversity of experience;
- Potential conflicts of interest and other commitments;
- The ability to offer advice and guidance to our management team and the ability to make significant contributions to our success; and
- An understanding of the fiduciary responsibilities required of a director.

Director candidates must have sufficient time available in the judgment of our board of directors to perform all board of director and committee responsibilities. Members of our board of directors are expected to prepare for, attend, and participate in all board of director and applicable committee meetings. Other than the foregoing, there are no stated minimum criteria for director nominees, although our board of directors may also consider such other factors as it may deem, from time to time, are in our and our stockholders' best interests.

Board Evaluation

Our board of directors believes that self-evaluations of the board and board committees are important elements of corporate governance, and conducts an annual self-evaluation of the board's and each committee's performance to determine whether they are functioning effectively. The board Chairman compiles feedback from all directors with respect to the full board self-evaluation, and the chairman of each committee compiles feedback from committee members with respect to the self-evaluation of that committee. Results are discussed with the committee and the full board of directors, as applicable. Our board of directors believes such evaluations are valuable tools in assessing the board's effectiveness in performing its oversight responsibilities.

Board Diversity

Although our board of directors does not maintain a specific policy with respect to board diversity, our board of directors believes that our board of directors should be a diverse body, and our independent members of our board of directors consider a broad range of backgrounds and experiences. In making determinations regarding nominations of directors, our independent members of our board of directors may take into account the benefits of diverse viewpoints.

The Board Diversity Matrix below provides information with respect to the diversity of our board of directors.

Board Diversity Matrix as of April 5, 2022

Board Diversity Matrix as of April 5, 2022				
Total Number of Directors	6			
	Female	Male	Non-Binary	Did Not Disclose Gender
Part I: Gender Identity				
Directors	1	5	–	–
Part II: Demographic Background				
African American or Black	–	–	–	–
Alaskan Native or Native American	–	–	–	–
Asian	–	–	–	–
Hispanic or Latinx	–	–	–	–
Native Hawaiian or Pacific Islander	–	–	–	–
White	1	5	–	–
Two or More Races or Ethnicities	–	–	–	–
LGBTQ+	–	–	–	–
Did Not Disclose Demographic Background	–	–	–	–

Stockholder Recommendations and Nominations to the Board of Directors

Stockholders may submit recommendations for director candidates to the independent members of our board of directors by sending the individual's name and qualifications to our General Counsel at Bandwidth Inc., 900 Main Campus Drive, Suite 100, Raleigh, North Carolina 27606. Our General Counsel will forward all recommendations to the independent members of our board of directors. The independent members of our board of directors will evaluate any candidates recommended by stockholders against the same criteria and pursuant to the same policies and procedures applicable to the evaluation of candidates proposed by directors or management. Alternatively, stockholders who would like to nominate a candidate for director (in lieu of making a recommendation to the independent members of our board of directors) must comply with the requirements described in this proxy statement and our second amended and restated bylaws.

Stockholder and Other Interested Party Communications

Our board of directors provides to every stockholder and any other interested parties the ability to communicate with the board of directors, as a whole, and with individual directors on the board of directors through an established process for stockholder communication. For a stockholder communication directed to the board of directors as a whole, stockholders and other interested parties may send such communication to our General Counsel via U.S. Mail or Expedited Delivery Service to: Bandwidth Inc., 900 Main Campus Drive, Suite 100, Raleigh, North Carolina 27606, Attn: Board of Directors c/o General Counsel.

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For a stockholder or other interested party communication directed to an individual director in his capacity as a member of the board of directors, stockholders and other interested parties may send such communication to the attention of the individual director via U.S. Mail or Expedited Delivery Service to: Bandwidth Inc., 900 Main Campus Drive, Suite 100, Raleigh, North Carolina 27606, Attn: [Name of Individual Director].

Our General Counsel, in consultation with appropriate members of our board of directors, as necessary, will review all incoming communications and, if appropriate, all such communications will be forwarded to the appropriate member or members of our board of directors, or if none is specified, to the Chairman of our board of directors.

Environmental, Social and Governance Matters

We believe that we have a responsibility to be a good corporate citizen that seeks to meet the needs of our stakeholders, including our team members, stockholders, customers and the communities in which we operate our business. Our board of directors oversees our environmental, social, and governance initiatives.

The following summarizes some of our efforts to positively impact our communities, to create a safe and inclusive workplace for our team members, and to benefit our stakeholders. We also prepare and publish an annual Corporate Social Responsibility Report utilizing the Sustainability Accounting Standards Board (“SASB”) framework. You may view our 2021 Corporate Social Responsibility Report on the investor relations portion of our website at <https://investors.bandwidth.com>.

Environmental

We are taking steps – big and small – to contribute to environmental sustainability and to integrate environmental sustainability into our business practices. The communications platform we offer reduces the need for face-to-face meetings and reduce the environmental impact of travel and commuting. We also consider sustainability factors as we evaluate our data center footprint. One of our primary office buildings located in Raleigh, North Carolina is LEED-certified, and we are building our new global headquarters to align with the LEED certification requirements, including light pollution reduction, electric car charging stations and enhanced indoor air quality strategies. We anticipate that we will increase the number of LEED-certified buildings that we occupy as we continue to expand our corporate presence in the United States and globally. We seek to promote the recycling of everything that we reasonably can in our offices – paper, plastic, aluminum, and other materials included.

Social

We work to connect with the communities where we live and work. We believe that these efforts benefit long-term stockholder value.

Bandwidth Cares is an employee-driven initiative to identify and support the communities where we live and work. Over the years, our team members have contributed more than 10,000 hours of volunteer time and raised money for dozens of charities.

We foster our culture of connection by encouraging our team members to take time during the workday to participate in community events. We reward community engagement with extra vacation days. Our “Go! Do! Days” initiative provides each of our team members with a day off for individual activism or community service.

Governance

Code of Business Conduct and Ethics and Whistleblower Policy

Our board of directors has adopted a Code of Ethics and Business Conduct (the “**Code of Ethics**”) that applies to all our employees, officers, and directors, including our Chief Executive Officer, President, Chief Financial Officer, and other executive and senior financial officers. Our Code of Ethics addresses conflicts of interest, fair dealing, compliance with laws, rules, and regulations, gifts and entertainment, anti-money laundering, political contributions, health and safety, discrimination and harassment, compliance, reporting, and investigations. Our integrity earns the trust of our stakeholders, including our team members, stockholders, and customers, and this Code of Ethics serves as the foundation of our culture of integrity.

Our employees receive annual training regarding our Code of Ethics, and violation of our Code of Ethics may result in disciplinary action, up to and including termination of employment or service relationship.

You may view our Code of Ethics on the investor relations portion of our website at <https://investors.bandwidth.com> and you may also obtain a copy of the Code of Ethics without charge by contacting our Corporate Secretary at Bandwidth Inc., 900 Main Campus Drive, Suite 100, Raleigh, North Carolina 27606. We intend to disclose any amendments to our Code of Ethics, or waivers of its requirements, on our website or in filings under the Exchange Act, as required by the applicable rules and exchange requirements. We did not grant any waivers with respect to provisions of our Code of Ethics during 2021.

Our Whistleblower Policy helps our team members, independent contractors, vendors, customers, and others, to make us aware of any practices, procedures or circumstances that raise concern about the integrity of our financial disclosures, books and records. We have engaged an independent third party to maintain a compliance hotline where employees, independent contractors, vendors, customers, and others can raise concerns on a confidential and anonymous basis. Team members also can discuss issues or complaints with their manager, members of our People Services team, or, under some circumstances, directly with our audit committee.

Our board of directors and our audit committee each receive regular reports and updates regarding matters related to our Code of Ethics, our whistleblower compliance hotline, and our compliance program.

Data Privacy and Security

Our customers depend on us to preserve the confidentiality, privacy, and security of their communications, as well as other information about our customers. Many of the services our customers utilize constitute “customer proprietary network information” (“**CPNI**”). Federal law requires that we preserve the confidentiality of our customers’ CPNI, subject to very limited exceptions. Each year we train our team members regarding our obligations to preserve the confidentiality of our customers’ CPNI. While the laws governing CPNI have applied to us for many years, the regulation of data privacy continues to evolve in the United States and abroad. For example, in May 2018 the European Union implemented the General Data Protection Regulation (“**GDPR**”) and heightened the privacy expectations for many companies across the globe. In January 2020, the California Consumer Privacy Act (“**CCPA**”) became effective. Many other states are drafting similar laws. We have implemented policies and procedures that facilitate compliance with applicable privacy laws, including the CCP and the GDPR. We also work to use privacy by design in our review and building processes.

We receive frequent requests from law enforcement for customer information. Except in limited circumstances we often do not have “end user information” or “personally identifiable information” regarding specific end users of our services.

Our team members receive data privacy and security training annually. We also provide additional training to our software development teams based on industry standards.

Our “Whole Person Promise”

While we will always be mission-first, our team members focus on ensuring that we deliver on our mission for the customers we proudly serve. Our team members are critical to the achievement of our goals and success. We have created a unique, service-oriented culture, centered on meaningful work, lifting each other up, and investing in the bodies, minds, and spirits of our team members. We make a “whole person promise” to our team members to offer meaningful work and programs that ensure they can find the work/life balance necessary to enjoy a healthy and fulfilling life. We have developed a variety of programs to help team members develop and maintain their bodies, minds, and spirits, including a 90-minute fitness lunch, gym memberships, shuttles to gyms, an on-site gym, and team challenges that include fitness components. We engage team members with career development opportunities, transformational projects, hack-a-thons, “Big Idea” events, leadership training, customer care training, lunch-and-learn presentations, and periodic outside speakers. We require team members to utilize all of their time off. We “embargo” team members who are on vacation, which means they cannot communicate or email with the team, and vice versa, until their vacation is over.

While we are exceptionally proud of the team we have assembled, we also acknowledge that there is important work for us to do to continue developing a more diverse and inclusive team. We believe diverse and inclusive teams are more innovative and make better business decisions. At Bandwidth, we say, “Your music matters to the BAND.” We celebrate differences and encourage our team members to be their authentic selves.

Our “Your Music Matters” program builds outreach programs and initiatives to fill our recruiting funnel with diverse candidates who possess the “Bandwidth Edge”—smart, common sense, hardworking, honest, competitive energy and emotional intelligence. We build external and internal campaigns to fill the recruiting funnel using our talented team members, creative local and non-local outreach partnerships, and virtual platforms to connect with talent who come from different backgrounds, skills, abilities and experiences.

We believe the benefits that we offer each of our team members are an important component of our Whole Person Promise. These benefits, which vary based on country location and applicable laws, include: robust medical benefits in which we pay 100% of the premiums for medical, dental and vision insurance; 401(k); industry leading parental leave; and access to mental health resources.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee is or has at any time during the past year been one of our officers or employees. None of our executive officers currently serves or in the past year has served as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee. See the section titled “Certain Relationships and Related Party Transactions” for information about related party transactions involving members of our compensation committee or their affiliates.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

Our board of directors is currently composed of six members. In accordance with our second amended and restated certificate of incorporation, our board of directors is divided into three staggered classes of directors. At the Annual Meeting, two Class II directors will be elected for a three-year term to succeed the same class whose term is then expiring.

Each director's term continues until the election and qualification of his or her successor, or such director's earlier death, resignation or removal. Any increase or decrease in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of our directors. This classification of our board of directors may have the effect of delaying or preventing changes in the control of the Company.

Nominees

Our board of directors has approved Douglas A. Suriano and John C. Murdock as the nominees for election as Class II directors at the Annual Meeting. If elected, Mr. Suriano and Mr. Murdock each will serve as a Class II director until the 2025 annual meeting of stockholders and until his successor is duly elected and qualified. Each of Mr. Suriano and Mr. Murdock is currently a director of the Company. For information concerning the nominees, please see the section titled "Board of Directors and Corporate Governance."

If you are a stockholder of record and you sign your proxy card or vote over the Internet but do not give instructions with respect to the voting of directors, your shares will be voted "FOR" the election of Mr. Suriano and Mr. Murdock. We expect that each of Mr. Suriano and Mr. Murdock will accept such nomination; however, if a director nominee is unable or declines to serve as a director at the time of the Annual Meeting, the proxies will be voted for any nominee designated by our board of directors to fill such vacancy. If you are a street name stockholder and you do not give voting instructions to your broker or nominee, your broker will leave your shares unvoted on this matter.

Vote Required

The election of directors requires a plurality of the voting power of the shares of our common stock be present in person or represented by proxy at the Annual Meeting and entitled to vote thereon to be approved. Broker non-votes will have no effect on this proposal.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE NOMINEES NAMED ABOVE.

PROPOSAL NO. 2

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our audit committee has appointed Ernst & Young LLP (“E&Y”), an independent registered public accounting firm, to audit our consolidated financial statements for our fiscal year ending December 31, 2022. During our fiscal year ended December 31, 2021, E&Y served as our independent registered public accounting firm.

Notwithstanding the appointment of E&Y, and even if our stockholders ratify the appointment, our audit committee, in its discretion, may appoint another independent registered public accounting firm at any time during our fiscal year if our audit committee believes that such a change would be in the best interests of the Company and our stockholders. At the Annual Meeting, our stockholders are being asked to ratify the appointment of E&Y as our independent registered public accounting firm for our fiscal year ending December 31, 2022. Our audit committee is submitting the appointment of E&Y to our stockholders because we value our stockholders’ views on our independent registered public accounting firm and as a matter of good corporate governance. Representatives of E&Y will be present at the Annual Meeting, and they will have an opportunity to make a statement and will be available to respond to appropriate questions from our stockholders.

If our stockholders do not ratify the appointment of E&Y, our board of directors may reconsider the appointment.

Fees Paid to the Independent Registered Public Accounting Firm

The following table presents fees for professional audit services and other services rendered to the Company by E&Y for our fiscal years ended December 31, 2020 and 2021.

Name	2020	2021
Audit Fees ⁽¹⁾	\$ 1,522,836	1,822,312
Audit-Related Fees ⁽²⁾	\$ 819,750	144,195
Tax Fees ⁽³⁾	\$ 325,290	1,571,220
All Other Fees ⁽⁴⁾	\$ —	183,012
Total Fees	\$ 2,667,876	3,720,739

- (1) Audit Fees consist of professional services rendered in connection with the audit of our annual consolidated financial statements, including audited financial statements presented in our Annual Report on Form 10-K and services that are normally provided by the independent registered public accountants in connection with statutory and regulatory filings or engagements for those fiscal years and the review of the financial statements included in our quarterly reports.
- (2) Audit-Related Fees for fiscal year 2020 consist primarily of fees for professional services rendered in connection with our acquisition of Voxbone S.A. which was completed in November 2020. Audit-Related Fees for fiscal 2021 consist primarily of fees for professional services rendered in connection with our convertible debt offering.
- (3) Tax Fees consist of fees for professional services for tax compliance, tax advice and tax planning. These services include consultation on tax matters and assistance regarding federal, state and international tax compliance.
- (4) Fees for fiscal 2021 included professional services rendered in connection with a review of our sales and telecommunications tax processes and the liquidation of certain legal entities.

Auditor Independence

In our fiscal year ended December 31, 2021, there were no other professional services provided by E&Y, other than those listed above, that would have required our audit committee to consider their compatibility with maintaining the independence of E&Y.

Audit Committee Policy on Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm

Our audit committee established a policy governing our use of the services of our independent registered public accounting firm. Under this policy, our audit committee is required to pre-approve all audit, internal control-related services and permissible non-audit services performed by our independent registered public accounting firm to ensure that the provision of such services does not impair the public accountants' independence. Our audit committee has pre-approved all services performed by E&Y since the adoption of our pre-approval policy.

Vote Required

The ratification of the appointment of E&Y as our independent registered public accounting firm for our fiscal year ending December 31, 2022 requires the affirmative vote of a majority of the voting power of the shares of our common stock present in person or represented by proxy at the Annual Meeting and entitled to vote thereon. Abstentions and broker non-votes, if any, will have the effect of a vote against this proposal.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.

REPORT OF THE AUDIT COMMITTEE

The audit committee is a committee of the board of directors that meets the listing standards of the NASDAQ Global Select Market and the rules and regulations of the SEC. The audit committee operates under a written charter that satisfies the applicable rules and regulations of the SEC and the listing standards of the NASDAQ Global Select Market. A copy of the charter of the audit committee is available on our website at <https://investors.bandwidth.com/>. The composition of the audit committee, the attributes of its members and the responsibilities of the audit committee, as reflected in its charter, are intended to be in accordance with applicable requirements for corporate audit committees. The audit committee reviews and assesses the adequacy of its charter and the audit committee's performance on an annual basis.

The audit committee provides oversight of our accounting and financial reporting process, the audit of our consolidated financial statements, and our internal control function. With respect to our financial reporting process, our management establishes and maintains internal controls and prepares our consolidated financial statements. Our independent registered public accounting firm, E&Y, performs an independent audit of our consolidated financial statements. The audit committee oversees these activities. The audit committee does not prepare our financial statements, which is the responsibility of management.

Consistent with the audit committee's oversight function, the audit committee has reviewed and discussed the audited financial statements for the fiscal year ended December 31, 2021 with the Company's management. The audit committee has discussed with E&Y the matters required to be discussed by *Auditing Standard No. 16, Communications with Audit Committees*, as adopted by the Public Company Accounting Oversight Board ("**PCAOB**"). The audit committee also has received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the PCAOB regarding the independent accountants' communications with the audit committee concerning independence, and has discussed with the independent registered public accounting firm the accounting firm's independence.

Based on the audit committee's review and discussions with management and E&Y, the audit committee recommended to the board of directors that the audited financial statements be included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2021 for filing with the SEC.

Respectfully submitted by the members of the audit committee of the board of directors:

Lukas M. Roush, Chairman
Brian D. Bailey
Douglas A. Suriano
John C. Murdock

This report of the audit committee is required by the SEC and, in accordance with the SEC's rules, will not be deemed to be part of or incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act or under the Exchange Act, except to the extent that we specifically incorporate this information by reference, and will not otherwise be deemed "soliciting material" or "filed" under either the Securities Act or the Exchange Act.

PROPOSAL NO. 3

ADVISORY VOTE ON EXECUTIVE COMPENSATION

Our board of directors recognizes the interests our investors have in the compensation of our named executive officers. In recognition of that interest and as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act and Rule 14a-21 under the Exchange Act, we are providing our stockholders with the opportunity to vote to approve, on an advisory and non-binding basis, the compensation of our named executive officers as disclosed in this Proxy Statement in accordance with SEC rules.

This proposal, commonly known as a “say-on-pay” proposal, gives our stockholders the opportunity to express their views on our named executive officers’ compensation as a whole. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this Proxy Statement. The compensation of our named executive officers subject to the vote is disclosed in the Compensation Discussion and Analysis, the compensation tables, and the related narrative disclosure contained in this Proxy Statement. As discussed in those disclosures, we believe that our compensation policies and decisions are based on principles that reflect a “pay-for-performance” philosophy and are strongly aligned with our stockholders’ interests and consistent with current market practices. Compensation of our named executive officers is designed to enable us to attract and retain talented and experienced executives to lead us successfully in a competitive environment.

Accordingly, our board of directors is asking our stockholders to indicate their support for the compensation of our named executive officers as described in this Proxy Statement by casting a non-binding advisory vote “FOR” the following resolution:

“RESOLVED, that the compensation paid to the Company’s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby approved.”

Because the vote is advisory, the result will not be binding on our board of directors or compensation committee. Nevertheless, the views expressed by our stockholders, whether through this say-on-pay vote or otherwise, are important to management, our board of directors and our compensation committee, and, accordingly, our board of directors and our compensation committee intend to consider the results of this vote in making determinations in the future regarding executive compensation arrangements.

Vote Required

Advisory (non-binding) approval of Proposal No. 3 requires the approval of the holders of a majority of shares present in person or represented by proxy and entitled to vote at the Annual Meeting.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” THE ADVISORY APPROVAL OF THE COMPENSATION PAID TO THE COMPANY’S NAMED EXECUTIVE OFFICERS.

EXECUTIVE OFFICERS

David A. Morken is the Co-Founder, Chairman and CEO of Bandwidth. Mr. Morken is also the Co-Founder, Chairman of the board of directors, and former CEO of Relay, Inc. (formerly Republic Wireless, Inc.) Mr. Morken is a Co-Founder of the non-profit Durham Cares. Prior to founding Bandwidth in 1999, Mr. Morken served on active duty in the Marine Corps as a Judge Advocate and Headquarters Company Commander. Mr. Morken received a B.A. in Political Science from Oral Roberts University and a J.D. from the University of Notre Dame Law School. Additionally, Mr. Morken serves as a board member of Relay, Inc.

Mr. Morken was selected to serve on our board of directors as our Co-Founder and due to his extensive knowledge of the Company, our business and our industry.

Daryl E. Raiford joined Bandwidth in July 2021 as Chief Financial Officer, overseeing global financial and accounting functions along with investor relations and corporate development. Mr. Raiford previously served as Chief Financial Officer for Ribbon Communications, and prior to that, for GENBAND. Prior to GENBAND, Mr. Raiford served as Vice President and Chief Accounting Officer, and then as Vice President of Business Transformation, at Freescale Semiconductor in Austin, Texas. Prior to Freescale Semiconductor, Mr. Raiford was Chief Financial Officer of Travelport Worldwide Limited, a UK-based global travel distribution firm. Prior to Travelport Worldwide Limited, Mr. Raiford served as Vice President, Finance and Administration, Americas for Hewlett Packard, and Corporate Controller for Compaq Computer Corporation until its acquisition by Hewlett Packard. Earlier in his career, Mr. Raiford served for ten years at Price Waterhouse in London and Houston. Mr. Raiford is a Certified Public Accountant, and earned a B.B.A. in Accounting from The University of Texas at Austin.

R. Brandon Asbill joined Bandwidth in January 2021 as General Counsel, and oversees all legal matters for the Company, providing strategic counsel to senior leadership and Bandwidth's Board of Directors. Before joining Bandwidth, Mr. Asbill served for 12 years as Vice President & Assistant General Counsel at Red Hat, Inc., a leading global provider of open source, enterprise IT solutions. While at Red Hat, Mr. Asbill led teams that completed over 20 acquisitions with an aggregate value of more than \$1.5 billion. Before joining Red Hat, Mr. Asbill spent seven years at General Electric Company's GE Energy business advising senior leaders on acquisitions, divestitures and other strategic corporate transactions. Mr. Asbill earned an A.B. in History from Princeton University and a J.D. from the University of Georgia School of Law.

Scott T. Mullen joined Bandwidth in 2007 and has served as Chief Technology Officer since 2017. Mr. Mullen is responsible for the engineering, operations, and overall technical strategy of Bandwidth's platforms and services. A seasoned technologist, Mr. Mullen has deep experience in building highly scalable software platforms, and has built teams capable of scaling with businesses in high growth communications companies. Before joining Bandwidth, Mr. Mullen served as a global engineering and development leader for CSC Covansys Corporation and Lucent Technologies, designing and implementing its next generation IP platforms and applications. Mr. Mullen earned a B.S. in Computer Science from the University of Maryland, Baltimore County.

Rebecca G. Bottorff has served as Chief People Officer of Bandwidth since 2010 and as a director of Bandwidth since January 11, 2022. As Chief People Officer, Ms. Bottorff leads our People Services team and helps shape Bandwidth's corporate culture. Prior to joining Bandwidth, Ms. Bottorff served as President of Venture Savvy Consulting Group, an executive coaching and management consulting firm. Prior to Venture Savvy Consulting Group, Ms. Bottorff served as the Vice President of Human Resources of Motricity where she was instrumental in the scaling of the company's business operations. Prior to Motricity, Ms. Bottorff served as the Vice President of Human Resources of Konover Property Trust, a publicly traded real estate investment trust. Ms. Bottorff earned a B.A. in Sociology from the University of Cincinnati.

Jeffrey A. Hoffman joined Bandwidth in 2011 and served as Chief Financial Officer until August 31, 2021. Mr. Hoffman oversaw all financial operations for Bandwidth, including accounting, treasury, tax, financial analysis and reporting and was responsible for developing and implementing financial systems and reporting structures.

Marina C. Carreker was appointed President of the Company in October 2020. Prior to her appointment as President, Ms. Carreker served as the Company's Deputy General Counsel beginning in May 2016. Before joining the Company, Ms. Carreker practiced law at each of Womble Carlyle Sandridge & Rice LLP and Kilpatrick Stockton LLP. Ms. Carreker also serves on the Board of Directors of A Place at the Table, a Raleigh, NC non-profit organization. Ms. Carreker earned a B.S. in History from the University of North Carolina and a J.D. from the University of Virginia.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Overview

This Compensation Discussion and Analysis summarizes our executive compensation philosophy and objectives, discusses our executive compensation policies, and describes how and why our compensation committee arrived at specific compensation decisions for 2021 for our named executive officers.

Our named executive officers for 2021 were:

Name	Age	Position(s)
David A. Morken	52	Chief Executive Officer (<i>principal executive officer</i>)
Daryl E. Raiford	59	Chief Financial Officer (<i>principal financial officer</i>)
R. Brandon Asbill	55	General Counsel and Secretary
Scott T. Mullen	44	Chief Technology Officer
Rebecca G. Bottorff	54	Chief People Officer
Jeffrey A. Hoffman	53	Former Chief Financial Officer

Executive Summary

Summary of 2021 Performance

For our fiscal year ended December 31, 2021, we achieved strong growth and financial results that provide context for stockholders reviewing our executive compensation disclosures, including:

- CPaaS revenue increased 39% to \$413.9 million in 2021 from \$298.1 million in 2020. CPaaS revenue increased 51% to \$298.1 million in 2020 from \$197.9 million in 2019.
- Revenue increased 43% to \$490.9 million in 2021 from \$343.1 million in 2020. Revenue increased 48% to \$343.1 million in 2020 from \$232.6 million in 2019.
- Gross profit was \$218.5 million in 2021, \$157.9 million in 2020 and \$107.6 million in 2019. Non-GAAP gross profit (as defined below) was \$239.4 million in 2021, \$169.1 million in 2020 and \$114.4 million in 2019. Non-GAAP gross margin (as defined below) was 49% in 2021, 49% in 2020 and 49% in 2019.
- Net income (loss) was \$(27.4) million in 2021, \$(44.0) million in 2020 and \$2.5 million in 2019. Non-GAAP net (loss) income (as defined below) was \$25.7 million in 2021, \$14.2 million in 2020 and \$(5.3) million in 2019.
- Adjusted EBITDA (as defined below), a Non-GAAP measurement of operating performance, was \$49.6 million in 2021, \$26.2 million in 2020 and \$(1.1) million in 2019.
- Free cash flow (as defined below) of \$3.6 million in 2021, \$(10.1) million in 2020 and \$(27.0) million in 2019.

Each of CPaaS revenue, revenue, Non-GAAP gross margin, Non-GAAP net (loss) income, and free cash flow is an element of our cash incentive compensation plan for 2021.

Each of Non-GAAP gross profit, Non-GAAP gross margin, Non-GAAP net (loss) income, and Adjusted EBITDA is a Non-GAAP financial measure that is prepared as a complement to our financial results prepared in accordance with United States generally accepted accounting principles (“GAAP”).

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We define Non-GAAP gross profit as gross profit after adding back depreciation and amortization, amortization of acquired intangible assets related to acquisitions, and stock-based compensation. We add back depreciation and amortization, amortization of acquired intangible assets related to acquisitions, and stock-based compensation because they are non-cash items and because we do not consider them indicative of our core operating performance. Their exclusion facilitates comparisons of our operating performance on a period-to-period basis. We believe that gross margin, as adjusted to remove the impact of these non-cash expenses, such as depreciation, amortization, amortization of acquired intangible assets related to acquisitions, and stock-based compensation, is helpful to assess our gross profit and gross margin performance. We calculate Non-GAAP gross margin by dividing adjusted gross profit by revenue, expressed as a percentage of revenue.

We define Non-GAAP net (loss) income as net income (loss) adjusted for certain items affecting period to period comparability. Non-GAAP net (loss) income excludes stock-based compensation, amortization of acquired intangible assets related to acquisitions, amortization of debt discount and issuance costs for convertible debt, acquisition-related expenses, impairment charges of intangibles assets, if any, loss (gain) on disposal of property and equipment, net cost associated with early lease terminations and leases without economic benefit, estimated tax impact of the foregoing adjustments, income tax benefit resulting from excess tax benefits associated with the exercise of stock options, vesting of restricted stock units and equity compensation, and expense resulting from recording the valuation allowance on our deferred tax assets.

We define Adjusted EBITDA as net income (loss) adjusted to reflect the addition or elimination of certain statement of operations items, including, but not limited to: income tax provision (benefit), net interest (income) expense, depreciation and amortization expense, acquisition-related expenses, stock-based compensation expense, impairment of intangible assets, if any, loss (gain) on disposal of property and equipment, if any, and net cost associated with early lease terminations and leases without economic benefit. Adjusted EBITDA is a key measure used by our management and board of directors to understand and evaluate our core operating performance, generate future operating plans, and make strategic decisions regarding the allocation of capital. We believe that the exclusion of certain items in calculating Adjusted EBITDA can produce a useful measure for period-to-period comparisons of our business.

Please see the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC on February 25, 2022, for a more detailed discussion of our 2021 financial results and, beginning on page 76 of that Annual Report on Form 10-K, a discussion regarding, and reconciliation of, each of the Non-GAAP financial measures described above to the most directly comparable financial measure prepared in accordance with GAAP.

2021 Executive Compensation Highlights

The important features of our executive compensation program for 2021 included the following:

- **We tie a substantial portion of executive pay to performance.** We believe that a substantial portion of our named executive officers’ compensation should be variable, at risk, and tied directly to our measurable performance. For 2021, 86.3% of our Chief Executive Officer’s target total compensation, which includes equity compensation, and an average of 74.5% of our other named executive officers’ target total compensation was linked to performance.
- **We generally target our executive compensation levels at or above the medians of market benchmarks.** We design our executive compensation program to provide competitive pay levels to attract, motivate, and retain talented executives. Our 2021 cash and equity compensation levels are generally competitive with the 50th percentile among our peer companies and other companies surveyed by our compensation consultant.
- **We link executive bonuses to corporate objectives.** Our annual performance-based bonus opportunities for all of our named executive officers depend on our achievement of annual corporate objectives we establish each year and the individual executive officer’s contributions towards our achievement of these annual corporate objectives.
- **We emphasize long-term equity incentives.** Equity awards are fundamental to our executive compensation program. Equity awards comprise the primary “at-risk” portion of our named executive officer compensation

package. Prior to our November 2017 initial public offering, we historically granted equity awards in the form of stock options. We utilized stock options because they provided value only if our equity value increased, and which vested only if the executive officer continued in our employment. Beginning in January 2018, we began granting restricted stock unit awards subject to vesting dependent on the executive officer's continued employment. We believe the use of restricted stock unit awards improves the balance and risk profile of our compensation program as this form of award does not rely solely on stock price appreciation to provide value to the recipient. Generally we believe equity-based awards align our executive officers' interests with those of our stockholders by providing a continuing financial incentive to maximize long-term value for our stockholders, and by encouraging our executive officers to remain in our long-term employ.

- **Our equity awards granted to our executive officers generally have multiple-year vesting requirements**, consistent with our retention objectives, although we have provided time-based vesting on a quarterly basis of less than one year with some equity awards to our executive officers.
- **We do not provide our executive officers with any special health or welfare benefits**. Our executive officers participate in broad-based company-sponsored health and welfare benefits programs on the same basis as our other full-time, salaried employees.
- **We generally do not provide executive fringe benefits or perquisites** to our executives, such as car allowances or tax reimbursement payments. Our executives can utilize certain financial advice services that we make available to all employees.
- **Our compensation committee retained an independent third-party compensation consultant** for guidance in making compensation decisions. The compensation consultant advises the compensation committee on market practices, including identifying a peer group of companies and their compensation practices. The compensation consultant helps our compensation committee regularly assess the Company's individual and total compensation programs against these peer companies, the general marketplace, and other industry data points.
- **We prohibit hedging and pledging of Company stock**.

Objectives, Philosophy and Elements of Executive Compensation

Our mission is to develop and deliver the power to communicate. Our customers utilize our voice calling, text messaging, and 911 solutions utilizing the software and communications network that we develop and deliver. We seek to grow, expand our geographical footprint, and create new solutions for our customers.

Our executive compensation program supports the achievement of our mission by:

- Attracting, motivating, incentivizing and retaining employees at the executive level who contribute to our long-term success;
- Providing compensation packages to our executives that are competitive and reward the achievement of our business objectives and effectively align their interests with those of our stockholders; and
- Effectively aligning our executives' interests with those of our stockholders by awarding a significant portion of compensation in the form of long-term equity incentives that provide value based on the growth of sustainable long-term value for our stockholders.

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Our executive compensation program primarily consists of base salary, annual performance-based bonuses, and long-term equity incentive compensation. We also provide our executive officers with benefits available to all our employees, including retirement benefits under our 401(k) plan and participation in employee benefit plans. This chart summarizes the three main elements of our executive compensation program, as well as their respective objectives and key features.

Element of Compensation	Objectives	Key Features
Annual Base Salary <i>(fixed cash)</i>	<ul style="list-style-type: none"> Provides financial stability and security through a fixed amount of cash for performing job responsibilities. 	<ul style="list-style-type: none"> We establish fixed cash compensation, which we periodically review and adjust if and when appropriate. We determine each executive officer's fixed cash compensation based on a variety of factors, including the executive officer's performance, experience, skills, position, and responsibility, as well as the competitive marketplace for executive talent specific to our industry. We also consider our performance and the market data provided by our independent compensation consultant, Radford.
Annual Performance Bonus <i>(at-risk cash)</i>	<ul style="list-style-type: none"> Motivates and rewards the achievement of our annual corporate objectives and individual contributions. 	<ul style="list-style-type: none"> We establish target bonus amounts, which we periodically review and adjust if and when appropriate, unless established by an employment agreement. Our compensation committee determines each executive officer's target bonus based upon a variety of factors, including the executive officer's anticipated impact on our company and our achievement of our corporate objectives, the individual performance objectives that relate to the officer's role and expected contribution toward reaching our corporate goals, and competitive bonus opportunities in our industry. We generally communicate each executive officer's target bonus at the beginning of the year, unless established by an employment agreement. Our compensation committee determines each executive officer's actual bonus amounts after the end of the year, considering the achievement of our annual corporate objectives and the executive's achievement of his or her individual performance objectives.
Long-Term Equity Incentive <i>(at-risk equity incentives)</i>	<ul style="list-style-type: none"> Motivates and rewards the achievement of our long-term corporate objectives and performance. Aligns our executives' interests with our stockholders' interests in growing sustainable long-term value. Attracts and retains highly qualified executives and encourages their continued employment over the long term. 	<ul style="list-style-type: none"> We generally review equity incentives annually for existing executives, considering our performance and the market data provided by our independent compensation consultant, Radford. We also generally review equity incentives as appropriate during the year for new hires, promotions, or other special circumstances. We believe equity incentives enhance executive retention and periodically reward significant achievement. We determine individual awards based on a variety of factors, including current corporate and individual performance and market data provided by our independent compensation consultant. Prior to our November 2017 initial public offering, we provided equity incentives in the form of stock options. Since January 2018 we have awarded only restricted stock units.

We believe that we provide competitive compensation to each of our executive officers that offers significant short- and long-term incentives for the achievement of measurable corporate objectives. We believe that our approach appropriately blends short-term and long-term incentives to maximize stockholder value.

We do not have formal policies for allocating compensation among salary, annual performance bonus awards, and equity grants, among short-term and long-term compensation, or among cash and non-cash compensation. Our compensation

committee establishes a total compensation program for each named executive officer that balances current, short-term, and long-term incentive compensation, and cash and non-cash compensation, which our compensation committee believes will allow our executive compensation program to appropriately support the achievement of our corporate objectives. Our compensation committee generally has structured a substantial portion of the named executive officers' total target compensation to consist of annual performance-based bonus opportunities and long-term equity awards to align the executive officers' incentives with our corporate objectives and our stockholders' interest in the growth of sustainable long-term value.

How We Determine Executive Compensation

Role of our Compensation Committee, Management and the Board

Our executive compensation program is administered and overseen by our compensation committee, in consultation with our board of directors, including with respect to the Company's compensation policies, plans and programs, administration of Company equity plans and its responsibilities related to the compensation of the Company's executive officers, directors, and senior management, as appropriate. For more information about the compensation committee's oversight of the executive compensation program, see the section titled "Board Meetings and Committees—Compensation Committee" beginning on page 12 of this Proxy Statement. Our compensation committee consists solely of independent members of our board of directors.

Our compensation committee meets periodically throughout the year to manage and evaluate our executive compensation program, and generally determines, which may be subject to final board approval, the principal components of compensation (base salary, performance bonus and equity awards) for our executive officers on an annual basis. Our compensation committee also may make decisions throughout the year for new hires, promotions, or other special circumstances as our compensation committee determines appropriate. In particular, our compensation committee determines appropriate target levels and performance measures and the allocation between short-term and long-term compensation and between cash and equity-based awards, in order to establish an overall compensation program it believes is appropriate for each named executive officer. Our compensation committee does not delegate authority to approve executive officer compensation. Our compensation committee does not maintain a formal policy regarding the timing of equity awards to our executive officers, and generally approves the grant of equity awards to executive officers at a regularly scheduled meeting or by written consent consistent with discussion at a prior regularly scheduled meeting.

Our compensation committee works with and receives information and analyses from management, including members of our Finance, Legal, and People Services teams, and considers and evaluates this information to determine the structure and amount of compensation to be paid to our executive officers, including our named executive officers. Our compensation committee also works with and receives input from our Chief Executive Officer. Outside of the presence of any other named executive officers, our Chief Executive Officer evaluates and provides to the compensation committee executive officer performance assessments, recommendations and proposals regarding executive officer compensation programs, and decisions affecting base salaries, performance bonuses, equity compensation, and other compensation-related matters. Our compensation committee retains the final authority to set compensation for all named executive officers. Our Chief Executive Officer discusses his own performance and compensation with the compensation committee, but he does not participate in the committee's deliberations. Our compensation committee meets in executive session without the Chief Executive Officer to evaluate his performance and determine his compensation.

From time to time, our compensation committee may invite members of management, other employees, and outside advisors or consultants to make presentations, provide financial or other background information or advice, or otherwise participate in compensation committee meetings. Members of management, including our Chief Executive Officer, may attend portions of our compensation committee's meetings.

Our Finance, Legal, and People Services teams work closely with our Chief Executive Officer to design and develop recommended executive compensation for our named executive officers and other senior executives, to recommend changes to existing compensation programs, to recommend financial and other performance targets to be achieved under those programs, to prepare analyses of financial data, to prepare peer data comparisons and other briefing materials, and ultimately to implement the decisions of the compensation committee.

Role of Compensation Consultant

Radford's work as the compensation committee's compensation consultant included an evaluation of the Company's compensation practices relative to its peer group, a compensation risk assessment, review of director compensation, and the development of a new peer group to be used for 2021 executive and director compensation.

Our compensation committee analyzed in 2021 whether the work of Radford as our compensation consultant raised any conflict of interest, taking into account relevant factors in accordance with SEC guidelines. Based on its analysis, our compensation committee determined that the work of Radford and the individual compensation advisors employed by Radford does not create any conflict of interest pursuant to the SEC rules and NASDAQ listing standards.

Use of Competitive Market Compensation Data

Our compensation committee believes that it is important when making its compensation decisions to be informed as to the current practices of comparable public companies with which we compete for top talent. To this end, our compensation committee directed Radford to develop a proposed list of our peer group companies to be used in connection with assessing the compensation practices of the publicly traded companies with whom we compete for top talent.

As directed by our compensation committee, Radford developed our peer group in consultation with our management team and our compensation committee. The compensation committee, in consultation with Radford and with management, approved a group of companies that would be appropriate peers based on our industry focus and size (based on employee headcount, revenues and market capitalization). The peer group used by our compensation committee in making executive pay decisions for 2021 was as follows:

8x8	Alarm.com	Appian	Calix
Domo	Everbridge	Five9	Model N
PagerDuty	Paylocity	QuinStreet	RingCentral
SailPoint Technologies	Shutterstock	SolarWinds	Twilio
Upland Software	Vonage	Workiva	Yext

Using data compiled from the public filings of these peer companies and data from Radford's national survey of companies similar to us, which we refer to as peer, or "benchmarking," data, Radford completed an assessment of our executive compensation to inform our compensation committee's determinations regarding executive compensation for 2021. Radford prepared, and the compensation committee reviewed, a range of market data reference points (generally at the 25th, 50th and 75th percentiles of the market data) with respect to base salary, performance bonuses, equity compensation (valued based both on an approximation of grant date fair value and as well as ownership percentage), total target cash compensation (base salary and the annual target performance bonus) and total direct compensation (total target cash compensation and equity compensation) with respect to each of our executive officers. The compensation committee does not have a defined percentile of market to target executive compensation levels, although our executive compensation levels generally fall at or above the medians of market ranges. Our compensation committee considers market data as only one factor when making compensation decisions. Our compensation committee considers other factors as described below under "Factors Used in Determining Executive Compensation."

Consideration of Annual Say-on-Pay Vote on Executive Compensation

Our compensation committee considered the results of the non-binding stockholder advisory vote on the compensation of our named executive officers conducted at the May 20, 2021 Annual Meeting. As reported in our current report on Form 8-K, filed with the SEC on May 24, 2021, approximately 86% of the votes cast on the proposal expressed support for the compensation program offered to our named executive officers as disclosed in last year's proxy statement (the "Say-on-Pay Vote"). Accordingly, our compensation committee made no changes to our executive compensation program as a result of the 2021 Say-on-Pay Vote. Further, our board of directors has elected to conduct the Say-on-Pay Vote annually, thereby giving our stockholders the opportunity to provide feedback on the compensation of our named executive officers each year. We will conduct our annual Say-on-Pay Vote as described in Proposal No. 3 of this proxy statement at the 2022 Annual Meeting of Stockholders. Our board of directors and our compensation committee will consider the outcome of the Say-on-Pay Vote, as well as any feedback received throughout the year, when making compensation decisions for our named executive officers in the future. The next Say-on-Pay Vote will be conducted at the 2023 Annual Meeting of Stockholders.

Factors Used in Determining Executive Compensation

Our compensation committee sets the compensation of our executive officers at levels it determines to be competitive and appropriate for each executive officer, using the professional experience and judgment of our compensation committee members. Our compensation committee does not make compensation decisions by using a formulaic approach or benchmarks. Our compensation committee believes executive compensation decisions require consideration of a multitude of factors that vary from year to year. Our compensation committee generally takes into consideration the following factors when making executive compensation decisions:

- Ø Company performance and existing business needs;
- Ø Each named executive officer's individual performance, scope of job function and the criticality of the skill set of the named executive officer to the Company's future performance;
- Ø The need to attract new talent to our executive team and retain existing talent in a highly competitive industry where we compete for top talent;
- Ø Alignment of named executive officer compensation with short-term and long-term Company performance;
- Ø Recommendations of the Company's Chief Executive Officer, other than with respect to his own compensation;
- Ø A range of market data reference points, as described above under "Use of Competitive Market Compensation Data"; and
- Ø Recommendations, data and analyses from our compensation committee's independent compensation consultant on compensation policy determinations for our executive officers.

2021 Executive Compensation Program

Base Salary

The base salaries of our named executive officers are an important part of their total compensation package, and are intended to reflect their respective positions, duties and responsibilities and to provide a fixed base of cash compensation. Base salary is a visible and stable fixed component of our compensation program. Our compensation committee may adjust base salaries based on a number of factors, including experience, responsibilities, individual contributions, number of years in the position and competitive data. In addition, our compensation committee may evaluate our named executive officers' base salaries, together with other components of their compensation, to ensure that the executive's total compensation is consistent with our overall compensation philosophy and market practices of our compensation peer group.

In November 2020, our compensation committee reviewed the base salaries of our executive officers, including the named executive officers. With respect to our named executive officers (other than for Messrs. Raiford and Asbill), the compensation committee determined that base salary levels would be increased as described in the table below. The base salaries for Messrs. Raiford and Asbill, as shown in the table below, were determined by the compensation committee in connection with their commencement of employment with us in 2021.

Executive	2020 Base Salary (\$)	2021 Base Salary (\$) ⁽¹⁾	Percentage Increase in Base Salary from December 31, 2020 (%)
David A. Morken	450,000	470,700	4.6
Daryl E. Raiford	n/a	425,000	—
R. Brandon Asbill	n/a	314,000	—
Scott T. Mullen	303,050	327,294	8.0
Rebecca G. Bottorff	293,071	316,517	8.0
Jeffrey A. Hoffman	381,216	392,652	3.0

⁽¹⁾ 2021 Base Salary is annualized for Messrs. Raiford and Asbill, who commenced employment with us in July 2021 and January 2021, respectively.

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The compensation committee made the determination to increase the base salary of the named executive officers (other than Messrs. Raiford and Asbill), effective as of January 1, 2021, due to the augmented scope of their respective roles due to the continued growth of the Company, as well as each named executive officer's performance.

Annual Performance Bonus

Our compensation committee believes that the payment of annual incentive compensation provides motivation necessary to retain the named executive officers and reward them for short-term company performance. On January 25, 2021, our compensation committee approved the adoption of our 2021 "Management by Objective" Bonus Plan (the "**2021 MBO Bonus Plan**") for our executive officers, including the named executive officers. The 2021 MBO Bonus Plan is designed to encourage named executive officers to contribute to the profitability, growth and increased value of the Company.

Amounts payable under our 2021 MBO Bonus Plan are determined as follows:

- A target incentive compensation amount is set for each named executive officer.
- Our compensation committee established CPaaS revenue, total revenue, Non-GAAP gross margin, Non-GAAP net (loss) income, and free cash flow objectives as the corporate performance goals under the 2021 MBO Bonus Plan as described above, as well as the target performance levels and the respective weighting of each corporate objective and each executive officer's individual objectives, which are generally based on individual functional objectives based on the executive officer's role and the role's relationship with our strategic business imperatives, such as improving efficiencies, increasing customer opportunities and satisfaction, developing and managing a talented workforce, and managing compliance.
- After the end of the 2021 year, our compensation committee determined our achievement of our CPaaS revenue, total revenue, Non-GAAP gross margin, Non-GAAP net (loss) income, and free cash flow objectives previously established by our compensation committee for 2021 based upon an assessment of our financial results for 2021 and the respective weighting of each corporate objective. Our compensation committee's determination would be expressed as a percentage of the applicable performance goal (the "**Corporate Achievement Percentage**").
- Following its assessment of our financial results for 2021, our compensation committee also determined each executive officer's achievement of the executive officer's individual objectives, expressed as a percentage of the applicable performance goal (the "**Individual Achievement Percentage**"), other than with respect to Mr. Hoffman. Our Chief Executive Officer evaluated and provided to our compensation committee executive officer performance assessments and management's recommendations and proposals regarding the Individual Achievement Percentage (except as to his own performance).
- Each executive officer's individual bonus then would be calculated as follows:
 - o The executive officer's individual target bonus, multiplied by
 - o The Corporate Achievement Percentage, multiplied by
 - o The executive officer's Individual Achievement Percentage.

The annualized cash bonus targets under the 2021 MBO Bonus Plan for the named executive officers were as follows:

Executive	Target Bonus (\$)
David A. Morken	470,700
Daryl E. Raiford	318,750
R. Brandon Asbill	157,000
Scott T. Mullen	163,647
Rebecca G. Bottorff	158,259
Jeffrey A. Hoffman	255,224

Performance Achievement

After 2021, our compensation committee assessed our financial results for 2021, including our achievement of our CPaaS revenue, revenue, Non-GAAP gross margin, Non-GAAP net (loss) income, and free cash flow objectives previously established by our compensation committee for 2021. Our compensation committee determined that the Corporate Achievement Percentage for 2021 was 125%, except with respect to Mr. Morken, for whom the Corporate Achievement Percentage for 2021 was capped at 100%. Our compensation committee then determined the Individual Achievement Percentage for each of Messrs. Morken, Raiford, Asbill and Mullen, and Ms. Bottorff. The Corporate Achievement Percentage and Individual Achievement Percentage yielded bonuses (pro-rated with respect to Messrs. Raiford and Asbill) under the 2021 MBO Bonus Plan as follows:

Executive ⁽¹⁾	Bonus Amount Paid(\$)
David A. Morken	464,110
Daryl E. Raiford	188,018
R. Brandon Asbill	181,796
Scott T. Mullen	202,840
Rebecca G. Bottorff	198,535

(1) Mr. Hoffman resigned from the Company effective August 31, 2021 and was not eligible to receive a bonus under our 2021 MBO Bonus Plan. For the details of Mr. Hoffman's severance arrangement with the Company, see "Employment Agreements with Named Executive Officers – Jeffrey A. Hoffman".

The annual cash incentive awards earned by our named executive officers for fiscal 2021 performance are also set forth in the 2021 Summary Compensation Table below.

Equity Awards

Prior to our November 2017 initial public offering, we granted equity awards in the form of stock options. We utilized stock options because they provided value only if our equity value increased, and the stock options only vested if the executive officer continued in our employment. Beginning in 2018, we determined that it was advisable to utilize restricted stock unit awards to align with peer company practices. In addition to aligning with market practice, we believe the use of restricted stock unit awards improves the balance and risk profile of our compensation program as this form of award does not rely solely on stock price appreciation to provide value to the recipient. These awards are subject to vesting dependent on the executive officer's continued employment.

During 2021, our compensation committee did not have a formal policy for determining the value or type of equity-based awards to grant to our named executive officers. Rather, equity grants to our named executive officers are considered, evaluated and approved by our compensation committee as a component of each named executive officer's total compensation, taking account the compensation benchmarking conducted by Radford, the individual officer's responsibilities and performance and the recommendations of the Chief Executive Officer (except as to his own award of equity-based compensation).

In January 2021, our compensation committee approved equity grants consisting of restricted stock unit awards for the named executive officers other than Mr. Raiford. Per Mr. Raiford's employment agreement and as an inducement to join the Company, our compensation committee granted Mr. Raiford a restricted stock unit award in July 2021. For the details of Mr. Raiford's employment agreement, see "Employment Agreements with Named Executive Officers – Daryl E. Raiford".

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The following table summarizes the equity grants made to our named executive officers during 2021:

Executive	Total 2021 Awards (# of restricted stock units)
David A. Morken	16,269
Daryl E. Raiford	18,760
R. Brandon Asbill	5,811
Scott T. Mullen	3,195
Rebecca G. Bottorff	3,090
Jeffrey A. Hoffman	5,818

Refer to the 2021 Grants of Plan-Based Awards table below for additional information, including vesting schedules, regarding the equity awards issued to our named executive officers in 2021.

Employment Agreements with Named Executive Officers

David A. Morken

We entered into an employment agreement with David A. Morken as of January 1, 2015 (as amended on March 9, 2017), which automatically renewed on January 1, 2022 and will automatically renew for additional one-year periods unless either Mr. Morken or we give at least 60 days' notice of non-renewal to the other party.

This agreement entitles Mr. Morken to receive an initial base salary of \$375,000 and the opportunity to earn an annual performance-based bonus, with a target of 100% of base salary, subject to the achievement of individual and company performance goals to be mutually agreed by the Compensation Committee of the Board of Directors and Mr. Morken at the beginning of each calendar year. Upon a liquidity event in which there is a change of control of the Company with a value of at least \$750 million (calculated on an enterprise basis) and the transaction commences during the term of the employment agreement and closes on or prior to December 31, 2023, Mr. Morken will additionally be entitled to receive a liquidity bonus as shown in the table below (the "**Liquidity Bonus**"), subject to Mr. Morken's continued employment through the date of such liquidity event (or his earlier termination by us for any reason or his resignation for "Good Reason" (as defined in his employment agreement) following the commencement of negotiations regarding the potential transaction).

Value Calculated on Enterprise Basis	Liquidity Bonus
\$750,000,000—\$999,999,999	\$ 5,000,000
\$1,000,000,000—\$1,249,999,999	\$ 10,000,000
\$1,250,000,000—\$1,499,999,999	\$ 12,500,000
\$1,500,000,000—\$1,749,999,999	\$ 15,000,000
\$1,750,000,000—\$1,999,999,999	\$ 17,500,000
\$2,000,000,000 or more	\$ 20,000,000

The employment agreement with Mr. Morken provides that any then outstanding and unvested stock options or shares of restricted stock will immediately vest, and the options will be exercisable for the remainder of their full original term, upon the earliest of (i) Mr. Morken's death during the term of the agreement, (ii) a change in control of the Company, or (iii) the termination of Mr. Morken's employment by us other than for "Cause" (as defined in his employment agreement and including our decision to not renew the term of the employment agreement) or by Mr. Morken for Good Reason. If Mr. Morken's employment is terminated (i) by us other than for "Cause", (ii) by Mr. Morken for "Good Reason" (as such capitalized terms are defined in his employment agreement), or (iii) by Mr. Morken for any reason within 12 months following a change of control of the Company that is not approved by at least a majority of our board of directors, then, subject to his execution of a general release of claims in our favor, Mr. Morken is entitled to receive 150% of his then-current base salary plus 150% of his target bonus for the year of termination, payable over an 18 month period following the termination. If Mr. Morken is terminated by us other than for Cause, he will also be entitled to receive company-paid basic medical insurance premiums for 18 months following his termination and a lump sum equal to 18 months of premiums for the term life insurance coverage then in effect. Mr. Morken has agreed to refrain from disclosing our confidential information during or at any time following his employment with us and from competing with us or soliciting our employees or customers during his employment and for 12 months following termination of his employment.

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If payments to Mr. Morken from us would constitute an “excess parachute payment” within the meaning of Section 280G of the Code, and would be subject to the excise tax imposed by Section 4999 of the Code, then such payments (including the Liquidity Bonus) would be reduced to the extent necessary to avoid the payment of any excess parachute payments and to avoid Mr. Morken being subject to the excise tax imposed by Section 4999 of the Code.

Mr. Morken has also entered into an Indemnification and Advancement Agreement with the Company.

Daryl E. Raiford

We entered into an employment agreement with Daryl E. Raiford on July 6, 2021, in connection with the commencement of his employment with us, which automatically renewed on December 31, 2021 and which will automatically renew for additional one-year periods unless either Mr. Raiford or we give at least 60 days’ notice of non-renewal to the other party.

This agreement entitles Mr. Raiford to receive an initial base salary of \$425,000 and the opportunity to earn an annual performance-based bonus, with a target of 75% of base salary, subject to the achievement of individual and company performance goals established by the Compensation Committee of the Board of Directors upon the recommendation of our Chief Executive Officer at the beginning of each calendar year. Mr. Raiford was granted an initial grant of restricted stock units (the “**Initial RSU’s**”) equal to \$2,500,000 divided by the closing sales price of a share of Bandwidth common stock on the date of grant. The Initial RSUs vest in four equal annual installments following the Effective Date, subject to Mr. Raiford’s continued service to the Company.

Under the employment agreement, we also agreed to reimburse Mr. Raiford for reasonable legal fees incurred by him in entering into the agreement, and for his reasonable moving expenses.

If Mr. Raiford’s employment is terminated by the Company other than for Cause (as defined in the employment agreement) or if Mr. Raiford resigns for Good Reason (as defined in the employment agreement) (either, a “**Qualifying Termination**”), then, subject to his execution of a general release of claims in our favor, Mr. Raiford will receive (i) severance payments equal to 100% (or, if the Qualifying Termination occurs within 12 months following a change in control of the Company, 150%) of his base salary, plus (ii) 100% (or, if the Qualifying Termination occurs within 12 months following a change in control of the Company, 150%) of his target annual cash incentive bonus, payable over a 12 month period following the termination (or an 18 month period if the termination occurs within 12 months following a change in control of the Company). Mr. Raiford will also be entitled to receive a lump sum equal to twelve months (or eighteen months if the Qualifying Termination occurs within twelve months following a change in control) of premiums for basic medical insurance and the term life insurance coverage then in effect.

Upon a Qualifying Termination not in connection with a change in control of the Company, any RSUs held by Mr. Raiford, and any other time-based equity award, will become vested as to the portion (if any) that is scheduled to vest within the 6 months following Mr. Raiford’s termination, provided that upon a Qualifying Termination within 12 months following a change in control of the Company, such awards will become fully vested.

Mr. Raiford has agreed to refrain from disclosing our confidential information during or at any time following his employment with us and from competing with us or soliciting our employees or customers during his employment and for 12 months following a termination of his employment.

If payments to Mr. Raiford from us would constitute an “excess parachute payment” within the meaning of Section 280G of the Code, and would be subject to the excise tax imposed by Section 4999 of the Code, then such payments would be reduced to the extent necessary to avoid the payment of any excess parachute payments and to avoid Mr. Raiford being subject to the excise tax imposed by Section 4999 of the Code.

On March 25, 2022, we amended the employment agreement with Mr. Raiford to provide that any then outstanding and unvested stock options or shares of restricted stock will immediately vest, and the options will be exercisable for the remainder of their full original term, upon the earlier of (i) Mr. Raiford’s death during the term of the agreement, or (ii) a change in control of the Company.

Mr. Raiford has also entered into an Indemnification and Advancement Agreement with the Company.

R. Brandon Asbill

In connection with his commencement of employment with us, we entered into an offer letter agreement with R. Brandon Asbill, dated December 17, 2020, which provides that upon commencement of his employment on January 18, 2021, Mr. Asbill is entitled to receive an initial base salary of \$314,000 and the opportunity to earn an annual performance-based bonus of up to 50% of his base salary, subject to the achievement of performance goals. Under the offer letter agreement, the performance bonus will be prorated for his first year of employment. Under the offer letter agreement, Mr. Asbill was granted an initial grant of restricted stock units. The initial restricted stock units vest in four equal annual installments following the date his employment with us commenced, subject to Mr. Asbill's continued service to the Company.

On February 22, 2022, we entered into an employment agreement with Mr. Asbill, which will automatically renew on December 31, 2022 and will automatically renew for additional one-year periods unless either Mr. Asbill or we give at least 60 days' notice of non-renewal to the other party. The employment agreement supersedes his offer letter agreement.

This agreement entitles Mr. Asbill to receive an initial base salary of \$357,200 and the opportunity to earn an annual performance-based bonus, with a target of 50% of base salary, subject to the achievement of individual and company performance goals established by the Compensation Committee of the Board of Directors upon the recommendation of our Chief Executive Officer at the beginning of each calendar year. Mr. Asbill received two grants of RSUs prior to the date of the employment agreement.

The employment agreement with Mr. Asbill provides that any then outstanding and unvested stock options or shares of restricted stock will immediately vest, and the options will be exercisable for the remainder of their full original term, upon the earlier of (i) Mr. Asbill's death during the term of the agreement, or (ii) a change in control of the Company.

If Mr. Asbill's employment is terminated by the Company other than for Cause (as defined in the employment agreement) or if Mr. Asbill resigns for Good Reason (as defined in the employment agreement) (either, a "Qualifying Termination"), then, subject to his execution of a general release of claims in our favor Mr. Asbill will receive (i) severance payments equal to 100% of his base salary, plus (ii) 100% of his target annual cash incentive bonus, plus (iii) an amount sufficient to facilitate his purchase of health care coverage of his choice comparable to his then-current coverage for a period of 12 months, with a gross up for taxes, plus (iv) an amount sufficient to reimburse him for 12 months of premiums for the continuation of his term life insurance coverage then in effect, with a gross up for taxes. The severance payments will be payable over a 12 month period following Mr. Asbill's termination.

Upon a Qualifying Termination not in connection with a change in control, the restricted stock unit awards held by Mr. Asbill that were granted in January 2021 and January 2022 (prior to the effectiveness of the employment agreement), and any other time-based equity award, will become vested as to the portion (if any) that is scheduled to vest within the 6 months following Mr. Asbill's termination, provided that upon a Qualifying Termination within 12 months following a change in control of the Company, such awards will become fully vested.

Mr. Asbill has agreed to refrain from disclosing our confidential information during or at any time following his employment with us and from competing with us or soliciting our employees or customers during his employment and for 12 months following termination of his employment.

If payments to Mr. Asbill from us would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, and would be subject to the excise tax imposed by Section 4999 of the Code, then such payments would be reduced to the extent necessary to avoid the payment of any excess parachute payments and to avoid Mr. Asbill being subject to the excise tax imposed by Section 4999 of the Code.

Mr. Asbill has also entered into an Indemnification and Advancement Agreement with the Company.

Scott T. Mullen

We entered into an employment agreement with Scott Mullen on December 6, 2019, which automatically renewed on December 31, 2021 and which will automatically renew for additional one-year periods unless either Mr. Mullen or we give at least 60 days' notice of non-renewal to the other party.

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This agreement entitles Mr. Mullen to receive an initial base salary of \$290,000 and the opportunity to earn an annual performance-based bonus, with a target of 40% of base salary, subject to the achievement of individual and company performance goals established by the Compensation Committee of the Board of Directors upon the recommendation of our Chief Executive Officer at the beginning of each calendar year.

The employment agreement with Mr. Mullen provides that any then outstanding and unvested stock options or shares of restricted stock will immediately vest, and the options will be exercisable for the remainder of their full original term, upon the earliest of (i) Mr. Mullen's death during the term of the agreement or (ii) a change in control of the Company. If Mr. Mullen's employment is terminated (i) by us other than for "Cause" (which includes our decision to not renew the term of the employment agreement), (ii) by Mr. Mullen for "Good Reason" (as such capitalized terms are defined in his employment agreement), then, subject to his execution of a general release of claims in our favor, Mr. Mullen is entitled to receive 100% of his then-current base salary plus 100% of his target bonus for the year of termination, payable over a 12 month period following the termination. If Mr. Mullen is terminated by us other than for Cause, he will also be entitled to receive company-paid basic medical insurance premiums for 12 months following his termination and a lump sum equal to 12 months of premiums for the term life insurance coverage then in effect. Mr. Mullen has agreed to refrain from disclosing our confidential information during or at any time following his employment with us and from competing with us or soliciting our employees or customers during his employment and for 12 months following termination of his employment.

If payments to Mr. Mullen from us would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, and would be subject to the excise tax imposed by Section 4999 of the Code, then such payments would be reduced to the extent necessary to avoid the payment of any excess parachute payments and to avoid Mr. Mullen being subject to the excise tax imposed by Section 4999 of the Code.

Mr. Mullen has also entered into an Indemnification and Advancement Agreement with the Company.

Rebecca G. Bottorff

We entered into an employment agreement with Rebecca G. Bottorff on December 6, 2019, which automatically renewed on December 31, 2021 and which will automatically renew for additional one-year periods unless either Ms. Bottorff or we give at least 60 days' notice of non-renewal to the other party.

This agreement entitles Ms. Bottorff to receive an initial base salary of \$280,450 and the opportunity to earn an annual performance-based bonus, with a target of 50% of base salary, subject to the achievement of individual and company performance goals established by our Board of Directors upon the recommendation of our Chief Executive Officer at the beginning of each calendar year.

The employment agreement with Ms. Bottorff provides that any then outstanding and unvested stock options or shares of restricted stock will immediately vest, and the options will be exercisable for the remainder of their full original term, upon the earliest of (i) Ms. Bottorff's death during the term of the agreement or (ii) a change in control of the Company. If Ms. Bottorff's employment is terminated (i) by us other than for "Cause" (which includes our decision to not renew the term of the employment agreement), or (ii) by Ms. Bottorff for "Good Reason" (as such capitalized terms are defined in her employment agreement), then, subject to her execution of a general release of claims in our favor, Ms. Bottorff is entitled to receive 100% of her then-current base salary plus 100% of her target bonus for the year of termination, payable over a 12 month period following the termination. If Ms. Bottorff is terminated by us other than for Cause, she will also be entitled to receive company-paid basic medical insurance premiums for 12 months following her termination and a lump sum equal to 12 months of premiums for the term life insurance coverage then in effect. Ms. Bottorff has agreed to refrain from disclosing our confidential information during or at any time following her employment with us and from competing with us or soliciting our employees or customers during her employment and for 12 months following termination of her employment.

If payments to Ms. Bottorff from us would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, and would be subject to the excise tax imposed by Section 4999 of the Code, then such payments would be reduced to the extent necessary to avoid the payment of any excess parachute payments and to avoid Ms. Bottorff being subject to the excise tax imposed by Section 4999 of the Code.

Ms. Bottorff has also entered into an Indemnification and Advancement Agreement with the Company.

Jeffrey A. Hoffman

In connection with the resignation of his employment effective August 31, 2021, we entered into a letter agreement with Mr. Hoffman on August 19, 2021. Under the letter agreement, Mr. Hoffman is entitled to receive, in exchange for a release of claims in our favor, (i) a cash amount equal to \$392,652, payable over twelve months, (ii) an additional cash amount of \$170,149, representing approximately two-thirds of Mr. Hoffman's target bonus amount under the 2021 MBO Bonus Plan, and (iii) a monthly health care stipend of \$2,067, payable for twelve months, to facilitate Mr. Hoffman's purchase of healthcare coverage. In addition, a total of 5,643 unvested restricted stock units held by Mr. Hoffman that were scheduled to vest in (i) September 2021 (527 restricted stock units), (ii) November 2021 (119 restricted stock units) and (iii) February 2022 (4,997 restricted stock units) became fully vested on August 31, 2021.

Equity Benefit Plans

For more information on our current equity compensation program and decisions regarding the grants of equity awards in 2021 for our named executive officers, see "Compensation Discussion and Analysis – 2021 Executive Compensation Program – Annual Performance Bonus" and "Compensation Discussion and Analysis – 2021 Executive Compensation Program – Equity Awards."

Other Features of Our Executive Compensation Program

401(k) Plan, Welfare and Health Benefits

We maintain a tax-qualified retirement plan that provides eligible U.S. employees, including our named executive officers, with an opportunity to save for retirement on a tax-advantaged basis. Eligible employees may make voluntary contributions from their eligible pay, up to certain applicable annual limits set by the Internal Revenue Code of 1986, as amended (the "Code"). In 2021, we matched 100% of employee contributions, up to 4% (3% from January 1, 2021 through March 31, 2021) of earnings with an annual maximum company matching contribution of \$11,116 in matching contributions per calendar year for each employee. Such employee contributions are immediately and fully vested; Company matching contributions vest over three years ratably. The 401(k) plan is intended to be qualified under Section 401(a) of the Code with the 401(k) plan's related trust intended to be tax exempt under Section 501(a) of the Code.

In addition, we provide other benefits to our executive officers, including the named executive officers, on the same basis as to all of our full-time employees. These benefits include, but are not limited to, medical, dental, vision, group life, disability and accidental death and dismemberment insurance plans.

We design our employee benefits programs to be affordable and competitive in relation to the market, as well as compliant with applicable laws and practices. We adjust our employee benefits programs as needed based upon regular monitoring of applicable laws and practices and the competitive market.

Perquisites and Other Personal Benefits

We do not currently view perquisites or other personal benefits as a significant component of our executive compensation program. We do not generally provide perquisites or other personal benefits to our executive officers, including the named executive officers, except in situations where we believe it is appropriate to assist an individual in the performance of his or her duties, to make our executive officers more efficient and effective, and for recruitment and retention purposes. However, we pay the premiums for term life insurance and disability insurance, subject to certain limitations, for all of our full-time employees, including our named executive officers.

In connection with his commencement of Mr. Raiford's employment with us and under the terms of his employment agreement, we agreed to reimburse Mr. Raiford for reasonable legal fees incurred by him in entering into the agreement, and for his reasonable moving expenses. For additional details regarding Mr. Raiford's employment agreement, see "Employment Agreements with Named Executive Officers – Daryl E. Raiford."

In the future, we may provide perquisites or other personal benefits in limited circumstances. All future practices with respect to perquisites or other personal benefits will be approved and subject to periodic review by the compensation committee.

Tax and Accounting Implications

Accounting for Stock-Based Compensation

Under Financial Accounting Standard Board ASC Topic 718 (“ASC 718”), we are required to estimate and record an expense for each award of equity compensation over the vesting period of the award. We record share-based compensation expense on an ongoing basis according to ASC 718.

Deductibility of Executive Compensation

Section 162(m) of the Code has historically limited companies to a deduction for federal income tax purposes of not more than \$1 million of compensation paid to certain executive officers in a calendar year, subject to certain exceptions. Prior to the Tax Cuts and Jobs Act of 2017 (“TCJA”), the deduction limit did not apply to “performance-based compensation” which satisfied the requirements of Section 162(m). The TCJA eliminated the performance-based compensation exemption, although compensation paid pursuant to a written binding contract which was in effect on November 2, 2017 may be “grandfathered” and still qualify for the performance-based compensation exception under certain circumstances. In determining the form and amount of compensation for our named executive officers, our compensation committee may continue to consider all elements of the cost of such compensation. While our compensation committee considers the deductibility of awards as one factor in determining executive compensation, our compensation committee may also look at other factors in making its decisions, and retains the flexibility to award compensation that it determines to be consistent with the goals of our executive compensation program even if the compensation is not deductible by us for tax purposes.

Clawback Matters and Insider Trading Policy

Clawback Policy

As a public company, if we are required to restate our financial results due to our material noncompliance with any financial reporting requirements under the federal securities laws as a result of misconduct, our Chief Executive Officer and Chief Financial Officer may be legally required to reimburse us for any bonus or other incentive-based or equity-based compensation they receive in accordance with the provisions of Section 304 of the Sarbanes-Oxley Act of 2002. Our compensation committee has not adopted a compensation recovery, or “clawback,” policy pursuant to which the board of directors may, following the occurrence of certain accounting restatements triggered by misconduct of an executive officer or officers, recover any incentive compensation determined to have been erroneously paid to such executive officer or officers. We will comply with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act and will make any necessary updates to the policy once the SEC adopts final regulations on the subject.

Policy Prohibiting Hedging and Pledging of Our Equity Securities

Our insider trading policy prohibits all of our employees, including our executive officers, and our directors, from engaging in short sales, hedging of stock ownership positions, and transactions involving derivative securities relating to our common stock. In addition, our directors and executive officers, and any person required to comply with the blackout periods or pre-clearance requirements under our insider trading policy, may not pledge company securities as collateral for loans and may not hold company securities in margin accounts.

Analysis of Risks Presented by our Compensation Policies and Programs

The compensation committee has reviewed our compensation policies and practices, in consultation with Radford, to assess whether they encourage employees to take inappropriate risks. The compensation committee has reviewed and assessed our compensation philosophy, terms and practices, including the mix of fixed and variable, short and long-term incentives and overall pay, incentive plan structures, and the checks and balances built into, and oversight of, each plan and practice. The compensation committee believes the mix and design of the elements of executive compensation do not encourage management to assume excessive risks; rather, it believes the mix of short-term compensation (in the form of salary and annual bonus, if any, which is based on a variety of performance factors) and long-term compensation (in the form of stock options or restricted stock unit grants) prevents undue focus on short-term results and helps align the interests of our executive officers with the interests of our stockholders. Our insider trading policy and prohibition against hedging and pledging of our stock also protect against short-term decision making.

COMPENSATION COMMITTEE REPORT

The compensation committee has reviewed and discussed the Compensation Discussion and Analysis included in this proxy statement with members of management. Based on such review and discussion, the compensation committee has recommended to the board of directors that the section titled “Executive Compensation” be included in this proxy statement.

Respectfully submitted by the members of the compensation committee of the board of directors:

Compensation Committee

Douglas A. Suriano, Chairman

Lukas M. Roush

Brian D. Bailey

John C. Murdock

EXECUTIVE COMPENSATION INFORMATION

Summary Compensation Table

The following table sets forth information regarding compensation awarded to, earned by or paid to our named executive officers during the years ended December 31, 2021, 2020 and 2019:

2021 Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$) ⁽²⁾	All Other Compensation (\$) ⁽³⁾	Total (\$)
David A. Morken <i>Chief Executive Officer</i>	2021	470,700		2,429,906	464,110	19,968	3,384,684
	2020	450,000	300,000	2,231,076	713,250	8,829	3,703,155
	2019	375,000	150,000	1,349,941	364,149	8,400	2,247,491
Daryl E. Raiford ⁽⁵⁾ <i>Chief Financial Officer</i>	2021	201,231		2,413,539	188,018	16,694	2,819,481
R. Brandon Asbill ⁽⁶⁾ <i>General Counsel</i>	2021	300,917		909,401	181,796	10,988	1,403,102
Scott T. Mullen <i>Chief Technology Officer</i>	2021	327,294		482,492	202,840	13,221	1,025,847
Rebecca G. Bottorff <i>Chief People Officer</i>	2021	316,517		466,633	198,535	14,470	996,155
	2020	293,071	107,111	526,127	232,258	11,203	1,169,770
	2019	280,451		586,460	143,963	8,400	1,019,275
Jeffrey A. Hoffman ⁽⁷⁾ <i>Former Chief Financial Officer</i>	2021	261,768		868,745 ⁽⁴⁾		598,482	1,728,995
	2020	381,216	150,000	990,153	392,747	12,511	1,926,627
	2019	364,800	100,000	601,908	230,258	8,400	1,305,367

(1) Amounts in this column reflect the aggregate grant date fair value of the shares underlying restricted stock unit awards granted in the applicable year, computed in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 718 for stock-based compensation transactions. The assumptions we used in valuing these equity awards are described in Note 12 to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 filed with the SEC on February 25, 2022, and do not necessarily correspond to the actual economic value recognized or that may be recognized by the named executive officers.

(2) Amounts in this column for each fiscal year represent amounts earned by the named executive officers during such fiscal year but paid in the subsequent fiscal year pursuant to our MBO Bonus Plan. See “Compensation Discussion and Analysis – 2021 Executive Compensation Program – Annual Performance Bonus” for further information regarding the amounts in this column.

(3) Amounts in this column represent: (a) premiums for supplemental disability insurance coverage paid by the Company and matching contributions to our 401(k) savings plan made by the Company on the named executive officer’s behalf, (b) with respect to Mr. Raiford, additional payments of \$7,093 related to his relocation to Raleigh, NC and \$9,220 in reimbursement of legal fees incurred by him in connection with entering into his employment agreement, (c) with respect to Mr. Hoffman, \$562,801 in severance and \$21,861 in benefits continuation. See “Compensation Discussion and Analysis – Other Features of Our Executive Compensation Program” for more information on premiums for supplemental disability insurance coverage paid by the Company and matching contributions to our 401(k) savings plan. See “Employment Agreements with Named Executive Officers – Jeffrey A. Hoffman” for more information on the letter agreement with Mr. Hoffman executed in connection with his resignation on August 31, 2021.

(4) Of these restricted stock awards, Mr. Hoffman forfeited restricted stock awards valued at \$625,793 upon his resignation in August 31, 2021.

(5) Mr. Raiford commenced employment with us on July 12, 2021.

(6) Mr. Asbill commenced employment with us on January 18, 2021.

(7) Mr. Hoffman served as Chief Financial Officer of the Company until his resignation on August 31, 2021.

2021 Grants of Plan-Based Awards

The following table shows certain information regarding grants of plan-based awards to our named executive officers during the fiscal year ended December 31, 2021.

Grants of Plan-Based Awards in Fiscal 2021

Name	Grant Type	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (1) (2) (3)			All Other Stock Awards: Number of Shares of Stock or Units (#) (4)	All Other Option Awards: Number of Securities Underlying Options (3*) (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$) (5)
			Threshold (\$)	Target (\$)	Maximum (\$)				
David A. Morken	MBO Bonus Plan	—	—	470,700	—	—	—	—	
	RSU Grant	1/2/21	—	—	—	16,269	—	2,429,906	
Daryl E. Raiford	MBO Bonus Plan	—	—	318,750	—	—	—	—	
	RSU Grant	7/21/21	—	—	—	18,760	—	2,413,539	
R. Brandon Asbill	MBO Bonus Plan	—	—	157,000	—	—	—	—	
	RSU Grant	1/18/21	—	—	—	5,811	—	909,401	
Scott T. Mullen	MBO Bonus Plan	—	—	163,647	—	—	—	—	
	RSU Grant	1/2/21	—	—	—	3,195	—	482,492	
Rebecca G. Bottorff	MBO Bonus Plan	—	—	158,259	—	—	—	—	
	RSU Grant	1/2/21	—	—	—	3,090	—	466,633	
Jeffrey A. Hoffman	MBO Bonus Plan	—	—	255,224	—	—	—	—	
	RSU Grant	1/2/21	—	—	—	5,818	—	868,745	
	RSU Modification	8/31/21	—	—	—	5,643	—	739,534	

(1) We do not establish thresholds or maximum annual performance bonus amounts under our 2021 MBO Bonus Plan. The amounts set forth in these columns represent the target bonus amounts for each named executive officer for fiscal 2021 under our 2021 MBO Bonus Plan, and do not represent either additional or actual compensation earned by the named executive officers for the year ended December 31, 2021. The dollar value of the actual payments for these awards are included in the “Non-Equity Incentive Plan Compensation” column of the “Summary Compensation Table” above. For more information about our 2021 MBO Bonus Plan, see “Compensation Discussion and Analysis – 2021 Executive Compensation Program – Annual Performance Bonus.”

(2) These amounts are annualized for Messrs. Raiford and Asbill.

(3) With respect to Mr. Hoffman, this amount represents his target bonus amount under our 2021 MBO Bonus Plan, but no 2021 MBO Bonus was or will be paid to Mr. Hoffman given his departure from Bandwidth during 2021. See “Compensation Discussion and Analysis – Employment Agreements with Named Executive Officers” for details of Mr. Hoffman’s severance arrangement.

(3*) Reflects unvested restricted stock units granted pursuant to our 2017 Incentive Award Plan.

(4) Restricted stock unit awards granted on January 2, 2021 to Mr. Morken (with the exception of 10,143 of such awards which vest on the schedule in the next succeeding sentence), Mr. Hoffman (with the exception of 1,602 of such awards which vest on the schedule in the next succeeding sentence), Mr. Mullen and Ms. Bottorff vest as follows: (1) 12.5% quarterly on each of March 31, 2021, June 30, 2021, September 30, 2021, and December 31, 2021; and (2) approximately 16.7% annually thereafter on January 2, 2023, January 2, 2024, and January 2, 2025, in each case subject to the officer’s continued service with us through the applicable vesting date. The remaining restricted stock unit awards granted on January 2, 2021 to Mr. Morken and Mr. Hoffman vest in four equal annual installments, with the first such installment occurring on January 2, 2022. The restricted stock unit award granted in January 2021 for Mr. Asbill vests in four equal annual installments, with the first such installment occurring on January 18, 2022. The restricted stock unit award granted in July 2021 for Mr. Raiford, which vests in four equal annual installments, with the first such installment occurring on July 21, 2022. See “Compensation Discussion and Analysis – 2021 Executive Compensation Program – Equity Awards” for additional information about these awards.

(5) The dollar amounts in this column represent the aggregate grant date fair value of each option award and restricted stock unit award, as applicable, granted to the named executive officers in fiscal 2021. These amounts have been calculated in accordance with ASC 718. The grant date fair value of each option award is calculated using the Black-Scholes option-

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pricing model and excluding the effect of estimated forfeitures. The assumptions we used in valuing these awards are described in Note 12 to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 filed with the SEC on February 25, 2022 and do not necessarily correspond to the actual economic value recognized or that may be recognized by our named executive officers.

- (6) In connection with his separation, a total of 5,643 unvested restricted stock units held by Mr. Hoffman that were scheduled to vest in (i) September 2021 (527 restricted stock units), (ii) November 2021 (119 restricted stock units) and (iii) February 2022 (4,997 restricted stock units) became fully vested on August 31, 2021. See “Compensation Discussion and Analysis – Employment Agreements with Named Executive Officers” for details of Mr. Hoffman’s severance arrangement.

Outstanding Equity Awards at 2021 Fiscal Year-End

The following table sets forth certain information about outstanding and unexercised stock options and unvested restricted stock unit awards for each named executive officer as of December 31, 2021.

Outstanding Equity Awards at December 31, 2021

Executive	Grant Date	Option Awards			Number of Shares or Units of Stock That Have Not Vested (#) (3*)	Market Value of Shares of Units of Stock that Have Not Vested (\$) (4)
		Number of Securities Underlying Unexercised Options Exercisable (#) (2)	Option Exercise Price (\$) (3)	Option Expiration Date		
David A. Morken	2/21/2018 ⁽⁵⁾	—	—	—	6,227	446,850
	1/2/2019 ⁽⁶⁾	—	—	—	4,841	347,390
	4/25/2019 ⁽⁷⁾	—	—	—	5,122	367,555
	1/2/2020 ⁽⁸⁾	—	—	—	6,306	452,519
	1/2/2020 ⁽⁹⁾	—	—	—	13,897	997,249
	11/2/2020 ⁽¹⁰⁾	—	—	—	950	68,172
	1/2/2021 ⁽¹²⁾	—	—	—	3,063	219,801
	1/2/2021 ⁽¹³⁾	—	—	—	10,143	727,862
Daryl E. Raiford	7/21/2021 ⁽¹⁴⁾	—	—	—	18,760	1,346,218
R. Brandon Asbill	1/18/2021 ⁽¹⁵⁾	—	—	—	5,811	416,997
Scott T. Mullen	11/4/2015	1,563 ⁽¹⁾	9.57	11/4/2025	—	—
	8/24/2017	15,625 ⁽¹⁾	18.40	8/24/2027	—	—
	2/21/2018 ⁽⁵⁾	—	—	—	2,906	208,535
	1/2/2019 ⁽⁶⁾	—	—	—	2,620	188,011
	1/2/2020 ⁽⁸⁾	—	—	—	3,185	228,556
	1/2/2021 ⁽¹²⁾	—	—	—	1,597	114,601
Rebecca G. Botorff	2/21/2018 ⁽⁵⁾	—	—	—	3,243	232,718
	1/2/2019 ⁽⁶⁾	—	—	—	2,714	194,757
	6/3/2019 ⁽¹¹⁾	—	—	—	1,774	127,302
	1/2/2020 ⁽⁸⁾	—	—	—	3,423	245,634
	11/2/2020 ⁽¹⁰⁾	—	—	—	317	22,748
	1/2/2021 ⁽¹²⁾	—	—	—	1,545	110,869
Jeffrey A. Hoffman ⁽¹⁶⁾	—	—	—	—	—	

(1) All option awards listed in the table above were fully vested as of December 31, 2021 and were granted under our 2010 Equity Compensation Plan, prior to the completion of our initial public offering in November 2017. We have not granted any option awards since January 2018.

(2) With respect to options granted to our named executive officers that are immediately exercisable, this column reflects the number of options held by our named executive officers that were exercisable and vested as of December 31, 2021.

(3) All of the option awards listed in the table above were granted with a per share exercise price equal to the fair market value of one share of our common stock on the date of grant. Prior to the completion of our initial public offering in 2017, the fair market value of one share of common stock was determined in good faith by our board of directors with the assistance of a third party valuation expert.

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- (3*) Reflects unvested restricted stock units granted pursuant to our 2017 Incentive Award Plan.
- (4) The value of the restricted stock units shown in the table is calculated using a closing price of our common stock as reported on the Nasdaq Global Select Market on December 31, 2021, which was \$71.76.
- (5) The restricted stock unit awards vest in equal annual installments over a four-year period, with the first such installment occurring on February 21, 2019, in each case subject to the officer's continued service with us through the applicable vesting date.
- (6) The restricted stock unit awards vest as follows: (1) 12.5% quarterly on each of March 31, 2019, June 30, 2019, September 30, 2019, and December 31, 2019; and (2) approximately 16.7% annually thereafter on January 2, 2021, January 2, 2022, and January 2, 2023, in each case subject to the officer's continued service with us through the applicable vesting date.
- (7) The restricted stock unit awards vest in equal annual installments over a four-year period, with the first such installment occurring on April 25, 2020, subject to Mr. Morken's continued service with us through the applicable vesting date.
- (8) The restricted stock unit awards vest as follows: (1) 12.5% quarterly on each of March 31, 2020, June 30, 2020, September 30, 2020, and December 31, 2020; and (2) approximately 16.7% annually thereafter on January 2, 2022, January 2, 2023, and January 2, 2024, in each case subject to the officer's continued service with us through the applicable vesting date.
- (9) The restricted stock unit awards vest in equal annual installments over a four-year period, with the first such installment occurring on January 2, 2021, subject to Mr. Morken's continued service with us through the applicable vesting date.
- (10) The restricted stock unit awards vest as follows: (1) 12.5% quarterly on each of February 2, 2021, May 2, 2021, August 2, 2021, and November 2, 2021; and (2) approximately 16.7% annually thereafter on November 2, 2023, November 2, 2024, and November 2, 2025, in each case subject to the officer's continued service with us through the applicable vesting date.
- (11) The restricted stock unit awards vest in equal annual installments over a four-year period, with the first such installment occurring on June 3, 2020, subject to Ms. Bottorff's continued service with us through the applicable vesting date.
- (12) The restricted stock unit awards vest as follows: (1) 12.5% quarterly on each of March 31, 2021, June 30, 2021, September 30, 2021, and December 31, 2021; and (2) approximately 16.7% annually thereafter on January 2, 2023, January 2, 2024, and January 2, 2025, in each case subject to the officer's continued service with us through the applicable vesting date.
- (13) The restricted stock unit awards vest in equal annual installments over a four-year period, with the first such installment occurring on January 2, 2022, subject to Mr. Morken's continued service with us through the applicable vesting date.
- (14) The restricted stock unit awards vest in equal annual installments over a four-year period, with the first such installment occurring on July 21, 2022, subject to Mr. Raiford's continued service with us through the applicable vesting date.
- (15) The restricted stock unit awards vest in equal annual installments over a four-year period, with the first such installment occurring on January 18, 2022, subject to Mr. Asbill's continued service with us through the applicable vesting date.
- (16) Upon his termination of employment with us, unvested restricted stock unit awards granted to Mr. Hoffman were forfeited. See "Compensation Discussion and Analysis – Employment Agreements with Named Executive Officers" for details of Mr. Hoffman's severance arrangement.

Option Exercises and Stock Vested in 2021

The following table shows, for our named executive officers, the number of shares of our common stock acquired upon the exercise of stock options, the aggregate value realized upon the exercise of stock options, and the vesting of restricted stock unit awards during the fiscal year ended December 31, 2021.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$) ⁽¹⁾	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) ⁽²⁾
David A. Morken	—	—	19,098	3,065,918
Daryl E. Raiford	—	—	—	—
R. Brandon Asbill	—	—	—	—
Scott T. Mullen	30,150	4,195,071	3,811	920,322
Rebecca G. Bottorff	—	—	5,739	1,129,162
Jeffrey A. Hoffman	—	—	15,037	2,270,087

- (1) The value realized upon exercise of stock options is based on the difference between the closing price of the shares of our common stock as reported on the Nasdaq Global Select Market on the date of exercise and the applicable exercise price of those options, and does not represent actual amounts received by the named executive officers as a result of the option exercises.
- (2) The value realized on vesting of the stock awards is calculated by multiplying the number of shares vested by the closing price of our common stock as reported on the Nasdaq Global Select Market on the given vesting dates.

2021 Pension Benefits

None of our named executive officers participated in any defined benefit pension plans in 2021.

2021 Nonqualified Deferred Compensation

None of our named executive officers participated in any non-qualified deferred compensation plans in 2021.

Potential Payments upon Termination or Change in Control

The following table provides an estimate of the value of the compensation and benefits due to each of our named executive officers assuming a termination resulting from death, a change in control, a termination not in connection with a change in control, and a termination in connection with a change in control, effective as of December 31, 2021, under our agreements with each of our named executive officers. (See “Employment Agreements with Named Executive Officers” above.) The actual amounts to be paid can only be determined at the time of such event. We determined the value of the accelerated vesting of restricted stock unit awards based on a per share price of \$71.76, which was the closing price of our common stock on the NASDAQ Global Select Market on December 31, 2021.

Named Executive Officer	Death (\$)	Change in Control (\$) ⁽¹⁾	Termination Not In Connection with a Change in Control (\$) ⁽²⁾	Termination in Connection with a Change in Control (\$) ⁽³⁾
David A. Morken:				
• Cash Severance	—	—	1,412,100	1,412,100
• Benefits continuation	—	—	37,650	37,650
• Value of accelerated restricted stock unit awards	3,627,396	3,627,396	3,627,396	3,627,396
Daryl E. Raiford				
• Cash Severance	—	—	743,750	1,115,625
• Benefits continuation	—	—	25,100	37,650
• Value of accelerated restricted stock unit awards ⁽⁴⁾	—	1,346,218	—	1,346,218
R. Brandon Asbill ⁽⁵⁾				
• Cash Severance	—	—	—	—
• Benefits continuation	—	—	—	—
• Value of accelerated restricted stock unit awards	—	416,997	—	416,997
Scott T. Mullen				
• Cash Severance	—	—	490,941	490,941
• Benefits continuation ⁽⁶⁾	—	—	25,100	25,100
• Value of accelerated restricted stock unit awards	739,702	739,702	—	739,702
Rebecca G. Bottorff				
• Cash Severance	—	—	474,776	474,776
• Benefits continuation ⁽⁷⁾	—	—	25,100	25,100
• Value of accelerated restricted stock unit awards	934,028	934,028	—	934,028
Jeffrey A. Hoffman ⁽⁸⁾				
• Cash Severance	—	—	562,801	—
• Benefits continuation	—	—	21,861	—
• Value of accelerated restricted stock unit awards	—	—	\$739,534	—

(1) All restricted stock unit awards vest, by their terms, upon a change in control of the Company.

(2) Except as described below with respect to Mr. Mullen and Ms. Bottorff, assumes a resignation by the named executive officer for “good reason” or a termination by the Company “without cause”, as defined in each named executive officer’s employment agreement.

(3) Except as described below with respect to Mr. Mullen and Ms. Bottorff, assumes a resignation by the named executive officer for “good reason” or a termination by the Company “without cause” within 12 months following a change in control; provided, that with respect to Mr. Morken, his resignation may be for any reason within 12 months following a change in control not approved by a majority of the Company’s board of directors.

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- (4) Under the terms of Mr. Raiford's employment agreement with the Company in effect as of December 31, 2021, he was not entitled to accelerated vesting of his restricted stock unit awards in the event of his death. On March 25, 2022, we amended his employment agreement to provide for accelerated vesting of his restricted stock unit awards in the event of his death.
- (5) Mr. Asbill was not a party to an employment agreement with the Company as of December 31, 2021 and, as of such date, was not entitled to any cash severance, benefits continuation or restricted stock unit accelerated vesting upon a termination not in connection with a change in control. We entered into an employment agreement with Mr. Asbill on February 24, 2022, which provides for such benefits. For the details of Mr. Asbill's employment agreement with the Company, see "Employment Agreements with Named Executive Officers – R. Brandon Asbill".
- (6) For Mr. Mullen, benefits continuation payments are applicable only in connection with his termination by the Company "without cause" and not for his resignation for "good reason".
- (7) For Ms. Bottorff, benefits continuation payments are applicable only in connection with her termination by the Company "without cause" and not for his resignation for "good reason".
- (8) Mr. Hoffman resigned from the Company effective August 31, 2021. The values shown reflect the amounts paid or payable to Mr. Hoffman pursuant to his severance arrangement with the Company. For the details of Mr. Hoffman's severance arrangement with the Company, see "Employment Agreements with Named Executive Officers – Jeffrey A. Hoffman".

2021 CEO Pay Ratio

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 402(u) of Regulation S-K, we are providing the following information regarding the ratio of the annual total compensation of Mr. Morken, our Chief Executive Officer, to the annual total compensation of our median employee (as described below).

Below is (i) the 2021 annual total compensation of our CEO, (ii) the 2021 annual total compensation of our median employee; (iii) the ratio of the annual total compensation of our CEO to that of our median employee; and (iv) the methodology we used to calculate our CEO pay ratio:

CEO Annual Total Compensation*	\$3,384,684
Median Employee Annual Total Compensation	\$ 93,073
CEO to Median Employee Pay Ratio	36:1

* This annual total compensation corresponds to the total compensation figure for Mr. Morken in the Summary Compensation Table.

Methodology

We used the following methodology to determine the foregoing ratio:

- *We Determined the Employee Population.* We began with our global employee population as of December 31, 2021, including full-time, part-time, and seasonal or temporary workers, employed by our company or consolidated subsidiaries, but excluding our CEO. We also excluded third-party contractors and consultants in accordance with SEC rules.
- *We Identified the Median Employee.* We calculated compensation for each employee using annual base salary as of December 31, 2021, plus cash bonus incentives earned in 2021 (paid in February 2022), equity awards granted in 2021, and any commission or short-term incentive payments earned in 2021. We estimated total compensation using a method similar to the Summary Compensation Table rules, and excluded employer health insurance contributions and the value of other benefits. Compensation for any employee paid in other than U.S. dollars was converted to U.S. dollars at the applicable exchange rate as of the date of determination, and we made no adjustments for cost of living. For those employees who were employed on December 31, 2021 but who were not employed for all of 2021, we annualized compensation paid to such employees during 2021. Using this methodology, we identified the median employee.
- *Calculated the CEO Pay Ratio.* We calculated our median employee's annual total compensation for 2021 according to the SEC's instructions for preparing the Summary Compensation Table. Our CEO's annual total compensation was \$3,384,684, which is equal to the amount reported in the 2021 Summary Compensation Table.

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Our CEO pay ratio is a reasonable estimate calculated in a manner consistent with SEC rules based on our records and the methodology described above. The SEC's rules for identifying the median employee and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions and to make reasonable estimates and assumptions that reflect their employee populations and compensation practices. As a result, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies have different employee populations and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

DIRECTOR COMPENSATION

Our non-employee directors earned the amounts set forth in the table below for their service on our Board of Directors during the year ended December 31, 2021. Mr. Morken serves as our Chief Executive Officer, and Ms. Bottorff, who was appointed as a director on January 11, 2022, serves as our Chief People Officer, in each case in addition to being a director, but neither receives any additional compensation for such service as a director.

2021 Director Compensation

Name	Fees Earned or Paid in Cash (\$)	Stock Awards \$(1) (2)	All Other Compensation (\$)	Total (\$)
Brian D. Bailey	85,000	150,000	—	235,000
John C. Murdock	50,000	150,000	—	200,000
Lukas M. Roush	67,500	150,000	—	217,500
Douglas A. Suriano	67,500	150,000	—	217,500

- (1) This column reflects the aggregate grant date fair value of all restricted stock units granted during fiscal 2021 computed in accordance with ASC Topic 718 as stock-based compensation transactions. The grant date fair value of each restricted stock unit is measured based on the closing price of our shares of our common stock as reported on the Nasdaq Global Select Market on the date of grant. Unlike the calculations contained in our financial statements, this calculation does not give effect to any estimate of forfeitures related to service-based vesting, but assumes that the director will perform the requisite service for the award to vest in full. The assumptions we used in valuing restricted stock units are described in Note 12 to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 filed with the SEC on February 25, 2022.
- (2) The table below shows the aggregate number of stock awards and option awards outstanding for each of our non-employee directors as of December 31, 2021:

Name	Stock Awards (#)	Option Awards (#)
Brian D. Bailey	—	—
John C. Murdock	—	—
Lukas M. Roush	—	—
Douglas A. Suriano	—	—

Non-Employee Director Compensation Program

Overview

Our directors play a critical role in guiding our strategic direction and overseeing management, and our board of directors has adopted a compensation program for non-employee directors. The compensation committee reviews compensation levels for non-employee directors on a bi-annual basis. Radford, the committee's compensation consultant, prepares a comprehensive assessment of our non-employee director compensation program, including benchmarking of our current director compensation against the same peer group used for executive compensation purposes, and identifying recent trends in director compensation. Following such review, our board of directors, upon recommendation of the compensation committee, approves any changes to non-employee director compensation for the ensuing calendar year. Non-employee directors receive a combination of cash and equity compensation.

2021 Cash Compensation

For service during 2021, each non-employee director received an annual board service retainer of \$50,000. The members of our compensation committee (other than the chairman) received an annual service retainer of \$7,500, and the members of our audit Committee (other than the chairman) received an annual service retainer of \$10,000. The chairman of our audit committee and our compensation committee received an annual committee chair service retainer of \$20,000 and \$15,000, respectively.

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The annual cash compensation amounts set forth above are payable in equal quarterly installments, payable in arrears during the first 30 days of the first month following the end of each calendar quarter in which the board service occurs. If the director joins our board of directors at a time other than the first day of a calendar quarter, he or she will be entitled to the cash compensation set forth above beginning with the calendar quarter following the date he or she joins our board of directors.

We reimburse all reasonable out-of-pocket expenses incurred by directors for their attendance at meetings of our board of directors or any committee thereof and for continuing education.

Each director has entered into an Indemnification and Advancement Agreement with the Company.

2021 Equity Compensation

In addition to cash compensation, each non-employee director is eligible to receive restricted stock unit awards under our 2017 Incentive Award Plan. For 2021, each non-employee director received a grant of restricted stock units with a fair market value of \$150,000. The number of restricted stock units for the annual grant was determined by dividing \$150,000 by the fair market value of one share of the Company's Class A common stock on the date of grant. The annual grant vests in equal quarterly installments over the one year following the grant date on each of March 31st, June 30th, September 30th and December 31st. Vesting schedules for equity awards are subject to the non-employee director's continuous service on each applicable vesting date. For each non-employee director who remains in continuous service with the Company until immediately prior to the closing of a change in control, his or her then-outstanding equity awards that were granted will become fully vested immediately prior to the closing of such change in control.

2022 Changes to Compensation

In December 2021, as part of its bi-annual review of non-employee director compensation and with benchmarking input from Radford, the compensation committee recommended an increase in the equity component of our non-employee director compensation. Beginning in January 2022, each non-employee director will be eligible to receive an annual grant of restricted stock units with a fair market value of \$175,000, increased from \$150,000. The number of the restricted stock units for the annual grant will be determined by dividing \$175,000 by the fair market value of one share of the Company's Class A common stock on the date of grant. All other terms of such grants remain unchanged.

No changes were recommended for annual service retainers for board, committee and committee chairmanship services.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides information as of December 31, 2021 with respect to the shares of our common stock that may be issued under our existing equity compensation plans.

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by stockholders ⁽¹⁾	180,209	\$ 10.14 ⁽²⁾	3,060,674 ⁽³⁾
Equity compensation plans not approved by stockholders	—	—	—
Total	180,209	\$ 10.14	3,060,674

(1) Includes the following plans: our 2010 Equity Compensation Plan, as amended (“**2010 Plan**”), and our 2017 Incentive Award Plan (“**2017 Plan**”).

(2) Excludes 344,486 shares that may be issued under outstanding restricted stock units as of December 31, 2021 since shares subject to restricted stock units have no exercise price.

(3) As of December 31, 2021, a total of 3,416,009 shares of our Class A common stock have been reserved for issuance pursuant to the 2017 Plan. The 2017 Plan provides that the number of shares reserved and available for issuance under the 2017 Plan will automatically increase each January 1, beginning on January 1, 2018, by 5% of the outstanding number of shares of our Class A common stock as of the immediately preceding December 31. This number will be subject to adjustment in the event of a stock split, stock dividend or other change in our capitalization. The shares of Class A common stock underlying any awards that are forfeited, cancelled, held back upon exercise or settlement of an award to satisfy the exercise price or tax withholding, reacquired by us prior to vesting, satisfied without the issuance of stock, expire or are otherwise terminated, other than by exercise, under the 2001 Plan and the 2010 Plan will be added back to the shares of Class A common stock available for issuance under the 2017 Plan. The Company no longer makes grants under the 2010 Plan.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information available to us with respect to the beneficial ownership of our capital stock as of February 28, 2022, for:

- each of our named executive officers;
- each of our directors;
- all our current directors and executive officers as a group; and
- each person known by us to be the beneficial owner of more than 5% of the outstanding shares of our Class A or Class B common stock.

We have determined beneficial ownership in accordance with the rules of the SEC, and thus it represents sole or shared voting or investment power with respect to our 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 that they beneficially owned, subject to community property laws where applicable.

We have based our calculation of percentage ownership of our common stock on 23,301,626 shares of our Class A common stock and 1,965,170 shares of our Class B common stock outstanding on February 28, 2022. We have deemed shares of our capital stock subject to stock options that are currently exercisable or exercisable within 60 days of February 28, 2022 to be outstanding and to be beneficially owned by the person holding the stock option for the purpose of computing the percentage ownership of that person. We have deemed shares of our capital stock subject to restricted stock units for which the service condition has been satisfied or would be satisfied within 60 days of February 28, 2022 to be outstanding and to be beneficially owned by the person holding the restricted stock units for the purpose of computing the percentage ownership of that person. However, we did not deem these shares subject to stock options or restricted stock units outstanding for the purpose of computing the percentage ownership of any other person.

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Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o Bandwidth Inc., 900 Main Campus Drive, Suite 100, Raleigh, North Carolina 27606.

Name of Beneficial Owner	Shares Beneficially Owned					
	Class A		Class B		Voting%†	Ownership%
	Shares	%	Shares	%		
Named Executive Officers and Directors:						
David A. Morken ⁽¹⁾	19,868	*	1,149,875	58.5%	26.8%	4.6%
Daryl E. Raiford ⁽²⁾	11,406	*	—	*	*	*
R. Brandon Asbill ⁽³⁾	5,134	*	—	*	*	*
Rebecca Bottorff ⁽⁴⁾	11,739	*	—	*	*	*
Scott T. Mullen ⁽⁵⁾	89,291	*	—	*	*	*
Brian D. Bailey ⁽⁶⁾	15,498	*	—	*	*	*
John C. Murdock ⁽⁷⁾	129,809	*	—	*	*	*
Lukas M. Roush ⁽⁸⁾	3,931	*	—	*	*	*
Douglas A. Suriano ⁽⁹⁾	6,159	*	—	*	*	*
Jeffrey Hoffman ⁽¹⁰⁾	14,005	*	—	*	*	*
All executive officers and directors as a group (11 persons):	313,216	1.3%	1,149,875	58.5%	27.5%	5.8%
5% Stockholders:						
Henry R. Kaestner ⁽¹¹⁾	364,133	1.6%	806,902	41.1%	19.6%	4.6%
BlackRock, Inc. ⁽¹²⁾	2,555,339	10.9%	—	*	5.9%	10.1%
The Vanguard Group ⁽¹³⁾	2,371,941	10.1%	—	*	5.5%	9.3%
Capital Research Global Investors ⁽¹⁴⁾	2,324,883	10.0%	—	*	5.4%	9.2%
Wellington Management Group LLP and Related Entities ⁽¹⁵⁾	1,911,871	8.2%	—	*	4.5%	7.6%
The Bank of New York Mellon Corporation and Related Entities ⁽¹⁶⁾	2,816,537	12.1%	—	*	6.5%	11.1%

* Represents beneficial ownership of less than one percent (1%) of the outstanding shares.

† Percentage of total voting power represents voting power with respect to all shares of our Class A common stock and Class B common stock, as a single class. The holders of our Class A common stock are entitled to one vote per share, and holders of our Class B common stock are entitled to ten votes per share.

- (1) Consists of (i) 28,170 shares of Class B common stock held of record by Mr. Morken; (ii) 1,093,740 of shares of Class B common stock held of record by Mr. Morken, as manager of Hazel-Rah III, LLC; (iii) 27,965 of shares of Class B common stock held of record by Mr. Morken, as manager of Morken Capital Partners; (iv) 15,119 shares of Class A common stock held of record by Mr. Morken; and (v) 4,749 shares of Class A common issuable upon the settlement of RSUs releasable to Mr. Morken within 60 days following February 28, 2022.
- (2) Consists of (i) 9,760 shares of Class A common stock; and (ii) 1,646 shares of Class A common stock issuable upon the settlement of RSUs releasable to Mr. Raiford within 60 days following February 28, 2022.
- (3) Consists of (i) 3,948 shares of Class A common stock; and (ii) 1,186 shares of Class A common stock issuable upon the settlement of RSUs releasable to Mr. Asbill within 60 days following February 28, 2022.
- (4) Consists of (i) 10,572 shares of Class A common stock; and (ii) 1,167 shares of Class A common stock issuable upon the settlement of RSUs releasable to Ms. Bottorff within 60 days following February 28, 2022.
- (5) Consists of (i) 70,973 shares of Class A common stock; (ii) 17,188 shares of Class A common stock issuable from stock options, all of which are currently exercisable; and (iii) 1,130 shares of Class A common stock issuable upon the settlement of RSUs releasable to Mr. Mullen within 60 days following February 28, 2022.
- (6) Consists of (i) 1,517 shares of Class A common stock held by Carmichael Investment Partners, LLC; (ii) 908 shares of Class A common stock held by Carmichael Investment Partners II, LLC (“CIP II”); (iii) 608 shares of Class A common stock held by Carmichael Investment Partners III, LLC (“CIP III” and, together with CIP II, the “Carmichael Entities”); (iv) 11,869 shares of Class A common stock held of record by Mr. Bailey; and (v) 596

shares of Class A common stock issuable upon the settlement of RSUs releasable to Mr. Bailey within 60 days following February 28, 2022. Carmichael Bandwidth LLC is the managing member of each of the Carmichael Entities. The address for each of the Carmichael Entities and Carmichael Partners LLC is c/o Carmichael Investment Partners LLC, 4725 Piedmont Row Drive, Suite 210, Charlotte, NC 28210.

- (7) Consists of (i) 76,804 shares of Class A common stock held by the John Charles Murdock Revocable Trust U/A/D 8/15/13; (ii) 52,409 shares of Class A common stock held by the John C. Murdock Family Line Trust; and (iii) 596 shares of Class A common stock issuable upon the settlement of RSUs releasable to Mr. Murdock within 60 days following February 28, 2022.
- (8) Consists of (i) 3,335 shares of Class A common stock; and (ii) 596 shares of Class A common stock issuable upon the settlement of RSUs releasable to Mr. Roush within 60 days following February 28, 2022.
- (9) Consists of (i) 5,563 shares of Class A common stock; and (ii) 596 shares of Class A common stock issuable upon the settlement of RSUs releasable to Mr. Suriano within 60 days following February 28, 2022.
- (10) Based on representations of Jeffrey A. Hoffman.
- (11) Consists of (i) 20,000 shares of Class A common stock held of record by AMDG 1, LLC; (ii) 94,133 shares of Class A common stock held of record by AMDG 4, LLC, (iii) 250,000 shares of Class A common stock held of record by AMDG 7, LLC, and (iv) 806,902 shares of Class B common stock held of record by Mr. Kaestner. Based on information reported by Henry R. Kaestner on Schedule 13G filed with the SEC on February 11, 2022. Mr. Kaestner listed his address as 900 Main Campus Drive, Suite 500, Raleigh, NC 27606.
- (12) Based on information reported by BlackRock, Inc. (“**BlackRock**”) on Schedule 13G filed with the SEC on January 27, 2022. Of the shares of Class A common stock beneficially owned, BlackRock reported that it has sole dispositive power with respect to 2,555,339 shares and sole voting power with respect to 2,397,436 shares. BlackRock listed its address as 55 East 52nd Street, New York, NY 10055.
- (13) Based on information reported by The Vanguard Group (“**Vanguard**”) on Schedule 13G filed with the SEC on March 9, 2022. Of the shares of Class A common stock beneficially owned, Vanguard reported that it has sole dispositive power with respect to 2,308,661 shares, shared dispositive power with respect to 63,280 shares, and shared voting power with respect to 43,706 shares. Vanguard listed its address as 100 Vanguard Boulevard, Malvern, PA 19355.
- (14) Based on information reported by Capital Research Global Investors (“**Capital Research**”) on Schedule 13G filed with the SEC on March 10, 2022. Of the shares of Class A common stock beneficially owned, Capital Research reported that it has sole dispositive power with respect to 2,324,882 shares and sole voting power with respect to 2,324,882 shares. Capital Research listed its address as 333 South Hope Street, 55th Fl, Los Angeles, CA 90071.
- (15) Based on information reported by Wellington Management Group LLP, Wellington Group Holdings LLP, Wellington Investment Advisors Holdings LLP and Wellington Management Company LLP (collectively, the “**Wellington Entities**”) on Schedule 13G filed with the SEC on February 4, 2022. Of the shares of Class A common stock beneficially owned, each of Wellington Management Group LLP, Wellington Group Holdings LLP and Wellington Investment Advisors Holdings LLP reported that it has shared dispositive power with respect to 1,911,871 shares and shared voting power with respect to 1,654,975 shares; and Wellington Management Company LLP reported that it has shared dispositive power with respect to 1,855,977 shares and shared voting power with respect to 1,652,623 shares. The Wellington Entities listed their address as c/o Wellington Management Company LLP, 280 Congress Street, Boston, MA 02210.
- (16) Based on information reported by The Bank of New York Mellon Corporation, BNY Mellon IHC, LLC, MBC Investments Corporation, and BNY Mellon Investment Adviser, Inc. (collectively, the “**Bank of New York Entities**”) on Schedule 13G filed with the SEC on July 12, 2021. Of the shares of Class A common stock beneficially owned, The Bank of New York Mellon Corporation reported that it has sole dispositive power with respect to 314,270 shares, shared dispositive power with respect to 686,995 shares, shared voting power with respect to 973,189 shares, and shared dispositive power with respect to 225 shares; BNY Mellon IHC, LLC reported that it has sole dispositive power with respect to 222,184 shares, shared dispositive power with respect to 685,452 shares, and sole voting power with respect to 879,785 shares; and MBC Investments Corporation reported that it has sole dispositive power with respect to 222,184 shares, shared dispositive power with respect to 685,452 shares, and sole voting power with respect to 879,785 shares. The Bank of New York Entities listed their address as 240 Greenwich Street, New York, NY 10286.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In addition to the compensation arrangements, including employment, termination of employment and change in control arrangements, discussed in the section titled “Executive Compensation” the following is a description of each transaction since the beginning of our last fiscal year, and each currently proposed transaction in which:

- we have been or are to be a participant;
- the amount involved exceeded or exceeds \$120,000; and
- any of our directors, executive officers, or holders of more than 5% of our capital stock, or any immediate family member of, or person sharing the household with, any of these individuals, had or will have a direct or indirect material interest.

Transactions with Relay

On November 30, 2016, we completed a pro-rata distribution of the common stock of Relay, Inc. (“**Relay**”, formerly known as Republic Wireless, Inc.), to our stockholders of record as of the close of business (the “**Spin-Off**”).

Reorganization Agreement

In connection with the Spin-Off, we and Relay entered into a Reorganization Agreement (the “**Reorganization Agreement**”) to provide for, among other things, the principal corporate transactions (including the internal restructuring) required to effect the Spin-Off, certain conditions to the Spin-Off and provisions governing the relationship between us and Relay with respect to and resulting from the Spin-Off.

The Reorganization Agreement provides for mutual indemnification obligations, which are designed to make Relay financially responsible for substantially all of the liabilities that existed relating to the Relay business at the time of the Spin-Off together with certain other specified liabilities, as well as for all liabilities incurred by Relay after the Spin-Off, and to make us financially responsible for all potential liabilities of Relay which are not related to the Relay business, including, for example, any liabilities arising as a result of Relay having been a division of Bandwidth, together with certain other specified liabilities. These indemnification obligations exclude any matters relating to taxes, employee matters and other intercompany agreements. For a description of the allocation of tax-related obligations, please see “—Tax Sharing Agreement” below.

In addition, the Reorganization Agreement provided for each of Relay and us to preserve the confidentiality of all confidential or proprietary information of the other party for five years following the Spin-Off, subject to customary exceptions, including disclosures required by law, court order or government regulation.

Tax Sharing Agreement

We entered into a Tax Sharing Agreement with Relay that governs our and Relay’s respective rights, responsibilities and obligations with respect to taxes and tax benefits, the filing of tax returns, the control of audits and other tax matters. References in this summary (i) to the terms “tax” or “taxes” mean U.S. federal, state, local and foreign taxes as well as any interest, penalties, additions to tax or additional amounts in respect of such taxes and (ii) to the term “Tax-related losses” refer to losses arising from the failure of the Spin-Off and related restructuring transactions to be tax-free.

Under the Tax Sharing Agreement, except as described below, (i) we are allocated all taxes attributable to Bandwidth (excluding Relay) and all taxes attributable to Relay for a pre-Spin-Off period, that are reported on any consolidated, combined or unitary tax return, and (ii) each of Bandwidth and Relay is allocated all taxes attributable to it that are reported on any tax return (including any consolidated, combined or unitary tax return) that includes only itself or any of its respective affiliates and subsidiaries. Special rules apply, however, as follows:

- We are allocated any taxes and Tax-related losses that result from the Spin-Off and related restructuring transactions, except that Relay is allocated any such taxes or Tax-related losses that (i) result primarily from,

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individually or in the aggregate, a breach by Relay of any of its covenants relating to the Spin-Off and related restructuring transactions, or (ii) result from the application of Section 355(e) of the Code to the Spin-Off as a result of the treatment of the Spin-Off as part of a plan (or series of related transactions) pursuant to which one or more persons acquire, directly or indirectly, a 50% or greater interest in the stock of Relay; and

- We and Relay are each allocated 50% of any transfer taxes arising from the Spin-Off and related restructuring transactions.

We and Relay are restricted by certain covenants related to the Spin-Off and related restructuring transactions. These restrictive covenants require that neither we, Relay nor any member of our or their respective group take, or fail to take, any action if such action, or failure to act:

- would be inconsistent with or prohibit certain restructuring transactions related to the Spin-Off from qualifying for tax-free treatment for U.S. federal income tax purposes to us and our subsidiaries;
- would be inconsistent with or prohibit the Spin-Off from qualifying as a tax-free transaction under Section 355, Section 368(a)(1)(D) and related provisions of the Code to us, our subsidiaries and our stockholders; or
- would be inconsistent with, or otherwise cause any person to be in breach of, any representation, covenant, or material statement made in connection with the tax opinion delivered to us relating to the qualification of the Spin-Off as a tax-free transaction under Section 355, Section 368(a)(1)(D) and related provisions of the Code.

Further, each party is restricted from taking any position for tax purposes that is inconsistent with the tax opinion obtained in connection with the Spin-Off. The parties must indemnify each other for taxes and losses allocated to them under the Tax Sharing Agreement and for taxes and losses arising from a breach by them of their respective covenants and obligations under the Tax Sharing Agreement.

Facilities Sharing Agreement

In connection with the Spin-Off, we entered into a Facilities Sharing Agreement (the “**Facilities Sharing Agreement**”) with Relay pursuant to which Relay shares our office facilities located at 940 Main Campus Drive, Raleigh, North Carolina through May 2022. Relay pays a sharing fee for use of the office facilities based on the amounts paid by us to our landlord and sublandlord, respectively, and an estimate of the usage of the office facilities by or on behalf of Relay. On May 29, 2019, we amended the Facilities Sharing Agreement to reduce the square footage that we shared with Relay from 40,657 square feet to 17,073 square feet. For the twelve months ended December 31, 2021, Relay paid us approximately \$400,000 pursuant to the Facilities Sharing Agreement. The Facilities Sharing Agreement will continue in effect until May 2022, unless earlier terminated (1) by us upon written notice to Relay following a default by Relay of any of its material obligations under the Facilities Sharing Agreement, which default remains unremedied for 30 days after written notice of such default is provided, (2) by Relay upon written notice to us, following certain changes in control of us or our being the subject of certain bankruptcy or insolvency-related events or (3) by us upon written notice to Relay, following certain changes in control of Relay or Relay being the subject of certain bankruptcy or insolvency-related events.

Employee Matters Agreement

In connection with the Spin-Off, we entered into an Employee Matters Agreement (the “**Employee Matters Agreement**”) with Relay. The Employee Matters Agreement addresses customary matters associated with the transition of employees from employment with us to employment with Relay, including health, welfare and other similar benefits provided to such employees prior to and following the Spin-Off.

Master Services Agreement

In connection with the Spin-Off, we entered into a Master Services Agreement (the “**Master Services Agreement**”) with Relay pursuant to which, on a month-to-month basis, we provide Relay with certain telecommunications services. These telecommunications services include inbound calling, outbound calling, text messaging and 911 services. The Master

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Services Agreement, as well as the related service order forms, rate sheets, and terms and conditions each is consistent with the terms and conditions we make available to our other customers and prospective customers. We provide Relay with these telecommunications services at fair market value. For the twelve months ended December 31, 2021, Relay paid (or was obligated to pay) us \$1,800,000 pursuant to the Master Services Agreement. Relay can choose to terminate the Master Services Agreement at any time.

Services Agreement

On September 30, 2019, we entered into a Services Agreement (the “**Services Agreement**”) with Relay. Pursuant to the Services Agreement, Relay receives services performed by our legal department, effective September 30, 2019. We are compensated by Relay for these services based on costs incurred by us. For the twelve months ended December 31, 2021, Relay paid (or was obligated to pay) us less than \$100,000 pursuant to the Services Agreement. Relay can choose to terminate the Services Agreement at any time.

Investors’ Rights Agreement

We are party to an Investors’ Rights Agreement that provides, among other things, that certain holders of our capital stock have the right to demand that we file a registration statement or request that their shares of our capital stock be covered by a registration statement that we are otherwise filing. The parties to the Investors’ Rights Agreement include James Bowen individually and entities affiliated with James Bowen.

Other Transactions

Other than as described above under this section titled “Certain Relationships and Related Party Transactions,” since January 1, 2021, we have not entered into any transactions, nor are there any currently proposed transactions, between us and a related party where the amount involved exceeds, or would exceed, \$120,000, and in which any related person had or will have a direct or indirect material interest. We believe the terms of the transactions described above were comparable to terms we could have obtained in arm’s-length dealings with unrelated third parties.

Policies and Procedures for Related Party Transactions

Our audit committee has the primary responsibility for reviewing and approving or disapproving “related party transactions,” which are transactions between us and related persons in which the aggregate amount involved exceeds or may be expected to exceed \$120,000 and in which a related person has or will have a direct or indirect material interest. Our policy regarding transactions between us and related persons provides that a related person is defined as a director, executive officer, nominee for director or greater than 5% beneficial owner of our Class A and Class B common stock, in each case since the beginning of the most recently completed year, and any of their immediate family members. Our audit committee charter provides that our audit committee shall review and approve or disapprove any related party transactions.

OTHER MATTERS

Delinquent Section 16(a) Reports

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires that our executive officers and directors, and persons who own more than 10% of our common stock, file reports of ownership and changes of ownership with the SEC. Such directors, executive officers and 10% stockholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file.

SEC regulations require us to identify in this proxy statement anyone who filed a required report late during the most recent year. Based on our review of forms we received, or written representations from reporting persons stating that they were not required to file these forms, we believe that during 2021, all Section 16(a) filing requirements were satisfied on a timely basis, except for the following: Kade Ross filed a late Form 4 on October 21, 2021 and John Murdock filed a late Form 4 on January 4, 2022, in each case due to an administrative error.

2021 Annual Report and SEC Filings

Our financial statements for the year ended December 31, 2021 are included in our annual report on Form 10-K, which we will make available to stockholders at the same time as this proxy statement. **Our annual report and this proxy statement are posted on our website at <https://investors.bandwidth.com> and are available from the SEC at its website at www.sec.gov. You may also obtain a copy of our annual report without charge by sending a written request to Investor Relations, Bandwidth Inc., 900 Main Campus Drive, Suite 100, Raleigh, North Carolina 27606.**

* * *

The board of directors does not know of any other matters to be presented at the Annual Meeting. If any additional matters are properly presented at the Annual Meeting, the persons named in the enclosed proxy card will have discretion to vote shares they represent in accordance with their own judgment on such matters.

It is important that your shares be represented at the Annual Meeting, regardless of the number of shares that you hold. You are, therefore, urged to vote by using the Internet as instructed on the enclosed proxy card or execute and return, at your earliest convenience, the enclosed proxy card in the envelope that has also been provided.





THE BOARD OF DIRECTORS

**Raleigh, North Carolina
April 5, 2022**



P.O. BOX 8016, CARY, NC 27512-9903

YOUR VOTE IS IMPORTANT! PLEASE VOTE BY:

	INTERNET Go To: www.proxypush.com/BAND <ul style="list-style-type: none">• Cast your vote online• Have your Proxy Card ready• Follow the simple instructions to record your vote
	PHONE Call 1-866-416-3840 <ul style="list-style-type: none">• Use any touch-tone telephone• Have your Proxy Card ready• Follow the simple recorded instructions
	MAIL <ul style="list-style-type: none">• Mark, sign and date your Proxy Card• Fold and return your Proxy Card in the postage-paid envelope provided
	To attend the meeting virtually you must pre-register at www.proxydocs.com/BAND

Bandwidth Inc.

2022 Annual Meeting of Stockholders

For stockholders of record as of March 23, 2022

TIME: Thursday, May 19, 2022 9:30 AM, Eastern Time

PLACE: Virtually at www.proxydocs.com/BAND with pre-registration required, and at 900 Main Campus Drive, Suite 100, Raleigh, North Carolina 27606



This proxy is being solicited on behalf of the Board of Directors

The undersigned hereby appoints David A. Morken, Daryl E. Raiford and R. Brandon Asbill (the “**Named Proxies**”), and each or any of them, as the true and lawful attorneys of the undersigned, with full power of substitution and revocation, and authorizes them, and each of them, to vote all the shares of capital stock of Bandwidth Inc. which the undersigned is entitled to vote at said meeting and any adjournment thereof upon the matters specified and upon such other matters as may be properly brought before the meeting or any adjournment thereof, conferring authority upon such true and lawful attorneys to vote in their discretion on such other matters as may properly come before the meeting and revoking any proxy heretofore given.

THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, SHARES WILL BE VOTED IDENTICAL TO THE BOARD OF DIRECTORS RECOMMENDATION. This proxy, when properly executed, will be voted in the manner directed herein. In their discretion, the Named Proxies are authorized to vote upon such other matters that may properly come before the meeting or any adjournment or postponement thereof.

You are encouraged to specify your choice by marking the appropriate box (SEE REVERSE SIDE) but you need not mark any box if you wish to vote in accordance with the Board of Directors’ recommendation. The Named Proxies cannot vote your shares unless you sign (on the reverse side) and return this card.

PLEASE BE SURE TO SIGN AND DATE THIS PROXY CARD AND MARK ON THE REVERSE SIDE


Bandwidth Inc.

2022 Annual Meeting of Stockholders

Please make your marks like this:

THE BOARD OF DIRECTORS RECOMMENDS A VOTE:

FOR PROPOSALS 1, 2 AND 3

PROPOSAL	YOUR VOTE			BOARD OF DIRECTORS RECOMMENDS
1. Election of two Class II Directors to serve until the 2025 annual meeting of stockholders.				
1.01. John C. Murdock	FOR <input type="checkbox"/>		WITHHOLD <input type="checkbox"/>	 FOR
1.02 Douglas A. Suriano	<input type="checkbox"/>		<input type="checkbox"/>	FOR
2. Ratification of the appointment of Ernst & Young LLP as independent registered public accounting firm for the fiscal year ending December 31, 2022.	FOR <input type="checkbox"/>	AGAINST <input type="checkbox"/>	ABSTAIN <input type="checkbox"/>	FOR
3. Approval, on advisory basis, of named executive officer compensation in 2022.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	FOR

Check here if you would like to attend the meeting in person.

To attend the meeting virtually you must pre-register at www.proxydocs.com/BAND

Authorized Signatures - Must be completed for your instructions to be executed.

Please sign exactly as your name(s) appears on your account. If held in joint tenancy, all persons should sign. Trustees, administrators, etc., should include title and authority. Corporations should provide full name of corporation and title of authorized officer signing the Proxy/Vote Form.

Signature (and Title if applicable)

Date

Signature (if held jointly)

Date